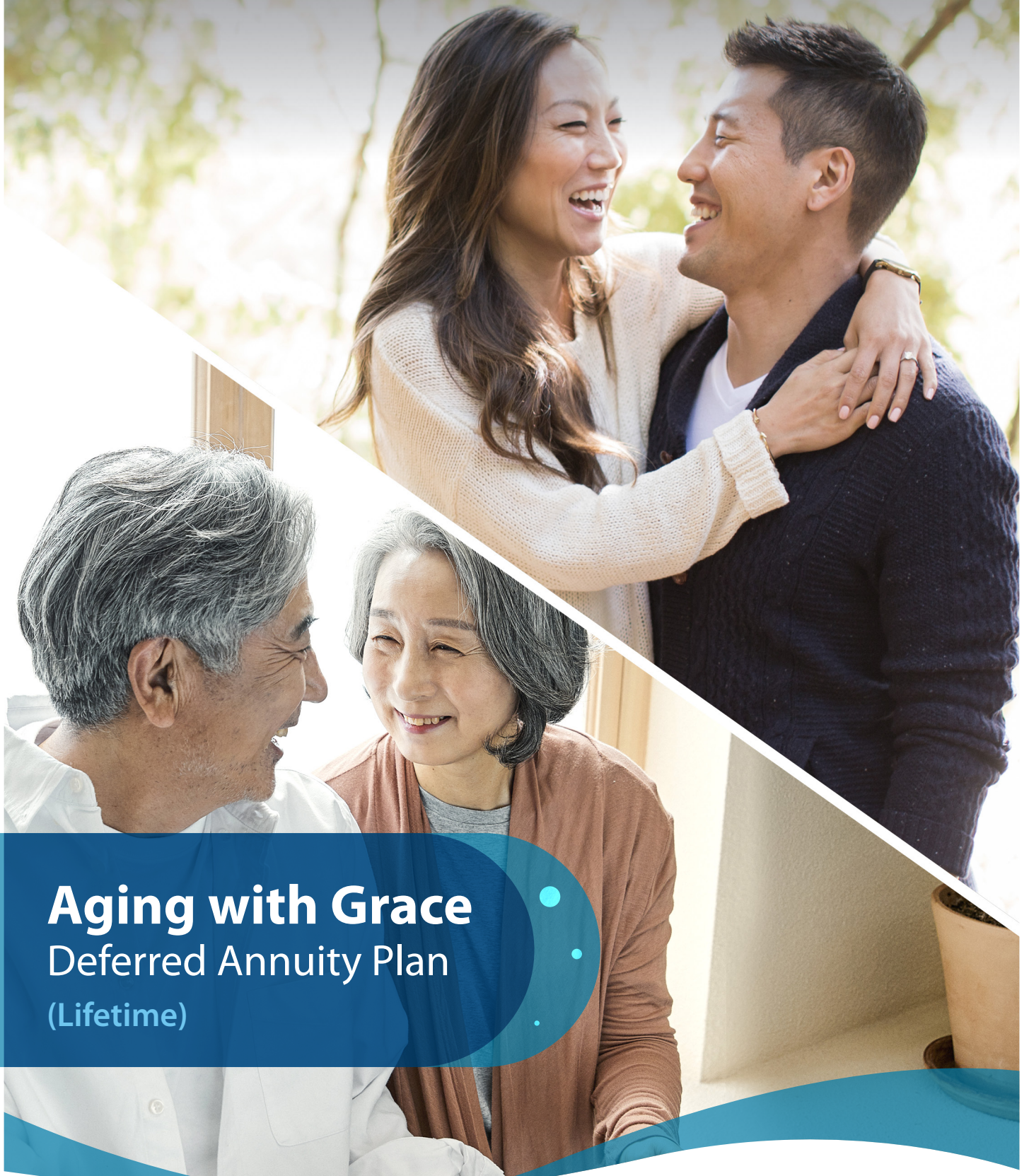


Retirement Solution in an Era of Longevity  
**Your Companion** till Age 120



**Aging with Grace**  
Deferred Annuity Plan  
(Lifetime)



合資格延期年金保單  
Qualifying Deferred  
Annuity Policy



**中国太平洋保險**  
China Pacific Insurance

中國太平洋人壽保險(香港)有限公司  
China Pacific Life Insurance (H.K.) Co. Ltd.

# What is annuity?

Annuity is a long-term insurance product which helps you convert your money into a steady stream of income over either a certain fixed period or possibly your life time, depending on the type of annuity. It can address the longevity risk, which is the risk of outliving your savings, in a disciplined manner. It plays a vital role in your retirement financial planning.

