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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 BUY BACK SHARES,  
GENERAL MANDATE TO ISSUE SHARES UNDER  
RESTRICTED SHARE UNIT SCHEME,  
ADJUSTMENT OF DIRECTORS' FEES,  
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, 17 May 2019 at the Grand Ballroom, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong is set out on pages 24 to 33 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.

*(In case of any discrepancy between the English version and Chinese version of this circular, the English version shall prevail.)*

12 April 2019

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## DEFINITIONS

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

“2019 AGM”	the annual general meeting of the Company to be held at 11:00 a.m. on Friday, 17 May 2019 or, where the context so admits, any adjournment thereof, notice of which is set out on pages 24 to 33 of this circular
“2019 AGM Notice”	the notice convening the 2019 AGM, which is set out on pages 24 to 33 of this circular
“Agency Share Purchase Plan”	the agency share purchase plan adopted by the Company on 23 February 2012, details of which are set out in the Annual Report 2018
“Annual Report 2018”	annual report (comprising, among others, the audited consolidated financial statements, the auditor’s report and the report of the Directors) of the Company for the thirteen-month period ended 31 December 2018
“Articles of Association”	articles of association of the Company, as amended from time to time
“Audit Committee”	audit committee of the Company established by the Board
“Board”	the board of Directors
“Buy-back Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 7(B) in the 2019 AGM Notice set out on pages 24 to 33 of this circular
“Companies Ordinance”	Companies Ordinance (Chapter 622 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 (stock code: 1299)
“Corporate Governance Code”	Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Group”	AIA Group Limited and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 7(A) in the 2019 AGM Notice set out on pages 24 to 33 of this circular
“Latest Practicable Date”	3 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“N/A”	not applicable
“Nomination Committee”	nomination committee of the Company established by the Board
“Remuneration Committee”	remuneration committee of the Company established by the Board
“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(s)”	restricted share unit award(s) granted to participant(s) 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 2019 AGM Notice set out on pages 24 to 33 of this circular

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## DEFINITIONS

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“SFO”	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 issued by the Securities and Futures Commission, as amended from time to time
“%”	per cent.

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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**

*Independent Non-executive Chairman and  
Independent Non-executive Director:*  
Mr. Edmund Sze-Wing Tse

*Executive Director:*  
Mr. Ng Keng Hooi

*Independent Non-executive Directors:*  
Mr. Jack Chak-Kwong So  
Mr. Chung-Kong Chow  
Mr. John Barrie Harrison  
Mr. George Yong-Boon Yeo  
Mr. Mohamed Azman Yahya  
Professor Lawrence Juen-Yee Lau  
Ms. Swee-Lian Teo  
Dr. Narongchai Akrasanee  
Mr. Cesar Velasquez Purisima

*Registered Office:*  
35/F, AIA Central  
No. 1 Connaught Road Central  
Hong Kong

12 April 2019

Dear Shareholders,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES  
AND BUY BACK SHARES,  
GENERAL MANDATE TO ISSUE SHARES UNDER  
RESTRICTED SHARE UNIT SCHEME,  
ADJUSTMENT OF DIRECTORS' FEES,  
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 the 2019 AGM Notice, including relevant information regarding the resolutions proposed for the Shareholders to consider and, if thought fit, approve (i) the receipt of the audited financial statements; (ii) the declaration of

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## LETTER FROM THE BOARD

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a special dividend; (iii) the declaration of a final dividend; (iv) the re-election of Directors; (v) the re-appointment of auditor and authorising the Board to fix its remuneration; (vi) the grant of the Issue Mandate and the Buy-back Mandate; (vii) the grant of the RSU Scheme Mandate; (viii) the adjustment of Directors' fees; and (ix) the amendments to the Articles of Association.

### **2. RECEIVING THE AUDITED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the thirteen-month period ended 31 December 2018 together with the Report of the Directors and the Independent Auditor's Report, are set out in the Annual Report 2018 which are available in English and Chinese under the "Investor Relations" section of the Company's website at [www.aia.com](http://www.aia.com). The consolidated financial statements were audited by the Company's external auditor, PricewaterhouseCoopers ("PwC"), and reviewed by the Audit Committee. The Independent Auditor's Report is set out on pages 129 to 135 of the Annual Report 2018.

### **3. DECLARATION OF A SPECIAL DIVIDEND AND A FINAL DIVIDEND**

The Board has recommended an increase in the payment of a final dividend by 14% to 84.80 Hong Kong cents per Share, consistent with the Company's established prudent, sustainable and progressive dividend policy. The Board has also recommended the payment of a special dividend of 9.50 Hong Kong cents per Share for the additional month in the accounting period due to the change of the Company's financial year-end date from 30 November 2018 to 31 December 2018. The dividends reflect the strength of the Group's financial results and the Board's continued confidence in the future prospects of the Group. The recommended dividends are subject to Shareholders' approval at the 2019 AGM.

### **4. RE-ELECTION OF DIRECTORS**

Ms. Swee-Lian Teo, Dr. Narongchai Akrasanee and Mr. George Yong-Boon Yeo shall retire from office by rotation at the 2019 AGM pursuant to Article 100 of the Articles of Association and, being eligible, will offer themselves for re-election at the 2019 AGM.

Ms. Teo has been an Independent Non-executive Director since August 2015. As an Independent Non-executive Director, Ms. Teo brings a deep and diverse commercial and regulatory background to her role, including her extensive financial, government, regulatory and policy experience in banking, insurance, capital markets, audit, corporate governance and risk management. This experience coupled with her knowledge of financial markets and understanding of the Group's operations and business, has enabled her to contribute meaningfully and objectively to the Company as a Director. With her wealth of skills, knowledge and experience, the Nomination Committee and the Board are of the view that Ms. Teo contributes to the quality of the Board. Her contribution to the Company is also demonstrated while serving as a member of the Nomination Committee and the Risk Committee since 2015. She continues to demonstrate strong independence and a firm commitment to her role and brings valuable experience to the Board in support of promoting the best interests of the Company and the Shareholders. In addition, Ms. Teo has no financial or family relationships with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

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## LETTER FROM THE BOARD

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Dr. Narongchai has been an Independent Non-executive Director since January 2016 and previously during the period from November 2012 to August 2014. As an Independent Non-executive Director, Dr. Narongchai likewise brings a deep and diverse commercial background to his role, including his extensive international experience in energy, commerce, banking and insurance. He has developed an in-depth understanding of the Group's operations and business, all of which has enabled him to contribute meaningfully and objectively to the Company as a Director. With his wealth of skills, knowledge and experience, the Nomination Committee and the Board are of the view that Dr. Narongchai contributes to the diversity of the Board. His contribution to the Company is also demonstrated while serving as a member of the Audit Committee and the Nomination Committee since 2016. Dr. Narongchai continues to demonstrate strong independence and a firm commitment to his role and brings valuable experience to the Board in support of promoting the best interests of the Company and the Shareholders. In addition, Dr. Narongchai has no financial or family relationships with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

