
CONNECTED TRANSACTIONS

OVERVIEW

We have entered into certain transactions with parties who are our connected persons (as defined in the Listing Rules) and these transactions will continue following the Listing Date, thereby constituting continuing connected transactions under the Listing Rules.

The historical values disclosed for FY 2007, FY 2008, FY 2009 and 1H 2010 in respect of the continuing connected transactions in this section constitute a portion of the values disclosed in respect of related party transactions for FY 2007, FY 2008, FY 2009 and 1H 2010 at Note 41 of the Accountant's Report set forth in Appendix I to this prospectus.

A further portion of the amounts disclosed in respect of related party transactions for FY 2007, FY 2008, FY 2009 and 1H 2010 at Note 41 of the Accountant's Report is attributable to: (i) those continuing connected transactions disclosed in this section which constitute shared administrative services exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.33(2) of the Listing Rules and for which historical values have not been disclosed; and (ii) transactions between us and members of the AIG Group that will not continue following the Listing Date and which therefore do not constitute continuing connected transactions requiring disclosure in this section. Further details of related party transactions are included in the Accountant's Report set forth in Appendix I to this prospectus.

Exempt continuing connected transactions

Following the Listing Date, the following transactions will be regarded as continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

Insurance and Investment Management Products and Services Provided by Us in the Ordinary Course of Business

We provide insurance and investment management products and services to customers in the ordinary and usual course of our business. These customers include persons who are our connected persons under Chapter 14A of the Listing Rules, including directors and chief executives of the AIA Group and ex-directors of the AIA Group who were directors within the 12 months preceding the Listing Date and their respective associates (as defined in Rule 14A.11 of the Listing Rules).

These transactions have been entered into in the ordinary and usual course of our business and are on normal commercial terms, as either the products and services are provided by us at market rates comparable to third-party insurers, or where such products and services are provided by us to connected persons who are employees at staff rates which are below market rates, these terms are no more favourable than those applicable to comparable employees who are not our connected persons.

We expect to continue providing insurance and investment management products and services to such connected persons following the Listing Date and will continue to do so on normal commercial terms.

The provision of insurance and investment management products and services by the Company to persons who are our connected persons and their associates constitutes the acquisition by such connected persons of consumer goods and services for their own private use on normal commercial terms in the ordinary and usual course of business, and the value of each of these transactions is less than 1% of the total revenue of the Company. Accordingly, the provision of insurance and investment management products and services to each connected person as described above will constitute a continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(1) of the Listing Rules.

CONNECTED TRANSACTIONS

Information Technology (“IT”) Services Transactions with the AIG Group

We have entered into various agreements with members of the AIG Group under which we provide IT and related services, including domestic network and hosting services.

These transactions have been entered into in the ordinary and usual course of our business and are on normal commercial terms. The fees payable are set forth in each agreement relating to these transactions.

We and the AIG Group are in the process of reducing our dependency upon one another, including in respect of IT services. We expect that all of the agreements under which we provide IT services to the AIG Group will terminate by 31 December 2010 and we do not expect to enter into any new agreements relating to IT services with the AIG Group.

The IT services transactions with the AIG Group constitute shared administrative services provided by us to the AIG Group, and the fees payable for these services are shared at a cost that is identifiable and allocated to the parties on a fair and equitable basis. Accordingly, the IT services transactions with the AIG Group constitute continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Rule 14A.33(2) of the Listing Rules.

Management and Administrative Services Transactions with the AIG Group

We have entered into various agreements with members of the AIG Group under which we provide or receive management, administrative and related services, including data management, trustee services and services in support of our investment management activities including trade execution and settlement, custodian interface, portfolio performance measurement and related ancillary services.

These transactions have been entered into in the ordinary and usual course of our business and are on normal commercial terms. The fees payable are set forth in each agreement relating to these transactions.

We expect to continue providing such services to, and receiving such services from, members of the AIG Group following the Listing Date and will continue to do so on normal commercial terms.

The management and administrative services transactions with the AIG Group constitute shared administrative services, and the fees payable for these services are shared at a cost that is identifiable and allocated to the parties on a fair and equitable basis. Accordingly, the management and administrative services transactions with the AIG Group constitute continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Rule 14A.33(2) of the Listing Rules.