In Hong Kong, common annuity products mainly consist of 1) immediate annuity – annuity payments will be paid to you immediately after your lump-sum

contribution and 2) deferred annuity – your contributions will be invested and accumulated during the accumulation period. Annuity payments will be paid to you immediately after the accumulation period.

The Government of the Hong Kong Special Administrative Region (the “HKSAR”) provides tax concessions to allow eligible Policy Owners of Qualifying Deferred Annuity Policy (“QDAP”) to enjoy possible tax deductions<sup>1</sup>, thereby encouraging citizens to plan and save ahead for their retirement.



<sup>1</sup> Please note that the QDAP status of this product does not necessarily mean that you are eligible for tax deduction available for QDAP Premiums paid. Please refer to Section (iv) of Important Notes for details.

# Why do we recommend Aging with Grace Deferred Annuity Plan (Lifetime)?



## 5 Key Product Features



### Worry-free retirement up to Age 120

Once annuity period starts, you will continue to receive Monthly Annuity Payments during the lifetime, till Age 120.



### Flexibility to meet different needs

This plan provides various choices of Premium Payment Periods. You can choose the most suitable one to meet your own specific needs.



### Guaranteed retirement annuity income with potential upside

Other than the Guaranteed Monthly Annuity Payments, we may also pay you a one-time Guaranteed Bonus<sup>2</sup> at Age 60. Apart from the guaranteed incomes, you may receive additional Non-guaranteed Monthly Annuity Payments and non-guaranteed Terminal Dividend as extra returns.



### Tax Deduction Incentive

This plan is a QDAP certified by the Insurance Authority ("IA"). You may have taxable income deductions up to HKD 60,000 per year<sup>3</sup> (if eligible).

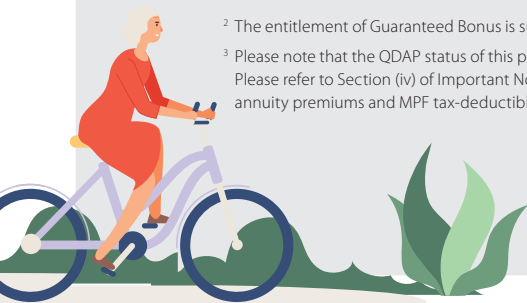


### Guaranteed Issuance of Policy

No medical examination or health information is required for Policy application. The application process is quick and simple.

<sup>2</sup> The entitlement of Guaranteed Bonus is subject to maximum issue age and please refer to Section (ix) of Important Notes for details.

<sup>3</sup> Please note that the QDAP status of this product does not necessarily mean that you are eligible for tax deduction available for QDAP Premiums paid. Please refer to Section (iv) of Important Notes for details. The tax-deductible limit of HKD60,000 per year is an aggregate of qualifying deferred annuity premiums and MPF tax-deductible voluntary contributions.



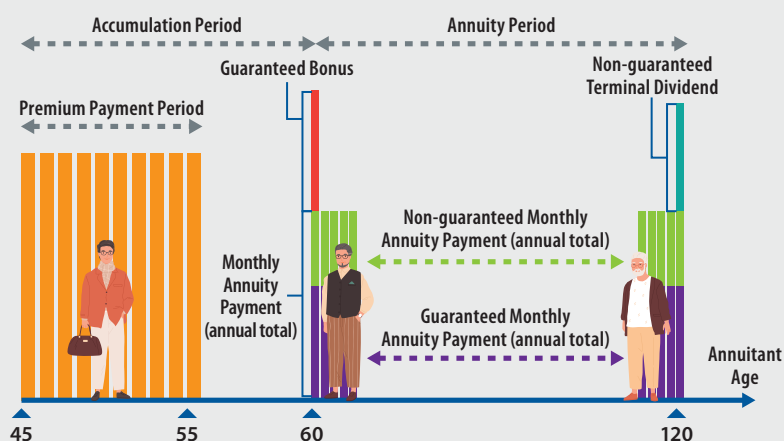
# Example:

Mr. Chan is a non-smoker Age 45, plans to retire at the Age of 60. He has enrolled Aging with Grace Deferred Annuity Plan (Lifetime) USD policy and plans to pay an annual Premium of USD 10,000 in the next 10 years as one of his retirement arrangements. He will receive a one-time Guaranteed Bonus at Age 60 and will then receive Monthly Annuity Payments from Age 60 to Age 120. If Mr. Chan passes away before Age 120, Death Benefit will be payable and the Monthly Annuity Payments will be stopped.