Mr. Yeo has been an Independent Non-executive Director since November 2012. As an Independent Non-executive Director, Mr. Yeo likewise brings a deep and diverse commercial background to his role, including his extensive international experience in international advisory, foreign affairs and finance. He has developed an in-depth understanding of the Group's operations and business, all of which has enabled him to contribute meaningfully and objectively to the Company as a Director. With his wealth of skills, knowledge and experience, the Nomination Committee and the Board are of the view that Mr. Yeo contributes to the diversity of the Board. His contribution to the Company is also demonstrated while serving as a member of the Audit Committee and the Nomination Committee since 2012, as well as a member of the Remuneration Committee since 2014. Notwithstanding that Mr. Yeo has served the Board for more than six years, he continues to demonstrate strong independence and a firm commitment to his role and brings valuable experience to the Board in support of promoting the best interests of the Company and the Shareholders. In addition, Mr. Yeo has no financial or family relationships with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

The Company received the annual confirmation of independence from Ms. Teo, Dr. Narongchai and Mr. Yeo. Based on the above, the Nomination Committee has assessed their independence and formed the view that each of Ms. Teo, Dr. Narongchai and Mr. Yeo continues to be independent in character and judgement, and that each of them has met the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent.

In view of the above, and based on the recommendation from the Nomination Committee, the Board also considers that the re-election of each of Ms. Teo, Dr. Narongchai and Mr. Yeo is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommended Ms. Teo, Dr. Narongchai and Mr. Yeo to stand for re-election as Independent Non-executive Directors at the 2019 AGM.

Biographical details of the Directors standing for re-election at the 2019 AGM are set out in Appendix I to this circular.



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## LETTER FROM THE BOARD

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### **5. RE-APPOINTMENT OF AUDITOR AND AUTHORISING THE BOARD TO FIX ITS REMUNERATION**

For the thirteen-month period ended 31 December 2018, the remuneration payable by the Group to PwC was approximately US\$23,000,000 (for the twelve-month period ended 30 November 2017: US\$20,000,000), of which approximately US\$16,700,000 (for the twelve-month period ended 30 November 2017: US\$16,000,000) was for audit services.

In addition to approving the remuneration of PwC, the Audit Committee also reviewed its work, and was satisfied with its independence, objectivity, and the effectiveness of the audit process. The Audit Committee recommended to the Board to re-appoint PwC as external auditor. PwC has expressed its willingness to continue in office and the Board recommended it to be re-appointed.

### **6. ISSUE MANDATE AND BUY-BACK MANDATE**

Pursuant to the ordinary resolution passed by the Shareholders at the last annual general meeting of the Company held on 18 May 2018, general mandates were given to the Directors to issue new Shares and to buy back existing Shares. Such general mandates will lapse at the conclusion of the 2019 AGM. Accordingly, the Company seeks Shareholders' approval to renew this authority, subject to the restrictions described in ordinary resolutions numbered 7(A) and 7(B), which are summarised herein below.

The Issue Mandate is limited to 10% of the number of Shares in issue as at the date of the passing of the relevant resolution. This is significantly lower than the permissible size of 20% under the Listing Rules. For clarity, Shares bought back through any exercise of the Buy-back 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 Issue Mandate (other than on the vesting of awards under the Agency Share Purchase Plan, the terms of which are summarised in the Annual Report 2018) will only be issued subject to a maximum discount of 10% to the "benchmark 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 benchmark price for any issue of shares in a placement for cash pursuant to a general mandate.

The Issue Mandate is necessary to give the Directors some flexibility to allot Shares where they believe it is in the best interests of the 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 Buy-back Mandate, if approved at the 2019 AGM, will continue to be in force until the conclusion of the next annual general meeting of the Company or the expiry of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of 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 2019 AGM Notice. An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on the proposed resolution for the granting of the Buy-back Mandate is set out in Appendix II to this circular.

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

The RSU Scheme was adopted by the Company on 28 September 2010 (as amended). 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 of the Company held on 18 May 2018, a scheme mandate was given to the Directors for the RSU Scheme of 301,100,000 new Shares, representing 2.5% of the number of Shares in issue as at the date of the listing of the Shares on the Hong Kong Stock Exchange. Such scheme mandate will lapse at the conclusion of the 2019 AGM. The Company therefore seeks Shareholders' approval to renew this authority, subject to the restrictions described in ordinary resolution numbered 7(C).

During the period from the last annual general meeting of the Company held on 18 May 2018 up to the Latest Practicable Date, 10,475,764 RSU Awards were granted, 2,433,493 RSU Awards were lapsed and 13,621,907 RSU Awards were vested in accordance with the rules of the RSU Scheme.

The RSU Scheme Mandate to be sought at the 2019 AGM will give the Directors a mandate to allot, issue, procure the transfer of and otherwise deal with the Shares underlying any RSU Awards granted under the RSU Scheme, subject to a maximum amount of 301,100,000 Shares, being 2.5% of the number of Shares in issue as at the date of the listing of the Shares on the Hong Kong Stock Exchange.

Since the adoption of the RSU Scheme and up to the Latest Practicable Date, no Shares have been issued under the RSU Scheme. Accordingly, the maximum number of Shares which can be issued under the RSU Scheme Mandate during the Relevant Period (as defined below) will remain to be 301,100,000 Shares.

An application will be made by the Company to 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) before issuance of any new Shares pursuant to the RSU Scheme.

Under the RSU Scheme, the Company may elect to settle the RSU Awards in Shares or in cash. If the Company elects to settle the RSU Awards in Shares, the costs 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

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## LETTER FROM THE BOARD

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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.

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

**(1) Purposes of the RSU Scheme**

The primary purpose of the RSU Scheme is to align the participants' interests with those of the Company and its shareholders through encouraging participants' ownership of Shares. Share ownership on the part of participants creates greater focus on long-term value creation and serves as a tool to retain individuals whose continuing participation is deemed important to the sustained success of the Company.

**(2) RSU Awards**

A RSU Award gives a participant in the RSU Scheme ("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) 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 is 10 years commencing from the date of adoption on 28 September 2010 (the "RSU Scheme Period"), 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.

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## LETTER FROM THE BOARD

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### (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 or number of 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 (the “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 approval from any applicable regulatory authorities has not been granted;
- (ii) the securities laws, rules 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 such price sensitive information has been duly published in accordance with the Listing Rules; or

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## LETTER FROM THE BOARD

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- (v) within the period commencing one month immediately preceding the earlier of:
  - (A) 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
  - (B) 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 (as defined in the Listing Rules), all 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.