Group Insurance Transactions with the AIG Group

We have entered into various agreements with members of the AIG Group under which we sell or purchase insurance policies against risks relating to corporate group business assets and operations, including movable and immovable property insurance, fire insurance, travel insurance and employee life, group life and medical insurance. We have also entered into agreements with the AIG Group under which we receive the benefit of insurance policies entered into between the AIG Group and third-party insurers in relation to business assets and operations risks including employee misconduct, directors’ and officers’ liability and electronic data loss insurance.

CONNECTED TRANSACTIONS

Those transactions under which we sell or purchase insurance policies have been entered into in the ordinary and usual course of our business and are on normal commercial terms, as the premiums and other fees payable under these transactions are comparable to those in transactions with third-party providers.

The aggregate historical values on a gross basis of payments made by us under these transactions in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$5.9 million, US\$9.0 million, US\$5.8 million and US\$2.0 million respectively.

The aggregate historical values on a gross basis of payments received by us under these transactions in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$0.6 million, US\$1.4 million, US\$1.8 million and US\$1.2 million respectively.

Those transactions under which we receive the benefit of insurance policies entered into between the AIG Group and third-party insurers have been entered into in the ordinary and usual course of our business and are on normal commercial terms, as the premiums and fees payable by us are proportionate to our share of the risks insured under the third-party insurance policies.

We expect to continue selling insurance policies to, and purchasing insurance policies from, members of the AIG Group following the Listing Date and will continue to do so on normal commercial terms.

While we expect that a number of the agreements under which we receive the benefit of insurance policies entered into between the AIG Group and third-party insurers will terminate on or before the Listing Date due to our entering into new policies directly with third-party insurers, we expect to continue receiving the benefit of insurance policies entered into between the AIG Group and third-party insurers following the Listing Date, and will continue to do so on normal commercial terms.

It is anticipated that the aggregate annual value on a fiscal basis of the transactions under which insurance policies are sold to members of the AIG Group, together with the aggregate annual value of the insurance policies purchased from members of the AIG Group, and the transactions under which we receive the benefit of insurance policies entered into between the AIG Group and third-party insurers, will not exceed US\$9.4 million on a gross basis and, therefore, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, less than 0.1%. Accordingly, insurance transactions with the AIG Group constitute in aggregate a *de minimis* continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

Real Estate Transactions with the AIG Group

We have entered into various agreements under which we grant leases or licences in respect of office premises and storage space to members of the AIG Group in a number of countries including Hong Kong, Malaysia, Singapore, Thailand and the Philippines.

The aggregate historical values on a gross basis of payments received by us under these transactions in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$2.5 million, US\$2.8 million, US\$2.5 million and US\$1.3 million respectively.

These transactions have been entered into in the ordinary and usual course of our business and are on normal commercial terms, as the rent and other fees payable under the leases and licences are comparable to the market rates for similar properties in the relevant country. Our independent property valuer, CB Richard Ellis, has confirmed that the rents and other fees payable under the leases in respect of these transactions are within the reasonable range of the then prevailing market rates at the date of execution of each lease agreement.

CONNECTED TRANSACTIONS

We expect to continue granting leases and licences in respect of office premises and storage space to members of the AIG Group following the Listing Date and will continue to do so on normal commercial terms.

It is anticipated that the aggregate annual value on a fiscal basis of the leases and licences entered into with members of the AIG Group will not exceed US\$3.3 million on a gross basis and, as a result, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, less than 0.1%. Accordingly, real estate transactions with the AIG Group constitute in aggregate a *de minimis* continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

Intellectual Property Licence Transactions with AIG

We have entered into various agreements since 30 November 2009 with AIG under which AIG grants to us non-exclusive, fully paid-up, royalty-free licences of certain intellectual property including certain AIG trademarks and corporate names, rights in respect of computer software and other registered and unregistered intellectual property rights. The AIG trademarks and corporate names are licensed to us on a transitional basis in order to enable us to migrate away from the use of AIG branding in our business. These licences cover our geographical markets and are for a term which expires on the later of 30 November 2011 or one year from the date on which AIG no longer either (i) beneficially owns, directly or indirectly, 50% of the total voting power represented by the ordinary issued shares of AIA; or (ii) has the power to, directly or indirectly, direct or cause the direction of the management or policies of AIA. The rights in respect of computer software and other registered and unregistered intellectual property are licensed to us worldwide on a perpetual basis, subject to the right to terminate the licence in respect of any particular intellectual property right in the event of a non-cured material breach by either party following the date on which AIG no longer either (i) beneficially owns, directly or indirectly, 50% of the total voting power represented by the ordinary issued shares of AIA; or (ii) has the power to, directly or indirectly, direct or cause the direction of the management or policies of AIA.