## Policy Information

Annual Premium USD 10,000	Guaranteed Monthly Annuity Payment USD 378
Premium Payment Period 10 Years	Non-guaranteed Monthly Annuity Payment USD 252
Total Premium Paid USD 100,000	Total Monthly Annuity Payment USD 629
Guaranteed Bonus at Age 60 USD 5,000	Non-guaranteed Terminal Dividend upon maturity at age 120 USD 4,510



At Age 60, Mr. Chan will receive a one-time Guaranteed Bonus of USD 5,000. Between Age 60 and 120, his total expected annuity income is USD 453,051 including total Guaranteed Monthly Annuity Payments of USD 271,831 and total Non-guaranteed Monthly Annuity Payments of USD 181,220. Throughout the Annuity Period from Age 60 to 120, his total expected benefit from the Policy is USD 458,051, together with non-guaranteed Terminal Dividend of USD 4,510 upon maturity at age 120.

If Mr. Chan passes away at the Age of 90, he will have received a total expected benefit of USD 286,710 during the Annuity Period, which results in a guaranteed internal rate of return and expected total internal rate of return at 2.31% p.a. and 4.08% p.a. respectively.

### Notes for the illustrative example

- The illustrative example assumes that (i) there is no indebtedness under the Policy; (ii) all Premiums are paid in full when due; and (iii) all Monthly Annuity Payment and Guaranteed Bonus are withdrawn as and when available. The actual amount of any Non-guaranteed Monthly Annuity Payments payable throughout the duration of the Policy and any non-guaranteed Terminal Dividend payable upon surrender, death, or maturity may vary which may be more or less favorable than those illustrated.
- All figures in the illustrative example above are rounded to the nearest whole number.
- The above illustrative example is strictly for illustration purpose. The graphs are not in actual proportion. Past performance or current performance of our business should not be interpreted as a guide for future performance. Please refer to the Key Product Risks section, benefit illustration document and policy provisions for more information.

# What do you need to know?

## Aging with Grace Deferred Annuity Plan (Lifetime)

### What do you need to pay?

<p>▶ <b>When can I buy the Policy?</b></p>	<p>You can buy if your Age (last birthday) from Age 22 to Age 80.</p>						
<p><b>How to determine the annual Premium?</b></p>	<p>The annual Premium will be determined by your Issue Age and your choice of Premium Payment Period, Payment Mode and Guaranteed Monthly Annuity Payment.</p>						
<p><b>How long do I need to pay Premiums?</b></p>	<p>You can choose to pay Premiums in 5 or 10 years. Premium will be level throughout the Premium Payment Period.</p>						
<p><b>How often do I need to pay Premiums?</b></p>	<p>You can choose to pay the Premium either annually or monthly.</p>						
<p><b>What is the minimum annual Premium that I need to pay?</b></p>	<p>The minimum annual Premiums you need to pay are as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="text-align: left;">Premium Payment Period \ Currency</th> <th>5 Years</th> <th>10 Years</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>6,000</td> <td>3,000</td> </tr> </tbody> </table>	Premium Payment Period \ Currency	5 Years	10 Years	USD	6,000	3,000
Premium Payment Period \ Currency	5 Years	10 Years					
USD	6,000	3,000					

### What will you get?

<p>▶ <b>What will I get during my lifetime?</b></p>	<p>After paying all the Premiums, we will pay you the Monthly Annuity Payment every month since the beginning of Annuity Period throughout your lifetime, or until the Age of 120, whichever is earlier. You may also entitle a Guaranteed Bonus subject to maximum issue age at Age 60. You may also have a non-guaranteed one-time Terminal Dividend upon surrender, death, or maturity.</p>
<p><b>What is the Monthly Annuity Payment?</b></p>	<p>The total Monthly Annuity Payments includes Guaranteed Monthly Annuity Payments and Non-guaranteed Monthly Annuity Payments. We will pay you every month and you can choose either to:</p> <ol style="list-style-type: none"> <li>1. Withdraw these annuity payments every month (default option), or</li> <li>2. Accumulate these annuity payments in the Policy to earn extra non-guaranteed interest, which can be withdrawn at any time later without any charges.</li> </ol> <p>If no option is elected, Option 1 will be applied automatically. You can change the choice free of charge from time to time.</p>

## What will you get?

### What will I get if I surrender the Policy?

We will pay a lump-sum Surrender Value to you. The amount is:

- (i) Cash Value; plus
- (ii) Terminal Dividend (if any); plus
- (iii) the amount accumulated in the Policy (if any); less
- (iv) outstanding loans and interests or any indebtedness (if any).

