

This document comprises a prospectus relating to the admission of the New Prudential Shares prepared in accordance with the Prospectus Rules of the Financial Services Authority made under section 73A of FSMA 2000 and approved by the Financial Services Authority under section 85 of FSMA 2000. This document has been filed with the Financial Services Authority and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

This document has been prepared on the assumption that the Scheme will become effective in accordance with its terms and that the Acquisition will be completed as proposed.

Application will be made to the UKLA for the New Prudential Shares to be admitted to the premium segment of the Official List, to the London Stock Exchange for the New Prudential Shares to be admitted to trading on the London Stock Exchange's main market for listed securities, and an application has been made to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the New Prudential Shares on the Main Board of the Hong Kong Stock Exchange. Application will also be made to the SGX-ST for the secondary listing and quotation of the New Prudential Shares on the Main Board of the SGX-ST. Admission to the premium segment of the Official List, together with admission to the London Stock Exchange's main market for listed securities, constitutes admission to official listing on a regulated market. It is also intended that ADRs be issued in respect of the New Prudential Shares and that these New Prudential ADRs will be traded on the New York Stock Exchange, in place of Prudential's existing ADR programme. As at the date of this document, no New Prudential Shares are admitted to trading on a regulated market. If the Scheme proceeds as currently envisaged, it is expected that the UK Introduction, HK Introduction and SGX Introduction of the New Prudential Shares will become effective and that dealings in the New Prudential Shares will commence on the London Stock Exchange at 8.00 a.m. (London time), on the Hong Kong Stock Exchange at 9.30 a.m. (Hong Kong time) and on the SGX-ST at 9.00 a.m. (Singapore time) in Q3 2010, on the Business Day immediately following the Scheme Effective Date.

No New Prudential Shares or any other securities in New Prudential have been marketed to, nor are any available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the admission of the New Prudential Shares to the Official List, the London Stock Exchange, the Hong Kong Stock Exchange, the SGX-ST, the New York Stock Exchange or on any other exchange. This document does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, New Prudential Shares or any other securities of New Prudential. The content of this document is not to be construed as legal, business or tax advice. You should consult your own solicitor, independent financial adviser or tax advisers for legal, financial or tax advice.

This document includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to New Prudential. This document is a "listing document" for the purposes of the Hong Kong Listing Rules but does not constitute a "prospectus" for the purposes of the Companies Ordinance and accordingly, has not been registered with the Registrar of Companies in Hong Kong.

You should read the whole of this document and any information incorporated into it by reference, including the discussions of certain risks and other factors as set out in Part II — "Risk Factors" of this document.

Prudential Group plc

(incorporated and registered in England and Wales under number 07163561)

(HK Stock Code: 2378)

Introduction to the premium segment of the Official List and admission to trading on the
London Stock Exchange of the entire issued share capital of Prudential Group plc

UK Joint Sponsors

Credit Suisse

HSBC Bank plc

J.P. Morgan Cazenove

And

Listing by way of introduction of the entire issued share capital of Prudential Group plc on the
Main Board of the Hong Kong Stock Exchange

HK Sponsor

Credit Suisse (Hong Kong) Limited

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The New Prudential Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or under any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in compliance with state securities laws. The New Prudential Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. This document does not constitute an offer of New Prudential Shares to any shareholder with a registered address in, or who is resident in, the United States.

Ondra Partners, which is authorised and regulated in the United Kingdom by the FSA, is acting solely for Prudential and no one else in connection with the Rights Issue, the Acquisition and the Scheme and will not regard as a client anyone (whether or not a recipient of this circular) other than Prudential in connection with the Rights Issue, the Acquisition and the Scheme and will not be responsible to anyone (whether or not a recipient of this circular) other than Prudential for providing the protections afforded to its clients nor for providing advice to anyone other than Prudential in connection with the Rights Issue or any other matter referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Ondra Partners by FSMA 2000 or the regulatory regime established thereunder, Ondra Partners accepts no responsibility whatsoever for, nor makes any representation or warranty, express or implied, in relation to, the contents of this document, including its accuracy, completeness or verification or for any other statement purported to be made by it, or on behalf of it in connection with New Prudential or the New Prudential Shares. Ondra Partners accordingly disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Credit Suisse, HSBC and J.P. Morgan Cazenove, each of which is authorised and regulated in the United Kingdom by the FSA, are acting solely for New Prudential and no one else in connection with the UK Introduction and will not regard as a client anyone (whether or not a recipient of this document) other than New Prudential in connection with the UK Introduction and will not be responsible to anyone (whether or not a recipient of this document) other than New Prudential for providing the protections afforded to their clients or for providing advice to anyone other than New Prudential in connection with the UK Introduction or any other matter referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on the UK Joint Sponsors by FSMA, or the regulatory regime established thereunder or other applicable law, the UK Joint Sponsors accept no responsibility whatsoever for, nor make any representation or warranty, express or implied, in relation to, the contents of this document, including its accuracy, completeness or verification or for any other statement purported to be made by any of them, or on behalf of any of them in connection with New Prudential or the New Prudential Shares. The UK Joint Sponsors accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this document except in respect of their responsibilities and liabilities which may arise under FSMA 2000 or the regulatory regime established thereunder or other applicable law.

This document is dated 17 May 2010.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN THE UK⁽¹⁾

All references to time in this document are to London time unless otherwise stated

Prudential Shares quoted ex-dividend	Wednesday 7 April 2010
Record date for 2009 final dividend ⁽²⁾	6.00 p.m. on Friday 9 April 2010
Record date for entitlement of Prudential ADR holders to instruct US Depository with respect to US Depository's voting at Court Meeting and General Meeting	5.00 p.m. (New York time) on Friday 30 April 2010
Annual General Meeting	11.00 a.m. on Wednesday 19 May 2010 ⁽³⁾
Dividend payment date	Thursday 27 May 2010
Suspension of removals of Existing Shares from the UK Register to the HK Register	3.00 p.m. on Tuesday 1 June 2010
Latest time and date for receipt by the US Depository of Voting Instruction Cards for the Court Meeting and General Meeting	12.00 noon (New York time) on Thursday 3 June 2010
Voting Record Time for the Reconvened Annual General Meeting Court Meeting and General Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁴⁾
Latest time and date for receipt by the Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	6.00 p.m. on Thursday 3 June 2010
Latest time and date for receipt by the Registrar of the Blue Form of Proxy for the Court Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁵⁾
Latest time and date for receipt by the Registrar of the Pink Form of Proxy for the General Meeting	6.00 p.m. on Thursday 3 June 2010 ⁽⁶⁾
Reconvened Annual General Meeting	11.00 a.m. on Monday 7 June 2010
Court Meeting	11.15 a.m. on Monday 7 June 2010 ⁽⁷⁾
General Meeting	11.20 a.m. on Monday 7 June 2010 ⁽⁸⁾
Suspension of removals of Existing Shares from the UK Register to the HK Register ends	8.00 a.m. on Tuesday 8 June 2010
Suspension of removals of Prudential Shares from the UK Register to the HK Register	3.00 p.m. on the third UK Business Day preceding the Scheme Record Date
Scheme Record Time	6.00 p.m. on the UK Business Day immediately preceding the Scheme Effective Date
Court hearing to sanction the Scheme and confirm the Prudential reduction of capital; Scheme Effective Date	Q3 2010 ⁽⁹⁾
Scheme Effective Time	4.30 p.m. on the Scheme Effective Date
Dealings in New Prudential ADRs commence on the New York Stock Exchange	11.30 a.m. (New York Time) on the Scheme Effective Date

(1) The times and dates given are based upon the Directors' expectations and may be subject to change.

(2) One of the consequences of adjourning the Annual General Meeting is that, in order to pay a dividend of 13.56 pence on 27 May 2010 (as announced on 1 March 2010), that dividend will be paid as a second interim dividend. Accordingly, references in this prospectus to the 2009 final dividend should be read as references to the second interim dividend of the same amount.

(3) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Board of Prudential proposes to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 11.00 am on 7 June 2010.

(4) If either the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two business days before the day of the adjourned meeting.

(5) It is requested that the Blue Forms of Proxy for the Court Meeting be lodged not later than 6.00 p.m. on 3 June 2010. Blue Forms of Proxy not so lodged may be handed to the Registrar or the Chairman of the Court Meeting at the Court Meeting.

(6) The Pink Forms of Proxy for the General Meeting must be lodged not later than 6.00 p.m. on 3 June 2010.

(7) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(8) Or as soon thereafter as the Court Meeting concludes or is adjourned.

(9) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt of regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

Suspension of removals of Prudential Shares from the UK Register to the HK Register ends	8.00 a.m. on the UK Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the London Stock Exchange; Completion of Acquisition; Dealings in New Prudential Shares commence on the London Stock Exchange	8.00 a.m. on the UK Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to CREST stock accounts	8.00 a.m. on the UK Business Day immediately following the Scheme Effective Date
Court hearing to confirm the New Prudential Reduction of Capital	the UK Business Day immediately following the Scheme Effective Date
New Prudential Reduction of Capital becomes effective	the UK Business Day immediately following the Scheme Effective Date
Despatch of definitive share certificates for the New Prudential Shares in certificated form	by no later than 5 UK Business Days from the Scheme Effective Date

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN HONG KONG⁽¹⁰⁾

All references to time below are to Hong Kong time unless otherwise stated

Annual General Meeting (held in the UK)	6.00 p.m. on Wednesday 19 May 2010 ⁽¹¹⁾
Dealings in Existing Shares commence on the Hong Kong Stock Exchange	9.30 a.m. on Tuesday 25 May 2010
Suspension of removals of Existing Shares from the HK Register to the UK Register	4.30 p.m. on Tuesday 1 June 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS	4.30 p.m. on Tuesday 1 June 2010
Latest time and date for which re-registration of Existing Shares are accepted on the HK Register for voting at the Reconvened Annual General Meeting, Court Meeting and General Meeting.	4.30 p.m. on Thursday 3 June 2010
Voting Record Time for the Reconvened Annual General Meeting, Court Meeting and General Meeting.	1.00 a.m. on Friday 4 June 2010 ⁽¹²⁾
Latest time and date for receipt by the HK Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽¹³⁾
Latest time and date for receipt by the HK Registrar of the Blue Form of Proxy for the Court Meeting	1.00 a.m. on Friday 4 June 2010 ⁽¹⁴⁾
Latest time and date for receipt by the HK Registrar of the Pink Form of Proxy for the General Meeting.	1.00 a.m. on Friday 4 June 2010 ⁽¹⁵⁾
Reconvened Annual General Meeting (held in the UK)	6.00 p.m. on Monday 7 June 2010
Court Meeting (held in the UK)	6.15 p.m. on Monday 7 June 2010 ⁽¹⁶⁾
General Meeting (held in the UK)	6.20 p.m. on Monday 7 June 2010 ⁽¹⁷⁾
Suspension of removals of Existing Shares from the HK Register to the UK Register ends	9.30 a.m. on Tuesday 8 June 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS ends	9.30 a.m. on Tuesday 8 June 2010

(10) The times and dates given are based upon the Directors' expectations and may be subject to change.

(11) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Directors propose to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 6.00 p.m. on 7 June 2010.

(12) If any of the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be the time and day in Hong Kong that corresponds to 6.00 p.m. (London time) on the day which is two business days before the adjourned meeting.

(13) The White Forms of Proxy for the Reconvened Annual General Meeting must be lodged not later than 1.00 a.m. on 4 June 2010.

(14) It is requested that the Blue Forms of Proxy for the Court Meeting be lodged not later than 1.00 a.m. on 4 June 2010. Blue Forms of Proxy not so lodged may be handed to the Registrars or the Chairman of the Court Meeting at the Court Meeting.

(15) The Pink Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting.

(16) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(17) Or as soon thereafter as the Court Meeting concludes or is adjourned.

Suspension of removals of Prudential Shares from the HK Register to the UK Register	4.30 p.m. on the third HK Business Day preceding the Scheme Record Date
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS	4.30 p.m. on the third HK Business Day preceding the Scheme Record Date
Scheme Effective Date	Q3 2010 ⁽¹⁸⁾
Suspension of removals of Prudential Shares from the HK Register to the UK Register ends	9.30 a.m. on the HK Business Day immediately following the Scheme Effective Date
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS ends	9.30 a.m. on the HK Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the Hong Kong Stock Exchange; Dealings in New Prudential Shares to commence on the Hong Kong Stock Exchange	9.30 a.m. on the HK Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to stock accounts in CCASS	on the HK Business Day immediately following the Scheme Effective Date
Completion of Acquisition	3.00 p.m. on the UK Business Day immediately following the Scheme Effective Date
Definitive share certificates for the New Prudential Shares made available for collection by HK holders of Prudential Shares from the HK Registrar	9.00 a.m. to 4.00 p.m. on the HK Business Day immediately following the Scheme Effective Date
Despatch of definitive share certificates for the New Prudential Shares in certificated form	after 4.00 p.m. on the HK Business Day immediately following the Scheme Effective Date

(18) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt of regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS IN SINGAPORE⁽¹⁹⁾

All references to time below are to Singapore time unless otherwise stated

Annual General Meeting (held in the UK)	6.00 p.m. on Wednesday 19 May 2010 ⁽²⁰⁾
Dealings in Existing Shares commence on the SGX-ST	10.00 a.m. on Tuesday 25 May 2010
Suspension of movements of Existing Shares into and out of CDP's account in CCASS	5.00 p.m. on Tuesday 1 June 2010
Voting Record Time for Reconvened Annual General Meeting, Court Meeting and General Meeting.	1.00 a.m. on Friday 4 June 2010 ⁽²¹⁾
Latest time and date for receipt by the HK Registrar of the White Form of Proxy for the Reconvened Annual General Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²²⁾
Latest time and date for receipt by the HK Registrar of the Blue Form of Proxy for the Court Meeting	1.00 a.m. on Friday 4 June 2010 ⁽²²⁾
Latest time and date for receipt by the HK Registrar of the Pink Form of Proxy for the General Meeting.	1.00 a.m. on Friday 4 June 2010 ⁽²²⁾
Reconvened Annual General Meeting (held in the UK)	6.00 p.m. on Monday 7 June 2010
Court Meeting (held in the UK)	6.15 p.m. on Monday 7 June 2010 ⁽²³⁾
General Meeting (held in the UK)	6.20 p.m. on Monday 7 June 2010 ⁽²⁴⁾
Suspension of movements of Existing Shares into and out of CDP's account in CCASS ends	9.00 a.m. on Tuesday 8 June 2010
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS	5.00 p.m. on the third Singapore Business Day preceding the Scheme Record Date Q3 2010 ⁽²⁵⁾
Scheme Effective Date	
Suspension of movements of Prudential Shares into and out of CDP's account in CCASS ends	9.00 a.m. on the Singapore Business Day immediately following the Scheme Effective Date
Delisting of Prudential Shares from the SGX-ST; Dealings in New Prudential Shares to commence on the SGX-ST	9.00 a.m. on the Singapore Business Day immediately following the Scheme Effective Date
Completion of Acquisition	3.00 p.m. on the UK Business Day immediately following the Scheme Effective Date
New Prudential Shares credited to securities accounts in CDP	after 5.00 p.m. on the Singapore Business Day immediately following the Scheme Effective Date

(19) The times and dates given are based upon the Directors' expectations and may be subject to change.

(20) In order to minimise the inconvenience to shareholders of having two shareholder meetings within a short period, the Directors propose to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 6.00 p.m. on 7 June 2010.

(21) If either the Reconvened Annual General Meeting, Court Meeting or General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be the time and day in Singapore that corresponds to 6.00 p.m. (London time) on the day which is two business days before the day of the adjourned meeting.

(22) CDP will require Singapore Shareholders to submit the relevant CDP Form of Proxy to CDP before 6.00 p.m., 6.15 p.m. or 6.20 p.m. as relevant, before 1.00 a.m. on 4 June 2010. The relevant deadline will be notified to Singapore Shareholders in due course.

(23) Or as soon thereafter as the Reconvened Annual General Meeting concludes or is further adjourned.

(24) Or as soon thereafter as the Court Meeting concludes or is adjourned.

(25) This date and the dates below are indicative only and will depend, among other things, on the timing of receipt or regulatory approvals and change of control consents in respect of the Scheme and the date upon which the Court sanctions the Scheme. An announcement confirming the expected dates in respect of the Scheme will be made in due course.

PART I

SUMMARY

This summary should be read as an introduction to this document. Any decision to invest in New Prudential should be based on consideration of this document (including the information incorporated by reference) as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

1. Introduction

On 1 March 2010, Prudential announced the proposed combination of the Prudential Group and AIA Group. The combination of the Prudential Group and AIA Group will be effected by New Prudential, a newly-incorporated company, acquiring each of Prudential and AIA. The acquisition of AIA by New Prudential is proposed to be substantially financed, along with other sources of financing, by a fully underwritten Rights Issue by Prudential, in respect of which the Rights Issue Prospectus has been published simultaneously with this document.

The acquisition of Prudential by New Prudential that, with the Acquisition, results in the combination of the AIA Group and the Prudential Group to form the Enlarged Group will be effected by means of the Scheme between Prudential and Prudential shareholders (which is not conditional upon completion of the Rights Issue or the Acquisition). Prudential will send the Circular to holders of Prudential Shares setting out details of the Scheme and convening meetings to approve the Scheme. Under the terms of the Scheme the Prudential Shares will be cancelled and, in consideration for this cancellation, the Prudential shareholders on the register at the Scheme Record Time will receive one New Prudential Share for each Prudential Share. Prudential Shares and Prudential ADRs will be cancelled and delisted on the Scheme Effective Date.

New Prudential will issue ordinary shares to holders of Prudential Shares in consideration for the cancellation of the Prudential Shares and issue of ordinary shares by Prudential to New Prudential. The reserve in Prudential resulting from the cancellation of the Prudential Shares will be capitalised by the issue of fully paid new shares in Prudential to New Prudential. If the Scheme becomes effective, holders of Prudential Shares will cease to own shares in Prudential and instead will own New Prudential Shares, and New Prudential will own all the shares in Prudential and will become the holding company of Prudential.

Under the terms of the Acquisition Agreement, New Prudential will also issue ordinary shares having a notional value of £3,613 billion (representing approximately 10.9% of the entire issued ordinary share capital of New Prudential (subject to adjustments for, inter alia, further issues of Prudential Shares or New Prudential Shares in the period prior to completion of the Acquisition) to AIA Aurora. Completion of the Acquisition is expected to be at the same time as the UK Introduction.

The introduction of New Prudential as the holding company of Prudential and completion of the Acquisition will be followed by a reduction of share capital in New Prudential. If the Court sanctions the New Prudential Reduction of Capital, the nominal value of each New Prudential Share will be reduced from 100 pence to 5 pence thereby creating distributable reserves of 95 pence per share.

The Scheme will not substantially alter the assets and liabilities of the Prudential Group and the Prudential Group will have substantially the same business, management and operations after the Scheme Effective Date as the Prudential Group had before that date.

New Prudential will change its name to Prudential plc on the Scheme Effective Date. At the same time Prudential will change its name to Prudential Group plc, with the result that New Prudential and Prudential will swap names and the holding company of the Enlarged Group (i.e. New Prudential) will have the name Prudential plc.

Application will be made for the New Prudential Shares to be admitted to the premium segment of the Official List of the UKLA and to be traded on the London Stock Exchange's main market for listed securities. Application has been made to the Hong Kong Stock Exchange for the New Prudential Shares to be listed, and permitted to be dealt in, on the Main Board of the Hong Kong Stock Exchange. Application will be made to the SGX-ST for the secondary listing and quotation of the New Prudential Shares on the Main Board of the SGX-ST. The last day of dealings in Prudential Shares is expected to be the Scheme Effective Date. The last time for the registration of transfers of Prudential Shares is expected to be 6:00 p.m. in the UK, 4.00 p.m. (Hong Kong time) in Hong Kong and 5:00 p.m. (Singapore time) in Singapore on the Scheme Record Date. It is expected that the UK Introduction, the

HK Introduction and the SGX Introduction will become effective and that dealings will commence on the London Stock Exchange at 8.00 a.m. (London time), on the Hong Kong Stock Exchange at 9.30 a.m. (Hong Kong time) and on the SGX-ST at 9.00 a.m. (Singapore time) in Q3 2010, on the Business Day immediately following the Scheme Effective Date. It is also intended that ADRs be issued in respect of New Prudential Shares and that these New Prudential ADRs will be traded on the New York Stock Exchange, in place of Prudential's existing ADR programme.