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## LETTER FROM THE BOARD

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### (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 and, 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 (“RSU Scheme Limit”).

#### (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 (“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 at 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 such New Approval Date.

#### (c) *Annual Mandate*

To the extent that the Company may, during the Relevant Period (as 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:

- (i) the maximum number of new Shares that may underlie RSU Awards granted pursuant to the RSU Scheme during the Relevant Period; and
- (ii) that the Board has the power to allot and issue Shares, procure the transfer of Shares, and otherwise deal with the 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.

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## LETTER FROM THE BOARD

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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 end of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
- (C) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting,

(the “Relevant Period”).

### **(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 his/her RSU Award, nor does he/she have any rights to any cash and 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 rank *pari passu* with the fully paid Shares in issue on the relevant date. Once transferred, the Shares will entitle the holders to participate in all dividends or 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 interests or benefits therein.

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## LETTER FROM THE BOARD

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### (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 period between the date of the acceptance of the RSU Awards and the date on which the RSU Awards vest 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 and 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.

#### (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, but may not exercise voting rights in respect of such Shares being held by it. 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 new 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 the 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 number of Shares underlying the RSU Award to the RSU Participant (and, if applicable, the 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) which either the Trustee has acquired by making on-market purchases of Shares or 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.



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## LETTER FROM THE BOARD

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If a RSU Participant fails to execute all documents that the Board considers necessary for the vesting, 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 the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved, 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.

***(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 relevant resolution bears to (B) the entire vesting period set out in the RSU Grant Letter. No Shares will be transferred, and no cash will be paid, to the RSU Participant, but the RSU Participant will be entitled to receive out of the assets available in the liquidation pari passu with the Shareholders such sum as would have been received in respect of the RSU Award.

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## LETTER FROM THE BOARD

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### (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 by reason of (A) death, (B) disability, (C) redundancy, (D) where the company employing the RSU Participant ceases to be one of the Company's subsidiaries, or (E) retirement; 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.

#### *(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 company with which the RSU Participant is employed ceases to be one of the Company's subsidiaries; or
- (iii) the RSU Participant's employment or service is terminated because of the RSU Participant's retirement,

provided that, (A) for any event stated in (i) and (ii) above, where it is not known at the time of vesting to what extent any performance criteria set out in the RSU 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 RSU Grant Letter, if a target level is so referred to; and (B) for the event stated in (iii) above, the lapse of the RSU Award will also be based on fulfilment of the vesting criteria and conditions (including any performance criteria) set out in the RSU Grant Letter.

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## LETTER FROM THE BOARD

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### **(12) Cancellation of RSU Awards**

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

- (a) the Company or its subsidiary pays 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;
- (b) 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
- (c) the Board makes any arrangement as the RSU Participant may agree in order to compensate him/her for the cancellation of the RSU Award.

### **(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, at 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 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.

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## LETTER FROM THE BOARD

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### **(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 thereafter. In the event of termination, 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 upon trust for the RSU Participants (including without limitation, 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 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 any benefits under it.

Each RSU Participant waives any right to contest the value and number of Shares or equivalent value of cash underlying the RSU Award and the administration of the RSU Scheme.

### **(17) Clawback**

If, following the vesting of a RSU Award, the Board determines that the terms and conditions set out in the rules of the RSU Scheme and 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 and/or 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.

\* *The committee of the Board here refers to the Remuneration Committee which comprises Independent Non-executive Directors only.*

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## LETTER FROM THE BOARD

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### 8. ADJUSTMENT OF DIRECTORS' FEES

The existing Article 91(a) of the Articles of Association provides that the fees payable to the Directors for their services as Directors shall not in aggregate exceed an annual sum of US\$1,700,000 (the “Annual Fee Cap”) or such larger amount as the Company may by ordinary resolution determine. It was noted that the Annual Fee Cap set out in existing Article 91(a) has not been adjusted since the listing of the Shares on the Hong Kong Stock Exchange in 2010. Due to the continuing expansion of the Company’s business in the Asia-Pacific region, the size of the Board has over the years increased from 8 members at the time of listing of the Shares in 2010 to 11 members as of today.

The Remuneration Committee has the delegated authority to make recommendations to the Board on the remuneration of the Directors. It reviews fee levels for Board members from time to time to ensure fees are competitive and that they reflect the scope and accountabilities associated with an appointment to the Board and the respective Board committees.

During 2018, the Remuneration Committee engaged a professional consultant firm specialising in performance and rewards to conduct an independent review of the Directors’ fees. The consultant conducted a detailed analysis of market practices and advised on the fee adjustments required to ensure the Directors’ remuneration remains competitive and appropriate. The analysis included a benchmarking exercise covering a number of international insurance companies that are comparable to the Company in terms of size, coverage and lines of business, as well as large Hong Kong listed companies whose shareholdings are broadly held. Having reviewed the market information and recommendation made by the consultant firm, the Remuneration Committee recommended, and the Board endorsed, an inflationary adjustment of the Board membership fee, raising the annual Board membership fee for each non-executive Director from US\$160,000 to US\$168,000, effective 1 January 2019.

In view of the latest fee adjustment, the annual aggregate Directors’ fees payable by the Company is approaching the Annual Fee Cap and the Board is therefore proposing an increase of the Annual Fee Cap from US\$1,700,000 to US\$2,500,000 by way of an ordinary resolution as permitted under the existing Article 91(a). The Board believes that this new Annual Fee Cap will allow sufficient flexibility for the time being to accommodate any additions to the Board together with any adjustments in fees required to ensure that Board compensation remains competitive and appropriate.

In this connection, the Board has also proposed amendments to the existing Article 91(a). The proposed amendments to the existing Article 91(a) and to certain Articles of the Articles of Association are set out and explained further in the next section.

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## LETTER FROM THE BOARD

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### **9. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Subject to the passing of ordinary resolution numbered 8 at the 2019 AGM, the Board proposes to amend existing Article 5(a), Article 57, Article 62, Article 69, Article 91(a), Article 100, Article 104, Article 106, Article 111(b), Article 125 and Article 139(d) of the Articles of Association and add new Article 68A and Article 69A therein. Details of the proposed amendments are set out in Appendix III to this circular. The proposed special resolution for approving such amendments and additions is set out in full as special resolution numbered 9 in the 2019 AGM Notice.

The reasons for proposing the amendments to the existing Articles and the additions of the new Articles are set out below:

#### **(1) Article 62**

The proposed amendments will incorporate the requirements under the Companies Ordinance to give notices of general meetings to members, Directors and auditors of the Company.