However, please note that surrendering the Policy during the Policy Term may lead to the risk of financial loss.

### What will I get if I surrender the Policy in the first policy year?

Premium Payment Period	Premium Mode	Total Surrender Value	
		USD	
		Per 10,000 Premium	As a % of Premium
5	Monthly	5,080	50.8%
5	Annual	5,200	52.0%
10	Monthly	1,465	14.7%
10	Annual	1,500	15.0%

The amount depends on your Issue Age, Premium Payment Period and Payment Mode.

Please note that early surrender leads to significant financial loss.

### What will my beneficiary get if I, as the Insured, die?

We will pay the Death Benefit to your beneficiary in a lump sum, and the amount is:

#### During the Accumulation Period:

- (i) the higher of
  - a) 101% of the Cash Value;
  - or b) 101% of the total Premiums paid at the date of death; plus
- (ii) Terminal Dividend (if any); less
- (iii) outstanding loans and interests or any indebtedness (if any).

#### During the Annuity Period:

- (i) the higher of
  - a) 101% of the Cash Value;
  - or b) 101% of the total Premiums paid at the date of death less any Guaranteed Monthly Annuity Payments paid; plus
- (ii) Terminal Dividend (if any); plus
- (iii) the amount accumulated in the Policy (if any); less
- (iv) outstanding loans and interests or any indebtedness (if any).

### What will I get if I am still alive at Age 120?

We will pay a lump-sum Maturity Benefit to you. The amount is:

- (i) Terminal Dividend (if any); plus
- (ii) the amount accumulated in the Policy (if any); less
- (iii) outstanding loans and interests or any indebtedness (if any).

# Product Summary

## Aging with Grace Deferred Annuity Plan (Lifetime)

Premium Payment Period	5 Years	10 Years
Accumulation Period	From Policy Issue Date to Age 60 or end of Premium Payment Period, whichever is later.	
Issue Age	Age 22 - 80	Age 22 - 75
Policy Term	Lifetime, or until the Age of 120, whichever is earlier.	
Premium	Fixed and level	
Annuity Period	From end of Accumulation Period to end of Policy Term	
Guaranteed Bonus Payable Age	Age 60	
Guarantee Bonus as % of Annualized Premium	15%	50%
Maximum Issue Age to entitle Guaranteed Bonus <sup>4</sup>	Age 55	Age 50
Monthly Annuity Payment	Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment	
Terminal Dividend	Yes (non-guaranteed) Terminal Dividend (if any) may be payable upon surrender, death, or maturity. For details, please refer to the Surrender Benefit, Maturity Benefit and Death Benefit below.	
Policy Currency	USD	
Minimum Annual Premium	USD 6,000	USD 3,000
Maximum Annual Premium	USD 200,000	
Payment Mode	Monthly / Annual	
Surrender Benefit	<p>If the Policy Owner surrenders this Policy, the Surrender Value will be paid out and the amount is:</p> <p>During Accumulation Period:</p> <ul style="list-style-type: none"> <li>i) Cash Value (if any); plus</li> <li>ii) Terminal Dividend (if any); less</li> <li>iii) outstanding loans and interests or any indebtedness (if any).</li> </ul> <p>During Annuity Period:</p> <ul style="list-style-type: none"> <li>i) Cash Value (if any); plus</li> <li>ii) Terminal Dividend (if any); plus</li> <li>iii) accumulated Guaranteed Bonus and Monthly Annuity Payments with interest in the Policy (if any); less</li> <li>iv) outstanding loans and interests or any indebtedness (if any).</li> </ul>	

### Maturity Benefit

If the Insured is still alive at Age 120, the Maturity Benefit will be paid out and the amount is as follows:

- i) Terminal Dividend (if any); plus
- ii) accumulated Monthly Annuity Payments with interest in the Policy (if any); plus
- iii) accumulated Guaranteed Bonus with interest in the Policy (if any); less
- iv) outstanding loans and interests or any indebtedness (if any).

### Death Benefit

If the Insured dies, the Death Benefit will be paid to the beneficiary and the amount is as follows:

During the Accumulation Period:

- i) the higher of
  - a) 101% of the Cash Value;
  - or b) 101% of the total Premiums paid at the date of death; plus
- ii) Terminal Dividend (if any); less
- iii) outstanding loans and interests or any indebtedness (if any).

