

PRUDENTIAL PLC
Form 6-K
May 19, 2010

Table of Contents

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 of
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2010

**PRUDENTIAL PUBLIC LIMITED COMPANY
(Translation of registrant's name into English)**

**LAURENCE POUNTNEY HILL,
LONDON, EC4R 0HH, ENGLAND
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☐

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Table of Contents

THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA 2000) if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Existing Shares, please send this circular together with the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to Prudential. Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This document is not a prospectus but a shareholder circular and does not constitute an offer or invitation to purchase, acquire or subscribe for any securities or a solicitation of an offer or invitation to purchase, acquire or subscribe for any securities.

Information concerning Prudential can be found in the Prudential Annual Report for 2009, and information concerning the Acquisition, AIA and the Enlarged Group can be found in the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010, available at www.sec.gov.

Prudential plc

(incorporated and registered in England and Wales under number 01397169)

(HK Stock Code: 2378)

CIRCULAR AND EXPLANATORY STATEMENT

relating to a proposed 11 for 2 Rights Issue of 13,964,557,750 Rights Issue Shares at 104 pence per Rights Issue Share and a recommended proposal to establish Prudential Group plc as the new ultimate holding company of the Prudential Group by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006, in connection with the proposed combination of the Prudential Group and the AIA Group

and

NOTICES OF COURT MEETING AND GENERAL MEETING

You should read the whole of this circular and any information contained in any document to which this circular refers you. Your attention is drawn to Part I (*Letter from the Chairman of Prudential*) of this circular in which the Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the Court Meeting and General Meeting referred to below. Your attention is also drawn to Part II (*Explanatory Statement*) of this circular which contains an explanatory statement in compliance with Section 897 of the Companies Act.

Notices convening the Court Meeting and General Meeting, each of which is to be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 7 June 2010, are set out at Part VI (*Notice of Court Meeting*) and Part VII (*Notice of General Meeting*) of this circular. The action to be taken by holders of Prudential Shares and Prudential ADRs in respect of the Court Meeting and General Meeting is set out on page 11 of this circular.

The Existing Shares are listed on the premium segment of the Official List and 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 Existing Shares on the Main Board of the Hong Kong Stock Exchange. Application has been made to the SGX-ST for the secondary listing and quotation of the Existing Shares on the Main Board of the SGX-ST. It is expected that the HK Introduction of the Existing Shares will become effective and that dealings in the Existing Shares will commence on the Hong Kong Stock Exchange at 9.30 a.m. (Hong Kong time) on 25 May 2010. It is expected that the SGX Introduction of the Existing Shares will become effective and that dealings in the Existing Shares will commence on the SGX-ST at 10.00 a.m. (Singapore time) on 25 May 2010.

Application will be made to the UKLA and to the London Stock Exchange for the New Prudential Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. 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. Application will be made to the SGX-ST for the secondary listing and quotation of the New Prudential Shares on the

Table of Contents

Main Board of the SGX-ST. If the Scheme proceeds as currently envisaged, it is expected that the UK Introduction, HK Introduction and SGX-ST 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.

Holders of Prudential ADRs should refer to paragraph 1 of Part IV (*Additional Information*) of this circular which contains important information relevant to such holders. Application will be made to the New York Stock Exchange for the admission of New Prudential ADRs.

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, the Acquisition or the Scheme or any other matter referred to herein.

Credit Suisse, HSBC and J.P. Morgan Cazenove, each of 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 Acquisition and the Scheme, and together with other underwriters, the Rights Issue, and will not regard as a client anyone (whether or not a recipient of this circular) other than Prudential in connection with the Acquisition, the Scheme and the Rights Issue 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 Acquisition or the Scheme or any other matter referred to herein.

Lazard, 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 Acquisition and will not regard as a client anyone (whether or not a recipient of this circular) other than Prudential in connection with the Acquisition 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 Acquisition or any other matter referred to herein.

Nomura, 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 Acquisition and will not regard as a client anyone (whether or not a recipient of this circular) other than Prudential in connection with the Acquisition 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 Acquisition or any other matter referred to herein.