The Scheme requires the approval of the holders of Prudential Shares at the Court Meeting convened by order of the Court and the passing of the special resolution at the General Meeting to be held immediately after the Court Meeting. The Scheme also requires the sanction of the Court. The Prudential Reduction of Capital requires confirmation of the Court.

The directors of Prudential will not take the necessary steps to implement the Scheme until they are satisfied that regulatory approvals and change of control consents in respect of the Scheme have been obtained. It is expected that these will be obtained and the Scheme will become effective in Q3 2010. An announcement confirming the expected dates in respect of the Scheme and the Acquisition, as well as the UK Introduction, HK Introduction and SGX Introduction will be made in due course. The Scheme is not conditional upon the Rights Issue or the Acquisition.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the Prudential Shares to be delisted will be deferred, so that the listing will not be cancelled until the Scheme Effective Date.

2. Information on Prudential

The Prudential Group is a large international financial services group, providing retail financial services in Asia, the United Kingdom and the United States. It has been in existence for over 160 years and has £290 billion in assets under management (as at 31 December 2009). Prudential is not affiliated with Prudential Financial, Inc. or its subsidiary, The Prudential Insurance Company of America.

3. Information on AIA

The AIA Group is a leading life insurance organisation in the Asia Pacific region which provides individuals and businesses with products and services for their insurance, protection, savings, investments and retirement needs in 15 geographical markets in the region. As of 30 November 2009, the AIA Group (excluding AIA India) had approximately 15,500 employees serving the holders of its approximately 21.3 million in-force policies and approximately nine million participating members of its clients for group life, medical, credit, life coverage and pensions products.

4. Information on the Enlarged Group

Prudential believes that the combination of its Asian operations with AIA will create a unique business with a significant focus on the Asian markets and leading positions in seven countries with highly complementary products and distribution channels across the region. It is anticipated that the Enlarged Group will be the leading life insurer in Hong Kong, Singapore, Malaysia, Indonesia, Vietnam, Thailand and the Philippines, and the leading foreign life insurance business in China and India⁽²⁶⁾, as well as having strong and highly cash generative operations in the US and the UK. Prudential expects to have, from 25 May 2010, a dual-primary listing in London and Hong Kong and a secondary listing in Singapore.

5. Strengths and strategy

The central objective of the Enlarged Group will be to deliver sustainable value to shareholders. To achieve this, the strategy of the Enlarged Group will be to meet, profitably, customers' changing needs for savings, income and protection products in its chosen markets across Asia, the US and the UK. In particular, the Enlarged Group will focus on the objective of allocating capital to the most attractive opportunities and geographical markets, both in terms of return and payback period.

(26) As set out in Part VI (*Information about the Enlarged Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document, (a) Prudential is ranked as the leading life insurer in Singapore, Malaysia, Indonesia and Vietnam, (b) AIA is ranked as the leading life insurer in the Philippines and Thailand, (c) ICICI Prudential is ranked as the leading life insurer in India and (d) AIA is ranked as the leading foreign life insurer in China. According to the OCI, the combined market share of Prudential and AIA is greater than the market share of any other company in the Hong Kong life insurance market.

Prudential believes that the Prudential Group and the AIA Group have complementary capabilities, and key growth opportunities for the Enlarged Group will include: driving improvements in AIA sales force productivity based upon Prudential's agency management capabilities, increasing effectiveness of AIA's current bancassurance relationships by leveraging Prudential's capabilities in Asia with banks such as Standard Chartered Bank, ICICI Bank Limited and United Overseas Bank Limited; managing the AIA product mix; and increasing utilisation of customer management and data mining tools.

After completion of the Acquisition, Prudential will actively seek opportunities to enhance value for shareholders through disposals, determined by reference to Prudential's stringent criteria of growth, profitability, capital efficiency and strategic benefit. Such disposals may also provide an effective way to accommodate the requirements of regulators (for example, in China where Prudential expects that it may be required to restructure the Enlarged Group's operations).

6. Dividend policy

The Directors intend to focus on delivering a growing dividend for the Enlarged Group, which will be determined after taking into account the Enlarged Group's financial flexibility and the Directors' assessment of opportunities to generate attractive returns by investing in specific areas of the business. The board believes that in the medium term a dividend cover of around two times post-tax operating earnings is appropriate.

The 2010 interim dividend is expected to reflect the pro forma earnings of the Enlarged Group as if the Acquisition has taken place on 1 January 2010.

7. Directors

The Board of Directors currently consists of 14 directors, who are currently all also directors of Prudential. Upon completion of the Transactions, it is intended that the Directors will adopt in respect of the Enlarged Group the same positions they hold in the Prudential Group immediately prior to the Scheme Effective Date.

8. Risk factors

Investors should consider carefully the following risks, amongst others:

Risks relating to the Prudential Group and the Enlarged Group

- The Prudential Group's businesses are, and the Enlarged Group's businesses will be, inherently subject to market fluctuations and general economic conditions.
- Interest rate fluctuations may materially and adversely affect the Enlarged Group's profitability.
- The Enlarged Group will be subject to the risk of potential sovereign debt credit deterioration owing to the amounts of sovereign debt obligations held in its investment portfolio.
- The Prudential Group is, and the Enlarged Group will be, subject to the risk of exchange rate fluctuations owing to the geographical diversity of its businesses.
- The Prudential Group conducts, and the Enlarged Group will conduct, their businesses subject to regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which they operate.
- The resolution of several issues affecting the financial services industry could have a negative impact on the Prudential Group's and the Enlarged Group's reported results or on their relations with current and potential customers.
- Litigation, disputes and regulatory investigations may adversely affect the Prudential Group's and the Enlarged Group's profitability and financial condition.
- The Prudential Group's businesses are conducted, and the Enlarged Group's businesses will be conducted, in highly competitive environments with developing demographic trends and continued profitability depends on management's ability to respond to these pressures and trends.
- Downgrades in the Prudential Group's, and, following the Acquisition, the Enlarged Group's financial strength and credit ratings could significantly impact its competitive position and hurt its relationships with creditors or trading counterparties.

- Adverse experience in the operational risks inherent in the Prudential Group's and Enlarged Group's businesses could have a negative impact on their results of operations.
- Adverse experience against the assumptions used in pricing products and reporting business results could significantly affect the Prudential Group's and Enlarged Group's results of operations.
- The business and prospects of the Enlarged Group may be materially and adversely affected if it is not able to manage the growth of the Enlarged Group's operations successfully.
- As holding companies, Prudential and AIA are each dependent upon their respective subsidiaries to cover operating expenses and dividend payments and, following the Acquisition, New Prudential will in turn depend on dividend payments from Prudential and AIA.
- The Prudential Group operates, and the Enlarged Group will operate, in a number of markets through joint ventures and other arrangements with third parties (including in China and India), involving certain risks that the Prudential Group does not, and the Enlarged Group will not, face with respect to its consolidated subsidiaries.
- Prudential's Articles of Association and the New Prudential Articles contain an exclusive jurisdiction provision.
- Events relating to the AIG Group could continue to harm the AIA Group's business and reputation and could also harm the Prudential Group's business and reputation.
- Agent, employee and distribution partner misconduct is difficult to detect and deter and could harm the Enlarged Group's reputation or lead to regulatory sanctions or litigation.
- Changes in tax legislation may result in adverse tax consequences.

Risks relating to the Transactions

- The Acquisition and the Scheme may each not complete.
- The integration of the Prudential Group and the AIA Group may be more difficult than anticipated.
- The Enlarged Group may fail to realise the anticipated benefits, including estimated synergies, and may fail to achieve its targets, in relation to the Acquisition.
- Change of control provisions in the AIA Group's and Prudential Group's agreements may be triggered upon the completion of the Acquisition and may lead to adverse consequences.
- The Acquisition and the Scheme may negatively impact the Prudential Group's or the AIA Group's tax position.
- Share prices may fluctuate.
- The period required for Prudential Shares and New Prudential Shares to be transferred between the Hong Kong and UK markets and between the Hong Kong and Singapore markets may be longer than expected.
- An active trading market for Prudential Shares on the Hong Kong Stock Exchange may not develop or be sustained, their trading price may fluctuate significantly and the effectiveness of the liquidity arrangements by Designated Dealers may be limited.

PART II

RISK FACTORS

Investing in and holding the New Prudential Shares is subject to a number of risks. Accordingly, investors in the New Prudential Shares should carefully consider the risk factors set out in Part II (*Risk Factors*) of the Rights Issue Prospectus, which is incorporated by reference into this document, together with all of the information set out in this document (or incorporated by reference into this document), prior to making any investment decision. If one or more of those risks were to arise, the Enlarged Group's business, results of operations, financial condition and/or prospects and/or the New Prudential share price could be materially and adversely affected to the detriment of New Prudential and its shareholders, and investors could lose all or part of their investment. The risks incorporated by reference into this document may not be exhaustive and do not necessarily comprise all of the risks associated with an investment in New Prudential and the New Prudential Shares. Additional risks and uncertainties not presently known to New Prudential or which New Prudential currently deems immaterial may arise or become material in the future and may have a material adverse effect on New Prudential.

PART III

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors:	Harvey Andrew McGrath (Chairman) Cheick Tidjane Thiam (Group Chief Executive) Nicolaos Andreas Nicandrou (Chief Financial Officer) Robert Alan Devey (Executive Director) Clark Preston Manning Jr. (Executive Director) Michael George Alexander McLintock (Executive Director) Barry Lee Stowe (Executive Director) Keki Bomi Dadiseth (Independent non-executive Director) Michael William Oliver Garrett (Independent non-executive Director) Ann Frances Godbehere (Independent non-executive Director) Bridget Ann Macaskill (Independent non-executive Director) Kathleen Anne O'Donovan (Independent non-executive Director) James Hood Ross (Senior Independent Director) Lord Andrew Turnbull (Independent non-executive Director)
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Each of the Directors' business address is Laurence Pountney Hill, London EC4R 0HH, United Kingdom.

Company Secretary:	Margaret Ann Coltman
Assistant Company Secretary and Alternative Authorised Representative to Nicolaos Andreas Nicandrou:	Chan Ya Lai, Alice
Authorised Representatives:	Nicolaos Andreas Nicandrou Barry Lee Stowe
Joint Sponsors in relation to the UK Introduction:	Credit Suisse Securities (Europe) Limited One Cabot Square London E14 4QJ United Kingdom HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom J.P. Morgan Securities Ltd 125 London Wall London EC2Y 5AJ United Kingdom
Sponsor in relation to the HK Introduction:	Credit Suisse (Hong Kong) Limited 45/F Two Exchange Square 8 Connaught Place Central, Hong Kong
Financial Advisers to Prudential in respect of the Rights Issue, the Acquisition and the Scheme:	Ondra LLP (trading as Ondra Partners) 23rd Floor 125 Old Broad Street London EC2N 1AR United Kingdom

Financial Advisers to Prudential in respect of the Acquisition and the Scheme:	Credit Suisse Securities (Europe) Limited One Cabot Square London E14 4QJ United Kingdom
	HSBC Bank plc 8 Canada Square London E14 5HQ United Kingdom
	J.P. Morgan plc 125 London Wall London EC2Y 5AJ United Kingdom
Financial Advisers to Prudential in respect of the Acquisition:	Lazard Frères & Co LLC 30 Rockefeller Plaza New York NY 10020 United States
Auditors to Prudential:	KPMG Audit Plc Chartered Accountants 8 Salisbury Square London EC4Y 8BB United Kingdom
Reporting Accountants to Prudential:	KPMG Audit Plc Chartered Accountants 8 Salisbury Square London EC4Y 8BB United Kingdom
	KPMG Certified Public Accountants Prince's Building 10 Chater Road Central, Hong Kong
Auditor and Reporting Accountant to AIA:	PricewaterhouseCoopers 22nd Floor, Prince's Building Central Hong Kong
Legal Advisers to Prudential as to English law and Hong Kong law:	Slaughter and May One Bunhill Row London EC1Y 8YY United Kingdom
	Slaughter and May 47th Floor, Jardine House One Connaught Place, Central Hong Kong
Legal Advisers to Prudential as to Singapore law:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to Prudential as to US law:	Cleary Gottlieb Steen & Hamilton LLP City Place House 55 Basinghall Street London EC2V 5EH United Kingdom

Legal Advisers to UK Joint Sponsors, HK Sponsor and J. P. Morgan plc as to English law, Hong Kong law, Singapore law and US law:	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS United Kingdom Herbert Smith 23rd floor, Gloucester Tower 15 Queen's Road, Central Hong Kong Herbert Smith LLP 50 Raffles Place #24-01 Singapore Land Tower Singapore 048623
Registrar and Receiving Agent:	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA United Kingdom
HK Registrar and transfer office:	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Hong Kong Compliance Adviser:	Evolution Watterson Securities Limited 5/F., 8 Queen's Road Central, Hong Kong

PART IV
IMPORTANT NOTICES

ENFORCEABILITY OF JUDGMENTS

New Prudential is a public limited company incorporated under the laws of England and Wales. Most of the Directors are citizens or residents of countries other than the United States, and a substantial portion of the assets of such persons and a substantial portion of the assets of the Prudential Group are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Prudential or New Prudential or such persons or to enforce outside the United States judgements obtained against Prudential or New Prudential or such persons in the United States courts, including, without limitation, judgements based upon the civil liability provisions of the United States federal securities laws or the laws of any state or territory within the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. Investors may also have difficulties enforcing, in original actions brought in courts in jurisdictions outside the United States, liabilities under US securities laws.

FURTHER IMPORTANT NOTICES

Please see Part IV (*Important Notices*) of the Rights Issue Prospectus, which is incorporated by reference into this document, for further important notices.

PART V

INFORMATION ABOUT THE TRANSACTIONS

Please see Part V (*Information about the Transactions*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART VI

INFORMATION ABOUT THE ENLARGED GROUP

Please see Part VI (*Information about the Enlarged Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART VII

INFORMATION ABOUT THE PRUDENTIAL GROUP

Please see Part VII (*Information about the Prudential Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART VIII

INFORMATION ABOUT THE AIA GROUP

Please see Part VIII (*Information about the AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART IX

DETAILS OF THE SCHEME, NEW PRUDENTIAL REDUCTION OF CAPITAL AND ADMISSIONS TO TRADING

1. Scheme and New Prudential Reduction of Capital

1.1 Summary of the Scheme

1.1.1 The Scheme

The principal steps involved in the Scheme are as follows:

(i) Cancellation of Scheme Shares

Under the terms of the Scheme, the Scheme Shares will be cancelled on the Scheme Effective Date (which is expected to be in Q3 2010), and in consideration for this cancellation, the Scheme Shareholders will receive, in respect of any Scheme Shares held as at the Scheme Record Time (6:00pm (London Time) on the Scheme Record Date):

for each Prudential Share one New Prudential Share

On the Scheme becoming effective, the rights attaching to the New Prudential Shares will be the same as those attaching to the Prudential Shares.

(ii) Establishing New Prudential as the new holding company of the Prudential Group

Following the cancellation of the Scheme Shares, the credit arising in the books of Prudential as a result of the cancellation will be applied in paying up in full at par new shares in Prudential (the "New Ordinary Shares") such that the aggregate nominal value of those New Ordinary Shares equals the aggregate nominal value of the Prudential Shares cancelled. The New Ordinary Shares in Prudential will be issued to New Prudential which will, as a result, become the holding company of Prudential and the Prudential Group.

At the General Meeting, Prudential shareholders will be asked to authorise the issue and allotment to New Prudential and/or its nominee(s) of two Prudential Deferred Shares in Prudential. The Prudential Deferred Shares will be subscribed for by New Prudential and/or its nominee(s) for a subscription price of 1 pence each payable in cash. By acquiring the Prudential Deferred Shares prior to the Scheme Effective Date, there will be no requirement under section 593 of the Companies Act for an independent valuation of the New Ordinary Shares to be allotted to New Prudential under the Scheme.

(iii) Amendments to Prudential's Articles of Association

Further Prudential Shares may have to be allotted before the Scheme comes into effect (for example because of the exercise of rights granted by Prudential under the Prudential Share Schemes). In some cases, the precise timing of their allotment could leave them outside the scope of the Scheme. In order to ensure that this does not occur, it is proposed that Prudential's Articles be amended in such a way as to ensure that any Prudential Shares which are issued after Prudential's Articles are amended but prior to confirmation of the reduction of the Scheme Shares provided for under the Scheme will be allotted and issued subject to the terms of the Scheme and that the holders of such shares will be bound by the Scheme accordingly.

It is also possible that Prudential Shares may have to be allotted after the Scheme has come into effect. In order to deal with this it is proposed that, as a matter supplemental to and separate from the Scheme, Prudential's Articles be amended in such a way as to ensure that:

- (A) any Prudential Shares which are allotted otherwise than to New Prudential (or to a nominee of New Prudential) after the confirmation of the reduction of the Scheme Shares provided for under the Scheme will be acquired by New Prudential in exchange for the issue of New Prudential Shares to the allottees; and
- (B) in the event that any Prudential Shares are allotted to any person within (A) above following any reorganisation of the share capital of either Prudential or New Prudential, the number of New Prudential Shares to be issued to that person will be adjusted in an appropriate manner.

In this way, the allottees in question will receive New Prudential Shares instead of Prudential Shares.

Prudential shareholders will be asked to approve the amendments described above at the General Meeting.

(iv) *Change of name*

New Prudential will change its name to Prudential plc on the Scheme Effective Date. At the same time Prudential will change its name to Prudential Group plc, with the result that New Prudential and Prudential will swap names. The holding company of the Enlarged Group (i.e. New Prudential) will therefore have the name Prudential plc. Prior to the Scheme Effective Date, the change of name of New Prudential to Prudential plc will be approved by the board of New Prudential in accordance with New Prudential's Articles. That approval will be conditional upon the Scheme becoming effective.

1.1.2 New Prudential Reduction of Capital

The Scheme will be followed by a reduction of capital of New Prudential. The New Prudential Reduction of Capital will involve the reduction of New Prudential's share capital by decreasing the nominal amount of each New Prudential Share in issue from 100 pence to 5 pence. This will create a distributable reserve of an equal amount to the reduction. Assuming New Prudential has sufficient financial resources, this reserve will be available for future dividend payments and share repurchases at the discretion of the Directors.

The necessary resolution for New Prudential to implement the New Prudential Reduction of Capital has already been approved by the present voting members of New Prudential (i.e. prior to the Prudential shareholders becoming members of New Prudential pursuant to the Scheme). That approval is conditional upon the Scheme becoming effective and therefore conditional upon the confirmatory approval of those matters necessary to implement the Scheme being sought as part of the special resolution to be proposed at the General Meeting. The New Prudential Reduction of Capital will also require the confirmation of the Court.

1.2 Conditions to and implementation of the Scheme and New Prudential Reduction of capital

1.2.1 The Scheme

The implementation of the Scheme is conditional upon:

- (A) the Scheme having been approved by a majority in number, representing not less than 75% in value, of those holders of Prudential Shares present and voting, either in person or by proxy at the Court Meeting;
- (B) the special resolution to approve certain matters to give effect to the Scheme contained in the notice of the General Meeting having been duly passed at the General Meeting by a majority of not less than 75% of the votes cast;
- (C) the Scheme having been sanctioned by the Court and the Prudential Reduction of Capital having been confirmed by the Court, which occurs as a result of the cancellation of Prudential Shares as part of the Scheme; and
- (D) a copy of the order of the Court sanctioning the Scheme and confirming the Prudential Reduction of Capital under the Scheme having been delivered to the Registrar of Companies for registration and the order and statement of capital having been registered by him.