#### **(2) New Article 68A**

The proposed new Article 68A will clarify the power of the chairman of a general meeting of the Company to take all necessary actions to maintain the order of the general meeting.

#### **(3) New Article 69A**

The proposed new Article 69A will clarify the meeting procedures in that no amendment shall be proposed to a special resolution (save for correction of a patent error) at a general meeting of the Company, and set out the procedures of how a Shareholder can put forward any proposed amendment to an ordinary resolution at the general meeting.

#### **(4) Article 91(a)**

As set out in the section above, an ordinary resolution will be proposed at the 2019 AGM to adjust the Annual Fee Cap as permitted under the existing Article 91(a). The proposed amendment to the existing Article 91(a) to remove the Annual Fee Cap will help to tidy up the Article without leaving in it an outdated limit. The proposed amendment will not affect the Shareholders' right to consider and approve the annual limit to the Directors' fees, as any adjustment to the Annual Fee Cap will be subject to approval by ordinary resolution of the Shareholders at a general meeting of the Company, as contemplated under the existing Article 91(a).

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## LETTER FROM THE BOARD

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### **(5) Article 100**

According to existing Article 100, 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 shall retire from office by rotation at each annual general meeting of the Company. In addition, when determining the number of Directors to retire at each annual general meeting of the Company, the Company is also required to comply with code provision A.4.1 of the Corporate Governance Code such that no Director shall hold office for more than three years. Complying with such code provision will usually require a higher number of Directors to retire at the annual general meeting, contrary to the operation of the existing Article 100. Accordingly, the Board proposed amendments to existing Article 100 to add the necessary flexibility to this Article such that higher number of Directors in excess of the one-third requirement in existing Article 100 can also retire at the annual general meeting for the purpose of complying with the Listing Rules or other codes, rules and regulations applicable to the Company from time to time. Moreover, the proposed amendments will also streamline the rotation process such that among Directors who became or were last re-elected Directors on the same day, the order of rotation shall be determined by lot.

### **(6) Article 125**

The proposed amendments will remove the inconsistency with Article 92 under which the Directors are empowered to determine the fees for the Board committee members.

### **(7) Other Miscellaneous Amendments**

The proposed amendments to existing Article 5(a), Article 57, Article 69, Article 104, Article 106, Article 111(b) and Article 139(d) are house-keeping in nature which will make textual amendments to those Articles.

The proposed special resolution in relation to the amendments to the Articles of Association is set out in full as special resolution numbered 9 in the 2019 AGM Notice.

Our legal advisers have confirmed that the proposed amendments conform with the requirements of the Listing Rules and the laws of Hong Kong. The Company also confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

The Articles of Association are currently published on the websites of both the Company and the Hong Kong Stock Exchange. Upon obtaining the requisite approval from Shareholders at the 2019 AGM, the revised Articles of Association will be made available on the aforesaid two websites.

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## LETTER FROM THE BOARD

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### 10. 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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 11. ANNUAL GENERAL MEETING

The 2019 AGM Notice is set out on pages 24 to 33. At the 2019 AGM, relevant resolutions will be proposed to approve the receipt of the audited financial statements, the declaration of a special dividend, the declaration of a final dividend, the re-election of Directors, the re-appointment of auditor and authorising the Board to fix its remuneration, the grant of the Issue Mandate, the Buy-back Mandate and the RSU Scheme Mandate, the adjustment of Directors' fees, and the amendments to the Articles of Association.

As a registered Shareholder, you are entitled to attend and vote at the 2019 AGM in person. Whether or not you intend to attend the 2019 AGM or any adjournment thereof, please complete the enclosed 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 2019 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. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2019 AGM or any adjournment thereof should you so wish. In the event that a Shareholder who has lodged a proxy form attends the 2019 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 or a nominee), you may give instructions to your intermediary or nominee to vote on your behalf or appoint you as a representative to attend and vote at the 2019 AGM.

### 12. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the chairman of the 2019 AGM will exercise his right to demand a poll pursuant to Article 70 of the Articles of Association on each of the resolutions to be proposed at the 2019 AGM except where the chairman of the 2019 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.



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## LETTER FROM THE BOARD

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After closure of the 2019 AGM, the poll results will be published on the websites of both the Hong Kong Stock Exchange and the Company.

### 13. RECOMMENDATION

The Directors consider that the receipt of the audited financial statements, the declaration of a special dividend, the declaration of a final dividend, the re-election of Directors, the re-appointment of auditor and authorising the Board to fix its remuneration, the grant of the Issue Mandate, the Buy-back Mandate and the RSU Scheme Mandate, the adjustment of Directors' fees, and the amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all the resolutions to be proposed at the 2019 AGM.

No Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the 2019 AGM.

Yours faithfully,  
On behalf of the Board  
**Edmund Sze-Wing Tse**  
*Independent 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 the Grand Ballroom, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 17 May 2019 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 thirteen-month period ended 31 December 2018.
2. (A) To declare a special dividend of 9.50 Hong Kong cents per share for the thirteen-month period ended 31 December 2018.  
  
(B) To declare a final dividend of 84.80 Hong Kong cents per share for the thirteen-month period ended 31 December 2018.
3. To re-elect Ms. Swee-Lian Teo as Independent Non-executive Director of the Company.
4. To re-elect Dr. Narongchai Akrasanee as Independent Non-executive Director of the Company.
5. To re-elect Mr. George Yong-Boon Yeo as Independent Non-executive Director of the Company.
6. To re-appoint PricewaterhouseCoopers as auditor of the Company 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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7. To consider and, if thought fit, pass with or without modification, 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 Hong Kong Limited, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) 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 to convert any security into, shares of 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 defined below), 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 grant or vesting of any restricted share unit awards pursuant to the restricted share unit scheme adopted by the Company on 28 September 2010, as amended, 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 number of issued shares of the Company as at the date of the passing of this resolution (as such number of shares may be adjusted in the event of any consolidation or subdivision of shares of the Company after the date of this resolution), and the said

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## NOTICE OF ANNUAL GENERAL MEETING

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approval shall be limited accordingly, and any refreshments of the approval in sub-paragraph (a) of this resolution before the next annual general meeting of the Company are subject to prior approval of the shareholders of the Company at its general meeting;

- (d) any shares in the Company to be allotted, issued or dealt with (whether wholly or partly for cash or otherwise) 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, save for issue of securities convertible into new shares of the Company for cash consideration pursuant to the approval in sub-paragraph (a) of this resolution, where the initial conversion price shall not be lower than the Benchmarked Price of the shares of the Company at the time of the placing; and
- (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 Stock Exchange of Hong Kong Limited (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 of the shares in the Company as quoted on the Hong Kong Stock Exchange 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 expiry 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 laws to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 of the Company or an offer or issue of warrants or options or similar instruments to subscribe for, or of securities convertible into, shares 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 of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions 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, any recognised regulatory body or any stock exchange applicable to the Company).”