THIS CIRCULAR AND EXPLANATORY STATEMENT IS PROVIDED SOLELY FOR INFORMATION PURPOSES IN CONNECTION WITH THE VOTE ON THE RESOLUTIONS TO BE PROPOSED AT THE COURT MEETING AND THE GENERAL MEETING REFERRED TO BELOW. THIS CIRCULAR AND EXPLANATORY STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS CIRCULAR AND EXPLANATORY STATEMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

NOTICE TO US INVESTORS

New Prudential Shares delivered under the Scheme will be issued and delivered in reliance upon exemptions from the registration requirements of the US Securities Act, including that provided by section 3(a)(10) thereof. As a result, the New Prudential Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. This document is not a prospectus but a shareholder circular and is for information purposes only. This document does not constitute an offer or invitation to purchase, acquire or subscribe for any securities or a solicitation of an offer or invitation to purchase, acquire or subscribe for any securities.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof with respect to the New Prudential Shares delivered pursuant to the Scheme, New 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. The Court's sanctioning of the Scheme will be relied upon by New Prudential as an approval of the fairness of the terms and conditions of the Scheme following the Court hearing.

The Rights Issue Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state of the United States and, accordingly, may be offered and sold in the United States

Table of Contents

only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Neither the US Securities and Exchange Commission nor any US federal, state or other securities commission or regulatory authority has registered, approved or disapproved the New Prudential Shares or the Rights Issue Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Scheme Shareholders who are citizens or residents of the United States should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Scheme in their particular circumstances.

IMPORTANT ADDITIONAL NOTICES

The distribution of this circular in or into jurisdictions other than the United Kingdom, Hong Kong or Singapore may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom, Hong Kong or Singapore should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. This circular does not constitute an offer or invitation to purchase, acquire or subscribe for any securities or a solicitation of an offer or invitation to purchase, acquire or subscribe for any securities pursuant to this circular or otherwise in any jurisdiction. Except as otherwise provided for herein, this circular is not for release, publication or distribution, directly or indirectly, in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations. None of the Existing Shares, the New Prudential Shares or any of the securities referred to in this circular has been or will be registered under the relevant law of any state, province or territory of any Excluded Territory.

Prudential is not affiliated with Prudential Financial, Inc. or its subsidiary, The Prudential Insurance Company of America.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This circular includes forward-looking statements with respect to certain of the Prudential Group's and the Enlarged Group's plans and their current goals and expectations relating to their future financial condition, performance, results, strategy and objectives. Forward-looking statements include, without limitation, statements that typically contain words such as will, may, should, continue, aims, believes, expects, estimates, intends, anticipates similar expressions. By their nature, forward-looking statements involve material risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Many of these risks and uncertainties relate to factors that are beyond the Prudential Group's and/or the Enlarged Group's abilities to control or estimate precisely, such as future market conditions, fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of changes in capital standards, solvency standards or accounting standards, and tax and other legislation and regulations in the jurisdictions in which the Prudential Group and the Enlarged Group operate, together with material risks and uncertainties in relation to the Transactions including the possibility that the Transactions may not be consummated, the ability to achieve expected synergies, including in particular the expected revenue and cost synergies and the financial targets described in section 4 of Part VI (*Information about the Enlarged Group*) of the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010, improved productivity and opportunities for growth from the Transactions; and also all the factors discussed in Part II (*Risk Factors*) of the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010. This may for example result in changes to assumptions used for determining results of operations or re-estimations of

reserves for future policy benefits. As a result, the Prudential Group's and/or the Enlarged Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the forward-looking statements.

The forward-looking statements contained in this circular are made as of the date hereof. Prudential and New Prudential may also make or disclose written and/or oral forward-looking statements in reports filed or furnished to the UKLA, the FSA, the London Stock Exchange, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong, the SGX-ST, the MAS or the US Securities and Exchange Commission, as well as in their annual report and accounts to shareholders, proxy statements, offering circulars, registration statements and prospectuses, press releases and other written materials and in oral statements made by directors, officers or employees to third parties, including financial analysts. Neither Prudential, New Prudential, any member of the Prudential Group, nor the Enlarged Group assumes any obligation or has any intention to publicly update or revise these forward looking statements, whether as a result of future events, new information or otherwise except as required

Table of Contents

pursuant to the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules, the Hong Kong Listing Rules or the SGX Listing Rules. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed in Part II (*Risk Factors*) of the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010. These risk factors are not exhaustive as the Prudential Group operates and the Enlarged Group will operate in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. Investors should carefully read this circular and the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010 in their entirety as they contain important information about the businesses of the Prudential Group and the Enlarged Group and the risks they face and management plans and objectives.