The Court hearing (at which it is proposed that the Court sanction the Scheme) is expected to be held in Q3 2010. Holders of Prudential Shares or creditors of Prudential who wish to oppose the Scheme will be informed by advert in a newspaper with national distribution in the United Kingdom, and by advert in South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), of their rights to appear in person, or be represented by Counsel, at the Court hearing.

In addition, the directors of Prudential will not take the necessary steps to implement the Scheme unless, at the relevant time, the following conditions have been satisfied and they consider that it continues to be in the best interests of Prudential and holders of Prudential Shares that the Scheme should be implemented:

- (E) relevant regulatory clearances and change of control consents in respect of the Scheme have been obtained;
- (F) approval having been granted by the UKLA to admit the New Prudential Shares to be issued in connection with the Scheme to the premium segment of the Official List;
- (G) approval having been granted by the London Stock Exchange to admit the New Prudential Shares to be issued in connection with the Scheme to trading on its main market for listed securities;
- (H) the Listing Committee of the Hong Kong Stock Exchange having granted listing of and permission to deal in all of the New Prudential Shares to be issued in connection with the Scheme on its Main Board and such listing and permission having not been subsequently revoked prior to the Scheme Effective Date;

- (I) approval having been granted by the SGX-ST for the admission of the New Prudential Shares to the Official List of the SGX-ST and to trading on the Main Board of the SGX-ST;
- (J) the New York Stock Exchange having agreed to let the New Prudential ADRs to be issued in connection with the Scheme to be traded on the New York Stock Exchange and its agreement having not being withdrawn prior to the Scheme Effective Date; and
- (K) Prudential having allotted and issued the Prudential Deferred Shares to New Prudential and/or a nominee(s) prior to the Scheme Effective Date.

The Scheme is not conditional upon the Rights Issue or the Acquisition.

If the Scheme is sanctioned by the Court and the other conditions to the Scheme have been satisfied or waived, the Scheme is expected to become effective in Q3 2010. An announcement confirming the expected dates in respect of the Scheme and the Acquisition, as well as the UK Introduction, HK Introduction and SGX Introduction, will be made in due course.

If the Scheme has not become effective by 7 June 2011 (or such later date as the Court may allow), it will lapse, in which event the Scheme will not proceed and holders of Prudential Shares will remain holders of Prudential Shares and Prudential Shares will continue to be listed on the premium segment of the Official List, traded on the London Stock Exchange's Main Market for listed securities, and listed on the Main Board of the Hong Kong Stock Exchange and on the Main Board of the SGX-ST.

The Scheme contains a provision for Prudential and New Prudential to consent jointly on behalf of all persons concerned to any modification of or addition to the Scheme, or to any condition which the Court may think fit to approve or impose. Prudential has been advised by its legal advisers that the Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of holders of Prudential Shares unless shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not a further meeting of holders of Prudential Shares should be held in this circumstance. If the Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the directors of Prudential, is such as to require the consent of the holders of Prudential Shares, the directors of Prudential will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

1.2.2 New Prudential Reduction of Capital

The New Prudential Reduction of Capital is conditional upon:

- (A) the Scheme becoming effective and being fully implemented;
- (B) the New Prudential Reduction of Capital having been confirmed by the Court; and
- (C) a copy of the order of the Court confirming the New Prudential Reduction of Capital having been delivered to the Registrar of Companies for registration and the registration of the order by him.

The Court hearing to confirm the New Prudential Reduction of Capital is expected to be held on the UK Business Day immediately following the Scheme Effective Date. Holders of Prudential Shares will have the right to attend the Court hearing to support or oppose the New Prudential Reduction of Capital and to appear in person or to be represented by Counsel at the Court Hearing.

The New Prudential Reduction of Capital is expected to become effective on the UK Business Day immediately following the Scheme Effective Date.

1.3 Effect of the Scheme

The effect of implementation of the Scheme will be as follows:

- (A) instead of having its ordinary share capital owned by holders of Prudential Shares, Prudential will become a subsidiary of New Prudential;
- (B) instead of owning a given number of Prudential Shares, each holder of Prudential Shares will own the same number of New Prudential Shares; and
- (C) New Prudential will own all the business of the Prudential Group.

Separate from and subsequent to the Scheme, the proportions of New Prudential Shares held by Scheme Shareholders may be affected by: (i) any Prudential Shares which are caught by the amendments being proposed

to Prudential's Articles described in paragraph 1.1.1(iii) above, for which New Prudential Shares will be issued; (ii) the future exercise of options under the New Share Plans; and (iii) the issue of New Prudential Shares and Mandatory Convertible Notes to AIA Aurora as part of the consideration for the Acquisition.

Prudential Shares will be cancelled upon the Scheme becoming effective. Delisting of Prudential Shares is expected to take place at 8.00 a.m. (London time) in the UK 9.30 a.m. (HK time) in Hong Kong and 9.00 a.m. (Singapore time) in Singapore on the Business Day immediately following the Scheme Effective Date.

2. Admissions to trading

2.1 London Stock Exchange, Hong Kong Stock Exchange and SGX-ST

Application will be made to the UKLA for the listing of the Prudential Shares to be cancelled, to the London Stock Exchange for the Prudential Shares to cease to be admitted to trading on the London Stock Exchange's main market for listed securities, to the Hong Kong Stock Exchange for the Prudential Shares to cease to be listed and permitted to be traded on its Main Board and to the SGX-ST for the Prudential Shares to cease to be listed and permitted to be traded on its Main Board. Delisting is expected to take place at 8.00 a.m. (London time) in the UK, 9.30 a.m. (Hong Kong time) in Hong Kong and 9.00 a.m. (Singapore time) in Singapore on the Business Day immediately following the Scheme Effective Date. Accordingly, the last day of dealing in Prudential Shares is expected to be the Scheme Effective Date. The last time for the registration of transfers of Prudential Shares is expected to be 6:00 p.m. (London time) in the UK, 4:00 p.m. (Hong Kong time) in Hong Kong and 5:00 p.m. (Singapore time) in Singapore on the Scheme Record Date.

Application will be made to the UKLA for the New Prudential Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Prudential Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Application has been made to the Hong Kong Stock Exchange for listing of, and permission to deal in, the New Prudential Shares on the Main Board of the Hong Kong Stock Exchange and will be made to the SGX-ST for the secondary listing of, and permission to deal in, the New Prudential Shares on the Main Board of the SGX-ST. It is expected that the New Prudential Shares will be issued, the UK Introduction, HK Introduction and the SGX Introduction will become effective and dealings will commence on the Business Day immediately following the Scheme Effective Date.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the Prudential Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect.

On the Scheme Effective Date, share certificates in respect of Prudential Shares will cease to be valid and binding in respect of such holdings. Share certificates for the New Prudential Shares are expected to be despatched to UK holders of New Prudential Shares within five UK Business Days after the Scheme Effective Date. In the UK, pending dispatch of share certificates, instruments of transfer of the New Prudential Shares will be certified by the Registrar against the New Prudential register of members. In Hong Kong, share certificates for the New Prudential Shares will be made available for collection by HK holders of New Prudential Shares on the HK Business Day following the Scheme Effective Date from the HK Registrar from 9:00 a.m. to 4:00 p.m. (Hong Kong time). Share certificates for the New Prudential Shares are expected to be despatched to HK holders of New Prudential Shares after 4.00 p.m. (Hong Kong time) on the HK Business Day following the Scheme Effective Date. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register. All certificates will be sent by first-class post in the UK, ordinary post in Hong Kong or, where appropriate, by airmail at the risk of the person entitled thereto.

Prudential Shares held in uncertificated form will be disabled in CREST at the Scheme Record Time. New Prudential Shares will be credited to stock accounts in CREST and CCASS at 8.00 a.m. (London time) and 9.30 a.m. (Hong Kong time) on the Business Day immediately following the Scheme Effective Date. New Prudential reserves the right to issue New Prudential Shares to any or all holders of Prudential Shares in certificated form, if for any reason, it wishes to do so.

All mandates in force at the Scheme Record Time relating to the payment of dividends on Prudential Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New Prudential in relation to the corresponding holding of New Prudential Shares.

Save as disclosed in this document, no part of the New Prudential Shares or loan capital is listed on or dealt in on any other stock exchange. At present, the Company is not seeking or proposing to seek such listing of, or permission to deal in, the New Prudential Shares or loan capital on any other stock exchange.

2.2 Prudential ADRs

It is expected that the New Prudential ADRs will be traded on the New York Stock Exchange. Pursuant to the Scheme becoming effective, the Prudential Shares underlying each Prudential ADR will be cancelled and for each Prudential Share one New Prudential Share will be issued to the US Depositary. Upon the Scheme becoming effective, Prudential ADRs will remain outstanding but will become New Prudential ADRs, each representing two New Prudential Shares, without any action required on the part of Prudential ADR holders.

It is anticipated that trading in New Prudential ADRs will commence on the New York Stock Exchange at 11:30 a.m. (New York time) on the Scheme Effective Date.

2.3 Certain US securities law considerations

The New Prudential Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act. The New Prudential Shares will be issued pursuant to the Scheme in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that act. For the purpose of qualifying for this exemption, Prudential will advise the Court that it will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme following a hearing of fairness to Scheme Shareholders. All Scheme Shareholders are being notified of this hearing and are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme.

The New Prudential Shares will not be registered under the securities laws of any state of the United States, and will be issued pursuant to the Scheme in reliance on an available exemption from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC or any other US federal or state securities commission or regulatory authority has approved or disapproved of the New Prudential Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Prudential is a reporting issuer under the US Securities Exchange Act of 1934, as amended. Following the Scheme becoming effective, New Prudential will become a reporting issuer under that act in place of Prudential and will commence filing reports under that Act.

US holders of Prudential Shares should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of English law.

PART X

SUPERVISION AND REGULATION

Please see Part X (*Supervision and Regulation*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XI

SELECTED FINANCIAL INFORMATION

Please see Part XI (*Selected Financial Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XII

OPERATING AND FINANCIAL REVIEW OF THE PRUDENTIAL GROUP

Please see Part XII (*Operating and Financial Review of the Prudential Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document. That review should be read in conjunction with the following sections of the Rights Issue Prospectus: Part VII (*Information about the Prudential Group*) and Part XIV (*Historical Financial Information for Prudential Group*), the Rights Issue Prospectus having been incorporated by reference into this document.

PART XIII

OPERATING AND FINANCIAL REVIEW OF THE AIA GROUP

Please see Part XIII (*Operating and financial review of the AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document. That review should be read in conjunction with the following sections of the Rights Issue Prospectus: Part VIII (*Information about the AIA Group*) and Part XV (*Historical Financial Information for AIA Group*), the Rights Issue Prospectus having been incorporated by reference into this document.

PART XIV

HISTORICAL FINANCIAL INFORMATION FOR PRUDENTIAL GROUP

Please see Part XIV (*Historical Financial Information for Prudential Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XV

HISTORICAL FINANCIAL INFORMATION FOR AIA GROUP

Please see Part XV (*Historical Financial Information for AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XVI

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Please see Part XVI (*Unaudited Pro Forma Financial Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XVII

MANAGEMENT AND EMPLOYEES

1. Directors

The Board of Directors currently consists of 14 directors, who are currently all also directors of Prudential. Upon completion of the Transactions, it is intended that the Directors will adopt in respect of the Enlarged Group the same positions they hold in the Prudential Group immediately prior to the Scheme Effective Date. Set forth below are the current Directors, including their names and dates of their initial appointment as Directors. Please see also paragraph 1 (*Directors*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus, which is incorporated by reference into this document. That paragraph sets forth the positions the Directors currently hold as directors of Prudential and the principal business activities performed by them outside of Prudential and New Prudential. The business address of all Directors is Laurence Pountney Hill, London EC4R 0HH, United Kingdom.

Harvey Andrew McGrath

Harvey McGrath, 58, was appointed as a Director on 30 April 2010.

Cheick Tidjane Thiam

Tidjane Thiam, 47, was appointed as a Director on 28 February 2010.

Nicolaos Andreas Nicandrou ACA

Nic Nicandrou, 44, was appointed as a Director on 28 February 2010.

Robert Alan Devey

Rob Devey, 41, was appointed as a Director on 30 April 2010.

Clark Preston Manning Jr. FSA MAAA

Clark Manning, 51, was appointed as a Director on 30 April 2010.

Michael George Alexander McLintock

Michael McLintock, 49, was appointed as a Director on 30 April 2010.

Barry Lee Stowe

Barry Stowe, 52, was appointed as a Director on 30 April 2010.

Keki Bomi Dadiseth FCA

Keki Dadiseth, 64, was appointed as a Director on 30 April 2010.

Michael William Oliver Garrett

Michael Garrett, 67, was appointed as a Director on 30 April 2010.

Ann Frances Godbehere FCGA

Ann Godbehere, 55, was appointed as a Director on 30 April 2010.

Bridget Ann Macaskill

Bridget Macaskill, 61, was appointed as a Director on 30 April 2010.

Kathleen Anne O'Donovan ACA

Kathleen O'Donovan, 52, was appointed as a Director on 30 April 2010.

James Hood Ross

James Ross, 71, was appointed as a Director on 30 April 2010.

Lord Turnbull KCB CVO

Lord Turnbull, 65, was appointed as a Director on 30 April 2010.

2. Company Secretary

Margaret Ann Coltman

Margaret Coltman was appointed as the Company Secretary on 28 February 2010. Please see paragraph 2 (*Company secretary*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

3. Assistant Company Secretary

Chan Ya Lai, Alice

Alice Chan, the General Counsel of Prudential Corporation Asia since February 2009, has been appointed as New Prudential's interim Assistant Company Secretary. Please see paragraph 3 (*Assistant Company secretary*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

It is currently expected that Alice will act as Assistant Company Secretary until the completion of the Acquisition. A permanent Assistant Company Secretary who possesses the relevant qualifications under Rule 8.17 of the Hong Kong Listing Rules is expected to be appointed then. Upon appointment of such Assistant Company Secretary, Prudential and/or its Compliance Advisor (which Prudential has appointed in compliance with Rule 3A.19 of the Hong Kong Listing Rules) will make the confirmation to the Hong Kong Stock Exchange that the Assistant Company Secretary:

- (a) satisfies the requirements of Rule 8.17 of the Hong Kong Listing Rules;
- (b) appreciates the nature of his/her responsibilities;
- (c) understands the requirements of the Hong Kong Listing Rules and applicable laws and regulations in Hong Kong; and
- (d) expects to be able to honour his/her obligations under the Hong Kong Listing Rules and applicable laws and regulations in Hong Kong.

4. Authorised representatives

New Prudential has appointed Nicolaos Andreas Nicandrou and Barry Lee Stowe as authorised representatives. Please refer to paragraph 1 (*Directors*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus for the biographical details of Nicolaos and Barry.

5. Other executive officers

Please see paragraph 5 (*Other executive officers*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

Upon completion of the Transactions, it is intended that John Foley will adopt in respect of the Enlarged Group the same position he holds in the Prudential Group.

6. Board committees

Upon the Scheme becoming effective, New Prudential intends to establish Board committees which will be identical to the existing board committees of Prudential and which will take over from the corresponding Prudential board committees their respective functions and responsibilities. The committees established by Prudential are key elements of Prudential's corporate governance framework and will be key elements of New Prudential's corporate governance framework, and descriptions of each are set out in paragraph 6 (*Board Committees*) of Part XVII (*Management and Employees*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

7. Combined Code

As at the date of this document, New Prudential does not comply with the provisions of the Combined Code, as it is not a listed company and so the Combined Code does not apply to it. Upon implementation of the Scheme, New Prudential intends to comply with the provisions of the Combined Code.

8. Employees

Please see paragraph 8 (*Employees*) of Part XVII (*Management and Employees*) and paragraph 8.6 (*Employees*) of Part VIII (*Information about the AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

PART XVIII

TAXATION CONSIDERATIONS

1. UK Taxation

The following statements do not constitute tax advice and are intended only as a general guide to current UK law and the published practice of HMRC, as currently understood (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Scheme Shareholders and are intended to apply only (except to the extent stated otherwise) to persons who are resident and, in the case of individuals, ordinarily resident in the UK for UK tax purposes, who are the absolute beneficial owners of Scheme Shares and who hold them as investments. They may not apply to certain Scheme Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Scheme Shareholders who are exempt from taxation and Scheme Shareholders who have (or who are deemed to have) acquired their Scheme Shares by virtue of an office or employment or anyone who is or has been an officer or employee of Prudential or New Prudential. Such persons may be subject to special rules. Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional adviser without delay.

1.1 Taxation of chargeable gains

1.1.1 Cancellation of Scheme Shares and receipt of New Prudential Shares

Scheme Shareholders should not be treated as making a disposal of their Scheme Shares as a result of receiving New Prudential Shares in exchange for Scheme Shares pursuant to the Scheme and so no chargeable gain or allowable loss should arise. The New Prudential Shares should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the Scheme Shares from which they are derived.

Scheme Shareholders who, alone or together with persons connected with them, hold more than 5 per cent. of, or of any class of, shares or debentures of Prudential should be eligible for the above “rollover” treatment provided that the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax.

1.1.2 Capital Reduction of New Prudential

New Prudential Shareholders should not be treated as making a disposal or part disposal of their New Prudential Shares as a result of the New Prudential Capital Reduction. As a result, no chargeable gain or allowable loss should arise.

1.1.3 Disposal of New Prudential Shares

(A) Individual shareholders

A disposal of New Prudential Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax, depending on the circumstances and subject to any available exemption or relief. Capital gains tax is charged at a flat rate of 18% for individuals, trustees, and personal representatives on any chargeable gains arising on the disposal of New Prudential Shares, irrespective of how long the shares have been held.

(B) Corporate shareholders

Where a holder of New Prudential Shares is within the charge to corporation tax, a disposal of New Prudential Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company.

(C) Territorial scope

Subject to the provisions summarised below in relation to temporary non-residents, Scheme Shareholders who are not resident or, in the case of individuals, ordinarily resident in the UK for tax purposes and who are not carrying on a trade, profession or vocation in the UK through a branch or agency or permanent establishment will not generally be subject to UK tax on chargeable gains as a consequence of the disposal of their New Prudential Shares. However, a non-UK resident individual (or other non-corporate) Scheme Shareholder may be liable to UK tax on capital gains if, at the time of a disposal of those New Prudential Shares, that Scheme Shareholder carries on a trade, profession or

vocation in the UK through a branch or agency and, at or before the time when any capital gain accrues, the New Prudential Shares have been used in or for the purposes of that trade, profession or vocation or have been used, held or acquired for the purposes of that branch or agency. A non-UK resident corporate Scheme Shareholder may be liable to UK tax on chargeable gains if, at the time of a disposal of those New Prudential Shares that corporate Scheme Shareholder carries on a trade in the UK through a permanent establishment and, at or before the time when any capital gain accrues, the New Prudential Shares have been used in or for the purposes of that trade or have been used, held or acquired for the purposes of that permanent establishment. Such Scheme Shareholders may be subject to foreign taxation on any gain, subject to the terms of an applicable double taxation treaty.

In addition, a Scheme Shareholder or a New Prudential Shareholder who is an individual and who is only temporarily resident outside the UK for UK capital gains tax purposes at the date of a disposal of all or part of his or her New Prudential Shares may, on becoming resident or ordinarily resident for tax purposes in the UK again, be liable to UK tax on chargeable gains in respect of disposals made while he or she was temporarily resident outside the UK.

1.2 UK Stamp duty and SDRT

The following statements are intended as a general guide to the current UK stamp duty and SDRT position and apply regardless of whether or not a Scheme Shareholder or holder of New Prudential Shares is resident or ordinarily resident in the UK.

No UK stamp duty or SDRT should generally be payable on the issue of New Prudential Shares to Scheme Shareholders or the cancellation of Scheme Shares pursuant to the Scheme.