(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 (as defined below) of all the powers of the Company to buy back shares of the Company on the Hong Kong Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is 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 shares in the Company which may be bought back pursuant to the approval in sub-paragraph (a) of this resolution shall not exceed 10 per cent of the number of shares in the Company in issue as at the date of the passing of this resolution (as such number of shares may be adjusted in the event of any consolidation or subdivision of shares of the Company after the date of this resolution), and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 expiry 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 laws 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;
- (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 301,100,000 shares of the Company, being 2.5 per cent of the number of shares of the Company in issue as at the date of the listing of the Company’s shares on the Hong Kong Stock Exchange; 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 end 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 laws to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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.”
8. “**THAT** the limit of the annual sum of the aggregate fees payable to the Directors for their services as Directors be adjusted to US\$2,500,000 pursuant to the existing Article 91(a) of the Articles of Association of the Company.”

### SPECIAL RESOLUTION

9. Subject to the passing of ordinary resolution numbered 8 at this annual general meeting, to consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** the Articles of Association of the Company be and are hereby amended as follows:

- (a) by inserting the words “and **shareholders**” immediately before the words “means the members of the Company” under the definition of **members** in the existing Article 5(a);
- (b) by replacing the word “or” with the word “of” immediately after the words “attached to any class” in the first sentence of the existing Article 57;
- (c) by inserting the following sentence immediately after the end of the third sentence of the existing Article 62:

“The notice shall be given to all the members, the Directors and the Auditors.”;

- (d) by inserting the following article as new Article 68A immediately after Article 68:

“68A. The chairman of a general meeting shall have all the usual powers of a chairman of a similar meeting under law, and the power to make any arrangement and impose any requirement or restriction he considers necessary or appropriate to ensure the security and orderly conduct of the general meeting including, without limitation, adjourning the meeting without the consent of the members.”;

- (e) by deleting the word “The” at the beginning of the first sentence of the existing Article 69 and substituting it with the following phrase:

“Without limiting the generality of the powers of the chairman of a general meeting under law or in Article 68A, the”;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (f) by inserting the following article as new Article 69A immediately after Article 69:

“69A. At a general meeting,

- (a) in the case of a resolution duly proposed as a special resolution, no amendment (other than an amendment to correct a patent error) can be proposed thereto and voted upon.
- (b) in the case of a resolution duly proposed as an ordinary resolution, an amendment (other than an amendment to correct a patent error) which is within the scope of the resolution can be proposed only if:
  - (i) notice in writing of the proposed amendment and intention to move the same is lodged at the Office at least 48 hours prior to the time appointed for holding the meeting, or adjourned meeting at which such ordinary resolution is to be proposed; or
  - (ii) the chairman of the meeting in his absolute discretion decides that the amendment may otherwise be considered or voted upon.

If the chairman of the meeting rules that a proposed amendment to any resolution under consideration shall (or, as the case may be, shall not) be considered or voted upon pursuant to this Article, his determination shall be final, and the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.”;

- (g) by deleting the words “the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of US\$1,700,000 or such larger amount as the Company may by ordinary resolution determine) and such aggregate” immediately after the words “(if any) as” and substituting them with the words “the Company in general meeting may determine from time to time and such” in the first sentence of the existing Article 91(a);



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## NOTICE OF ANNUAL GENERAL MEETING

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- (h) by deleting existing Article 100 in its entirety and substituting it with the following:

“100. 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 104 and to such other manner of rotation (if any) as may be required by the Listing Rules or other codes, rules and regulations as may be applicable to the Company from time to time, or such higher number of Directors to be determined by the Board), shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their appointment or last election. As between persons who became or were last re-elected Directors on the same day, the Directors to retire shall, unless otherwise agreed amongst themselves, be determined by lot. 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 or a person recommended by the Board, shall 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 despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to 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.”;

- (i) by inserting the following sentence to the end of the existing Article 104:

“Any Directors so appointed by the Board during the year pursuant to this Article and retire at the next following annual general meeting of the Company shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.”;

- (j) by deleting the words “No person other than a retiring Director shall, unless recommended by the Board for re-election,” and substituting them with the words “No person, other than a Director retiring at the meeting or a person recommended by the Board, shall” at the beginning of the existing Article 106;
- (k) by inserting the words “or indemnity” immediately after the words “any security” in existing Article 111(b);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (l) by deleting the last sentence of existing Article 125 in its entirety and substituting it with the following:

“All acts done by any such committee in conformity with such regulations or Listing Rules and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power to remunerate the members of any committee in accordance with Article 92, and charge such remuneration to the current expenses of the Company.”; and

- (m) by deleting the word “shares” and substituting it with the word “members” immediately after the words “without offering any right to” in the existing Article 139(d).”

By Order of the Board  
**Mitchell David New**  
*Group General Counsel and  
Company Secretary*

Hong Kong, 12 April 2019

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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, 14 May 2019 to Friday, 17 May 2019 (both days inclusive) during which period no transfer of share(s) will be registered. To be eligible to attend and vote at the 2019 annual general meeting of the Company (“2019 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 no later than 4:30 p.m. on Friday, 10 May 2019.

In order to qualify for the entitlements of the special dividend and the final dividend to be approved at the 2019 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, 22 May 2019, being the record date for determining the entitlements to the special dividend and the final dividend for the thirteen-month period ended 31 December 2018.

2. A shareholder of the Company entitled to attend and vote at the 2019 AGM 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 or authority, must be deposited at the Company’s share registrar, 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 2019 AGM 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 2019 AGM or any adjourned meeting should he/she so wish.
4. Where there are joint registered holders of any shares, any one of such persons may vote at the 2019 AGM or any adjourned meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
5. Shareholders of the Company having any queries relating to the 2019 AGM may call the hotline of the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at (852) 2862 8555 during business hours from 9:00 a.m. to 6:00 p.m. (Hong Kong time) Mondays to Fridays, excluding public holidays.

