



AIA Insurance Lanka PLC (Co. No. PQ 18)

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MEDIA RELEASE

AIA Insurance Lanka plans voluntary de-listing from the Colombo Stock Exchange

Colombo, 28 February 2019 -- Publicly listed company AIA Insurance Lanka PLC ("AIA Insurance Lanka" or the "Company") announced that it intends to delist the Company's shares from the official list of the Colombo Stock Exchange ("CSE"), subject to shareholder and regulatory approval. An Extraordinary General Meeting ("EGM") on this matter will be held on 27 March 2019. The proposed delisting of the Company's shares will be based on a revised and final offer made by AIA Company Limited of Hong Kong of LKR 2,500/- per share.

The decision to delist from the CSE is based on AIA Group's preferred target operating model for its business units of operating as wholly owned subsidiaries, with the parent Company being the only publicly listed entity. Since its entry into Sri Lanka, AIA Group has disclosed its intent to delist AIA Insurance Lanka from the CSE. As part of this process, AIA Insurance Lanka has secured, in accordance with the amendments made to Sri Lanka's Insurance Law in 2017, an exemption, as approved by the Insurance Regulatory Commission of Sri Lanka ("IRCSL"), from the requirement to be listed on a Stock Exchange, based on the listing of its ultimate parent entity AIA Group Limited, on the Stock Exchange of Hong Kong Ltd (HKSE).

The delisting resolution proposed at the EGM held in August 2018 could not be adopted since the required majority by a head count via a vote on a show of hands, could not be obtained due to the views of certain shareholders on the method of valuation that had been used for determining the previous offer price of LKR 1,000/- for the Company's shares.

Independent expert opinions obtained pre and post the EGM of August 2018 on the fairness of the previous offer price of LKR 1,000/- per share which include factoring the Embedded Value per share of the Company, have confirmed the previous offer price of LKR 1,000/- per share as being fair and reasonable. Further details of these additional independent reviews of valuation methodologies shall be provided as a part of the forthcoming shareholder communications prior to the EGM.

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While taking due account of the opinion of the independent experts who have each unanimously confirmed the fairness of the previous offer price, the Company, in line with its commitment to the Sri Lankan market, has negotiated a voluntary ex-gratia increase of LKR 1,500/- over the last offer price of LKR 1,000/- per share, resulting in the revised offer price of LKR 2,500/- per share.

AIA Insurance Lanka and AIA Group has emphasized that this revised offer of LKR 2,500/- per share is final and no subsequent voluntary delisting offers shall be forthcoming. This fact is reflected in the offer price per share that AIA Group is presenting to shareholders. In the event that the proposed delisting resolution is not carried through, AIA will explore other options available under Sri Lankan law in restructuring its Sri Lankan operations, in order to maintain its commitment to the continued growth of its operations and investments in Sri Lanka for the benefit of the Company's customers, as well as for the local community and economy.

William Lisle, Chairman of AIA Insurance Lanka, reiterated AIA's commitment to Sri Lanka, saying "AIA is fully committed to continued growth and investment in Sri Lanka for the benefit of our customers, as well as for the local community and economy. Our intent to delist will not impact AIA's operations in Sri Lanka. We have invested heavily to provide our customers with leading products and services and we will continue to help many more people here live Healthier, Longer, Better Lives."

AIA Insurance Lanka's licence to carry out life insurance business as granted by the IRCSL will not be affected by the proposed delisting of the Company and the business will continue to be supervised by the IRCSL. Policyholder liabilities will not be affected and AIA Insurance Lanka will continue to honour its obligations as the insurer for all customers for their risks duly underwritten per policy terms.

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