The issue or transfer of New Prudential Shares (including pursuant to the Scheme) to (a) a person whose business is or includes the provision of clearance services (or their nominee or agent) or (b) a person whose business is or includes issuing depositary receipts (or their nominee or agent), may give rise to UK stamp duty or SDRT at the higher rate of 1.5% of the issue price, the consideration payable or, in certain circumstances, the value of the New Prudential Shares unless, in the case of an issue or transfer to a person falling within paragraph (a) (or their nominee or agent), that person has made an election under section 97A of the Finance Act 1986 which has effect in relation to such securities.

On 1 October 2009, the European Court of Justice ruled that such a charge, when levied in respect of an issue of shares by a limited liability company incorporated under English law into a clearance service, was prohibited by Article 11(a) of Council Directive 69/335/EEC. On the same day, HMRC announced that, with immediate effect, the 1.5% charge to SDRT on the issue of shares into a clearance service within the European Union would no longer be applied. On 9 December 2009, HMRC extended this to the issue of shares into a depositary system within the European Union. There may be further implications of this decision, in particular for the issue of shares into systems outside the European Union and for the treatment of transfers of shares after they have been placed into clearance services or depositary receipt schemes and the law in this area may be particularly susceptible to change. Section 54 of the Finance Act 2010 has removed certain exemptions which applied to transfers from clearance systems or issuers of depositary receipts based in the EU to clearance systems or issuers of depositary receipts based outside the EU.

However, no UK stamp duty or SDRT should generally be payable on the cancellation of Prudential Shares underlying the Prudential ADRs and the issue of New Prudential Shares to the US Depositary in consideration therefor pursuant to the Scheme.

Further, no UK stamp duty or SDRT should generally be payable on the cancellation of Prudential Shares held in Singapore through CDP and the issue of New Prudential Shares into CDP in consideration therefor pursuant to the Scheme.

HMRC have confirmed that no UK stamp duty or SDRT should be payable on the issue of New Prudential Shares into CCASS pursuant to the Scheme where such New Prudential Shares are issued in respect of Prudential Shares registered on the Hong Kong Register and where such New Prudential Shares will themselves be registered on the Hong Kong Register following issue, nor on the subsequent settlement or clearance in CCASS of such shares, provided that no instrument of transfer is executed in the UK in respect of them and subject, in the case of transfers of such shares within CCASS to CDP, to the special rules relating to clearance services and depositary receipts referred to above.

Transfers of, or agreements to transfer, New Prudential Shares which are registered on the Hong Kong Register outside of CCASS and transfers of New Prudential Shares which are registered on the Irish Register should not give rise to any UK stamp duty or SDRT provided that no instrument of transfer is executed in the UK in respect of them

and, in the case of both stamp duty and SDRT, subject to the special rules relating to clearance services and depositary receipts referred to above. No UK stamp duty or SDRT should be payable when New Prudential Shares that are registered on the UK Register or the Irish Register are re-registered on the Hong Kong Register or where shares which are registered on the Hong Kong Register are re-registered on the UK Register or the Irish Register, provided that there is no change in the ownership of those New Prudential Shares.

Subject to the special rules relating to clearance services and depositary receipts referred to above, no UK stamp duty or SDRT should generally be payable on transfers of, or agreements to transfer, New Prudential Shares within CDP.

Subject to a stamp duty exemption for certain low value transactions and to the special rules relating to clearance services and depositary receipts referred to above, subsequent dealings in New Prudential Shares which are not registered on the Hong Kong Register or the Irish Register will generally be subject to UK stamp duty or SDRT in the normal way. The transfer on sale of New Prudential Shares should generally be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid (rounded up to the nearest multiple of £5). An unconditional agreement to transfer such shares should generally be liable to SDRT at the rate of 0.5% of the consideration payable but such liability will be cancelled, or a right to a repayment of the SDRT paid will arise, if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. Stamp duty is normally paid by the purchaser and SDRT is the liability of the purchaser.

Subject to the special rules relating to clearance services and depositary receipts referred to above, no UK stamp duty or SDRT should arise on a transfer of New Prudential Shares which are not registered on the Hong Kong Register or the Irish Register into the CREST system provided that, in the case of SDRT, the transfer is not for money or money's worth. Transfers of such shares within CREST are liable to SDRT (at the rate of 0.5% of the consideration payable) and SDRT on relevant transactions settled in, or reported through, CREST will be collected by CREST.

It should be noted that certain categories of person, including market makers, brokers, dealers and other specified market intermediaries, are entitled to an exemption from UK stamp duty and SDRT in respect of purchases of securities in certain circumstances and there is an exemption for charities.

1.3 Dividends

1.3.1 General

New Prudential will not be required to withhold tax at source when paying a dividend.

1.3.2 Individual holders of New Prudential Shares within the charge to UK Income Tax

When New Prudential pays a dividend to a shareholder who is an individual resident (for tax purposes) in the UK, the shareholder will be entitled to a tax credit equal to one-ninth of the dividend received. The dividend received plus the related tax credit (the "gross dividend") will be part of the shareholder's total income for UK income tax purposes and will be regarded as the top slice of that income. However, in calculating the shareholder's liability to income tax in respect of the gross dividend, the tax credit (which equates to 10% of the gross dividend) is set off against the tax chargeable on the gross dividend.

Basic Rate Taxpayers

In the case of a shareholder who is liable to income tax at the basic rate, the shareholder will be subject to tax on the gross dividend at the ordinary dividend rate of 10%. The tax credit will, in consequence, satisfy in full the shareholder's liability to income tax on the gross dividend.

Higher Rate Taxpayers

In the case of a shareholder who is liable to income tax at the higher rate, the shareholder will be subject to tax on the gross dividend at the dividend upper rate of 32.5%, to the extent that the gross dividend falls above the threshold for the higher rate of income tax when it is treated (as mentioned above) as the top slice of the shareholder's income. This means that the tax credit will satisfy only part of the shareholder's liability to income tax on the gross dividend, so that the shareholder will have to account for income tax equal to 22.5% of the gross dividend (which equates to 25% of the dividend received). For example, a dividend of £90 from New Prudential would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the shareholder would be required to account for income tax of £22.50 on the dividend, being £32.50 (i.e. 32.5% of £100.00) less £10 (the amount of the tax credit).

Additional Rate Taxpayers

In the case of a shareholder who is liable to income tax at the additional rate, the shareholder will be subject to tax on the gross dividend at the dividend additional rate of 42.5%, to the extent that the gross dividend falls above the threshold for the additional rate of income tax when it is treated (as mentioned above) as the top slice of the shareholder's income. This means that the tax credit will satisfy only part of the shareholder's liability to income tax on the gross dividend, so that the shareholder will have to account for income tax equal to 32.5% of the gross dividend (which equates to approximately 36.1% of the dividend received). For example, a dividend of £90 from New Prudential would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the shareholder would be required to account for income tax of £32.50 on the dividend, being £42.50 (i.e. 42.5% of £100.00) less £10 (the amount of the tax credit).

1.3.3 Corporate holders of New Prudential Shares within the charge to UK Corporation Tax

New Prudential shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from New Prudential. Other shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from New Prudential) so long as the dividends fall within an exempt class and certain conditions are met. For example, dividends paid on shares that are "ordinary shares" and are not "redeemable" (in each case for UK tax purposes) and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital) are examples of dividends that should generally fall within an exempt class.

1.3.4 No Payment of Tax Credit

A shareholder (whether an individual, a company, a pension fund or a charity) who is not liable to tax on dividends from New Prudential will not be entitled to claim payment of the tax credit in respect of those dividends.

1.3.4 Territorial Scope

The right of a shareholder who is not resident (for tax purposes) in the UK to a tax credit in respect of a dividend received from New Prudential and to claim payment of any part of that tax credit will depend on the existence and terms of any double taxation convention between the UK and the country in which the holder is resident. New Prudential shareholders who are not solely resident in the UK should consult their own tax adviser concerning their tax liabilities on dividends received, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

2. Hong Kong Taxation

This section addresses the taxation of income and capital gains of holders of the Scheme Shares and New Prudential Shares under the laws of Hong Kong and the published practice of the Hong Kong Inland Revenue Department (which are both subject to change at any time), as currently understood. The following summary of the tax position in Hong Kong is based on current law and practice, is subject to changes therein and does not constitute legal or tax advice. This summary provides a general outline of the material tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Scheme Shares and New Prudential Shares and does not deal with all possible Hong Kong tax consequences applicable to all categories of investors.

Hong Kong taxation considerations in relation to the Nil Paid Rights and Rights Issue Shares are set out in Part XVIII of the Rights Issue Prospectus and are incorporated into this document by reference.

2.1 Dividends

No tax will be payable in Hong Kong in respect of dividends New Prudential pays to its shareholders. Dividends distributed to New Prudential's shareholders will be free of withholding taxes in Hong Kong.

2.2 Taxation on gains of sale

2.2.1 Disposal of shares

No tax is imposed in Hong Kong in respect of capital gains. However, trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where the trading gains are derived from or arise in Hong Kong will be chargeable to Hong Kong profits tax. Hong Kong profits tax is currently charged at the rate of 16.5% on corporations and at a maximum rate of 15% on individuals. Certain categories of taxpayers whose business consists of buying and selling shares are likely to be regarded as deriving trading gains rather than capital

gains (e.g. financial institutions, insurance companies and securities dealers) unless these taxpayers could prove that the investment securities are held for long term investment purposes.

Trading gains from the sale of the Scheme Shares or New Prudential Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. A liability for Hong Kong profits tax would thus arise in respect of trading gains from the sale of Scheme Shares or New Prudential Shares on the Hong Kong Stock Exchange where such trading gains are realised by persons from a business carried on in Hong Kong.

2.2.2 Cancellation of Scheme Shares and receipt of New Prudential Shares

If a gain is realised from the cancellation of Scheme Shares under the Scheme and the issue of New Prudential Shares, from a business carried on in Hong Kong, that gain may be chargeable to Hong Kong profits tax where the gain is recognised as a gain in the person's accounts, and is derived from or arises in Hong Kong from a business carried on in Hong Kong. However, no tax would be imposed in Hong Kong on any such gain that was a capital gain realised by those persons.

2.2.3 Capital Reduction of New Prudential

New Prudential Shareholders should not be treated as making a disposal or part disposal of their New Prudential Shares as a result of the New Prudential Reduction of Capital. As a result, no chargeable gain or allowable loss should arise.

2.3 Stamp duty

2.3.1 Sale and purchase of shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the value of the Scheme Shares or New Prudential Shares, will be payable by the purchaser on a purchase and by the seller on a sale of Scheme Shares or New Prudential Shares where the transfer is required to be registered in Hong Kong (i.e. a total of 0.2% is ordinarily payable on a sale and purchase transaction involving Prudential Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Prudential Shares.

2.3.2 Cancellation of Scheme Shares and receipt of New Prudential Shares

No stamp duty will be payable on the issue of New Prudential Shares to Scheme Shareholders or the cancellation of the Scheme Shares under the Scheme.

2.3.3 Capital Reduction of New Prudential

No stamp duty will be payable by holders of New Prudential Shares as a result of the New Prudential Reduction of Capital.

3. Singapore Taxation

The following summary of the tax position in Singapore in respect of holders of the Scheme Shares and New Prudential Shares is based on current Singapore taxation law and published tax authority practice (which are both subject to change at any time) as currently understood and does not constitute legal or tax advice. This summary provides a general outline of the material tax considerations that may be relevant to a decision to acquire, purchase, own or dispose of the Scheme Shares or New Prudential Shares and does not deal with all possible Singapore tax consequences applicable to all categories of investors. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Scheme Shares or New Prudential Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Investors are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Scheme Shares and New Prudential Shares.

3.1 Taxation on gains of sale

3.1.1 Disposal of Shares

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of the Scheme Shares or the New Prudential Shares may be construed to be of an income nature and subject to Singapore income

tax, especially if they arise from activities which are regarded as the carrying on of a trade or business and the gains are sourced in Singapore.

3.1.2 Cancellation of Scheme Shares and Receipt of New Prudential Shares

If gains are realised by an investor from the cancellation of Scheme Shares under the Scheme and the issuance of New Prudential Shares, the gains would not be subject to Singapore income tax if they are capital in nature. However, if such gains are construed to be of an income nature (especially if they arise from activities which are regarded as the carrying on of a trade or business) and are sourced in Singapore, such gains may be subject to Singapore income tax.

3.1.3 Capital Reduction of New Prudential

New Prudential Shareholders should not be treated as making a disposal or part disposal of their New Prudential Shares as a result of the New Prudential Reduction of Capital. As a result, no chargeable gain or allowable loss should arise.

3.1.4 Adoption of FRS 39 for Singapore Tax Purposes

Investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement (“FRS 39”) for the purposes of Singapore income tax may be required to recognize gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal is made. Taxpayers who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Scheme Shares and the New Prudential Shares.

3.2 Dividend distributions

As New Prudential is incorporated in England and Wales and is not tax resident in Singapore for Singapore tax purposes, dividends paid by New Prudential will be considered as sourced outside Singapore (unless the New Prudential Shares are held as part of a trade or business carried out in Singapore in which event the holders of such shares may be taxed on the dividends as they are derived).

Foreign-sourced dividends received or deemed received in Singapore by an individual not resident in Singapore is exempt from Singapore income tax. This exemption will also apply in the case of a Singapore tax resident individual who receives his foreign-sourced income in Singapore on or after 1 January 2004 (except where such income is received through a partnership in Singapore).

Foreign-sourced dividends received or deemed received by corporate investors in Singapore will ordinarily be liable to Singapore tax.

However, foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 can be exempt from tax if certain prescribed conditions are met, including the following:

- (i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore with respect to such conditions.

3.3 Stamp duty

As Prudential and New Prudential are both incorporated in England and Wales and the Scheme Shares and the New Prudential Shares are not registered on any register kept in Singapore, no stamp duty is payable in Singapore:

- (i) on the cancellation of the Scheme Shares under the Scheme and the issuance of New Prudential Shares to Scheme Shareholders;

- (ii) by holders of New Prudential Shares as a result of the New Prudential Reduction of Capital; and
- (iii) on any transfer of New Prudential Shares.

Scheme Shares and New Prudential Shares held or traded in Singapore through CDP will be registered on the HK Register. As such, Hong Kong stamp duty will be payable on a transfer of Scheme Shares and New Prudential Shares held or traded in Singapore through CDP. Please refer to the description of Hong Kong stamp duty at paragraph 2.3 of Part XVIII above.

All persons who hold or transact in Scheme Shares or New Prudential Shares in Singapore through the SGX-ST and/or CDP should expect that they will have to bear Hong Kong stamp duty in respect of transactions in Scheme Shares or New Prudential Shares effected in Singapore through the SGX-ST and/or CDP. Such persons should consult their brokers or custodians for information regarding what procedures may be instituted for collection of Hong Kong stamp duty from them.

3.4 Estate duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

3.5 Goods and Services Tax

There is no Goods and Services Tax (“GST”) payable in Singapore on the subscription or issuance of the New Prudential Shares. The clearing fees, instruments of transfer deposit fees and share withdrawal fees are subject to GST at the prevailing standard-rate (currently 7%) if the services are provided to a holder of New Prudential Shares belonging in Singapore. However, such fees could be zero-rated when provided to a holder of New Prudential Shares belonging outside Singapore provided certain conditions are met. For a holder of New Prudential Shares belonging in Singapore who is registered for GST, the GST incurred is generally not recoverable as input tax credit from the Inland Revenue Authority of Singapore unless certain conditions are satisfied. These GST-registered holders of New Prudential Shares should seek the advice of their tax advisors on these conditions.

4. US Taxation

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY PRUDENTIAL IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY PRUDENTIAL OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of New Prudential Shares by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of the Rights Issue, which are discussed under the heading “U.S. Taxation” in Part XVIII of the Rights Issue Prospectus. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor, and does not discuss state, local, foreign or other tax laws. In particular, the summary does not deal with New Prudential Shares that are not held as capital assets and does not address the tax treatment of holders that are subject to special rules, such as U.S. expatriates, banks and other financial institutions, insurance companies, dealers in securities or currencies, regulated investment companies, partnerships or other pass-through entities, persons that elect mark-to-market treatment, persons holding New Prudential Shares as a position in a synthetic security, straddle or conversion transaction, persons subject to the alternative minimum tax, persons who acquired New Prudential Shares pursuant to the exercise of employee stock options or otherwise as compensation, individual accounts and other tax-deferred accounts, tax-exempt entities, persons that own, directly or indirectly, 10% or more of New Prudential’s shares or ADRs and persons whose functional currency is not the U.S. dollar.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of New Prudential Shares that is a citizen or resident of the United States, a U.S. domestic corporation, or otherwise subject to U.S. federal income tax on a net income basis with respect to its New Prudential Shares.

A U.S. Holder of New Prudential's ADRs generally will be treated for U.S. federal income tax purposes as the beneficial owner of the shares represented by those ADRs.

The U.S. federal income tax treatment of a partner in a partnership that holds New Prudential Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of New Prudential Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986 (the "Code"), as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the United Kingdom (the "Treaty"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING NEW PRUDENTIAL SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends. The gross amount of any cash distribution received by a U.S. Holder (including the amount of any U.K. taxes withheld) with respect to its New Prudential Shares generally will be subject to U.S. federal income taxation as foreign-source dividend income. Any dividends paid in Pounds Sterling will be included in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of a U.S. Holder's receipt of the dividend, regardless of whether the payment is in fact converted into U.S. dollars on such date. If such a dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. Dividends paid on New Prudential Shares generally will not be eligible for the dividends received deduction available to U.S. corporate shareholders.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by certain non-corporate U.S. Holders with respect to New Prudential Shares before January 1, 2011 will be subject to taxation at a maximum rate of 15% if the dividends are "qualified dividends." Dividends received with respect to New Prudential Shares will be qualified dividends if Prudential (i) is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service (IRS) has approved for purposes of the qualified dividend rules and (ii) was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC. The current Treaty has been approved for purposes of the qualified dividend rules. Based on the nature of Prudential's and AIA's business activities and Prudential's expectations regarding New Prudential's business activities in the future, Prudential does not anticipate New Prudential's being a PFIC for its 2010 taxable year.

Dividends received by U.S. Holders generally will constitute passive category income (or, in the case of certain U.S. Holders, general category income) for U.S. foreign tax credit purposes. U.K. tax withheld from dividends will be treated as a foreign income tax that, subject to generally applicable limitations under U.S. tax law, is eligible for credit against the U.S. federal income tax liability of U.S. Holders or, if they have elected to deduct such taxes, may be deducted in computing taxable income. If a refund of the tax withheld is available under the laws of the U.K. or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against a U.S. Holder's U.S. federal taxable income). U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition. A U.S. Holder will recognize capital gain or loss on the sale, exchange or other disposition of the New Prudential Shares in an amount equal to the U.S. dollar value of the difference between the amount realized for the New Prudential Shares and such Holder's adjusted tax basis (determined in U.S. dollars) in the New Prudential Shares. Such gain or loss generally will be U.S.-source gain or loss, and will be long-term capital gain or loss if the New Prudential Shares were held for more than one year. A non-corporate U.S. Holder may qualify for the preferential rates applicable to long-term capital gains. A U.S. Holder's ability to offset capital losses against ordinary income is limited. Prospective investors should consult their own tax advisors as to the U.S. tax and foreign tax credits implications of such sale or other disposition of New Prudential Shares.