These licence agreements have been entered into in the ordinary and usual course of our business and are on normal commercial terms. As the intellectual property licences are royalty free, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, less than 0.1%. Accordingly, the intellectual property licence transactions with AIG constitute in aggregate a *de minimis* continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

Reinsurance Agreements with the AIG Group

We have entered into various agreements with members of the AIG Group relating to the sale or purchase of reinsurance for risks insured by us or members of the AIG Group in the ordinary and usual course of our respective businesses (the "AIG Reinsurance Agreements") that will continue following the Listing Date. This is a continuation of existing business between us and the AIG Group. Save for the ALICO Reinsurance Agreements as described below in "— Non-exempt continuing connected transactions — Group Employee Benefit Reinsurance Agreements with ALICO" in this section, we do not expect to enter into any new reinsurance transactions with the AIG Group following the Listing Date.

The aggregate values on a gross basis of payments in respect of reinsurance premiums, commissions and fees paid by us under the AIG Reinsurance Agreements in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$26.6 million, US\$3.9 million, US\$0.6 million and US\$0.1 million respectively. The decrease in the payments made by us since FY 2007 is largely attributable to one of the reinsurance arrangements closing for new business in 2008.

CONNECTED TRANSACTIONS

The aggregate values on a gross basis of payments in respect of reinsurance premiums, commissions and fees received by us under the AIG Reinsurance Agreements in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$0.7 million, US\$0.2 million, US\$0.1 million and US\$0.03 million respectively.

The AIG Reinsurance Agreements were entered into in the ordinary and usual course of our business and are on normal commercial terms, as the reinsurance premiums, commissions and related fees payable under these agreements are comparable to those in transactions with third-party reinsurers. The terms of the AIG Reinsurance Agreements are in accordance with applicable normal market practices.

It is anticipated that the aggregate annual value on a fiscal basis of the premiums and fees payable and received under the AIG Reinsurance Agreements will not exceed US\$0.8 million on a gross basis and, as a result, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, less than 0.1%. Accordingly, the AIG Reinsurance Agreements constitute in aggregate a *de minimis* continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

Investment Management Agreements with AIG's Asset Management Group

We have entered into investment management agreements under which non-Asian fixed income assets of our business are managed by members of the asset management group of the AIG Group, in the ordinary and usual course of our respective businesses (the "AMG Investment Management Agreements"). This is a continuation of existing business between us and the AIG Group.

The aggregate values of payments in respect of management fees made by us under non-Asian fixed income asset investment management transactions between us and the AIG Group in FY 2007, FY 2008, FY 2009 and 1H 2010 were US\$1.9 million, US\$2.3 million, US\$2.8 million and US\$1.8 million respectively.

The AMG Investment Management Agreements were entered into in the ordinary and usual course of our business and are on normal commercial terms, as the management fees payable by us to the members of the asset management group of the AIG Group are based on the value of AUM and are comparable to those in transactions with third-party investment managers. The terms of the AMG Investment Management Agreements are in accordance with applicable normal market practices.

It is anticipated that the aggregate annual value on a fiscal basis of the management fees payable under the AMG Investment Management Agreements will not exceed US\$10.1 million and, as a result, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, less than 0.1%. Accordingly, the AMG Investment Management Agreements constitute in aggregate a *de minimis* continuing connected transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules.

PRC Guarantees Provided by AIG

AIG has issued a total of six letters of guarantee to the People's Bank of China and CIRC, pursuant to which AIG guarantees and indemnifies all liabilities and tax obligations of six branches of AIA in the PRC (the "PRC Guarantees"). The PRC Guarantees were provided by AIG between 1992 and 2002 pursuant to the requirements of the People's Bank of China and CIRC in order to allow each of the six AIA branches to commence operations in the PRC. The PRC Guarantees will continue to be effective following the Listing Date.

