

Important information:

1. Cheerful Life is an investment-linked assurance scheme ('ILAS policy'), which is an insurance policy issued by AIA. It is not a bank savings product. Your investments are subject to the credit risks of AIA and any other investment risks. Although your ILAS policy is a life insurance policy, because part of your death benefit is linked to the performance of the underlying funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your premiums paid and may not be sufficient for your individual needs.
2. What you are investing in is an ILAS policy. The premiums paid by you towards the ILAS policy, and any investments made by AIA in the underlying funds you selected, will become and remain part of the assets of AIA. You do not have any rights or ownership over any of those assets. Your recourse is against AIA only.
3. The premiums received from you, after deduction of any applicable fees and charges of your ILAS policy, will be invested by AIA into the underlying funds corresponding to the investment options as selected by you for our asset liability management. However, the unit(s) allocated to your policy is notional and is solely for the purpose of determining the value of the policy.
4. Please note that among the different fees and charges, there is a very substantial premium charge which will be deducted from the premium you pay. The premium charge deducted upfront from each of your Basic Premium paid ranges from 100% to 10% of the Basic Premium you paid in the first 6 premium payment years in accordance with the Summary of Charges at section F of the product brochure of Cheerful Life. Because of this premium charge, only the remaining amount of the Basic Premium after deduction of the relevant premium charges will be available for investment in each of the relevant premium payment years. According to the charge structure, 100% of the Basic Premium paid is deducted in the first premium payment year. This means there will be no Basic Premium available for investment in the first premium payment year. In the second policy year, the premium charge is 30% of the Basic Premium you pay. This still does not mean that 70% of the Basic Premium you pay is available for investment because there are other fees and charges to be deducted. Please refer to the Product Key Facts Statement of Cheerful Life for the percentage of Basic Premium to cover the total fees and charges at the ILAS policy level.
5. More importantly, you should be aware of the following regarding your death benefit and the cost of insurance ('COI'):

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- i) Part of the fees and charges you pay that will be deducted from the value of your ILAS policy will be used to cover the COI for the life coverage and any additional coverage you may choose.
 - ii) The COI will reduce the amount that may be applied towards investment in the underlying funds selected.
 - iii) The COI may increase significantly during the term of the ILAS policy due to factors such as age and investment losses etc. This may result in significant or even total loss of your premiums paid.
 - iv) If the value of your ILAS policy becomes insufficient to cover all the ongoing fees and charges, including the COI, your ILAS policy may be terminated early and you could lose all your premiums paid and benefits.
 - v) You should consult our AIA financial planner, your broker or your financial adviser for details on the COI, such as how the COI may increase and could impact the value of your ILAS policy.
6. Your return on investments is calculated by AIA with reference to the fluctuation of the performance of the underlying funds. Such returns shall be subject to on-going fees and charges which will continue to be deducted from the ILAS policy, hence, it may be lower than the return of the corresponding underlying funds. Each of the underlying funds has its own investment profile and associated risks. Underlying funds available for selection are the funds listed in the investment options brochure. These underlying funds are authorized by the SFC pursuant to the Code on Unit Trusts and Mutual Funds.
7. The investment options available under the ILAS policy can have very different features and risk profiles. Some may be of high risks.
8. Early termination, surrender or withdrawal of the ILAS policy / suspension of or reduction in premium may result in substantial loss of your investments and premiums paid as well as bonuses awarded (if applicable). Poor performance of the underlying funds may further magnify your investment losses while all charges are still deductible.
9. You should not purchase this ILAS policy unless you understand it and that it has been explained to you how it is suitable for you. The final decision is yours.

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10. Investments involve risks. You should read the offering documents of Cheerful Life and the underlying funds which can be obtained from our AIA financial planner, your broker or your financial adviser or downloaded from our website at aia.com.hk. Alternatively, you can visit our Company's Wealth Select Centre or agency office to obtain a copy which will be provided to you within 14 days of your request.

11. The underlying funds of the investment option may use financial derivative instruments ("FDI")* for investment purposes.

*Risks relating to the use of FDIs- Using FDIs may entail counterparty risk and legal risk when conducted over-the-counter. If the counterparty defaults, this may result in the impossibility of enforcing the agreement and could entail the loss of the contract's market value. Non-timely settlement could lead to results deviating from those expected.

- i) The prices of FDIs, including, among others, warrants, options and forwards, can be highly volatile as they can be influenced by many factors such as interest rates, credit spreads, government policies, etc. The relationship between FDIs and the underlying asset prices may deviate from that expected.
- ii) Using FDIs may expose the investment option's corresponding underlying fund to losses greater than the cost of the FDIs.
- iii) There may be no liquid market for a specific FDI at a specific time. Therefore, there is a risk that if the positions need to be closed under this circumstance, the realized market price may differ significantly from the estimated price.

For details about fees and charges of Cheerful Life, please refer to the product brochure of Cheerful Life. For further details including risk factors and other fees and charges of the underlying funds, please refer to the prospectus and/or explanatory memorandum of each underlying fund.

Please note that investment involves risks, as a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations and any market movement, the value of investments and their yields may go down as well as up.