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

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

Mr. Edmund Sze-Wing Tse

*Executive Director:*

Mr. Ng Keng Hooi

*Independent Non-executive Directors:*

Mr. Jack Chak-Kwong So, Mr. Chung-Kong Chow, Mr. John Barrie Harrison, Mr. George Yong-Boon Yeo, Mr. Mohamed Azman Yahya, Professor Lawrence Juen-Yee Lau, Ms. Swee-Lian Teo, Dr. Narongchai Akrasanee and Mr. Cesar Velasquez Purisima

*Details of the retiring Directors proposed to be re-elected at the 2019 AGM are set out as follows:*

**1. Ms. Swee-Lian Teo, Independent Non-executive Director**

Aged 59, is an Independent Non-executive Director of the Company, having been appointed on 14 August 2015. She is also a member of the Nomination Committee and the Risk Committee of the Company. Ms. Teo currently serves as a non-executive and independent director and a member of the corporate governance and nominations committee and executive resource and compensation committee and chairs the risk committee of Singapore Telecommunications Limited (listed on the Singapore Exchange). She is also a non-executive director and chairs the audit and risk committee of Avanda Investment Management Pte Ltd., a Singapore-based fund management company. Ms. Teo is a member of the board of directors of the Dubai Financial Services Authority and a director of Clifford Capital Pte. Ltd. Ms. Teo has over 27 years of experience with Monetary Authority of Singapore (MAS). During her time at the MAS, she worked in foreign reserves management, financial sector development, strategic planning and financial supervision. She was the Deputy Managing Director in charge of Financial Supervision, overseeing the regulation and supervision of the banking, insurance and capital markets industries and macroeconomic surveillance, and also represented the MAS on various international fora, including the Basel Committee on Banking Supervision, and on various committees and working groups of the Financial Stability Board. She retired from the MAS as Special Advisor in the Managing Director's office in June 2015. In addition to the MAS, Ms. Teo also served on the board of the Civil Aviation Authority of Singapore from 2002 to 2010. Ms. Teo received her B.Sc. (First) in Mathematics from the Imperial College of Science and Technology, University of London in 1981 and her M.Sc. in Applied Statistics from the University of Oxford in 1982. She was also awarded the Public Administration Medal (Gold) (Bar) at the Singapore National Day Awards in 2012.

Ms. Teo's appointment is for a term of approximately three years from the 2019 AGM, subject to the directors' retirement and re-election requirements under the Articles of Association and the Corporate Governance Code.

As at the Latest Practicable Date, Ms. Teo does not hold any Shares within the meaning of Part XV of the SFO.

Details of Ms. Teo's remuneration are set out in the Remuneration Report and note 40 to the financial statements in the Annual Report 2018.

Save as disclosed above, Ms. Teo has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Ms. Teo does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no information about Ms. Teo that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**2. Dr. Narongchai Akrasanee, Independent Non-executive Director**

Aged 73, is an Independent Non-executive Director of the Company, having been appointed on 15 January 2016. He is also a member of the Audit Committee and the Nomination Committee of the Company and the Chairman of advisory board of AIA Thailand. Dr. Narongchai was previously an Independent Non-executive Director of the Company from 21 November 2012 to 31 August 2014. He is the former Minister of Energy and Minister of Commerce for the Kingdom of Thailand, and served as a Senator. Dr. Narongchai served as Chairman of the Export-Import Bank of Thailand from December 2005 to June 2010, a Director of the Office of the Insurance Commission of Thailand from October 2007 to August 2012, a Director of the National Economic and Social Development Board for the period from July 2009 to July 2013 and a member of the Monetary Policy Committee of the Bank of Thailand from November 2011 to September 2014. He is currently the Chairman of the Steering Committee and Vice-Chairman of the Council of Mekong Institute, the Chairman of the Thailand National Committee for the Pacific Economic Cooperation Council and the Chairman of the Khon Kaen University Council in Thailand. Dr. Narongchai also acts as the Chairman and an independent director of three entities listed on the Stock Exchange of Thailand, namely MFC Asset Management Public Company Limited, Ananda Development Public Company Limited and Thai-German Products Public Company Limited. He is the 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 is also the Chairman of the Seranee Group of companies. He previously served as an independent director of each of Malee Sampran Public Company Limited and ABICO Holdings Public Company Limited and as the Vice-Chairman and an independent director of Thai-German Products Public Company Limited, all of which are listed on the Stock Exchange of Thailand. Dr. Narongchai received his Bachelor's degree in Economics with Honours from the University of Western Australia and a M.A. and Ph.D. in Economics from Johns Hopkins University.

Dr. Narongchai's appointment is for a term of approximately three years from the 2019 AGM, subject to the directors' retirement and re-election requirements under the Articles of Association and the Corporate Governance Code.

As at the Latest Practicable Date, Dr. Narongchai does not hold any Shares within the meaning of Part XV of the SFO.

Details of Dr. Narongchai's remuneration are set out in the Remuneration Report and note 40 to the financial statements in the Annual Report 2018.

Save as disclosed above, Dr. Narongchai has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Dr. Narongchai does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

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

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

Aged 64, is an Independent Non-executive Director of the Company, having been appointed on 2 November 2012. He is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Mr. Yeo is the Chairman of Kerry Logistics Network Limited (listed on the Hong Kong Stock Exchange) and a director of Kerry Holdings Limited. Mr. Yeo is an independent director of Pinduoduo Inc. (listed on the Nasdaq Global Select Market) and New Yangon Development Company Limited. He has been a member of the International Advisory Committee of Mitsubishi Corporation since June 2014. He is a member of the International Advisory Board of the Berggruen Institute on Governance. In March 2018, he became a senior advisor to Brunswick Group LLP for its Geopolitical Initiative. In 2013, he was appointed a member of the Pontifical Commission for Reference on the Economic-Administrative Structure of the Holy See. He became a member of the Vatican Council for the Economy in February 2014. 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 November 2014 to December 2017, Mr. Yeo was a non-executive director of Wilmar International Limited (listed on the Singapore Exchange). 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's appointment is for a term of approximately three years from the 2019 AGM, subject to the directors' retirement and re-election requirements under the Articles of Association and the Corporate Governance Code.

As at the Latest Practicable Date, Mr. Yeo holds 100,000 Shares and/or underlying Shares as beneficial owner, representing less than 0.01% of the total number of Shares in issue. Save as disclosed above, Mr. Yeo does not hold any Shares within the meaning of Part XV of the SFO.

Details of Mr. Yeo's remuneration are set out in the Remuneration Report and note 40 to the financial statements in the Annual Report 2018.

Save as disclosed above, Mr. Yeo has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Yeo does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company.

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

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## APPENDIX II EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

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*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 Buy-back Mandate and also constitutes the memorandum required under Section 239 of the Companies Ordinance.*

### 1. EXERCISE OF THE BUY-BACK MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 12,085,782,714 Shares.

Subject to the passing of the resolution in relation to the Buy-back Mandate and on the basis that no further Shares are issued or bought back by the Company from the Latest Practicable Date and up to the date of the 2019 AGM, the Company will be allowed under the Buy-back Mandate to buy back a maximum of 1,208,578,271 Shares (representing 10% of the number of Shares in issue) during the period from the date of the passing of the ordinary resolution numbered 7(B) in the 2019 AGM Notice set out on pages 24 to 33 of this circular up to:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
- (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 bought back through any exercise of the Buy-back Mandate will not be added to the number of Shares that may be issued under the Issue Mandate.