During the Annuity Period:

- i) the higher of
  - a) 101% of the Cash Value;
  - or b) 101% of the total Premiums paid at the date of death less any Guaranteed Monthly Annuity Payments paid; plus
- ii) accumulated Monthly Annuity Payments with interest in the Policy (if any); plus
- iii) Terminal Dividend (if any); plus
- iv) accumulated Guaranteed Bonus with interest in the Policy (if any); less
- v) outstanding loans and interests or any indebtedness (if any).

### Premium Prepayment (Optional)

Premium Payment Period	5 Years	10 Years
Prepayment Option	Yes (Up to the whole Premium Payment Period)	
Premium Deposit Interest Rate (p.a.) <sup>5</sup>	3.5% (non-guaranteed)	3.0% (non-guaranteed)

4. Issue age over 55 (for 5-year Premium Payment Period) and 50 (for 10-year Premium Payment Period) is not eligible for the Guaranteed Bonus.

5. Interest on the Premium Deposit Account shall accrue on a daily basis. No withdrawal charge will be imposed on the withdrawal of the balance of Premium Deposit Account.

# Summary - Internal Rate of Returns

## Example of Internal Rate of Returns – Insured with Age 45 (male, non-smoker)

Below is an illustration for a male non-smoker, 45-year-old, enrolled in Aging with Grace Deferred Annuity Plan (Lifetime) with following Premium Payment Periods. The internal rates of return are summarized as follows.

Premium Payment Period	5 Years	10 Years
Premium Payment Mode	Annual / Monthly Mode	
Policy Term	Lifetime, or until the Age of 120, whichever is earlier.	
Policy Currency	USD	
Annual Premium / Monthly Premium	10,000 / 853	5,000 / 427
Guaranteed Monthly Annuity Payment	212	189

### Insured at Age 90 under Annual Premium Mode\*

Total Premium Paid	50,000	50,000
Accumulated Total Monthly Annuity Payment	127,202	113,263
Guaranteed Bonus	1,500	2,500
Terminal Dividend	7,551	3,857
Guaranteed Internal Rate of Return (GIRR p.a.)	2.34%	2.31%
Total Internal Rate of Return (TIRR p.a.)	4.09%	4.08%

### Insured at Age 90 under Monthly Premium Mode\*

Total Premium Paid	51,180	51,180
Accumulated Total Monthly Annuity Payment	127,202	113,263
Guaranteed Bonus	1,535	2,559
Terminal Dividend	7,551	3,857
Guaranteed Internal Rate of Return (GIRR p.a.)	2.30%	2.26%
Total Internal Rate of Return (TIRR p.a.)	4.07%	4.07%

\* Assume the Insured has died at the Age of 90 and the Death Benefit has been paid to the beneficiary.

Notes for all the above internal rates of return calculations:

- The Annuitant means an individual who is entitled to receive the Monthly Annuity Payment of the Policy. The Annuitant is the Policy Owner and the Insured of the Policy.
- It is a participating policy. Its Non-guaranteed Monthly Annuity Payment (if any), the interest rates for the accumulation of Monthly Annuity Payments (if any) and Guaranteed Bonus (if any), also the Terminal Dividend (if any) may change from time to time. Past performance is not indicative of future performance. The actual amount received may be higher or lower than the estimated amount. We reserve the right to change them from time to time. Monthly Annuity Payment (if any) and interest accrued there on shall be first applied to offset any indebtedness.

The calculation of the GIRR includes the Guaranteed Monthly Annuity Payments, Cash Value and Guaranteed Bonus. The calculation of the total internal rate of return includes Guaranteed Monthly Annuity Payments, Non-guaranteed Monthly Annuity Payment, Cash Value, Guaranteed Bonus and non-guaranteed Terminal Dividend.

The internal rate of return may change due to different factors, including your Issue Age, Premium Payment Period and Payment Mode.

GIRR and TIRR Calculation Assumptions:

- Based on the current estimates of Non-guaranteed Monthly Annuity Payment and Terminal Dividend.
- Excluding the premium levy collected by the IA.
- The Policy Owner withdraws all Monthly Annuity Payment (if any) and Guaranteed Bonus as and when available.
- The Annuity Period is 30 years.
- No Policy Loan for the entire Policy Term.
- No prepayment has been made. All Premiums have been paid in full when due.
- No partial surrender is made.

## Important Notes

This product brochure is published by China Pacific Life Insurance (H.K.) Company Limited.