The PRC Guarantees are on normal commercial terms (or better to us), as no fees have been paid or will be payable by us to AIG in respect of the PRC Guarantees, and we are not subject to any terms, conditions or obligations as a result of the PRC Guarantees.

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We do not consider the PRC Guarantees to be necessary for us to operate the relevant branches of AIA in the PRC, and we and AIG therefore intend to seek the consent of the People's Bank of China and CIRC to terminate the PRC Guarantees as soon as practicable following the Listing Date.

The PRC Guarantees constitute financial assistance provided by AIG for the benefit of AIA (in order to allow the relevant PRC branches of AIA to operate in accordance with the relevant PRC regulatory requirements), are on normal commercial terms (or better to us) and no security over any assets of the AIA Group has been granted by us in respect of the financial assistance. Accordingly, the PRC Guarantees constitute continuing connected financial assistance transactions exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

Guarantee Provided by AHA

On 1 November 2002, American Home Assurance Company ("AHA"), a subsidiary of the AIG Group, issued a letter of guarantee in favour of each party insured by AIA Australia in relation to the present and future obligations and liabilities of AIA Australia arising from policies issued by AIA Australia (the "AHA Guarantee"). The AHA Guarantee was originally entered into to provide ratings support for AIA Australia.

The AHA Guarantee is on normal commercial terms (or better to us), as no fees have been paid or will be payable by us to AHA in respect of the AHA Guarantee, and we are not subject to any terms, conditions or obligations as a result of the AHA Guarantee.

We have taken steps, and procured that AHA take steps, for the AHA Guarantee to be terminated and for AIA to enter into a new guarantee on similar terms (the "AIA Replacement Guarantee") as soon as practicable. In accordance with its termination provisions, the AHA Guarantee will terminate and it is expected that the AIA Replacement Guarantee will become effective on 31 October 2010.

The AHA Guarantee constitutes financial assistance provided by the AIG Group for the benefit of AIA Australia, is on normal commercial terms (or better to us) and no security over assets of the AIA Group has been granted by us in respect of the financial assistance. Accordingly, the AHA Guarantee constitutes a continuing connected financial assistance transaction exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

Lease Agreement with Lai Sun

On 3 April 2007, we, through our non-wholly owned subsidiary Bayshore Development Group Limited ("Bayshore"), entered into a lease agreement (the "Lai Sun Lease Agreement") with Lai Sun Development Company Limited ("Lai Sun") pursuant to which Lai Sun leases certain premises in AIA Central from Bayshore for a period of 12 years commencing 6 June 2005. A subsidiary of Lai Sun currently holds the remaining 10% of the total issued share capital of Bayshore that we do not hold.

The Lai Sun Lease Agreement was entered into in the ordinary and usual course of our business and is on normal commercial terms. Our independent property valuer, CB Richard Ellis, has confirmed that the rents and other fees payable under the Lai Sun Lease Agreement are within the reasonable range of the then prevailing market rates at the date of execution.

As (i) the Lai Sun Lease Agreement is: (a) entered into on normal commercial terms, (b) of a revenue nature in the Company's ordinary and usual course of business, and (c) is with a person connected to the Company only at the level of its subsidiary and (ii) Bayshore's total assets, profits and revenue are each less than 5% of the percentage ratios (as defined under the Listing Rules) under the latest published accounts, the Lai Sun Lease Agreement constitutes a transaction with a person connected at the level of the Company's subsidiaries and as such is exempt from the reporting,

CONNECTED TRANSACTIONS

announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(4) of the Listing Rules.