FURTHER INFORMATION

The Prudential Annual Report for 2009 is available to view on Prudential's website at www.prudential.co.uk. In addition, the Prudential Annual Report for 2009 and the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010 are available on the website of the US Securities and Exchange Commission at www.sec.gov.

CONTENTS

<u>EXPECTED TIMETABLE OF PRINCIPAL EVENTS</u>	6
<u>ACTION TO BE TAKEN</u>	11
<u>DIRECTORS, COMPANY SECRETARY AND ADVISERS</u>	13
<u>PART I LETTER FROM THE CHAIRMAN OF PRUDENTIAL</u>	15
<u>PART II EXPLANATORY STATEMENT</u>	24
<u>PART III FINANCIAL INFORMATION</u>	35
<u>PART IV ADDITIONAL INFORMATION</u>	36
<u>PART V SCHEME OF ARRANGEMENT</u>	61
<u>PART VI NOTICE OF COURT MEETING</u>	65
<u>PART VII NOTICE OF GENERAL MEETING</u>	67
<u>DEFINITIONS</u>	71

Table of Contents

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 Depositary with respect to US Depositary'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 HK Register	3.00 p.m. on Tuesday 1 June 2010
Latest time and date for receipt by the US Depositary 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 UK 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 UK 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 UK 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
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; 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

Completion of Acquisition

New Prudential Shares credited to CREST stock
accounts

8.00 a.m. on the UK Business Day
immediately following 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 circular 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 proposes to adjourn the Annual General Meeting on 19 May 2010 and to reconvene it at 11.00 a.m. 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 UK 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 UK 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.

Table of Contents

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
7	

Table of Contents

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⁾
HK Introduction and 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
Existing Shares marked ex-rights by the Hong Kong Stock Exchange	9.30 a.m. on Thursday 3 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
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

(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 Board proposes 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 UK 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 UK Registrar 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 1.00 a.m. on 4 June 2010.

(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.

(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.

Note: If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal:

(a) in force in Hong Kong at any time before 12.00 noon but no longer in force after 12.00 noon on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be extended to 5.00 p.m. on the same date; or

(b) in force in Hong Kong at any time between 12.00 noon and 4.00 p.m. on the latest date for acceptance in Hong Kong, the latest time for acceptance of and payment for the Rights Issue will be postponed to 4.00 p.m. on the following HK Business Day when there is no tropical cyclone warning signal number 8 or above or a black rainstorm warning signal.

An announcement will be made by Prudential in such event.

Table of Contents

Delisting of
Prudential
Shares from
the Hong
Kong Stock
Exchange;
Dealings in
New
Prudential
Shares
commence
on the Hong
Kong Stock
Exchange
New
Prudential
Shares
credited to
stock
accounts in
CCASS
Completion
of
Acquisition
Definitive
share
certificates
for the New
Prudential
Shares made
available for
collection
by
HK holders
of New
Prudential
Shares from
the HK
Registrar
Despatch of
definitive
share
certificates
for the New
Prudential
Shares in
certificated
form

9.30 a.m. on the HK Business Day
immediately following the Scheme Effective Date

on the HK Business Day
immediately following the Scheme Effective Date

3.00 p.m. on the UK Business Day
immediately following the Scheme Effective Date

9.00 a.m. to 4.00 p.m. on the HK Business Day immediately following the Scheme Effective Date

after 4.00 p.m. on the HK Business Day
immediately following the Scheme Effective Date

Table of Contents

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⁾
SGX Introduction and 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
Existing Shares commence trading ex-rights on the SGX-ST	9.00 a.m. on Wednesday 2 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⁾ 9.00 a.m. on Tuesday 8 June 2010

Suspension of
movements of Existing
Shares into and out of
CDP's account in CCASS
ends

Suspension of
movements of Prudential
Shares into and out of
CDP's account in CCASS
Scheme Effective Date

5.00 p.m. on the third Singapore Business Day preceding the Scheme Record Date
Q3 2010⁽²⁵⁾

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
commence on the
SGX-ST

9.00 a.m. on the Singapore Business Day
immediately following the Scheme Effective Date

Completion of
Acquisition
New Prudential Shares
credited to securities
accounts in CDP

3.00 p.m. on the UK Business Day
immediately following the Scheme Effective Date
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 Board proposes 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 UK 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 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 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 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.