### 2. SOURCE OF FUNDS

In buying back the Shares, the Company must be funded from the funds legally available for the purpose in accordance with the Articles of Association and the applicable laws of Hong Kong. The Company may not buy back 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 buy-backs with funds which would otherwise be available for dividend or distribution or out of an issue of new Shares for the purpose of the buy-backs.

**3. REASONS FOR THE BUY-BACKS**

The Directors believe that it is in the Company's and the Shareholders' best interests for the Directors to have general authority to execute buy-backs of the Shares in the market. Such buy-backs 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 when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

**4. FUNDING OF BUY-BACKS**

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

On the basis of the financial position of the Company as disclosed in the Annual Report 2018 and taking into account the current working capital position of the Company, the Directors believe that, if the Buy-back 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 Annual Report 2018. However, the Directors do not propose to exercise the Buy-back 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 Buy-back Mandate 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 close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries if the Buy-back Mandate is granted by the Shareholders.

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



## APPENDIX II EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

If, as a result of any buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights 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 which would arise under the Takeovers Code as a result of an exercise of the Buy-back Mandate.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she or it has a present intention to sell his or her or its Shares to the Company, or has undertaken not to do so, if the Buy-back Mandate is exercised.

### 7. SHARE BUY-BACK MADE BY THE COMPANY

Save for the purchases of 1,796,600 Shares under the RSU Scheme and 693,445 Shares under the Employee Share Purchase Plan of the Company at a total consideration of approximately US\$185 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/plan trustees on the Hong Kong Stock Exchange. These Shares are held on trust for participants of the relevant scheme/plan and therefore were not cancelled.

### 8. SHARE 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>2018</b>		
March	69.85	62.20
April	72.10	66.45
May	75.00	67.05
June	74.20	66.15
July	69.80	66.05
August	70.10	65.25
September	70.10	61.50
October	69.50	58.20
November	66.05	59.65
December	67.00	61.00
<b>2019</b>		
January	70.85	61.00
February	78.75	68.80
March	79.85	74.05
April (up to the Latest Practicable Date)	81.50	78.45

The proposed amendments to the Articles of Association are as follows:

<b>No.</b>	<b>Provisions of the Articles of Association before amendments</b>	<b>Provisions of the Articles of Association after amendments</b>
1.	<p><b>Article 5(a)</b></p> <p><b>members</b> means the members of the Company;</p>	<p><b>Article 5(a)</b></p> <p><b>members and <u>shareholders</u></b> means the members of the Company;</p>
2.	<p><b>Article 57</b></p> <p>All or any of the special rights attached to any class or shares (unless otherwise provided for by the terms of issue of the shares of that class) for the time being in issue may subject to the provisions of the Ordinance, at any time, as well as before or during liquidation, be altered or abrogated either with the consent in writing of the holders representing at least 75 per cent. of the total voting rights of holders of shares in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions contained in these Articles relating to general meetings shall mutatis mutandis apply to every such meeting but so that the quorum thereof (other than at an adjourned meeting) shall be not less than two persons present in person or by proxy together holding at least one-third of the total voting rights of holders of shares in that class, and that any holder of shares of that class present in person or by proxy may demand a poll.</p>	<p><b>Article 57</b></p> <p>All or any of the special rights attached to any class <del>or</del><u>of</u> shares (unless otherwise provided for by the terms of issue of the shares of that class) for the time being in issue may subject to the provisions of the Ordinance, at any time, as well as before or during liquidation, be altered or abrogated either with the consent in writing of the holders representing at least 75 per cent. of the total voting rights of holders of shares in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions contained in these Articles relating to general meetings shall mutatis mutandis apply to every such meeting but so that the quorum thereof (other than at an adjourned meeting) shall be not less than two persons present in person or by proxy together holding at least one-third of the total voting rights of holders of shares in that class, and that any holder of shares of that class present in person or by proxy may demand a poll.</p>

No. Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
3. Article 62	Article 62
<p>Subject to section 578 of the Ordinance and the Listing Rules, an annual general meeting shall be called by not less than twenty-one days' notice in writing, and any other general meeting shall be called by not less than fourteen days' notice in writing. The notice shall specify the place, date and time of meeting and the general nature of the business to be dealt with at the meeting. If the meeting is to be held in two or more places, the notice of meeting shall specify the principal place of the meeting and the other place or places of the meeting. The notice convening an annual general meeting shall specify the meeting as such. There shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member of the Company. If a resolution is intended to be moved at a general meeting, the notice of meeting shall:</p>	<p>Subject to section 578 of the Ordinance and the Listing Rules, an annual general meeting shall be called by not less than twenty-one days' notice in writing, and any other general meeting shall be called by not less than fourteen days' notice in writing. The notice shall specify the place, date and time of meeting and the general nature of the business to be dealt with at the meeting. If the meeting is to be held in two or more places, the notice of meeting shall specify the principal place of the meeting and the other place or places of the meeting. <u>The notice shall be given to all the members, the Directors and the Auditors.</u> The notice convening an annual general meeting shall specify the meeting as such. There shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member of the Company. If a resolution is intended to be moved at a general meeting, the notice of meeting shall:</p>
<p>(a) include notice of the resolution; and</p> <p>(b) include or be accompanied by a statement containing the information and explanation, if any, that is reasonably necessary to indicate the purpose of the resolution.</p>	<p>(a) include notice of the resolution; and</p> <p>(b) include or be accompanied by a statement containing the information and explanation, if any, that is reasonably necessary to indicate the purpose of the resolution.</p>

No.	Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
4.	N/A	<p data-bbox="852 342 1002 363"><b>Article 68A</b></p> <p data-bbox="852 421 1364 810"><u>The chairman of a general meeting shall have all the usual powers of a chairman of a similar meeting under law, and the power to make any arrangement and impose any requirement or restriction he considers necessary or appropriate to ensure the security and orderly conduct of the general meeting including, without limitation, adjourning the meeting without the consent of the members.</u></p>
5.	<p data-bbox="304 859 437 880"><b>Article 69</b></p> <p data-bbox="304 938 823 1804">The chairman of any general meeting at which a quorum is present may, with the consent of the members, and shall, if so directed by the members, adjourn such meeting from time to time and from place to place or sine die; but no business shall be transacted at any adjourned meeting other than business which might have been transacted at such meeting from which the adjournment took place unless due notice thereof is given or such notice is waived in the manner prescribed by these Articles. When a general meeting is adjourned for thirty days or more, or sine die, notice of such adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or the business to be transacted thereat. Where a general meeting is adjourned sine die the time and place for such adjourned meeting shall be fixed by the Directors.</p>	<p data-bbox="852 859 983 880"><b>Article 69</b></p> <p data-bbox="852 938 1364 1923"><u>Without limiting the generality of the powers of the chairman of a general meeting under law or in Article 68A, the</u> The chairman of any general meeting at which a quorum is present may, with the consent of the members, and shall, if so directed by the members, adjourn such meeting from time to time and from place to place or sine die; but no business shall be transacted at any adjourned meeting other than business which might have been transacted at such meeting from which the adjournment took place unless due notice thereof is given or such notice is waived in the manner prescribed by these Articles. When a general meeting is adjourned for thirty days or more, or sine die, notice of such adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or the business to be transacted thereat. Where a general meeting is adjourned sine die the time and place for such adjourned meeting shall be fixed by the Directors.</p>