Transactions Between BPI-Philam and BPI

On 7 September 2009, we entered into an agreement with BPI through our subsidiary, Philamlife, to acquire 51% of the shares in BPI-Philam. BPI continues to hold 47.7% of the shares in BPI-Philam. Pursuant to this agreement, we, through BPI-Philam, have entered into the following transactions with BPI relating to the operation of BPI-Philam and the types of products and services that BPI-Philam offers to customers in the Philippines in the ordinary and usual course of its business (together, the "BPI-Philam Agreements");

- a bancassurance distribution agreement with BPI under which BPI is appointed as our exclusive distributor for the marketing, promotion, distribution and sale of our life insurance products via its branch network, and we are the exclusive supplier of such life insurance products to BPI, in the ordinary and usual course of our respective businesses, effective for an initial period of ten years from 1 December 2009 with an automatic renewal for a further period of five years in the event that sales targets under the agreement are exceeded by 20% or more (the "BPI Bancassurance Agreement");
- an asset management agreement with BPI under which BPI is appointed as our exclusive fund manager for investment-linked products and investment manager for all other financial assets in the Philippines in the ordinary and usual course of our respective businesses, effective for the duration of the BPI Bancassurance Agreement; and
- a transitional services agreement with BPI under which BPI provides IT and administrative services used by us in the ordinary and usual course of our business, effective for a period of 12 months from 1 December 2009.

The BPI-Philam Agreements have been entered into in the ordinary and usual course of our business and are on normal commercial terms, as they were negotiated between us and BPI on arm's length terms with the advice of external counsel before BPI became our connected person, and the fees payable under the BPI-Philam Agreements in respect of sales commissions, asset management services and transitional IT and administrative services are comparable to those in similar transactions with third parties. The terms of the BPI-Philam Agreements are in accordance with normal market practices.

As (i) these transactions are: (a) on normal commercial terms, (b) of a revenue nature in the Company's ordinary and usual course of business, and (c) are with a person connected to the Company only at the level of its subsidiary and (ii) BPI-Philam's total assets, profits and revenue are each less than 5% of the percentage ratios (as defined under the Listing Rules) under the latest published accounts, these transactions with BPI constitute transactions with persons connected at the level of subsidiaries and as such are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.33(4) of the Listing Rules.

Non-exempt continuing connected transactions

Following the Listing Date, the following transactions will be regarded as continuing connected transactions subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Rule 14A.34(1) of the Listing Rules.

Group Employee Benefit Reinsurance Agreements with ALICO

We have entered into reinsurance transactions with ALICO, a member of the AIG Group, under which ALICO reinsures risks relating to group employee benefit insurance policies issued by branches

CONNECTED TRANSACTIONS

of our subsidiaries in Hong Kong, Singapore, Australia and New Zealand. All of these transactions will be in the ordinary and usual course of our business following the Listing Date. These transactions are intended to replace previous arrangements in place between the parties prior to the Reorganisation under which our subsidiaries in certain countries and other insurance companies in the AIG Group were introduced via ALICO's sales network to multinational corporate clients to whom they issued group employee benefit policies for each multinational's local operations in their respective countries, and the insured risks under these policies were then pooled and shared between ALICO and the insurance companies. These transactions are based on a reinsurance model under which ALICO commits to reinsure a fixed percentage of the risk under each the group employee benefit policy written by us. For Hong Kong and Singapore the percentage reinsured by ALICO is 90% and for Australia and New Zealand it is 100%. For each underlying group employee benefit policy ALICO reinsures the risk up to an agreed claim limit. These transactions will be continuing business between us and ALICO replacing the previous arrangements. Such transactions will be conducted in the ordinary and usual course of our business on normal commercial terms.

As these reinsurance transactions are intended to replace the previous arrangements in place prior to the Reorganisation that involved us and ALICO obtaining leverage from scale by combining our respective insurance liabilities, rather than ALICO acting as our reinsurer, there is no comparable historical value information available for these transactions for FY 2007, FY 2008 and FY 2009. The aggregate historical values on a gross basis of payments made and received by us under these transactions in 1H 2010 were US\$21.6 million and US\$3.3 million respectively.

It is anticipated that the aggregate annual value of reinsurance premiums and fees payable by us to ALICO, together with the aggregate annual value of reinsurance premiums, commissions and fees payable by ALICO to us, under these transactions will be at least US\$57.2 million on a gross basis in each of FY 2010, FY 2011 and FY 2012 and, therefore, the highest applicable percentage ratio under the Listing Rules will be, on an annual basis, more than 0.1% and less than 5%. Accordingly, each of these transactions between us and ALICO will constitute a continuing connected transaction subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Rule 14A.34(1) of the Listing Rules.