The aggregate adjusted tax basis of New Prudential Shares received in the Scheme by a U.S. Holder of Prudential Shares will be equal to the aggregate adjusted tax basis of such U.S. Holder's Prudential Shares exchanged for New

Prudential Shares, assuming the exchange pursuant the Scheme is treated as a tax-free exchange for U.S. federal income tax purpose. The tax basis of New Prudential Shares purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of New Prudential Shares traded on an established securities market that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realized on a sale or other disposition of New Prudential Shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of New Prudential Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time. If an accrual basis U.S. Holder makes the election described above, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

U.S. Information Reporting and Backup Withholding

Dividend payments and proceeds paid from the sale or other disposition of New Prudential Shares by a U.S. paying agent or certain other intermediaries will be subject to information reporting to the IRS and possible U.S. federal backup withholding at a current rate of 28%. Certain exempt recipients (such as corporations) are not subject to the information reporting or backup withholding requirements if they establish an exemption. Backup withholding generally will not apply to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification, or who otherwise establishes an exemption from backup withholding. U.S. persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against U.S. Holders' U.S. federal income tax liability. U.S. Holders may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information. In addition, a U.S. Holder should be aware that recently enacted legislation imposes new reporting requirements with respect to the holding of certain foreign financial assets, including stocks of non-U.S. issuers, if the aggregate value of all of such assets exceeds \$50,000. A U.S. Holder should consult its own tax advisor regarding the application of the information reporting rules to New Prudential Shares and the application of the recently enacted legislation to its particular situation.

PART XIX

ADDITIONAL INFORMATION

1. Persons responsible for prospectus

UK compliant responsibility statement

The Directors, whose names appear at Part III (*Directors, Company Secretary and Advisers*) of this document and New Prudential, with registered office at Laurence Pountney Hill, London, EC4R 0HH, United Kingdom, accept responsibility for the information contained in this document. To the best knowledge of the Directors and New Prudential (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Hong Kong compliant responsibility statement

This document includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. Incorporation

New Prudential was incorporated in England and Wales as a limited company on 19 February 2010 as Petrohue (UK) Investments Limited with registered number 07163561 under the Companies Act. New Prudential changed its name to Prudential Group Limited on 1 March 2010 and was re-registered as a public limited company on 22 April 2010. The registered office of New Prudential is at Laurence Pountney Hill, London EC4R 0HH, United Kingdom with telephone number +44 (0)20 7220 7588. The head office of New Prudential is at 12 Arthur Street, London EC4R 9AQ, United Kingdom with telephone number +44 (0)20 7220 7588.

New Prudential has a place of business in Hong Kong at 13th floor, One International Finance Centre, One Harbour View Street and is registered with the Registrar of Companies as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance. Slaughter and May has been appointed as agent of New Prudential for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

New Prudential has not commenced operations nor traded since its incorporation. However, New Prudential has entered into certain material contracts in relation to the Transactions, as set out in paragraph 17 (*Material contracts*) of Part XIX of the Rights Issue Prospectus, which is incorporated by reference into this document. As described in Part IX (*Details of the Scheme, New Prudential Reduction of Capital and Admissions to Trading*) of this document, upon completion of the Transactions, New Prudential will become the holding company of the Enlarged Group and its assets will be substantially comprised of shares and loans in the Prudential Group and the AIA Group. It will not conduct any other business and will accordingly be dependent on the other members of the Enlarged Group and revenues received from them.

Please see Part VI (*Information about the Enlarged Group*), Part VII (*Information about the Prudential Group*) and Part VIII (*Information about the AIA Group*) of this document for information about the Enlarged Group, the Prudential Group and the AIA Group, respectively.

3. Share capital

3.1 Changes in share capital

On incorporation, the issued share capital of New Prudential was £100 divided into 100 ordinary shares of £1 each (the "Subscriber's Shares"), all of which were subscribed by the subscriber, Trusec Limited, and were unpaid.

By written resolutions passed on 28 February 2010, Trusec Limited transferred 25 Subscriber's Shares to each of Thibaut Lemaire, Matt Lilley, James Matthews and Pierre-Oliver Bouée, all of whom are employees of the Prudential Group, for cash consideration paid by each transferee of £25, and the Subscriber's Shares became fully paid.

By written resolutions passed on 21 April 2010, prior to New Prudential's re-registration as a public company limited by shares, the New Prudential Articles were adopted and the issued share capital of New Prudential was

increased to £50,000 made up of 100 ordinary shares of £1 each and 4,990,000 redeemable preference shares of 1p each, and 4,990,000 non-voting redeemable preference shares of 1p each were issued and allotted to Prudential.

The redeemable preference shares are non-voting, carry no rights to dividend, may be redeemed at the option of New Prudential, and, on a winding up or liquidation, confer on the holder the right, before repayment of the capital paid up on other classes of share capital, to repayment of the amount of the nominal value paid up by the holder in cash on the holder's redeemable preference shares.

Accordingly, as at 14 May 2010 (the latest practicable date prior to the publication of this document), the issued share capital of New Prudential was as set out below, and it is intended this will be the issued share capital of New Prudential immediately prior to implementation of the Scheme (assuming no other issue of share capital by New Prudential between the date of this document and the Scheme Effective Date):

<u>Class</u>	<u>Number of shares issued</u>	<u>Number of shares issued and fully paid</u>	<u>Number of shares issued but not fully paid</u>	<u>Aggregate nominal value</u>
Ordinary shares	100	100	0	£100
Preference shares	4,990,000	4,990,000	0	£49,900

3.2 Shareholder authorities

Please see paragraph 3.3 (*Shareholder authorities*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus regarding the 2010 Proposed Mandate of Prudential.

Authority to undertake the New Prudential Reduction of Capital has already been granted to the Directors by the present voting members of New Prudential. The Directors are authorised to implement the New Prudential Reduction of Capital only if Prudential shareholders pass the special resolution which will be proposed at the General Meeting to approve matters necessary to implement the Scheme.

Accordingly, Prudential shareholders will not be required separately to approve the New Prudential Reduction of Capital once they have become New Prudential shareholders pursuant to the Scheme.

Prior to the Scheme Effective Date, a general meeting of New Prudential will be held at which shareholder approval will be sought for the Directors to be granted: (a) authority to allot New Prudential Shares requisite to the implementation of the Scheme; (b) authority to allot the requisite number of New Prudential Shares to AIA Aurora as part of the consideration for the Acquisition; (c) authority to allot the requisite number of Mandatory Convertible Notes to AIA Aurora as part of the consideration for the Acquisition; and (d) authorities to allot New Prudential Shares, to make allotments otherwise than in accordance with pre-emption rights and to make purchases of New Prudential Shares, with all such authorities to be based on the expected issued share capital of New Prudential following the Acquisition.

4. Memorandum and Articles of Association

On 22 April 2010, New Prudential adopted Articles of Association which are substantively the same as the existing Articles of Association of Prudential with no material differences. A summary of the rights of Prudential shareholders and certain provisions of Prudential's Articles of Association is contained in paragraph 4 (*Memorandum and Articles of Association*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus and is also applicable to the rights of holders of New Prudential Shares and New Prudential's Articles of Association.

Rights of New Prudential's shareholders are set out in New Prudential's Articles of Association or are provided for by English law. A complete copy of New Prudential's Articles of Association is available for inspection as set out at paragraph 26 (*Documents available for inspection*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus.

In accordance with the Companies Act, New Prudential's Memorandum of Association contains only basic information about the original members of New Prudential and the principal constitutive document of New Prudential is its Articles of Association.

5. Directors

5.1 Other directorships

All the directors of Prudential are also Directors. Please see the list of their other directorships which is contained in paragraph 5.1 (*Other directorships*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is

incorporated by reference into this document. Save as set out in that list, the Directors have not held any directorships of any other companies (other than companies in the Prudential Group and companies which are subsidiaries of companies of which Directors are directors) at any time in the five years prior to the date of this document.

5.2 Interests in New Prudential Shares

All the directors of Prudential are also Directors. The effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other persons.

On the Scheme becoming effective, assuming that no further Prudential Shares have been purchased or issued after 14 May 2010 (the latest practicable date prior to the publication of this document) certain Directors would have the following beneficial interests in New Prudential Shares by virtue of the effect of the Scheme on their Prudential Shares. For the avoidance of doubt, the table below illustrates the effect of the Scheme only on the interests of Directors and does not take account of the Rights Issue.

	As at 14 May 2010		As at the Scheme Effective Date	
	Number of Prudential Shares	% of issued share capital	Number of Prudential Shares	% of issued share capital
Harvey McGrath	297,574	0.012	297,574	0.012
Tidjane Thiam	268,605	0.011	268,605	0.011
Nic Nicandrou ⁽²⁵⁾	132,490	0.006	132,490	0.006
Rob Devey	77,308	0.003	77,308	0.003
Clark Manning ⁽²⁶⁾	456,821	0.018	456,821	0.018
Michael McLintock	594,979	0.023	594,979	0.023
Barry Stowe ⁽²⁷⁾	315,994	0.012	315,994	0.012
Keki Dadiseth	28,339	0.001	28,339	0.001
Michael Garrett	33,337	0.001	33,337	0.001
Ann Godbehere	12,370	0.001	12,370	0.001
Bridget Macaskill	39,944	0.002	39,944	0.002
Kathleen O'Donovan	21,184	0.001	21,184	0.001
James Ross	19,333	0.001	19,333	0.001
Lord Andrew Turnbull	13,251	0.001	13,251	0.001
Total				

(25) The shares in the table include shares purchased under the Prudential Group Share Incentive Plan together with Matching Shares (on a 1:4 basis). The total shares held in the Share Incentive Plan and included in the table will only be released if the employee remains in employment for three years. For Nic Nicandrou the total number of Matching Shares as at 14 May 2010 is 22.

(26) Part of Clark Manning's interests in Prudential Shares are made up of 29,896 ADRs (representing approximately 59,792 ordinary shares).

(27) Part of Barry Stowe's interests in Prudential Shares are made up of 48,532 ADRs (representing approximately 97,064 ordinary shares). 8,513.73 of the ADRs are held within an investment account which secures premium financing for a life assurance policy.

In addition to their interests in Prudential Shares, certain Directors have the following interests in Prudential Shares as at 14 May 2010 (the latest practicable date prior to the publication of this document) as a result of their participation in the Restricted Share Plan (RSP), the Group Performance Share Plan (GPSP) and the Business Unit Performance Share Plan (BUPP).

Plan name	Conditional share awards outstanding at 31 December 2009 (Number of shares)	Conditional share awards outstanding at 14 May 2010 (Number of shares)
Rob Devey		
GPSP 2009	120,898	120,898
BUPP 2009	120,897	120,897
GPSP 2010	0	104,089
BUPP 2010	0	104,089
Total	241,795	449,973
Clark Manning		
GPSP 2007	191,140	0
BUPP 2007	95,570	0
GPSP 2008	182,262	182,262
BUPP 2008	91,131	91,131
GPSP 2009	468,476	468,476

<u>Plan name</u>	<u>Conditional share awards outstanding at 31 December 2009 (Number of shares)</u>	<u>Conditional share awards outstanding at 14 May 2010 (Number of shares)</u>
BUPP 2009	468,476	468,476
GPSP 2010	0	302,442
BUPP 2010	0	302,442
Total	1,497,055	1,815,229
Michael McLintock		
GPSP 2007	52,040	0
GPSP 2008	48,330	48,330
GPSP 2009	92,022	92,022
GPSP 2010	0	66,238
Total	192,392	206,590
Nic Nicandrou		
GPSP 2009	316,328	316,328
GPSP 2010	0	208,179
Total	316,328	524,507
Nick Prettejohn		
GPSP 2007	130,071	0
BUPP 2007	65,035	0
GPSP 2008	127,622	127,622
BUPP 2008	63,811	63,811
GPSP 2009	242,997	242,997
BUPP 2009	242,997	242,997
Total	872,533	677,427
Barry Stowe		
GPSP 2007	105,706	0
BUPP 2007	52,853	0
GPSP 2008	107,988	107,988
BUPP 2008	53,994	53,994
GPSP 2009	196,596	196,596
BUPP 2009	196,596	196,596
GPSP 2010	0	129,076
BUPP 2010	0	129,076
Total	713,733	813,326
Tidjane Thiam		
GPSP 2008	314,147	314,147
GPSP 2009	299,074	299,074
GPSP 2010	0	510,986
Total	613,221	1,124,207
Mark Tucker		
RSP 2005	223,011	0
GPSP 2007	295,067	0
GPSP 2008	294,512	294,512
Total	812,590	294,512

The table below sets out the share awards that have been made to executive Directors under their appointment terms and those deferred from annual bonus plan payouts. The number of shares is calculated using the average share price over the three UK Business Days commencing on the day of the announcement of the Prudential Group's annual financial results for the relevant year. For the awards from the 2008 annual bonus, made in 2009, the average share price was 308.63 pence.

	Conditional share awards outstanding at 31 December 2009 (Number of shares)	Conditional share awards outstanding at 14 May 2010 (Number of shares)
Rob Devey		
Awards under appointment terms 2009	50,575	50,575
Deferred 2009 annual bonus award	0	26,733
Clark Manning		
Deferred 2006 annual bonus award	10,064	0
Deferred 2007 annual bonus award	17,825	17,825
Deferred 2009 annual bonus award	0	59,792
Michael McLintock		
Deferred 2006 annual bonus award	90,092	0
Deferred 2007 annual bonus award	112,071	66,029
Deferred 2008 annual bonus award	217,410	128,093
Deferred 2009 annual bonus award	0	69,620
Nic Nicandrou		
Awards under appointment terms 2009	10,616	0
	5,889	0
	13,898	13,898
	16,059	16,059
	68,191	68,191
Deferred 2009 annual bonus award	0	24,506
Barry Stowe		
Awards under appointment terms 2006	7,088	0
	2,110	2,110
Deferred 2007 annual bonus award	43,777	43,777
Deferred 2008 annual bonus award	21,064	21,064
Deferred 2009 annual bonus award	0	36,386
Tidjane Thiam		
Awards under appointment terms 2008	48,362	0
	41,135	0
	49,131	49,131
Deferred 2008 annual bonus award	110,403	65,046
Deferred 2009 annual bonus award	0	58,829

Notes

- (1) In order to secure the appointment of Rob Devey and to compensate him for the loss of outstanding long-term remuneration, Rob was awarded rights to Prudential Shares as set out in the table.
- (2) Under the terms agreed on his leaving Prudential, the outstanding deferred awards to Nick Prettejohn have been released to him.
- (3) In order to secure the appointment of Nic Nicandrou and to compensate him for the loss of outstanding long-term remuneration, Nic was awarded rights to Prudential Shares as set out in the table.
- (4) Under the terms agreed on his leaving Prudential, the outstanding deferred awards to Mark Tucker have been released to him.
- (5) In March 2010 a number of outstanding deferred share awards were reduced by settling tax liabilities.

Options outstanding under the SAYE scheme are set out below. The SAYE is open to all UK and certain overseas employees. Options under this scheme up to HMRC limits are granted at a 20% discount and cannot normally be exercised until a minimum of three years has elapsed. No payment has been made for the grant of any options. The

price to be paid for exercise of these options is shown in the table below. No variations to any outstanding options have been made.

	<u>Options outstanding at 31 December 2009</u>	<u>Options outstanding at 14 May 2010</u>
Tidjane Thiam	1,705	1,705

Gains of £0 were made by Directors in 2009 on the exercise of share options (2008: £15,420). No price was paid for the award of any option. The highest and lowest share prices during 2009 were 650.5 pence and 207 pence, respectively.

5.3 Conflicts of Interest and competing business interests

All the directors of Prudential are also Directors. Please see paragraphs 5.3 (*Conflicts of Interest*) and 5.4 (*Competing Business Interests*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

5.4 Other

All the directors of Prudential are also Directors. Please see paragraph 5.5 (*Other*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

6. Remuneration of Directors and Senior Managers

As New Prudential is a newly incorporated company and the Scheme has not yet been implemented, the Directors have not been paid any remuneration or benefits as directors of New Prudential. Please see paragraph 6 (*Remuneration of Directors and Senior Managers*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which sets out the remuneration paid and benefits in kind granted to Directors as directors of Prudential for FYI 2007, 2008 and 2009.

The estimated aggregate remuneration payable to, and benefits in kind receivable by, the Directors or proposed directors of the Company or any member of the Group for the year ended 31 December 2010 under the arrangements in force at the date of this document is £15 million.

After the Scheme Effective Date, the Directors will receive their remuneration from New Prudential and total emoluments receivable by each of those Directors will not be varied as a result of the Scheme.

7. Share plans

Please see paragraph 7 (*Share plans*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which sets out information about the Prudential Group's existing share plans and the New Share Plans which will be adopted by New Prudential with effect from the Scheme Effective Date.

8. Pensions plans

Please see paragraph 8 (*Pension plans*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which sets out an overview of the Prudential Group's pension schemes and the total amounts set aside or accrued by the Prudential Group to provide pension, retirement or similar benefits. It is intended that these pension schemes will continue unchanged upon implementation of the Scheme.

9. Interests of persons involved

No person has any interest, including conflicting ones, that is material to the issue of the New Prudential Shares.

10. Principal subsidiaries and associated undertakings

Please see paragraph 10 (*Principal subsidiaries and associated undertakings*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which sets out the principal subsidiaries and associated undertakings of Prudential and AIA prior to completion of the Acquisition and the Scheme becoming effective and of New Prudential upon completion of the Acquisition and the Scheme becoming effective.

11. Effects of the Scheme on debt financing

Please see paragraph 11 (*Effects of the Scheme on debt financing*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

12. Related party transactions

Please see paragraphs 12 (*Related party transactions*) of Part XIX (*Additional Information*) and 12 (*Connected transactions*) of Part VIII (*Information about the AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

13. Major shareholders

13.1 New Prudential

The only substantial holders of New Prudential, who, directly or indirectly, were interested in 3% or more of New Prudential's ordinary share capital as at 14 May 2010 (the latest practicable date prior to the publication of this document), were Thibaut Lemaire, Matt Lilley, James Matthews and Pierre-Olivier Bouée, each of whom held a 25% voting interest. As set out in paragraph 3.1 (*Changes in share capital*) above, as at 14 May 2010 (the latest practicable date prior to the publication of this document), Prudential held non-voting redeemable preference shares in New Prudential.

Following completion of the Transactions, none of Thibaut Lemaire, Matt Lilley, James Matthews, Pierre-Olivier Bouée or Prudential will be substantial holders of New Prudential, and it is expected that AIA Aurora will hold approximately 10.9% of New Prudential Shares (subject to adjustments for, inter alia, further issues of Prudential Shares or New Prudential Shares in the period prior to completion of the Acquisition), as described in Part V (*Information about the Transactions*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

13.2 Prudential

As at 14 May 2010 (being the latest practicable date prior to the publication of this document), New Prudential is not listed on any regulated exchange nor is it an operating company. Upon completion of the Scheme, New Prudential will become the holding company of the Enlarged Group and holders of Prudential Shares will cease to own shares in Prudential and instead will own New Prudential Shares.

As far as is known to Prudential by virtue of the notifications made pursuant to the Disclosure and Transparency Rules, the only substantial holders of Prudential, who, directly or indirectly, were interested in 3% or more of Prudential's ordinary share capital as at 14 May 2010 (the latest practicable date prior to the publication of this document), were:

<u>Shareholder</u>	<u>Interest</u>
Norges Bank	3.08%
Legal and General Group plc	4.03%
Black Rock Inc	6.39%
Capital Research and Management Company	12.04%

Following implementation of the Transactions, provided the shareholders in the table above take up their rights under the Rights Issue in full and do not transfer their shares, those holders will continue to be interested in 3% or more of New Prudential.

Save as disclosed in paragraphs 13.1 and 13.2 above, as at 14 May 2010 (being the latest practicable date prior to the publication of this document), New Prudential is not aware of any person who is, or will be, immediately following the implementation of the Scheme, directly or indirectly, interested in 3% or more of New Prudential. None of the major shareholders of Prudential, as set out in this paragraph 13.2, has different voting rights from Prudential's ordinary shareholders.

14. Property, plant and equipment

As at 14 May 2010 (being the latest practicable date prior to the publication of this document), New Prudential is not an operating company and does not own any material tangible fixed assets, including leased properties. Upon completion of the Transactions, New Prudential will become the holding company of the Enlarged Group and will acquire the property, plant and equipment of the Prudential Group and the AIA Group. Please see paragraph 14 (*Property, plant and equipment*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document.