You should not rely solely on this document for investment decision. You can refer to the offering documents of Cheerful Life and the underlying funds for more information.



AIA Hong Kong

AIA Financial Centre,
712 Prince Edward Road East,
Kowloon, Hong Kong
T: (852) 2881 3333

AIA.COM.HK

Media Release

AIA Hong Kong Launches “Cheerful Life”

A Whole Life investment-linked assurance scheme combining life insurance coverage and investment

Hong Kong, 13 August 2013 – AIA Hong Kong today announced the launch of its whole life investment-linked assurance scheme, “Cheerful Life”. The launch of this plan exemplifies AIA Hong Kong’s new brand positioning as “The Real Life Company”. It is a testament to the Company’s commitment to genuinely engaging with its customers and providing the right solutions, enabling them to plan, protect and prepare for their lives.

Ms. Bonnie Tse, General Manager, Marketing and Business Strategy for AIA Hong Kong and Macau said, “Young adults account for 44% of the labour force in Hong Kong¹. Life is full of unexpected changes and young customers are longing for a protection solution that can address their needs. The newly launched “Cheerful Life” provides our customers with life insurance coverage and investment to accommodate individual needs at different life stages.

Cheerful Life is a whole life investment-linked assurance scheme combining life insurance coverage and investment. It offers customers three death benefit options and the corresponding cost of insurance options for them to choose from, giving them life protection to suit different life stages and lifestyles. Customers may decide on the amount of life insurance coverage they need by specifying the Face Amount (subject to minimum amount requirements of US\$50,000 or HK\$375,000).

Other features of “Cheerful Life”:

Optional premium contribution for investment – In addition to the Basic Premium that customers pay regularly, customers may increase their investment by contributing additional premium on a lump sum basis (“Lump Sum Investment”) or regular basis (“Regular Investment”). After deduction of premium charge (6%) from each Regular Investment and Lump Sum Investment received, the remainder shall be invested into investment option(s) they selected for the Regular Investment and Lump Sum Investment. Thereafter, such units shall be notionally allocated to the Regular Investment account and the Lump Sum Investment account respectively at the Offer Price on the next available valuation day following the day of our receipt of such premiums. Customers can make a Lump Sum Investment and/or start contributing Regular Investment at any time while the policy is in-force. They may also request to increase or decrease the Regular Investment (subject to minimum amount requirement of annualised regular investment is US\$100 or HK\$800) at any time.

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Conditional 10-year no lapse privilege – Cheerful life shall guarantee to remain in-force in the first 10 policy years even if the Total Account Value is insufficient to cover the cost of insurance and account value charge, provided that the following conditions are met in the first 10 policy years: (i) no premium holidays have been exercised; and (ii) no partial withdrawals have been made from the basic account.

Long-term bonus – After each 36-month period of consecutive premium payment of Basic Premium from the policy date, customers will be entitled to receive 1% of the average Basic Account Value of the previous 36 Policy Monthiversary by way of units allocated to basic account. If premium holiday has been exercised, the 36-month period of consecutive premium payment will be recounted from the month that premium payment has resumed. As the long-term bonus is based on the average Basic Account Value of the previous 36 Policy Monthiversary, the amount of long-term bonus will also be reduced if Basic Premium is reduced or partial withdrawal has been made from the basic account.

Loyalty bonus – Customers will be entitled to receive a one-off loyalty bonus in the form of units at the 20th policy anniversary as long as the Basic Premium has been paid for at least 120 policy months (whether consecutive or non-consecutive) within the first 20 policy years. Please note that reduction in Basic Premium, premium holiday and partial withdrawal will affect the loyalty bonus.

Optional Unit Deducting Supplementary Contracts – Customers have a choice of attaching Unit Deducting Supplementary Contracts for extra insurance coverage² in addition to the basic policy by paying cost of insurance through redemption of units from the account. They may include in their policy additional insurance coverage such as life, medical or critical illness protection from our range of Unit Deducting Supplementary Contracts. Depending on the type of Unit Deducting Supplementary Contract they choose, additional premium may be required. Such additional premium must be paid together with the Basic Premium and their payment mode must be the same. The premiums for Unit Deducting Supplementary Contracts are subject to premium charge which shall range from 100% to 10% in the first 6 premium payment years. The net premiums for Unit Deducting Supplementary Contracts shall be used to subscribe units in accordance with their selection of investment options for the Basic Premium. Such units shall be notionally allocated to the basic account, which is subject to the applicable fees and charges of the policy. Please note that because of this premium charge, only the remaining amount of the premium paid for any Unit Deducting Supplementary Contract after deduction of relevant premium charges will be available for investment in each of the relevant premium payment years.

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Kowloon, Hong Kong
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According to the charge structure of Cheerful Life, the premium paid for any Unit Deducting Supplementary Contract is deducted by 100% in the 1st premium payment year. This means there will be no premium available for investment in the 1st premium payment year.

For further enquiries or obtaining a copy of Cheerful Life offering document, please contact our AIA financial planner, broker or financial advisor, call the AIA Customer Hotline at 2232 8888 or visit any AIA Wealth Select Centre.