Table of Contents

ACTION TO BE TAKEN

Further instructions on the action to be taken are set out in paragraph 14 of Part II (*Explanatory Statement*) of this circular and are summarised below.

IN RESPECT OF THE COURT MEETING AND GENERAL MEETING

Holders of Prudential Shares

The Scheme will require the approval of holders of Prudential Shares at the Court Meeting convened by an order of the Court to be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 7 June 2010 at 11.15 a.m. (or as soon thereafter as the Annual General Meeting concludes or is adjourned). Proposals relating to the Scheme and the Rights Issue will also require the approval of holders of Prudential Shares at the General Meeting to be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 7 June 2010 at 11.20 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of holders of Prudential Shares. Whether or not you plan to attend the meetings in person, you are strongly urged to complete and return both your Forms of Proxy as soon as possible.

If you are a UK holder of Prudential Shares:

Blue Forms of Proxy for the Court Meeting should be returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive by 6.00 p.m. (London time) on 3 June 2010 or handed to the UK Registrar or the Chairman of the Court Meeting at the Court Meeting.

Pink Forms of Proxy for the General Meeting should be returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive by 6.00 p.m. (London time) on 3 June 2010. Pink Forms of Proxy for the General Meeting not returned by this time will not be valid.

If you are a HK holder of Prudential Shares:

Blue Forms of Proxy for the Court Meeting should be returned to Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so as to arrive by 1.00 a.m. (Hong Kong time) on 4 June 2010 or handed to the UK Registrar or the Chairman of the Court Meeting at the Court Meeting.

Pink Forms of Proxy for the General Meeting should be returned to Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so as to arrive by 1.00 a.m. (Hong Kong time) on 4 June 2010. Pink Forms of Proxy for the General Meeting not returned by this time will not be valid.

Alternatively, if you are a UK holder of Prudential Shares or a HK holder of Prudential Shares, you may appoint a proxy electronically by logging onto Equiniti's website www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number, which, if you are a UK holder of Prudential Shares, are printed on the face of your Forms of Proxy or, if you are a HK holder of Prudential Shares, must be obtained from the HK Registrar. Full

details of the procedures are given on the website. Alternatively, if you have already registered with Equiniti's on-line portfolio service, Shareview, you can submit your proxy by logging onto your portfolio at www.shareview.co.uk and clicking on the link to vote under your Prudential details. Instructions are given on the website.

If you hold your Prudential Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual so that it is received by the UK Registrar no later than 6.00 p.m. (London time) on 3 June 2010.

CDP will take instructions from holders of securities accounts or depository agents on the exercise of voting rights attached to the Prudential Shares deposited with CDP.

Holders of Prudential ADRs

If you are a holder of Prudential ADRs you will receive a Voting Instruction Card from the US Depositary which will enable you to instruct the US Depositary on how to vote on your behalf at the Court Meeting and General Meeting in respect of the Prudential Shares represented by your Prudential ADRs.

You are strongly encouraged to complete and sign the Voting Instruction Card and return it to the US Depositary as soon as possible and by no later than 12.00 noon (New York time) on 3 June 2010.

Table of Contents

IN RESPECT OF THE RIGHTS ISSUE

You are not required to take any action at present with respect to the Rights Issue. If the Rights Issue Resolution is passed at the General Meeting (and provided the underwriting agreement relating to the Rights Issue has not been terminated in accordance with its terms), Prudential will conduct the Rights Issue in accordance with the terms set forth in the Rights Issue Prospectus, which will be made available separately to Qualifying Shareholders (other than Excluded Shareholders).

If you are in any doubt as to the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant fund manager or other appropriate independent financial adviser duly authorised under FSMA 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

SHAREHOLDER HELPLINE

All enquiries from shareholders, excluding ADR holders, in relation to this circular and the completion and return of the Forms of Proxy, should be addressed to the Shareholder Helpline on +44 121 415 7026. The Shareholder Helpline is available from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except bank and other public holidays) and will remain open until 21 August 2010. Calls to the +44 121 415 7026 number are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes.