15. Intellectual property

As at 14 May 2010 (being the latest practicable date prior to the publication of this document), New Prudential is not an operating company and does not own any material intellectual rights. Upon completion of the Transactions, New Prudential will become the holding company of the Enlarged Group and will acquire the intellectual property rights of the Prudential Group and the AIA Group. Please see paragraph 15 (*Intellectual property*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document. That paragraph describes the intellectual property of the Prudential Group and the AIA Group.

16. Material contracts

Please see paragraph 16 (*Material contracts of the Prudential Group*) and paragraph 17 (*Material contracts of the AIA Group*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document. Set out in those paragraphs is a summary of (a) each material contract (other than contracts entered into in the ordinary course of business) to which (i) New Prudential; (ii) Prudential or any member of the Prudential Group; or (iii) AIA or any member of the AIA Group, is a party which has been entered into within the two years immediately preceding the date of this document; and (b) any other contract (not being a contract entered into in the ordinary course of business) entered into by (i) New Prudential; (ii) Prudential or any member of the Prudential Group; or (iii) AIA or any member of the AIA Group, which contains a provision under which New Prudential, Prudential or any member of the Prudential Group, or AIA or any member of the AIA Group (as applicable), has any obligation or entitlement which is material to New Prudential, the Prudential Group or the AIA Group (as applicable) as at the date of this document.

17. Litigation and arbitration proceedings

Please see paragraph 18 (*Litigation and arbitration proceedings*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which is incorporated by reference into this document. Set out in that paragraph is information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which New Prudential is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on New Prudential or the Enlarged Group's financial position or profitability.

18. Working capital statement

New Prudential is of the opinion that, after taking into account the bank and other facilities available to the New Prudential Group, as well as the net proceeds of the Rights Issue, the working capital available to the New Prudential Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

19. Significant change

Please see paragraph 20 (*Significant change*) of Part XIX (*Additional Information*) of the Rights Issue prospectus, which is incorporated by reference into this document.

As set out in paragraphs 2 (*Incorporation*) and 3.1 (*Changes in Share Capital*) of this Part XIX (*Additional Information*), New Prudential was incorporated as a limited company with issued share capital of £100. New Prudential's issued share capital increased to £50,000 on 21 April 2010 and New Prudential was re-registered as a public limited company on 22 April 2010. New Prudential has not commenced operations nor traded since its incorporation. Other than as set out in this paragraph, there has been no significant change in the financial or trading position of New Prudential since its incorporation.

No change in business of New Prudential is contemplated following the completion of the Rights Issue, UK Introduction, HK Introduction or SGX Introduction.

20. No material adverse change

Please see paragraph 21 (*No material adverse change*) of Part XIX (*Additional Information*) of the Rights Issue prospectus, which is incorporated by reference into this document.

21. Business Interruptions

There has been no interruption in the Prudential Group's business that may have or have had a significant effect on the Enlarged Group's financial position in the 12 months prior to the date of this document.

22. Customers and Suppliers

The five largest customers of the Enlarged Group constituted in aggregate less than 30% of its total sales for each of 2007, 2008 and 2009.

The five largest suppliers of the Enlarged Group constituted in aggregate less than 30% of its total purchases for each of 2007, 2008 and 2009.

23. Sources of information

Unless otherwise indicated, the financial data relating to the Prudential Group in Part VII (*Information about the Prudential Group*) and Part XII (*Operating and Financial Review of the Prudential Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document, has been extracted without material adjustment from the historical financial information for the Prudential Group as reported on by KPMG Audit Plc and set out at Part XIV (*Historical Financial Information for Prudential Group*) of the Rights Issue Prospectus or from the Prudential Group's unaudited accounting records, operating systems and other information prepared by Prudential.

Unless otherwise indicated, the financial data relating to the AIA Group in Part VIII (*Information about the AIA Group*) and Part XIII (*Operating and Financial Review of the AIA Group*) of the Rights Issue Prospectus, which is incorporated by reference into this document, has been extracted without material adjustment from the historical financial information for the AIA Group, as reported on by PricewaterhouseCoopers set out at Part XV (*Historical Financial Information for AIA Group*) of the Rights Issue Prospectus (which is incorporated by reference into this document) or from the AIA Group's unaudited accounting records, operating systems and other information prepared by AIA or Prudential.

Investors should ensure that they read the whole of this document and the information incorporated by reference into it and not only rely on key or summarised information.

Where third party information is used in this document, the source of such information has been given. New Prudential confirms that the information provided by such third parties has been accurately reproduced. So far as New Prudential is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. No incorporation of website information

The contents of the Prudential Group's and AIA Group's websites do not form part of this document.

25. Miscellaneous

The total costs and expenses payable by the Prudential Group in connection with the negotiation, preparation and implementation of the Transactions, including the issue of this document, the Rights Issue Prospectus and the Circular but excluding any costs associated with hedging the consideration amount are estimated to amount to approximately £850 million.

Prudential has budgeted £500 million for costs associated with hedging. The actual impact of the hedging arrangements on the acquisition price and the income statement will depend on the evolution of the sterling/dollar exchange rate through to completion of the Acquisition.

The financial information in this document relating to Prudential or the Prudential Group does not comprise statutory accounts within the meaning of section 434(3) of the Companies Act 2006. Statutory accounts for each of FY 2007, FY 2008 and FY 2009 for the Prudential Group have been delivered to the Registrar of Companies.

KPMG Audit Plc, whose address is 8 Salisbury Square, London EC4Y 8BB, are the auditors of Prudential and audited the financial statements of Prudential for FY 2007, FY 2008 and FY 2009. The reports in respect of the financial statements for FY 2007, FY 2008 and FY 2009 were unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act.

Save as disclosed in this document:

- (a) none of the Directors was interested, directly or indirectly, in any assets other than investment or insurance products marketed, sold or managed by the Prudential Group on substantially the same terms as those prevailing at the time of the transaction for other comparable customers which have, within the two years immediately preceding the issue of this document, been acquired or disposed of by or leased to the Enlarged Group, or are proposed to be acquired or disposed of by or leased to the Enlarged Group;

- (b) none of the experts was interested, directly or indirectly, in any assets (other than (i) collateral granted as part of any financing or derivative transactions and/or (ii) interests in assets granted from the provision of any asset management services in the experts' ordinary course of business and/or financial dealings with a multi-national insurance company) which have, within the two years immediately preceding the issue of this document, been acquired or disposed of by or leased to the Enlarged Group, or are proposed to be acquired or disposed of by or leased to the Enlarged Group (other than as disclosed in paragraphs 31.1 (*HK Sponsor*) and 31.4 (*Consents of experts*) of this Part XIX);
- (c) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the Enlarged Group's business;
- (d) within the two years preceding the date of the document no capital of the principal subsidiaries of the Prudential Group or any subsidiaries of the AIA Group is under option or is agreed conditionally or unconditionally to be put under option; and
- (e) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any capital of the principal subsidiaries of the Prudential Group and any subsidiaries of the AIA Group.

26. Documents available for inspection

Paragraph 26 (*Documents available for inspection*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus, which sets out the documents available for inspection, is incorporated by reference into this document. The written consents referred to in paragraph 31.4 (*Consents of experts*) of this Part XIX and the written statement signed by PricewaterhouseCoopers setting out the adjustments made by them in arriving at the figures shown in their report set out in Part XV (*Historical Financial Information for AIA*) of the Rights Issue Prospectus, which is incorporated by reference into this document, and giving the reasons therefor are also available for inspection.

In addition:

- (a) the Listing Rules can be accessed via the internet at <http://fsahandbook.info/FSA/html/handbook/LR>;
- (b) the Disclosure and Transparency Rules can be accessed via the internet at <http://fsahandbook.info/FSA/html/handbook/DTR>; and
- (c) the FSA Handbook can be accessed via the internet at <http://fsahandbook.info/FSA/html/handbook/>.

Any information contained in, or that can be accessed via the above web sites does not constitute a part of this document.

27. Hong Kong Stock Exchange Waivers

In connection with its listing application to the Hong Kong Stock Exchange, Prudential has applied for certain waivers from the Hong Kong Stock Exchange from strict compliance with certain requirements of the Hong Kong Listing Rules and New Prudential has applied to the Hong Kong Stock Exchange to extend such waivers to New Prudential on the same basis. Those waivers are set out below:

27.1 Management Presence

New Prudential has applied for and the Hong Kong Stock Exchange has granted a waiver from the requirement that there be any executive directors ordinarily resident in Hong Kong under Hong Kong Listing Rule 8.12 and the requirement that the authorised representatives be 2 directors or a director and a secretary under Hong Kong Listing Rule 3.05. New Prudential's headquarters are in the UK and its major business operations are widely spread internationally. The executive directors of New Prudential reside in the UK, the US and Hong Kong, as New Prudential believes it would be more effective and efficient for its executive directors to be based in a location where New Prudential's headquarters are based. As such, New Prudential will not be able to comply with the requirements of Hong Kong Listing Rule 8.12 for sufficient management presence in Hong Kong.

In light of the foregoing, in order to ensure that the Directors and authorised representatives can be contactable by the Hong Kong Stock Exchange, New Prudential has implemented or will implement the following:

- the assistant company secretary appointed by New Prudential will be based in Hong Kong and will act as an alternate authorised representative and a principal channel of communication with the Hong Kong Stock Exchange;

- the compliance adviser will act as an additional channel of communication with the Hong Kong Stock Exchange;
- the authorised representatives and the Assistant Company Secretary should have means for contacting all directors promptly at all times as and when the Hong Kong Exchange wishes to contact the directors on any matters;
- there are senior executives of New Prudential (including Barry Lee Stowe, an executive director) based in Hong Kong; and
- its Directors who are not ordinarily resident in Hong Kong possess or will apply for valid travel documents to visit Hong Kong so as to be able to meet with the Hong Kong Stock Exchange when required, within a reasonable period; and
- each director will provide their respective mobile phone numbers, office phone numbers, e-mail addresses and fax numbers to the Hong Kong Stock Exchange.

27.2 Management Continuity

It is a requirement under Hong Kong Listing Rule 8.05 that a new applicant must have, among other things, management continuity for at least the three preceding financial years. New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Hong Kong Listing Rule 8.05(3)(b) relating to management continuity pursuant to Hong Kong Listing Rule 8.05A on the grounds that New Prudential's Directors and senior management members have sufficient and satisfactory experience of at least three years in New Prudential's line of business and industry.

27.3 Rule 9.09 of the Hong Kong Listing Rules

According to Rule 9.09 of the Hong Kong Listing Rules, there must be no dealing in the securities for which listing is sought by any connected person of the issuer from four clear HK Business Days before the expected hearing date until listing is granted (the "Relevant Period"). New Prudential has an ongoing share incentivisation programme which involves the granting of share options and awards to directors and its chief executive. To enhance New Prudential's ability to attract talent and maintain its competitiveness in the market, such grants, the vesting and exercise of these options and/or awards by the Directors and chief executive of New Prudential may only take place during short windows that are open four times a year when there is no regulatory blackout on dealings in securities and granting of share options/awards.

New Prudential's relevant window open for dealings commenced after the announcement of its results on 9 March 2010, thus it is important that the granting and accepting of share options/ awards and the vesting and exercise thereof by the directors and chief executive (the "**Option Acceptances and Exercises**") be allowed throughout this period.

As a result, New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from Hong Kong Listing Rule 9.09(b) for the four HK Business Days before the listing committee hearing date. In addition, in the context of a dual primary listing of a widely held, publicly traded company currently having its issued Shares listed on the London Stock Exchange, New Prudential has no control over the investment decisions of its shareholders and the investing public in the UK.

As at 14 May 2010 (the latest practicable date prior to the publication of this document), Capital Research and Management Company ("**Capital**"), being a substantial shareholder of Prudential interested in more than 10% of the issued share capital of Prudential, is regarded as a connected person of Prudential under the Hong Kong Listing Rules.

New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules in respect of dealings by Capital on the following conditions:

- Capital has not been, and will not be, involved in the management and operation of the New Prudential Group and the flotation exercise prior to New Prudential's listing in Hong Kong;
- New Prudential does not have control over the investment decisions of Capital;
- New Prudential's Directors and chief executive officer will not deal in shares before the HK Introduction (other than the granting and accepting of share options/awards and the vesting and exercise thereof by the Directors and chief executive);

- New Prudential will notify the Hong Kong Stock Exchange of any dealing or suspected dealing by Capital when it becomes aware; and
- New Prudential and the HK Sponsor undertake that no non-public information will be disclosed to the Capital group.

27.4 Share Capital — Changes for the Group

According to paragraph 26 of Appendix 1A, paragraph 24 of Appendix 1B and paragraph 20 of Appendix 1F to the Hong Kong Listing Rules, a listing document should include particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of the listing document. New Prudential has over 300 subsidiaries which are held under six principal second-tier subsidiaries. For further details, please refer to paragraph 10 (*Principal subsidiaries and associated undertakings*) in Part XIX (*Additional Information*) of the Rights Issue Prospectus. Information relating to share changes other than these principal subsidiaries is not material or meaningful to investors. In addition, it would be unduly burdensome for New Prudential to produce information relating to share changes for such a large number of companies over a period of two years. New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with paragraph 26 of Appendix 1, paragraph 24 of Appendix 1B and paragraph 20 of Appendix 1F to the Hong Kong Listing Rules which require New Prudential to disclose particulars of any alterations in the capital of any member of the group within the two years immediately preceding the issue of this document.

Paragraph 13 of Appendix 1A, paragraph 8 of Appendix 1B and paragraph 8 of Appendix 1F to the Hong Kong Listing Rules require the issuer to include any particulars of any commissions, discounts, brokerages or other special terms granted within the two years immediately preceding the issue of the listing document in connection with the issue or sale of any capital of any member of the group, together with the names of any directors or proposed directors, promoters or experts (as named in the listing document) who received any such payment or benefit and the amount or rate of the payment.

For the same reasons set out above, New Prudential has applied for, and the Stock Exchange has granted, a waiver from strict compliance with paragraph 13 of Appendix 1A, paragraph 8 of Appendix 1B and paragraph 8 of Appendix 1F to the Listing Rules on the basis that information relating to commissions, discounts, brokerages or other special terms granted by New Prudential and the six principal subsidiaries of the New Prudential Group during the two year period immediately preceding the issue of the listing document will be disclosed. Disclosure of such information other than in relation to these principal subsidiaries is not material or meaningful to investors. In addition, it would be unduly burdensome for New Prudential to produce information relating to grants of commissions, discounts, brokerages or other special terms granted for such a large number of companies over a period of two years.

27.5 Publication of Announcement of Price Sensitive Information in Hong Kong

Pursuant to Hong Kong Listing Rule 2.07C(4)(a), announcements must not be submitted to the Hong Kong Stock Exchange between 9.00am and 4.15pm on a normal HK Business Day unless they fall within certain exemptions contained in that rule.

Compliance with Disclosure and Transparency Rules by New Prudential could require an announcement of inside information to be made by New Prudential outside the permitted periods for submitting announcements to the Hong Kong Stock Exchange under Hong Kong Listing Rule 2.07C(4)(a).

Under the Disclosure and Transparency Rules an announcement on inside information is required to be made as soon as possible regardless of whether such announcement is made during normal trading hours. No suspension of the trading of New Prudential's securities would generally be imposed by the London Stock Exchange or the UKLA.

If trading of shares on the Hong Kong Stock Exchange is suspended as a result of the Hong Kong Listing Rules, this would have an adverse result on the trading of New Prudential's securities as this could potentially put Hong Kong investors at a disadvantage compared to investors in the UK and US who may be able to deal in New Prudential's securities whilst Hong Kong investors are prevented from doing so.

Accordingly, New Prudential has applied for and the Hong Kong Stock Exchange has granted a waiver in respect of Rule 2.07C(4)(a) such that it is allowed to issue announcements pursuant to Rule 1309(1) between 9.00am and 4.15pm simultaneously with the issue of the same announcement in London in accordance with Rule 2 of the

Disclosure and Transparency Rules without a subsequent suspension of dealings or trading halt in New Prudential's securities subject to the following conditions:

- (i) New Prudential shall disclose in this document the grant of this waiver setting out relevant details including a clear indication of the impact of the waiver on the Hong Kong investing public given that the waiver is not subject to a condition requiring there to be a trading halt immediately following any announcement under the waiver;
- (ii) New Prudential shall inform the Hong Kong Stock Exchange in the first instance in the event of any material change being made to the UK regime on disclosure of inside information as such information may be of material relevance to an assessment of the ongoing appropriateness of the waiver. The Hong Kong Stock Exchange will evaluate the impact of any of these changes and indicate to New Prudential whether or not it intends to amend or revoke the waiver; and
- (iii) New Prudential shall comply with relevant provisions in the event of changes to the Hong Kong regulatory regime and the Hong Kong Listing Rules in relation to disclosure of price sensitive information and the applicable requirements for publication through the Hong Kong Stock Exchange's electronic publication system unless the Hong Kong Stock Exchange agrees to amend the waiver or grant a new waiver in the circumstances then prevailing.

New Prudential would also agree to notify the Hong Kong Stock Exchange of the pending announcements and the expected time of release and submit the electronic copies of the English and Chinese versions of announcements at least 10 minutes in advance of the expected time of release.

The impact of the above waiver for investors in Hong Kong is that trading in New Prudential's securities will continue in the event that an announcement containing price sensitive information is released by the Company during normal trading hours in Hong Kong. As a result, investors in Hong Kong should consider whether any price-sensitive information has been released during trading hours in Hong Kong prior to making an investment decision regarding New Prudential's securities. The above waiver does not apply to announcements published in discharge of the disclosure obligations under the Hong Kong Listing Rules for notifiable and connected transactions. Investors can access announcements released by New Prudential (including those containing price-sensitive information) via the Hong Kong Stock Exchange's website at www.hkex.com.hk. Announcements will also be published on New Prudential's website at www.prudential.co.uk in accordance with the Hong Kong Listing Rules. The Hong Kong Listing Rules require that, where an announcement is submitted to the Hong Kong Stock Exchange for publication on its website during trading hours, publication on New Prudential's own website must be no later than one hour after such submission.

27.6 Disclosure Of Interests

Part XV of the Securities and Futures Ordinance imposes duties of disclosure of interest in New Prudential Shares. New Prudential is presently subject to a requirement to disclose the interests of its directors and shareholders who hold 3% or more of the New Prudential Shares under the Disclosure and Transparency Rules and for every subsequent 1% increment thereafter. New Prudential has applied for and the SFC has granted a partial exemption under section 309(2) from all of the provisions of Part XV of the Securities and Futures Ordinance (other than Divisions 5, 11 and 12) for shareholders, directors and the chief executive to notify their interests in securities of New Prudential and for New Prudential to prepare registers and maintain records. Division 5 of Part XV of the Securities and Futures Ordinance relates to a listed corporation's powers to investigate into ownership of its share capital. Division 11 of Part XV of the Securities and Futures Ordinance relates to the power of the Financial Secretary of Hong Kong to investigate into ownership of its share capital of listed corporations. Division 12 of Part XV of the Securities and Futures Ordinance allows for applications for a court order to impose restrictions on shares the subject of investigations by a listed corporation or the Financial Secretary pursuant to the exercise of powers under Divisions 5 and 11 of Part XV of the Securities and Futures Ordinance. The SFC has granted such partial exemption on the condition that it will include in New Prudential's listing document and its relevant shareholder communications after the HK Introduction such interests as are notified to it under the Disclosure and Transparency Rules in lieu of information disclosed under Part XV of the Securities and Futures Ordinance.

In addition, New Prudential has applied for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements of paragraphs 41(4) and 45 of Appendix 1A, paragraphs 34 and 38 of Appendix 1B, paragraphs 30 and 34 of Appendix 1F and paragraph 12 of Appendix 16 to the Hong Kong Listing Rules on the basis that it has included in this document and will include in its relevant shareholder communications after the Hong Kong Introduction, such interests as are notified to it under the Disclosure and Transparency Rules in lieu of information disclosed in Part XV of the Securities and Futures Ordinance.