1. Census and Statistics Department, 2011 population census figures (exclude foreign family helpers).
2. Subject to additional premium charges and other related charges. Each supplementary benefit has its own underwriting requirements. The issuance of such supplementary benefits is subject to AIA's approval.

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Glossary	
Term	Meaning
Basic Account Value	The value calculated by multiplying the number of units in the basic account by the Bid Price of the relevant investment option on the relevant valuation day.
Basic Premium	The premium of the basic policy customers pay regularly while the policy is in-force depending on the Face Amount selected, the insured's issue age, gender and class of risk, which is subject to premium charge and other applicable fees and charges.
Bid Price	The price per unit of the investment options at which the units are redeemed from the account by the Company on the valuation day as determined in accordance with the provisions of the basic policy, and is equal to the bid price at which the manager of the relevant underlying fund offers to purchase a unit from an investor in that underlying fund. As at the date of publication of the product brochure of "Cheerful Life", the bid price and Offer Price are the same. This is subject to changes by the manager of the relevant underlying funds.
Face Amount	The amount selected by customers and approved by the Company as shown on the policy information page as the "Face Amount" (any subsequent reduction in the face amount upon their request or as a result of benefits payment to customer under any applicable supplementary benefits attached to the basic policy will be amended by an endorsement). It is used to determine the death benefits under the basic policy.
Lump Sum Investment Account Value	The value calculated by multiplying the number of units in the Lump Sum Investment account by the Bid Price of the relevant investment option on the relevant valuation day.
Offer Price	The price per unit of the investment options at which the units are purchased by the Company on the valuation day as determined in accordance with the provisions of the basic policy, and is equal to offer price at which the manager of the underlying fund offers to sell a unit to an investor in that underlying fund. As at the date of publication of the product brochure of "Cheerful Life", the offer price and Bid Price are the same. This is subject to changes by the manager of the relevant underlying funds.
Policy Monthiversary	The same day in each subsequent calendar month as and from the policy date.
Regular Investment Account Value	The value calculated by multiplying the number of units in the Regular Investment account by the Bid Price of the relevant investment option on the relevant valuation day.
Total Account Value	The total sum of the Basic Account Value, the Lump Sum Investment Account Value and the Regular Investment Account Value.
Unit Deducting Supplementary Contract	A supplementary agreement to the policy which sets out the terms and conditions of the optional supplementary benefits selected by customers which cost of insurance is payable by customers through redemption of units from the account.



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AIA.COM.HK

Media Release

“Executive Care Pro 2” and “Multiple Care Pro 2” with premium refund promotion

In addition to the launch of “Cheerful Life”, AIA Hong Kong took the opportunity to announce the introduction of its enhanced critical illness protection plans to customers.

AIA Hong Kong recognises that many people are concerned about their own health as well as the health of their family members. A study³ revealed that people are starting to be aware of their critical illness protection gap. For respondents who own insurance policies, critical illness plans were the third most common type of policy. Critical illness is also ranked third among the preferred types of insurance product that people will invest in over the coming 12 months. To address customers’ concerns with regard to critical illness protection, AIA Hong Kong has enhanced its “Executive Care Pro” and “Multiple Care Pro” which have been well received by the market. In the enhanced “Executive Care Pro 2” and “Multiple Care Pro 2” plans, the Percutaneous Coronary Intervention of one coronary artery, instead of two, having a stenosis of 50% is included as a compensated condition, thereby giving customers greater protection. The enhancement also features an increase in the advance payment for critical illnesses from 10% to 20%, subject to a maximum of US\$30,000 per life, instead of US\$12,500.

From now on till 31 October 2013, customers who successfully apply for “Executive Care Pro 2”, “Multiple Care Pro 2” or “Prime Care Pro” and with policies issued on or before 31 December 2013 will be eligible for a one-month premium refund⁴ while the policies are in force.

3. “AIA Consumer Study of Hong Kong Insurance Market 2012” conducted by the Social Sciences Research Centre of the University of Hong Kong. The survey was conducted between 5 December 2011 and 26 August 2012 (respondents=1,929).
4. Please refer to the terms and conditions in the Promotion Leaflet.

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**AIA Hong Kong**

AIA Financial Centre,
712 Prince Edward Road East,
Kowloon, Hong Kong
T: (852) 2881 3333

AIA.COM.HK

Media Release**About AIA Hong Kong and AIA Macau**

AIA Hong Kong and AIA Macau are subsidiaries of AIA Group Limited. AIA Group Limited established its operations in Hong Kong in 1931. We have the largest team of financial planners in Hong Kong and Macau*. We are the leader in developing innovative insurance products that meet customers' needs at every stage of their lives. We offer products ranging from individual life, group life, accident, medical and health, personal lines insurance to investment-linked products with over 100 investment options.

** As of 31 May 2013*

About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has operations in 17 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint-venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$147 billion as of 31 May 2013.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of financial planners and employees across Asia-Pacific, AIA serves the holders of more than 27 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

AIA Hong Kong
Ms. Peony Cheng
+852 2881 4413

Bentley Communications Limited
Mr. Kevin Chan
+852 3960 1903