In this product brochure, the expressions “we”, “us”, “our”, “CPIC Life (HK)” or “the Company” refer to China Pacific Life Insurance (H.K.) Company Limited and the expression “you” or “your” refers to the Policy Owner, and the Policy Owner is also the Insured and the Annuitant. The Policy refers to the “Aging with Grace Deferred Annuity Plan (Lifetime)”.

This product brochure is intended to be distributed to any person within Hong Kong. It is not intended for distribution to any person residing in other places outside Hong Kong. Nothing in this product brochure shall be construed as an offer to sell or solicitation to buy any insurance products of the Company outside Hong Kong. Particularly, CPIC Life (HK) does not distribute this product brochure in any jurisdictions outside Hong Kong, where such offering or sale, solicitation to buy or provision of any insurance product of the Company is illegal under the laws of such jurisdictions.

This plan is subject to the terms, conditions and exclusions of the relevant policy provisions. It is underwritten by CPIC Life (HK). CPIC Life (HK) is authorized and regulated by IA to carry on long-term business in HKSAR and is responsible for all matters related to the plan details, Policy issuance and claim payment. We reserve the final right to accept the application of this plan.

This product brochure only provides general information and does not constitute any contract between the Company and any person. This product brochure is not a warranty. For the detailed terms, conditions and exclusions of this plan, please refer to the relevant policy provisions. The Company has the relevant policy provisions for reference upon request.

### ij) Cooling-off Period

If the Company directly receives your request to cancel the Policy in a written notice signed by you and the returned Policy (if applicable) within twenty-one (21) calendar days immediately following either the day of the delivery of the Policy or the Cooling-off Notice to you or your nominated representative (whichever is earlier), and provided that no claim payment under the Policy has been made, the Company shall cancel the Policy and refund the Premium(s) in the original currency paid by you without interest.

If you need to cancel the Policy before the cooling-off period, please ensure that CPIC Life (HK) receives the written request of Policy cancellation signed by you at our registered office.

### ii) Grace Period

You will have a period (“Grace Period”) of thirty (30) days after the date the Premium is due during which the Policy will continue to be in force even if that Premium is not paid. If any Premium remains unpaid at the end of the Grace Period, the Policy will cease to be in force subject to the “NON-FORFEITURE PROVISIONS” of the policy provisions.

### iii) Automatic Premium Loan

If the Net Cash Value is equal to or greater than the amount of the relevant unpaid Premium, you will automatically be deemed to have requested and obtained a loan of this amount on the due date of the Premium and to have applied the loan to pay such Premium (“Automatic Premium Loan”). Each of the loan amounts will constitute and form part of Policy Loan. Provided that the Net Cash Value remains sufficient, it shall continue to be made for payment of any subsequent overdue Premium(s) at subsequent due dates unless you have requested us otherwise.

If the Net Cash Value is greater than zero but lower than the amount of the relevant unpaid Premium, such Net Cash Value will be applied towards the Policy for a shorter coverage period until the Net Cash Value is completely utilized. Afterwards, this Policy will then be automatically terminated.

If we do not receive any written notice to surrender for cash, we will apply Automatic Premium Loan option automatically.

### iv) QDAP and Tax Deductibility

This plan is a QDAP that has been certified by IA. As of Dec 2021, the aggregate annual tax-deductible limit for the qualifying deferred annuity Premiums and MPF voluntary contribution is HKD 60,000, and the Policy Owner (as taxpayer) may claim deductions under salaries tax and personal assessment.

Please note that the QDAP status of this product does not necessarily mean that you are eligible for tax deduction available for QDAP Premiums paid. This product’s QDAP status is based on the features of the product as well as certification by the IA and not the facts of your own situation. You must also meet all the eligibility requirements set out under the Inland Revenue Ordinance and any guidance issued by the Inland Revenue Department of HKSAR before you can claim these tax deductions. For those issue age over sixty-five (65), please pay special attention on whether tax deductible is applicable under your own situation particularly at the retirement stage. Any general tax information provided is for your reference only, and please do not make any tax-related decisions based on such information alone. We recommend that you consult with a professional tax advisor if you have any doubts. Please note that the tax law, regulations or interpretations are subject to change and may affect related tax benefits including the eligibility criteria for tax deduction. CPIC Life (HK) does not take any responsibility to inform you about any changes in the laws and regulations or interpretations, and how they may affect you. Further information on tax concessions applicable to QDAP may be found at the website of IA [www.ia.org.hk](http://www.ia.org.hk).