To comply with Rules 14A.35(1) and 14A.35(2) of the Listing Rules and to document the relationship between us and ALICO in relation to these ongoing reinsurance transactions, we entered into quota share reinsurance agreements in Hong Kong, Singapore, Australia and New Zealand with ALICO in December 2009, which became effective on 1 January 2010 (the "ALICO Reinsurance Agreements"). The ALICO Reinsurance Agreements were negotiated between us and ALICO on arm's length terms with the advice of external counsel.

Pursuant to the ALICO Reinsurance Agreements, we and ALICO have agreed on rates of reinsurance premiums and commissions which are comparable to those available under similar reinsurance contracts with independent third-party reinsurers. We have also agreed with ALICO to conduct all reinsurance transactions in accordance with applicable normal market practices and on normal commercial terms.

Each of the ALICO Reinsurance Agreements will be effective for a period of not more than three years. We will comply with the applicable provisions of the Listing Rules in respect of any renewal of these agreements.

On 7 March 2010, AIG and Metlife, Inc. entered into a stock purchase agreement, pursuant to which AIG will sell the entire issued and outstanding capital stock of ALICO to Metlife, Inc.. Upon completion of the stock purchase agreement, ALICO will cease to be a connected person of the Company, and the ALICO Reinsurance Agreements disclosed above will cease to be continuing connected transactions of the Company.

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Annual Caps

Pursuant to Rule 14A.35(2) of the Listing Rules, we have set annual caps for the maximum aggregate amount of premiums, commissions and fees payable on a gross basis under the ALICO Reinsurance Agreements in FY 2010, FY 2011 and FY 2012 as follows:

Premiums and fees payable by us to ALICO

Annual Cap for Year Ending 30 November		
	(in US\$ millions)	
2010	2011	2012
48.7	60.2	75.0

Premiums, commissions and fees payable by ALICO to us

Annual Cap for Year Ending 30 November		
	(in US\$ millions)	
2010	2011	2012
8.6	10.9	14.0

The annual caps above have been estimated primarily on the basis of: (i) our projection of the normal rate of growth in premium income from our group employee benefit insurance business in each of the countries covered by the agreements; and (ii) our expectation that we will continue to reinsure the same portion of this new business to ALICO throughout the term of the ALICO Reinsurance Agreements as we do at present. Due to the fact that a fixed share of premiums will be paid by us to ALICO, and a fixed proportion of those premiums will be paid as commission by ALICO to us during the full term of the ALICO Reinsurance Agreements, the total amounts that will be payable by the parties is directly determined by insurance premium growth.

Waiver application for non-exempt continuing connected transactions

In respect of the non-exempt continuing connected transactions described in “— Non-exempt continuing connected transactions” in this section, as the highest applicable ratio as set out in Rule 14A.07 of the Listing Rules is, on an annual basis, in each case expected to be less than 5%, such transactions are exempt from the independent shareholders’ approval requirement but are subject to the reporting, announcement and annual review requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

As described above, we expect these non-exempt continuing connected transactions to be carried out on a continuing and recurring basis. The Directors therefore consider that strict compliance with the announcement requirements under the Listing Rules would be impractical, unduly burdensome and would add unnecessary administrative costs to us.

Accordingly, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver to the Company from strict compliance with the announcement requirement relating to continuing connected transactions under Rule 14A.35 of the Listing Rules in respect of these non-exempt continuing connected transactions.

We will, however, comply at all times with the applicable provisions under Rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39 and 14A.40 of the Listing Rules in respect of these non-exempt continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those as of the date of this prospectus on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements.

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Confirmation from Directors

The Directors (including our independent non-executive Directors) are of the view that the connected transactions described above have been entered into on normal commercial terms and in the ordinary and usual course of business of the Company. The Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions described above have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole, and that the proposed annual caps for these transactions referred to in “— Non-exempt continuing connected transactions” in this section are fair and reasonable.

Confirmation from the Joint Sponsors

The Joint Sponsors are of the view that the non-exempt continuing connected transactions described above have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole, and that the proposed annual caps for these transactions referred to in “— Non-exempt continuing connected transactions” in this section are fair and reasonable.