27.7 Share Purchase and Treasury Shares

According to Rule 10.06(5) of the Hong Kong Listing Rules, an issuer must ensure that the documents of title of purchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. New Prudential is incorporated in England and Wales and listed on the London Stock Exchange, thus has the ability to hold any shares it repurchases in treasury pursuant to English law. The inability to do so will adversely affect New Prudential's normal arrangements for share repurchases and put New Prudential at a disadvantage compared to other London listed English companies. New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 10.06(5) of the Hong Kong Listing Rules which require New Prudential to cancel and destroy as soon as reasonably practicable the documents of title of repurchased shares following settlement of any such repurchase. The waiver has been granted subject to the following conditions:

- (i) New Prudential complies with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and the Listing Rules in relation to shares held by the Company in treasury ("Treasury Shares") and informs the Hong Kong Stock Exchange as soon as practicable in the event of any failure to comply or any waiver to be granted;
- (ii) New Prudential shall inform the Hong Kong Stock Exchange as soon as reasonably practicable in the event of any change being made to the English regime on Treasury Shares;
- (iii) New Prudential shall disclose in this document the grant of the waiver setting out relevant details including the circumstances and the conditions imposed;
- (iv) New Prudential shall confirm compliance with the waiver conditions in its annual reports and circulars seeking shareholders approval of the repurchase mandate; and
- (v) In the event that New Prudential is no longer listed on the London Stock Exchange, New Prudential shall comply, subject to statutory and regulatory provisions applicable to New Prudential in the UK, with the relevant provisions of the Hong Kong Listing Rules applicable to Treasury Shares unless the Hong Kong Stock Exchange agrees to amend the relevant waiver or grant a new waiver in the circumstances then prevailing.

Under the Companies Act a company incorporated in England that holds treasury shares is entitled to (i) sell such treasury shares for cash, (ii) transfer such treasury shares for the purposes of, or pursuant to, an employees' share scheme, or (iii) cancel such treasury shares. A sale of treasury shares for cash will be subject to the pre-emption rights of the existing holders of that class of shares (other than the company by virtue of it holding treasury shares). This is subject to the extent that, amongst others, (i) the sale of such treasury shares falls within the limit of the general authority to disapply pre-emption rights, or (ii) the company is selling treasury shares for cash to an employees' share scheme. The Listing Rules require that the price at which the company sells such shares must not be at a discount of more than 10% to the middle market quotation of those listed shares (as derived from the daily official list of the London Stock Exchange) at the time of announcing the relevant offer or agreeing the placing of such shares unless the sale of such treasury shares is pursuant to a pre-existing general authority to disapply pre-emption rights or the sale at a discount is specifically approved by the company's shareholders. If a company cancels any of its treasury shares it must also diminish the amount of its issued share capital by the nominal amount of the shares cancelled.

Chapter 12 of the Listing Rules provides additional regulatory controls in respect of treasury shares. These include, amongst others, the requirement (i) not to sell for cash or transfer for the purposes of or pursuant to an employees share scheme any treasury shares during a prohibited period (within the meaning of the Listing Rules) other than in certain limited circumstances provided for in the Listing Rules and (ii) to make a notification to a regulatory information service for dissemination to the UK market if (a) by virtue of it holding treasury shares, a company is allotted bonus shares (as described below) and (b) a company sells for cash, transfers for the purposes of, or pursuant to, an employees' share scheme or cancels any treasury shares it holds. When any repurchase of its shares is made, a company must also state in its notification relating to the repurchase the number of shares which will be or have been cancelled and the number of shares which will be or are held in treasury following any such repurchase. Pursuant to New Prudential's obligations under the Hong Kong Listing Rules notifications will also be made by the Company to the Hong Kong Stock Exchange. In addition, New Prudential must disclose in its annual report and accounts sales of treasury shares for cash made otherwise than through the market, or in connection with an employees' share scheme, or otherwise than pursuant to an opportunity which was made available to all holders of New Prudential's listed shares on the same terms.

Shares held in treasury by a company incorporated in England remain part of such company's existing issued share capital. However, a company can not exercise any right in respect of the treasury shares it holds; in particular, the company does not have any right to attend and vote at meetings of the company, nor does it have a right to any dividend or other distribution of the company's assets in respect of the treasury shares it holds. However, in the event of a capitalisation issue the company is entitled to receive fully paid bonus shares in respect of the treasury shares it holds. The company can elect either to cancel or to hold in treasury such bonus shares after their allotment provided that the aggregate nominal value of the shares held in treasury, from time to time, does not exceed 10 per cent of the nominal value of the company's total issued share capital (including its treasury shares).

27.8 Summary of English Laws and Inspection of Legislation and Regulations

Pursuant to Hong Kong Listing Rule 19.10(3), a listing document to be issued by an overseas issuer must contain a summary of the relevant regulatory provisions of the jurisdiction in which the overseas issuer is incorporated (the "Summary").

New Prudential has made an application to the Hong Kong Stock Exchange for and has been granted a waiver from strict compliance with Rule 19.10(3) of the Hong Kong Listing Rules in this document and in all subsequent listing documents of New Prudential following the HK Introduction on the grounds that:

- (i) New Prudential is incorporated in England and is subject to regulations regarding shareholders' rights and protections and directors' powers in England which are at least equivalent to those required under Hong Kong laws;
- (ii) given the equivalent shareholders' rights and protections and directors' powers under English regulatory provisions, the exclusion of the Summary from this document will not affect an investor's assessment of the merits of the HK Introduction; and
- (iii) New Prudential also considers the additional time, costs and printing space in a listing document required for the inclusion of the Summary disproportionately burdensome given the equivalence of the English and Hong Kong regulatory provisions and the ineffectiveness of such summaries on an investor's assessment of the merits of the HK Introduction.

New Prudential is making available for inspection, pursuant to the waiver from strict compliance with Hong Kong Listing Rule 19.10(6) as set out below, the websites at which investors may access the Listing Rules, the Disclosure and Transparency Rules and the FSA Handbook.

Hong Kong Listing Rule 19.10(6) of the Hong Kong Listing Rules provides that an overseas issuer must offer for inspection a copy of any statutes or regulations which are relevant to the summary of the regulatory provisions of the jurisdiction in which the overseas issuer is incorporated. In the case of New Prudential, these include FSMA 2000, the Listing Rules, the Disclosure and Transparency Rules and the FSA Handbook. These copies of legislation are lengthy and subject to change from time to time. In addition, these copies of legislation can be readily accessed via the internet. For further details about how to access these copies of legislation via the internet, please refer to the section headed "Documents available for inspection" in Part XIX to this document. New Prudential has sought, and the Stock Exchange has granted, a waiver from strict compliance with Hong Kong Listing Rule 19.10(6) of the Listing Rules.

27.9 Articles of Association

The Hong Kong Stock Exchange has granted waivers from strict compliance with paragraphs 4(1), 5, 6(2), 7(1), 7(3), 8, 11(1), 12 and 14 of Appendix 3 to the Hong Kong Listing Rules in respect of the provisions of the Articles of Association of New Prudential on the basis that the existing provisions of the Articles of Association of New Prudential, taken together with relevant UK statutory obligations have a substantially similar effect as the relevant requirements of Appendix 3. Requiring New Prudential to amend its Articles to comply strictly with the requirements of Appendix 3 through seeking shareholders' approval for the relevant amendments would be disproportionate to the relative benefit to shareholders of such amendments.

The waiver granted by the Hong Kong Stock Exchange in respect of paragraph 7(1) of Appendix 3 to the Hong Kong Listing Rules is conditional upon New Prudential complying with the manner of publication in the newspapers as prescribed under the Hong Kong Listing Rules where New Prudential uses its powers under the Articles of Association of New Prudential to give notice by advertisement by publication in the newspapers in Hong Kong.

The Articles of Association of New Prudential do not prohibit but do not automatically entitle Shareholders whose registered address is outside the United Kingdom to notices from New Prudential. However, in practice, New

Prudential will send notices to Shareholders whose addresses are in Hong Kong pursuant to the Hong Kong Listing Rules.

Please refer to paragraph 4 (*Memorandum and Articles*) of this Part XIX for a description of the provisions of the Articles of Association of New Prudential.

27.10 Share Option Schemes

The Hong Kong Stock Exchange has granted New Prudential a waiver from strict compliance with the following requirements of Chapter 17 of the Hong Kong Listing Rules which apply to the New Prudential UK Savings Related Share Option Scheme (the “New Prudential UK SAYE Scheme”), the New Prudential Irish SAYE Scheme (the “New Prudential Irish SAYE Scheme”), the New Prudential International (Employees) SAYE Scheme (the “New Prudential International SAYE Scheme”) the New Prudential International (Non-Employees) SAYE Scheme (the “New Prudential International NE SAYE Scheme”) (the New Prudential UK SAYE Scheme, the New Prudential Irish SAYE Scheme, the New Prudential International SAYE Scheme and the New Prudential International NE SAYE Scheme, together, the “New Prudential SAYE Schemes”):

- (i) Note (1) to Rule 17.03(3) which provides that the total number of securities which may be issued under all of New Prudential’s share schemes must not exceed 10% of the Company’s ordinary shares as at the date of approval of the scheme;
- (ii) Rule 17.03(5) which requires that the scheme documents must provide a period of not more than 10 years within which securities must be taken up under options under that scheme; and
- (iii) Note (1) to Rule 17.03(9) which requires that the scheme documents must provide that the minimum exercise price of options be not lower than the higher of (a) the closing price of shares on the day of grant and (b) the average closing price of shares on the 5 days preceding the date of grant.

Pursuant to the waiver granted by the Hong Kong Stock Exchange:

- (i) the total number of New Prudential Shares subject to the New Prudential SAYE Schemes may not exceed 10% of New Prudential’s issued share capital from time to time;
- (ii) under the New Prudential International SAYE Scheme and the New Prudential International NE SAYE Scheme, the period within which New Prudential Shares must be taken up by option holders under options under those schemes may be more than 10 years from the date of grant of such options; and
- (iii) the exercise price for options granted under New Prudential SAYE Schemes may continue to be determined in accordance with the rules of such schemes to be at up to a 20% discount to the arithmetic average of the middle-market quotations of a New Prudential Share as derived from the Daily Official List of the London Stock Exchange for the three consecutive trading days determined by the Board which fall within the period of 30 days immediately preceding the day on which the relevant options are granted.

New Prudential will not be required to change the rules of any of the New Prudential SAYE Schemes provided that it operates the New Prudential SAYE Schemes in accordance with Chapter 17 of the Hong Kong Listing Rules (subject to the specific waivers granted above).

27.11 The SOP

The Hong Kong Stock Exchange has granted New Prudential a waiver from strict compliance with the following requirements of Chapter 17 of the Hong Kong Listing Rules which apply to the SOP (as described in paragraph 7 (*Share plans*) of Part XIX (*Additional Information*) of the Rights Issue Prospectus), being a share option plan for which a new waiver from the Hong Kong Stock Exchange was sought by New Prudential and for which New Prudential did not apply to the Hong Kong Stock Exchange to extend any waiver granted to Prudential plc:

- (i) Note (1) to Hong Kong Listing Rule 17.03(3) which provides that the total number of securities which may be issued under all of New Prudential’s share schemes must not exceed 10% of the Company’s ordinary shares at the time of the date of approval of the scheme; and
- (ii) Note (1) to Hong Kong Listing Rule 17.03(9) which requires that the scheme documents must provide that the minimum exercise price of options be not lower than the higher of (a) the closing price of shares on the day of grant and (b) the average closing price of shares on the 5 days preceding the date of grant.

Pursuant to the waiver granted by the Hong Kong Stock Exchange:

- (i) the total number of New Prudential Shares subject to the SOP may not exceed 10% of New Prudential's issued share capital from time to time; and
- (ii) the minimum exercise price for options granted under the SOP may be determined in accordance with its rules to be the middle-market quotation of a New Prudential Share as derived from the Daily Official List of the London Stock Exchange on the day preceding the date on which the relevant options are granted.

27.12 Disclosures relating to Share Options

Pursuant to paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules, New Prudential is required to disclose the following details in this document and, pursuant to paragraph 25 of Appendix 1B and paragraph 21 of Appendix 1F, in each listing document issued by New Prudential following the HK Introduction, if any person has, or is entitled to be given, an option to subscribe for New Prudential Shares:

- (A) the number, description and amount of the New Prudential Shares to be subscribed for under the option;
- (B) the consideration paid or payable for the grant of the option;
- (C) the period during which the option is exercisable;
- (D) the price to be paid for the New Prudential Shares and/or other capital subscribed for under the option; and
- (E) the names and addresses of the grantees of the options.

There are currently no share options outstanding over New Prudential Shares. However, there are approximately 5,549 individual grantees who have been granted options under Prudential's Save as You Earn share option plans (the "SAYE Schemes"). Further, as of 14 May 2010 (being the latest practicable date prior to the publication of this document), there are 14,213,325 outstanding (i.e. unexercised) options over 14,213,325 Shares in Prudential (representing approximately 0.56% of Prudential's total issued share capital) granted pursuant to the SAYE Schemes. As following the Scheme becoming effective, New Prudential's SAYE Schemes will replace the SAYE Schemes, New Prudential has applied to and obtained from the Hong Kong Stock Exchange a waiver from strict compliance with the disclosure requirements of paragraph 27 of Part A of Appendix 1, paragraph 25 of Appendix 1B and paragraph 21 of Appendix 1F to the Hong Kong Listing Rules (the "Options Disclosure Requirements") on the grounds (inter alia) that full compliance with the Options Disclosure Requirements would be unduly burdensome for New Prudential in light of the large number of grantees, on the condition that New Prudential discloses in this document and in each listing document issued by New Prudential following the HK Introduction the following information:

- (A) the total number of New Prudential Shares to be issued pursuant to the exercise in full of all share options granted thereunder;
- (B) the consideration or the range of consideration paid or payable for the grant of share options thereunder;
- (C) the exercise period or range of exercise periods during which share options granted thereunder are exercisable;
- (D) the exercise price or range of exercise price payable for the New Prudential Shares under share options granted thereunder; and
- (E) compliance with the Options Disclosure Requirements in respect of share options granted to Directors.

Further, New Prudential will comply with Hong Kong Listing Rule 17.02(1)(b) in disclosing the potential dilutive effect of its share options and the impact on the earnings per share arising from the exercise of such outstanding options.

27.13 Further Issue of Securities

Having regard to the Rights Issue and the fact that New Prudential is part of a financial institution group subject to regulatory requirements for capital adequacy and liquidity, it is important for New Prudential to maintain flexibility in fund raising or financing acquisitions through the issue of shares. New Prudential has therefore applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the restrictions on further issue of securities within 6 months from the Listing Date as required by Rule 10.08 of the Hong Kong Listing Rules.

27.14 Rules 5.01, 5.06 and Paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules

The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rules 5.01 and 5.06 of the Hong Kong Listing Rules and paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules in respect of the requirement to issue a property valuation report on the grounds that (i) New Prudential's core business is not investment in properties, and properties constitute an immaterial part of the Prudential Group's total assets; (ii) to require New Prudential to comply with the above requirements, considering the immateriality of the properties held by the Prudential Group and that the majority of the property is held to back insurance operations with limited economic risk and benefit flow to the Prudential Group, would be unduly burdensome, unnecessary, inappropriate and impractical; (iii) the information contained in this document relating to properties will enable shareholders and the public to make a properly informed assessment of New Prudential's securities; (iv) to require New Prudential to comply with the above requirements would involve preparation of a property valuation report in respect of more than 1,200 properties which is expected to run over 2,400 pages of English text; and (v) for the reasons set out in paragraphs (i) to (iii) above, the waiver sought would not be repugnant to, or conflict with the duties of, the Hong Kong Stock Exchange and the general principles under Rule 2.03 of the Hong Kong Listing Rules.

27.15 Continuing Connected Transactions

The AIA Group has entered into, and is expected to continue, certain transactions which will constitute non-exempt continuing connected transactions of New Prudential under the Hong Kong Listing Rules upon the listing of New Prudential in Hong Kong. Accordingly, New Prudential has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has agreed to grant waivers in relation to certain continuing connected transactions between the Enlarged Group and certain connected persons under Chapter 14A of the Listing Rules. For further details in this respect, please see paragraph 12 (*Connected transactions*) in Part VIII (*Information about the AIA Group*) of the Rights Issue Prospectus.

27.16 Rule 8.17 of the Listing Rules

New Prudential has applied for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Hong Kong Listing Rule 8.17 on the grounds that New Prudential's Company Secretary is not ordinarily resident in Hong Kong and that New Prudential's Company Secretary is being assisted by New Prudential's assistant company secretary who, by virtue of her qualifications and experience, is capable of discharging the functions required of a company secretary under the requirements of the Hong Kong Listing Rules.

27.17 Directors' Authority to Allot New Prudential Shares

New Prudential has applied for a waiver on the Hong Kong Stock Exchange from strict compliance with Hong Kong Listing Rule 7.19(6). Under section 551 of the Companies Act 2006, the directors of New Prudential may only allot shares, or grant rights to subscribe for or convert any securities into shares, if shareholders in general meeting have given them authority to do so (a "**Section 551 Mandate**"). This authority is renewed at each annual general meeting. Previous investor protection committee guidelines, such as those issued by the Association of British Insurers (the "**ABI**"), have limited the amount of the Section 551 Mandate to a maximum of one-third of the ordinary share capital of New Prudential including both pre-emptive and non-pre-emptive issues, whether or not for cash.

On 31 December 2008, the ABI announced that it would continue to regard as routine a request for authorisation to allot new shares in an amount up to one-third of the existing issued share capital of a company. However, the ABI stated that it would also regard as routine requests to authorise the allotment of a further one-third where the additional headroom would be applied to fully pre-emptive rights issue only and the authorisation was valid for one year only. As a measure to increase the accountability of the directors, the ABI requires that where a Section 551 Mandate for the additional one-third headroom is obtained and where (1) the aggregate usage of the authority exceeds one-third; and (2) in the case of an issue being in whole or in part by way of a fully pre-emptive rights issue, monetary proceeds exceed one-third of the pre-issue market capitalisation of the issuer, the ABI will expect that all members of the Board of Directors wishing to remain in office stand for re-election at the next annual general meeting of the issuer following the decision to make the issue in question.

The practical effect of Hong Kong Listing Rule 7.19(6) for a dual UK-Hong Kong listed company would be to limit the maximum Section 551 Mandate that could be obtained to the lower threshold of 50% as opposed to the two-thirds headroom that may be sought in accordance with the new ABI guideline. This puts New Prudential at a potential disadvantage against other UK listed companies after its listing in Hong Kong.

In order to place New Prudential on an equal footing with other listed companies in the UK, and with regard to Hong Kong Listing Rule 7.19(6), New Prudential's proposes:

- (i) to seek shareholders approval at the annual general meetings subsequent to the HK Introduction on a rolling basis for the power to allot shares up to two-thirds of the existing issued share capital of New Prudential in line with the ABI guidance explained above;
- (ii) that the directors (excluding the independent non-executive directors) and their associates would abstain from voting on the relevant resolution in their capacity as shareholders at the annual general meetings; and
- (iii) that if New Prudential were to do a further rights issue, New Prudential would not need to obtain further shareholders approval under Hong Kong Listing Rule 7.19(6) provided that:
 - a. the market capitalisation of New Prudential would not increase by more than 50% as a result of the proposed rights issue; and
 - b. the votes of any new directors appointed to the Board of Directors of New Prudential since the relevant annual general meeting would not have made a difference to the outcome of the relevant resolution at the relevant annual general meeting if they had been shareholders at the time and they had in fact abstained from voting.

27.18 Profit Forecast Memorandum

Hong Kong Listing Rule 9.11(10)(b) provides that, where the listing document does not contain a profit forecast, two copies of a draft of the board's profit forecast memorandum covering the period up to the forthcoming financial year end date after the date of listing and cash flow forecast memorandum covering at least 12 months from the expected date of publication of the listing document with principal assumptions, accounting policies and calculations for the forecasts are required to be submitted to the Hong Kong Stock Exchange. New Prudential has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Hong Kong Listing Rule 9.11(10)(b) on the basis that: (i) this document does not include a profit forecast; (ii) New Prudential is already listed on the London and New York Stock Exchanges where there is extensive coverage on its financial position and prospects through analysts' research in the market; and (iii) it is a requirement under the UK Disclosure and Transparency Rules that public announcements be made by New Prudential where there is any material change in expectations to its financial position and prospects.