### v) Certification by the Insurance Authority

The mere fact that the plan has been certified by IA does not mean that the Premiums paid for Policies under the plan are eligible for tax deductions. Certification by IA is only an indication that the plan complies with the criteria set out by IA. IA’s certification is not a recommendation or endorsement of the Policy nor does it guarantee the commercial merits of the Policy or its performance. It does not mean the Policy is suitable for all Policy Owners nor is it an endorsement of its suitability for any particular Policy Owner or class of Policy Owners. The plan has been certified by the IA but such certification does not imply official recommendation. The IA does not take any responsibility for the contents of the product brochure of the plan, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the product brochure of the plan.

### vi) Suicide

If the Insured commits suicide, whether sane or insane, within one (1) year after the later of (i) the Policy Commencement Date; (ii) the Policy Issue Date, or (iii) the Reinstatement Date, the Company’s liability under the Policy will be limited to a refund of all Premiums paid, without interest, less any amount paid by us and any Indebtedness under the Policy. In the case of reinstatement, the refund of all Premiums will be calculated from the Reinstatement Date.

### vii) Levy

Effective from 1 January 2018, all Policy Owners are required to pay a levy on their Premium for all new and inforce Policies by IA through insurance company. For levy details, please visit IA’s website at [www.ia.org.hk](http://www.ia.org.hk).

### viii) Policy Termination

The Policy shall automatically be terminated on the occurrence of the earliest of the following:

- i) the end of Grace Period if the Policy lapses pursuant to “GRACE PERIOD” provision of the general provisions;
- ii) the death of the Insured;
- iii) the amount of outstanding Policy Loan and accrued interest exceeds the Cash Value;
- iv) the surrender of the Policy;
- v) the maturity of the Policy.

Termination of the Policy will not affect any rights, claim or benefit arising prior to such termination unless otherwise stated.

### ix) Guaranteed Bonus

If your Issue Age does not exceed the Maximum Issue Age to entitle the Guaranteed Bonus as shown in the Product Summary, we shall pay you a one-time Guaranteed Bonus calculated at a percentage of the amount of last immediate annualized Premium paid upon Insured’s Age of 60.

## Key Product Risks

### Non-Guaranteed Benefit

The total return consists of non-guaranteed benefit. The investment return in the illustration is only the Company's best estimate based on the current situation. The actual return may be different.

### Policy Currency Risk

**Foreign Exchange Rate Risk** - Any transactions involving foreign currencies are subject to currency risk. The ever changing political and economic conditions may substantially affect the Premium amount paid in HKD due to currency exchange rate or liquidity of currencies. The exchange rate between USD and HKD may rise as well as fall. The Premiums received by CPIC Life (HK) in a currency different from your Policy Currency will be converted to the Policy Currency at the market-based prevailing exchange rate determined by CPIC Life (HK) from time to time. Further, if calculated in HKD, fees and charges (if applicable), Surrender Value and other benefits payable under USD policy will vary with the exchange rate. The exchange rate between USD and HKD will be the market-based prevailing exchange rate determined by CPIC Life (HK) from time to time, which may not be the same as the spot rate of banks nor the exchange rate above-mentioned in calculating the Premiums received by CPIC Life (HK). The fluctuation in exchange rate may result in losses if a customer chooses to pay Premiums in HKD, or requests to receive Surrender Value or other benefits payable in HKD, for USD Policy.

### Failure to Pay Premiums Risk

We strongly recommend that you pay all Premium(s) on time for the entire Premium Payment Period. You may receive an amount considerably less than the total amount of Premiums paid in case you reduce or stop paying the Premium. If any Premium remains unpaid at the end of Grace Period (i.e. 30 days after the date the Premium is due), "Automatic Premium Loan" will be applied automatically on your Policy. Please refer to Section (iii) of Important Notes for details. If the Cash Value net of any indebtedness of the Policy is greater than zero but lower than the amount of the relevant unpaid Premium, such amount will be applied towards the Policy for a shorter coverage period until this amount is completely utilized. Afterwards, this Policy will then be automatically terminated and you will lose your cover.

### Early Surrender Risk

This plan is a life insurance plan with savings element. It is designed to be held for long term savings and life protection where part of the Premium is to pay for the insurance and related costs. You are advised to carefully consider your financial capability, cash flow and liquidity needs before making any purchase decision. This plan may not be suitable for you, and you should not purchase this plan if you need short-term liquidity. Please note that early surrender of the Policy may result in a significant loss where you may get back substantially less than the total Premiums you have paid. Furthermore, reduction in annual Premium is not allowed if the reduction shall cause the total indebtedness under the Policy to exceed a pre-determined percentage of the sum of Cash Value and accumulated Guaranteed Monthly Annuity Payment with interest (if any).