No.	Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
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6. N/A

**Article 69A**

At a general meeting,

(a) in the case of a resolution duly proposed as a special resolution, no amendment (other than an amendment to correct a patent error) can be proposed thereto and voted upon.

(b) in the case of a resolution duly proposed as an ordinary resolution, an amendment (other than an amendment to correct a patent error) which is within the scope of the resolution can be proposed only if:

(i) notice in writing of the proposed amendment and intention to move the same is lodged at the Office at least 48 hours prior to the time appointed for holding the meeting, or adjourned meeting at which such ordinary resolution is to be proposed; or

(ii) the chairman of the meeting in his absolute discretion decides that the amendment may otherwise be considered or voted upon.

If the chairman of the meeting rules that a proposed amendment to any resolution under consideration shall (or, as the case may be, shall not) be considered or voted upon pursuant to this Article, his determination shall be final, and the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

No.	Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
7.	<b>Article 91(a)</b>	<b>Article 91(a)</b>
	<p>The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of US\$1,700,000 or such larger amount as the Company may by ordinary resolution determine) and such aggregate fees shall be divided amongst the Directors as they shall agree or, failing agreement, equally except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office. Such fees shall be deemed to accrue from day to day.</p>	<p>The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as <del>the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of US\$1,700,000 or such larger amount as the Company may by ordinary resolution determine)</del> and such aggregate <u>the Company in general meeting may determine from time to time and such fees</u> shall be divided amongst the Directors as they shall agree or, failing agreement, equally except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office. Such fees shall be deemed to accrue from day to day.</p>

No. Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
8. Article 100	Article 100
<p>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 106), shall retire from office by rotation. The Directors to retire in every year shall be those appointed pursuant to Article 106, 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.</p>	<p>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 <del>106-104</del> and to such <u>other manner of rotation (if any) as may be required by the Listing Rules or other codes, rules and regulations as may be applicable to the Company from time to time, or such higher number of Directors to be determined by the Board</u>), shall retire from office by rotation. The Directors to retire in every year shall be those <del>appointed pursuant to Article 106,</del> followed by those who have been longest in office since their <u>appointment or last</u> election. As between persons who became or were <u>last</u> re-elected Directors on the same day, the Directors to retire shall, <del>be</del> (unless otherwise agreed amongst themselves,) <u>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) be determined by lot.</u> 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 <del>shall, unless or a person recommended by the Directors for election Board,</del> <u>shall</u> 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 <del>dispatch</del> <u>despatch</u> of the notice of the meeting appointed for such election and ending no later than seven days <del>before</del> <u>prior to</u> the date appointed for the meeting there shall have been lodged at the Office or at the head office of the Company a <del>N</del><u>notice</u> 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 <del>N</del><u>notice</u> signed by the person to be proposed of his willingness to be elected.</p>

<b>No.</b>	<b>Provisions of the Articles of Association before amendments</b>	<b>Provisions of the Articles of Association after amendments</b>
9.	<b>Article 104</b>  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.	<b>Article 104</b>  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. <u>Any Directors so appointed by the Board during the year pursuant to this Article and retire at the next following annual general meeting of the Company shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.</u>
10.	<b>Article 106</b>  No person other than a retiring Director shall, unless recommended by the Board for re-election, be eligible for election to the office of Director at any annual general meeting unless notice in writing for the intention to propose that person for election as a Director and notice in writing by that person of his consent to be elected, shall have been lodged at the Office or head office of the Company at least seven days before the date of the annual general meeting in accordance with Article 100.	<b>Article 106</b>  No person, other than a <del>retiring</del> Director <u>retiring at the meeting or a person shall, unless recommended by the Board for re-election, shall</u> be eligible for election to the office of Director at any annual general meeting unless notice in writing for the intention to propose that person for election as a Director and notice in writing by that person of his consent to be elected, shall have been lodged at the Office or head office of the Company at least seven days before the date of the annual general meeting in accordance with Article 100.



No. Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
11. Article 111(b)	Article 111(b)
A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any transaction, arrangement or contract or other proposal in which he or any of his associates is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters, namely:	A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any transaction, arrangement or contract or other proposal in which he or any of his associates is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters, namely:
...	...
(b) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;	(b) any contract or arrangement for the giving by the Company of any security <u>or indemnity</u> to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

No. Provisions of the Articles of Association before amendments	Provisions of the Articles of Association after amendments
<p data-bbox="225 342 451 370"><b>12. Article 125</b></p> <p data-bbox="304 421 826 1330">The Directors may, from time to time, appoint committees consisting of such one or more persons as they think fit, and may delegate any of their powers to any such committee and, from time to time, revoke any such delegation and discharge any such committee wholly or in part. Any committee so appointed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Directors or by the Listing Rules. All acts done by any such committee in conformity with such regulations or Listing Rules and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.</p>	<p data-bbox="850 342 997 370"><b>Article 125</b></p> <p data-bbox="850 421 1366 1370">The Directors may, from time to time, appoint committees consisting of such one or more persons as they think fit, and may delegate any of their powers to any such committee and, from time to time, revoke any such delegation and discharge any such committee wholly or in part. Any committee so appointed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Directors or by the Listing Rules. All acts done by any such committee in conformity with such regulations or Listing Rules and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power; <del>with the consent of the Company in general meeting;</del> to remunerate the members of any <del>special committee</del> <u>in accordance with Article 92</u>, and charge such remuneration to the current expenses of the Company.</p>
<p data-bbox="225 1421 488 1449"><b>13. Article 139(d)</b></p> <p data-bbox="304 1500 826 1923">The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid-up without offering any right to shares to elect such dividend in cash in lieu of such allotment.</p>	<p data-bbox="850 1421 1034 1449"><b>Article 139(d)</b></p> <p data-bbox="850 1500 1366 1923">The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid-up without offering any right to <del>shares-members</del> to elect such dividend in cash in lieu of such allotment.</p>