All enquiries from ADR holders in relation to this circular and the completion and return of Voting Instruction Cards should be addressed to the ADR holder helpline at (800) 506-7189. The ADR holder helpline is toll free, and is available from 9.00 a.m. to 5.00 p.m. (New York Time) Monday to Friday (except bank and other public holidays).

Please note that, for legal reasons, the Shareholder Helpline and ADR holder helpline are only able to provide certain information contained in this circular and information relating to the Forms of Proxy and Voting Instruction Cards for ADR holders and is unable to give advice on the merits of the Rights Issue, or the Scheme or to provide legal, financial, tax or investment advice.

Table of Contents

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)
-------------------	---

Each of the Directors' business address is Laurence Pountney Hill, London EC4R 0HH, United Kingdom.

Company Secretary:	Margaret Ann Coltman
---------------------------	----------------------

Financial Adviser 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 Adviser to Prudential in respect of the Acquisition:	Lazard Frères & Co LLC 30 Rockefeller Plaza New York, NY 10020 United States
---	---

Nomura International plc
Nomura House
1 St Martin's-le-Grand
London EC1A 4NP
United Kingdom

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

Table of Contents

	<p>KPMG Certified Public Accountants Prince s Building 10 Chater Road Central, Hong Kong</p>
Auditor and Reporting Accountant to AIA:	<p>PricewaterhouseCoopers 22nd Floor, Prince s Building Central, Hong Kong</p>
Legal Advisers to Prudential as to English and Hong Kong law:	<p>Slaughter and May One Bunhill Row London EC1Y 8YY United Kingdom</p> <p>Slaughter and May 47th Floor, Jardine House One Connaught Place Central, Hong Kong</p>
Legal Advisers to Prudential as to US law:	<p>Cleary Gottlieb Steen & Hamilton LLP City Place House 55 Basinghall Street London EC2V 5EH United Kingdom</p>
Legal Advisers to Prudential as to Singapore law:	<p>Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989</p>
Legal Advisers to Credit Suisse, HSBC and J.P. Morgan Cazenove as to English, Hong Kong, Singapore and US law:	<p>Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS United Kingdom</p> <p>Herbert Smith 23rd Floor, Gloucester Tower 15 Queen s Road Central, Hong Kong</p> <p>Herbert Smith LLP 50 Raffles Place #24-01 Singapore Land Tower Singapore 048623</p>
UK Registrar:	<p>Equiniti Limited Aspect House Spencer Road</p>

Lancing
West Sussex BN99 6DA
United Kingdom

HK Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

US Depositary:

JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, NY 10017
United States

Table of Contents

PART I

LETTER FROM THE CHAIRMAN OF PRUDENTIAL

Registered Office:

*Laurence Pountney Hill
London, EC4R 0HH
Registered in England and Wales No. 01397169*

17 May 2010

To holders of Prudential Shares and Prudential ADRs

Recommended proposals relating to the combination of the Prudential Group and AIA Group

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 Prudential by New Prudential is proposed to be effected by means of a scheme of arrangement under sections 895 to 899 of the Companies Act. 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 of 13,964,557,750 Rights Issue Shares at an Issue Price of 104 pence per Rights Issue Share and on a basis of 11 Rights Issue Shares for every 2 Existing Shares. On 8 March 2010, Prudential announced its intention to accelerate its plans for seeking a listing of its ordinary shares on the Hong Kong Stock Exchange and, on 23 April 2010, Prudential announced its intention to seek a secondary listing of its ordinary shares on the SGX-ST. Both listings are expected to take effect on 25 May 2010. Following the Transactions, New Prudential will be the holding company of the Enlarged Group, and will be headquartered and listed in London, and listed in Hong Kong, Singapore and New York.

I am writing to you today to explain the Transactions and the proposals relating to the Rights Issue and the Scheme and why your Directors consider the proposals to be in the best interests of Prudential and Prudential shareholders as a whole. The Directors are unanimously recommending that you vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting to be held on 7 June 2010.

I draw your attention to Part II (*Explanatory Statement*) of this circular, which provides information about the Scheme and its effects, and to the additional information set out in Part IV (*Additional Information*) of this circular.

Information concerning the Acquisition, AIA and the Enlarged Group, including risk factors relating to the Acquisition and the Enlarged Group, can be found in the Report on Form 6-K furnished by Prudential to the US Securities and Exchange Commission on 17 May 2010, and information concerning Prudential can be found in the Prudential Annual Report for 2009.

In