### Inflation Risk

The cost of living in the future may be higher than it is today due to inflation. In case the actual rate of inflation in future is higher than expected, the purchasing power of the amount you receive from the Policy may be lower than expected.

### Credit Risk

The plan is subject to the credit risks of CPIC Life (HK). Premiums paid will become part of CPIC Life (HK)'s assets. If CPIC Life (HK) becomes insolvent or goes into liquidation or defaults on its obligations, customers may suffer substantial losses.

## Participating Policy

### Investment strategy

Our investment philosophy aims to provide you with stable returns and to protect your interests and reasonable expectations on risks and rewards. We aim to minimize volatility in investment returns, to manage risk and asset-liability matching effectively, and maintain reasonably adequate liquidity.

The investment strategy will be subject to continuous adjustments depending on the market conditions and the economic outlook. We will regularly review our long-term investment strategy to ensure that our business and financial objectives are properly aligned. If there is any material change in investment strategy, we will inform you the respective changes in dividends and/or accumulation interest rate and impacts to your Policy accordingly.

### Asset allocations

Our current target asset allocation of the plan is as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income assets	60% - 80%
Growth assets	20% - 40%

The assets predominantly consist of fixed income assets issued by government and corporate entities with solid credit ratings and long-term prospects. Growth assets might include equity type investments and alternative investments.

Depending on the Policy Currency, our investment portfolios are suitably diversified in different types of assets, and geographical markets (mainly Asia, US and Europe), where deemed appropriate. These assets are carefully selected, managed and monitored according to a predefined set of risk appetite.

### Currency strategy

Asset and liability matching is at the core of our strategy and we will invest our assets prudently taking into consideration the currency, duration and nature of our liability (i.e. your benefits). For bonds or other fixed income assets, we aim to match reasonably well with the underlying Policy Currency. To minimize currency risk, if bonds are invested in other currencies, swapping between fund currencies will be considered. For growth assets, currency risk exposure will depend on the geographic location of the underlying investment which we have chosen based on our investment philosophy, policy and requirements. We may use currency derivatives to manage the impact of currency risk.

### Dividend and Bonus Philosophy

Participating policy provides Policy Owners an opportunity to receive a share of profits attributable to the participating life insurance business of CPIC Life (HK) by means of dividends. To optimize the risk/reward balance, we prudently select and invest in a wide range of asset portfolios. In general, the asset portfolios mainly consist of fixed income securities and equity investments.

The actual amount of non-guaranteed Monthly Annuity Payments (if any) and Terminal Dividend (if any) is determined by the stipulated surplus sharing approach in our policy, which is based on our past experience and the long-term expectation of the participating life insurance business in the future. Amount of non-guaranteed Monthly Annuity Payments (if any) and Terminal Dividend (if any) mainly depends on the overall performance of the participating life insurance business of the Company, taking into account factors including investment returns from premium paid and prepaid premium (if any), claim experience, persistency and operating expense. The actual amount of non-guaranteed Monthly Annuity Payments (if any and) Terminal Dividend payable (if any) is recommended by our appointed actuary according to the Company's policy and approved by the board of directors.

Please refer to the following website to find out more about our dividend management philosophy and dividend history:

<https://www.cpiclifehk.com.hk/en/customerSupport/importantInfo>

Please note that past performance of dividend is not an indicator for its future performance.

## China Pacific Life Insurance (H.K.) Company Limited

Room 1802, 18/F Lee Garden One, 33 Hysan Avenue,  
Causeway Bay, Hong Kong

**Website:** [www.cpiclifehk.com.hk](http://www.cpiclifehk.com.hk)

### **Customer Service Hotline:**

Hong Kong: (852) 3169 5500

**Customer Service Email:** [wecare@cpiclife.com.hk](mailto:wecare@cpiclife.com.hk)

### **More about China Pacific Life Insurance (H.K.) Company Limited**

China Pacific Life Insurance (H.K.) Company Limited ("CPIC Life (HK)" or "the Company") is a wholly-owned subsidiary of China Pacific Life Insurance Co., Ltd., with a vision "to be the best customer experience life insurance company in Hong Kong". CPIC Life (HK) is committed to providing customers with comprehensive life insurance and wealth management products to meet the customers' needs at different stages of life. The Company persists in customer orientation and consistently upgrades the Golden Triangle system of products and services centring on 3 core needs of customers: health protection, wealth management and retirement and offers the brand image of "Responsible, Intelligent and Caring" CPIC service to the customers.