27.19 Property Valuation Report

New Prudential has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver in respect of the requirement to issue a property valuation report from compliance with Rules 5.01, 5.06 and paragraph 3(a) of Practice Note 16 of the Hong Kong Listing Rules on the grounds that (i) New Prudential's core business is not investment in properties, and properties constitute an immaterial part of the Prudential Group's total assets; (ii) to require New Prudential to comply with the above requirements, considering the immateriality of the properties held by the Prudential Group, would be unduly burdensome, unnecessary, inappropriate and impractical; (iii) the information contained in this listing document relating to properties will enable shareholders and the public to make a properly informed assessment of New Prudential's securities; (iv) to require New Prudential to comply with the above requirements would involve preparation of a property valuation report in respect of more than 1,200 properties which is expected to run over 2,400 pages of English text; and (v) for the reasons set out in paragraphs (i) to (iii) above, waiver sought would not be repugnant to, or conflict with the duties of, the Hong Kong Stock Exchange and the general principles under Rule 2.03 of the Hong Kong Listing Rules.

28. Register of members and Hong Kong stamp duty

New Prudential's principal register of members will be maintained in the United Kingdom. Dealings in the New Prudential Shares registered in the branch register of the New Prudential in Hong Kong will be subject to Hong Kong stamp duty. Hong Kong stamp duty will be payable by the purchaser on a purchase, and by the seller on a sale, of New Prudential Shares on the HK Register. The duty is charged at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, New Prudential Shares transferred on each sale and purchase. In other words, a total of 0.2% of stamp duty is ordinarily payable on a sale and purchase transaction of New Prudential Shares on the HK Register. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK\$5.

Scheme Shares and New Prudential Shares held or traded in Singapore through CDP will be registered on the HK Register. As such, Hong Kong stamp duty will be payable on a transfer of Scheme Shares and New Prudential

Shares held or traded in Singapore through CDP. Please refer to the description of Hong Kong stamp duty at paragraph 2.3 of Part XVIII above.

All persons who hold or transact in Scheme Shares or New Prudential Shares in Singapore through the SGX-ST and/or CDP should expect that they will have to bear Hong Kong stamp duty in respect of transactions in Scheme Shares or New Prudential Shares effected in Singapore through the SGX-ST and/or CDP. Such persons should consult their brokers, custodians or professional advisers for information regarding what procedures may be instituted for collection of Hong Kong stamp duty from them.

Unless New Prudential determines otherwise, dividends will be paid to New Prudential Shareholders as recorded on its register of members, by ordinary post, at the New Prudential Shareholders' risk, to the registered address of each New Prudential Shareholder.

29. Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the New Prudential Shares on the Hong Kong Stock Exchange and New Prudential's compliance with the stock admission requirements of HKSCC, the New Prudential Shares, will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the New Prudential Shares on the Hong Kong Stock Exchange or any other date as determined by HKSCC.

Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second HK Business Day after any trading day (T+2). All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the New Prudential Shares to be admitted into CCASS.

For trades settled under CCASS, the CCASS Rules provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty to a Stock Exchange trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK\$2 and a maximum fee of HK\$100 per trade.

Settlement of dealings on the London Stock Exchange takes place on the third UK Business Day following the date of transaction. Settlement of dealings on the New York Stock Exchange takes place on the third business day following the date of transaction.

30. Disclosure of financial information pursuant to the Hong Kong Listing Rules

Note 2.1 to Paragraph 2 of Appendix 16 to the Hong Kong Listing Rules requires the annual accounts of an issuer to conform with either Hong Kong Financial Reporting Standards ("**HKFRS**") or IFRS. New Prudential's consolidated annual accounts will conform with IFRS as adopted by the European Union ("**EU IFRS**") and New Prudential's solus accounts will be prepared in accordance with UK Generally Accepted Accounting Principles ("**UK GAAP**"). The IFRS accounting policies currently applied by the Company comply both with IFRS as adopted by the EU and IASB effected IFRS. New Prudential will include in its annual reports a reconciliation from UKGAAP to IFRS, with narrative descriptions of the major differences in a form which would facilitate investors' understanding of its financial performance and New Prudential must revert to HKFRS or IFRS as required under the Hong Kong Listing Rules if it is no longer listed on the London Stock Exchange.

31. Other information

31.1 HK Sponsor

The HK Sponsor has made an application on New Prudential's behalf to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the New Prudential Shares in issue as mentioned herein. All necessary arrangements have been made to enable the New Prudential Shares to be admitted into CCASS.

Affiliates of the HK Sponsor have business relationships with New Prudential in connection with the Acquisition and Rights Issue, namely:

- as financial advisor in connection with the Acquisition;
- as joint sponsor, joint global co-ordinator, joint bookrunner and underwriter in connection with the Rights Issue;
- as arranger of senior debt financing for the Acquisition;

- pursuant to an agreement with Prudential, the Joint Lead Arrangers will provide a committed US \$5.4 billion Hybrid Capital Facility and will, at the request of Prudential, subscribe for Lower Tier 2 capital notes and/or Upper Tier 2 capital notes and/or provide Lower Tier 2 capital loans and/or Upper Tier 2 capital loans described in paragraph 3 (*Consideration for the Acquisition*) of Part V (*Information about the Transactions*) of the Rights Issue Prospectus;
- the Joint Lead Arrangers have entered into a subordinated debt financing facility as disclosed in the paragraph 5 (*Regulatory capital (IGD)*) of Part VI (*Information about the Enlarged Group*) of the Rights Issue Prospectus; and
- as (i) the holder of 11% of the issued ordinary share capital of Prudential Rights (Jersey) Limited (“**Cashbox Co**”), a newly incorporated Jersey company in which Prudential is expected to hold 89% of the issued share capital and (ii) upon payment to Cashbox Co of the proceeds received in respect of the Rights Issue, as the holder of redeemable preference shares in Cashbox Co, pursuant to the arrangements expected to be entered into in connection with and incidental to the Rights Issue between Prudential, Credit Suisse (as one of the joint sponsors, joint global coordinators and joint bookrunners to the Rights Issue) and Cashbox Co on or about 17 May 2010. Credit Suisse’s shareholding in Cashbox Co is expected to continue for a limited period only, from or about the date of execution of the underwriting agreement in respect of the Rights Issue until a date falling a short period (expected to be approximately 5 business days) after the last day for acceptances under the Rights Issue or otherwise, if the Rights Issue does not proceed, is expected to cease upon the exercise of call or put options expected to be entered into between Prudential and Credit Suisse with respect to such shares.

Such affiliates of the HK Sponsor expect to receive customary underwriting commissions and other arrangement and advisors fees in respect of their roles in relation to the Acquisition and Rights Issue. The HK Introduction is not in any way conditional upon the Acquisition, the Rights Issue or other associated financing transactions completion or vice versa.

Notwithstanding the aforementioned business relationships of the HK Sponsor and its affiliates with New Prudential, the HK Sponsor does not believe that such relationships affect its independence from New Prudential for the purpose of Rule 3A.07 of the Hong Kong Listing Rules.

31.2 *Miscellaneous*

Save as disclosed in this document, within the two years immediately preceding the date of this document,

- no share or loan capital of New Prudential or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- none of the equity and debt securities of New Prudential is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

The Directors have been advised that as at 14 May 2010, being the latest practicable date prior to publication of this document, no liability for estate duty in Hong Kong is likely to fall on New Prudential or any of its subsidiaries.

31.3 *Qualifications of experts*

The following are the qualifications of the experts who have given opinion or advice which are contained or incorporated by reference in this document:

<u>NAME</u>	<u>QUALIFICATION</u>
Credit Suisse (Hong Kong) Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO
KPMG Audit Plc, London	A member firm of the Institute of Chartered Accountants of England and Wales
KPMG, Hong Kong	Certified public accountants
PricewaterhouseCoopers	Certified public accountants
Trevor Jones and Nick Dexter of KPMG LLP	Fellows of the Institute of Actuaries

31.4 Consents of experts

Each of Credit Suisse (Hong Kong) Limited; KPMG Audit Plc, London; KPMG, Hong Kong; PricewaterhouseCoopers; and KPMG LLP has given and has not withdrawn its written consent as at the date of this document to the issue of this document with the inclusion of its report and/or letter and/or summary of valuations (as the case may be) and references to its name included in the form and context in which it respectively appears.

The HK Sponsor, through its affiliates, holds approximately 1.43% shareholding interests in Prudential (as at 13 May 2010) and has the interest as disclosed in paragraph 31.1 (*HK sponsor*) above. Save as disclosed in paragraph 31.1 (*HK sponsor*) and this paragraph 31.4, none of the persons named in paragraph 31.3 (*Qualifications of Experts*) above has any shareholding interests in New Prudential or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in New Prudential or any of its subsidiaries.

31.5 Investor awareness

Electronic copies of this document will be disseminated through the website of Prudential and the websites of the Hong Kong Stock Exchange. In addition, physical copies of this document will be made available for collection at the office of Credit Suisse (Hong Kong) Limited at 45/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

32. Consent and responsibility statements

32.1 Consents

KPMG Audit Plc has given and has not withdrawn its written consent to the inclusion of its Accountants' Report on Historical Financial Information incorporated by reference in Part XIV (*Historical Financial Information for Prudential Group*) of this document from Section A of Part XIV (*Historical Financial Information for Prudential Group*) of the Rights Issue Prospectus, and its Accountants' Reports on pro forma financial information incorporated by reference in Part XVI (*Unaudited pro forma financial information*) of this document from Section B and Section D of Part XVI (*Unaudited pro forma financial information*) of the Rights Issue Prospectus, in the form and context in which they appear and has authorised that part of this document which comprises that report for the purposes of Rule 5.5.3.2(f) of the Prospectus Rules.

KPMG Audit Plc and KPMG have given and have not withdrawn their consent to the inclusion of their report incorporated by reference in Part XVI (*Unaudited pro forma financial information*) of this document from Section B of Part XVI (*Unaudited pro forma financial information*) of the Rights Issue Prospectus and the references to their names herein in the form and context in which it appears and have authorised the contents of that report for the purposes of paragraph 5(2) of Appendix 1, Part B to the Hong Kong Listing Rules.

KPMG LLP has given and has not withdrawn its written consent to the inclusion of its Consulting Actuary's Report incorporated by reference in Part XV (*Historical financial information for AIA*) of this document from Section C of Part XV (*Historical financial information for AIA*) of the Rights Issue Prospectus in the form and context in which it appears and has authorised the contents of that report for the purposes of Rule 5.5.3.2(f) of the Prospectus Rules and paragraph 5(2) of Appendix 1, Part B to the Hong Kong Listing Rules.

PricewaterhouseCoopers has given and has not withdrawn its written consent to the inclusion of its accountants' report incorporated by reference in Part XV (*Historical Financial Information for AIA Group*) of this document in the form and context in which it appears and has authorised that part of this document which comprises that report for the purposes of Rule 5.5.3.2(f) of the Prospectus Rules.

32.2 Responsibility statements

KPMG Audit Plc accepts responsibility for the purposes of Prospectus Rule 5.5.3R (2)(f) for its Accountants' Report on Historical Financial Information incorporated by reference in Part XIV (*Historical Financial Information for Prudential Group*) of this document from Section A of Part XIV (*Historical Financial Information for Prudential Group*) of the Rights Issue Prospectus, and its Accountants' Reports on pro forma financial information incorporated by reference in Part XVI (*Unaudited pro forma financial information*) of this document from Section B and Section D of Part XVI (*Unaudited pro forma financial information*) of the Rights Issue Prospectus, and has taken all reasonable care to ensure that the information contained in these reports is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

KPMG Audit Plc and KPMG accept responsibility for the purposes of Prospectus Rule 5.5.3R (2)(f) for their report incorporated by reference in Part XVI (*Unaudited pro forma financial information*) of this document from

Section B of Part XVI (*Unaudited pro forma financial information*) of the Rights Issue Prospectus, and have taken all reasonable care to ensure that the information contained in these reports is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

KPMG LLP accepts responsibility for the purposes of Prospectus Rule 5.5.3R (2)(f) for its Consulting Actuary's Report incorporated by reference in Part XV (*Historical financial information for AIA*) of this document from Section C of Part XV (*Historical financial information for AIA*) of the Rights Issue Prospectus, and has taken all reasonable care to ensure that the information contained in this reports is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

PricewaterhouseCoopers accepts responsibility for the purposes of Prospectus Rule 5.5.3R(2)(f) for its accountants' report on AIA Group Limited dated 17 May 2010 which is incorporated by reference into this document as set out in Part XV (*Historical Financial Information for AIA Group*), and has taken all reasonable care to ensure that the information contained in that report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

33. Hong Kong Compliance Adviser

New Prudential has appointed Evolution Watterson Securities Limited as its compliance adviser in compliance with Hong Kong Listing Rule 3A.19. Evolution Watterson Securities Limited will assist and provide New Prudential with guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable Hong Kong laws. The term of its appointment shall commence on the date of the HK Introduction of the New Prudential Shares and end on the date on which New Prudential complies with Hong Kong Listing Rule 13.46 in respect of its financial results for the first full financial year after the date of the HK Introduction.

34. Registration and removal of New Prudential Shares between Registers

34.1 Registration

In accordance with English law, the principal register of members of New Prudential is kept in the UK, and is maintained by the Registrar. In connection with the introduction of the New Prudential Shares to the Hong Kong Stock Exchange, New Prudential will establish the HK Register, which will be maintained by the HK Registrar. The HK Register may, in accordance with English law, only include members who are resident in Hong Kong.

Shareholders (including nominee companies or others who hold as nominees) who have registered addresses in Hong Kong will be issued with New Prudential Shares which will be registered on the HK Register. All other shareholders will be issued with New Prudential Shares which will be registered on New Prudential's UK Register.

Certificates in respect of New Prudential Shares registered on the HK Register will indicate that the New Prudential Shares are registered on the HK Register.

New Prudential will keep a duplicate of the HK Register updated from time to time at the place in England where the UK Register is kept available for inspection. New Prudential will also keep in Hong Kong a duplicate of the UK Register updated from time to time. It will be available for inspection on a similar basis as the HK Register will be available for inspection in the UK, and in the same manner as the HK Register is available for inspection in Hong Kong.

Certificates in respect of New Prudential Shares registered on the HK Register will be issued, unless otherwise requested, in one share certificate to each shareholder recorded on the HK Register to represent the entire holding of that shareholder recorded on the HK Register.

34.2 Removals of New Prudential Shares between registers

Voluntary removals of New Prudential Shares between registers

Any shareholder whose New Prudential Shares are registered on the UK Register may at any time obtain a form of request from the Registrar to remove New Prudential Shares to the HK Register. A form of request for removal when completed should be returned together with the corresponding share certificates (unless the New Prudential Shares are held in CREST and the shareholder has made a stock withdrawal instruction through CREST on the same day as described below) and cheque for the relevant charges to the Registrar who will arrange for the removal of such New Prudential Shares to the HK Register, provided that the shareholder concerned provides a registered address in Hong Kong.

New Prudential Shares held in CREST must be withdrawn from CREST in order to be removed to the HK Register. Accordingly, in addition to submitting a removal request, any shareholder holding New Prudential Shares through

CREST should arrange for a stock withdrawal instruction to be sent through the CREST system specifying the number of New Prudential Shares to be withdrawn from CREST and the name and address for registration of such New Prudential Shares on the UK Register prior to removal to the HK Register. Similarly, any shareholder whose New Prudential Shares are registered on the HK Register can at any time obtain a form of request from the HK Registrar to remove shares to the UK Register. On the return of such form, duly completed, together with the corresponding share certificates and payment for the relevant charges, the HK Registrar will arrange for the removal of such New Prudential Shares to the UK Register.

New Prudential Shares held in CCASS must be withdrawn from CCASS in accordance with the rules of CCASS and registered onto the HK Register before they can be removed to the UK Register.

Compulsory removal from the HK Register

Any transfer of New Prudential Shares registered on the HK Register to a shareholder with a registered address outside Hong Kong will automatically result in the compulsory removal of such New Prudential Shares from the HK Register to the UK Register. Such a shareholder will be informed that his New Prudential Shares will be placed on the UK Register and he will receive new share certificates from the Registrar. Similarly, if a shareholder on the HK Register ceases to have a registered address in Hong Kong following a change of address, his New Prudential Shares will be automatically removed from the HK Register to the UK Register. In such circumstances, the shareholder is requested to return all relevant share certificates to the HK Registrar for cancellation and the Registrar will be instructed to issue new share certificates.

Suspension of removals between registers in relation to the Scheme

Removals between the UK Register and the HK Register will be suspended for a period in connection with the Scheme. The suspension period will be from 3.00 p.m. (UK time) on the third UK Business Day preceding the Scheme Record Date to 8.00 a.m. (UK time) on the UK Business Day following the Scheme Effective Date in the UK and from 4.30 p.m. (Hong Kong time) on the third HK Business Day preceding the Scheme Record Date to 9.30 a.m. on the HK Business Day following the Scheme Effective Date (Hong Kong time) in Hong Kong.

The registration on the HK Register of any Prudential Shares whose removal from the UK Register to the HK Register is in process at the commencement of the suspension period in the UK will be completed before the Scheme Record Time. Similarly, the registration on the UK Register of any Prudential Shares whose removal from the HK Register to the UK Register is in process at the commencement of the suspension period in Hong Kong will be completed before the Scheme Record Time.

DEFINITIONS

Please see the definitions set out at pages 900 to 908 of the Rights Issue Prospectus, which are incorporated into this document. Those definitions apply throughout this document unless the context otherwise requires. In addition, the following terms apply throughout this document unless the context otherwise requires:

Business Day	a UK Business Day, HK Business Day and/or Singapore Business Day, as the case may be;
Directors	the directors from time to time of New Prudential;
HK Business Day	a day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which banks generally are open for business in Hong Kong for the transaction of normal banking business;
HK Introduction	the primary listing of up to 18,532 million New Prudential Shares on the Main Board of the Hong Kong Stock Exchange by way of introduction;
HK Sponsor	Credit Suisse (Hong Kong) Limited;
New Prudential Group	(i) prior to the Scheme Effective Date, New Prudential; and (ii) after the Scheme Effective Date, New Prudential and its subsidiary undertakings;
Prudential Deferred Shares	the redeemable deferred shares to be issued by Prudential to New Prudential, being a separate class of shares from the Scheme Shares, and therefore, not forming part of the Scheme Shares or being subject to the Scheme;
Rights Issue Prospectus	the prospectus published by Prudential plc in connection with the Rights Issue on the same date that this document is published;
Scheme Record Date	the UK Business Day immediately preceding the Scheme Effective Date;
SGX Introduction	the secondary listing of up to 18,532 million New Prudential Shares on the Main Board of the SGX-ST by way of introduction;
Singapore Business Day	a day on which the SGX-ST is open for trading in securities;
UK Business Day	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
UK Introduction	the introduction of up to 18,532 million New Prudential Shares to the premium segment of the Official List and admission to trading of the New Prudential Shares on the main market for listed securities of the London Stock Exchange; and
UK Joint Sponsors	Credit Suisse, HSBC Bank plc and J.P. Morgan Cazenove.

GLOSSARY

Please see the glossary set out at pages 909 to 913 of the Rights Issue Prospectus, which is incorporated into this document. That glossary contains explanations of terms used in the Rights Issue Prospectus. Such explanations also apply to those terms when used in this document.

INFORMATION/DOCUMENTS INCORPORATED BY REFERENCE

The following sections of the Rights Issue Prospectus, which is simultaneously with this document being approved by the FSA and filed with it, shall be deemed to be incorporated in, and to form part of, this document:

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