FIRST ADDENDUM TO THE PRINCIPAL BROCHURE OF CHINA LIFE MPF MASTER TRUST SCHEME

This is the first addendum ("First Addendum") dated 29 March 2019 to the Principal Brochure dated 2 October 2018 ("Principal Brochure October 2018 Edition") of China Life MPF Master Trust Scheme ("Scheme"). Capitalized terms used in this First Addendum bear the same meaning as in the Principal Brochure October 2018 Edition. This First Addendum together with the Principal Brochure October 2018 Edition form the latest version of the Principal Brochure of the Scheme. This First Addendum and the latest version of the Principal Brochure can be obtained free of charge by accessing our website www.chinalifetrustees.com.hk. This First Addendum must only be distributed and read with the Principal Brochure October 2018 Edition of the Scheme.

The following amendments will take effect from 1 April 2019:

1. "Eligible persons under the section "TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS ("TVC")" may join the Scheme and make Tax Deductible Voluntary Contributions for the purpose of tax deduction." will be added at the end of the first paragraph of the section "CHINA LIFE MPF MASTER TRUST SCHEME" in page 6.

2. "and (iv) a Smart Easy Personal Contribution Account" in line 2 of the first paragraph of the section "CHARACTERISTICS OF THE SCHEME" in page 6 will be substituted with ", (iv) a Smart Easy Personal Contribution Account and (v) a TVC Account".

3a. "Contributions" will be substituted by "contributions" wherever it appears in the second paragraph of the section "CHARACTERISTICS OF THE SCHEME" in page 6.

3b. "Contribution" will be substituted by "contribution" in the first paragraph of the section "INVESTMENT CHOICES" in page 25.

3c. "any Contribution" in line 3 of the second paragraph and "net Contributions" in line 6 of the last paragraph of item (e)(iii) of Annexure A-2 will be substituted by "any contribution" and "net contributions" in page 31 respectively.

4. The following section will be added after the section "SPECIAL CONTRIBUTIONS" in page 10.

   "TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS ("TVC")

   Any member who holds a contribution account or personal account of a registered scheme or a member of an MPF exempted ORSO scheme ("Eligible Persons") may open a TVC Account by signing an Application of Participation and pay TVC into such account. TVC paid into the TVC Account will be eligible for tax deduction in accordance with the Hong Kong Inland Revenue Ordinance. With effect from 1 April 2019, the Scheme offers TVC Account to Eligible Persons.

   The Approved Trustee may reject any application to open a TVC Account in the event of (i) having reason to know that information and documents provided to the Approved Trustee are incorrect or incomplete; (ii) failure of the above Eligible Persons to provide information and documents as required by the Approved Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering/tax reporting; and/or (iii) other circumstances which the Approved Trustee may consider appropriate.

   The characteristics of TVC are as follows:

   - TVC can only be made directly by Eligible Persons into TVC Account of a registered scheme in order to enjoy tax concession, subject to relevant conditions. Please refer to the paragraph headed under "Tax Concession Arrangement in TVC" below for details;
   - Involvement of employers is not required;
   - Though it is voluntary in nature, TVC is subject to the same vesting, preservation and withdrawal restrictions applicable to Mandatory Contributions. Accordingly, any accrued benefits derived from TVC (including any TVC made in excess of the maximum tax deduction limit during a tax assessment year) will be preserved and can only be withdrawn upon retirement at age 65 or other statutory grounds under MPFSO. Please refer to "Withdrawal and Termination" below for details.

Tax Concession Arrangement in TVC

The maximum tax concession amount for TVC in each year of assessment is set out in the Hong Kong Inland Revenue Ordinance and, in the year of assessment 2019/2020, is HK$60,000. It should be noted that such tax concession amount is an aggregate limit for both TVC and other qualifying annuity premiums rather than TVC only; and any claim for tax deductions will be applied to TVC before qualifying annuity premiums.

To facilitate the tax return filing by TVC Account holder, the Approved Trustee will provide a tax deductible voluntary contributions summary to each TVC Account holder if TVC is made by the TVC Account holder to the Scheme during a year of assessment. Such summary will be made available by around the 10th of May after the end of relevant year of assessment (i.e. before the end of a period of 40 days from the beginning of the next tax assessment year commencing on 1 April and if the last day of that period is not a specified working day, the period is taken to end with the next specified working day).

TVC of the Scheme

Each Eligible Person can only have one TVC Account under a registered scheme, including the Scheme. TVC can only be made into a TVC Account, which is separate from a contribution account or a personal account. Any other forms of voluntary contributions that are not made into the TVC Account are not TVC (for example, voluntary contributions that are made by employees through their employers will not be eligible for claiming TVC tax deduction).

TVC is subject to the same vesting, preservation and withdrawal requirements applicable to Mandatory Contributions. This also applies to TVC that exceed the maximum tax deductible amount per assessment year.

TVC Account holder may choose to contribute a fixed amount (subject to a minimum of HK$300) on a monthly basis or a single lump sum (subject to a minimum of HK$500) at any time to the TVC Account of the Scheme. There is no maximum limit imposed on the amount or frequency of contribution made to the TVC Account. TVC will be fully vested in the TVC Account holder once it is paid into the Scheme.

For the avoidance of doubt, the protection of accrued benefits under MPFSO is not applicable to the TVC Account, meaning that accrued benefits derived from TVC will generally be vested in the trustee-in-bankruptcy or official receiver as part of the property of the bankrupt TVC Account holder.

TVC Account holder can invest in any of the Constituent Funds or DIS under the Scheme according to their circumstances and risk appetite. If a TVC Account holder fails to submit to the Approved Trustee a valid investment instruction or does not make any investment choice at the time of TVC Account opening, his/her TVC will be invested in DIS. Please refer to Appendix 1 for details of the DIS arrangement.

Portability

TVC is portable and TVC Account holder should note that:

- TVC Account holder may at any time choose to transfer the accrued benefits derived from TVC to another registered scheme that offers TVC;
- The transfer must be in a lump sum (full account balance);
- The TVC Account in the original registered scheme from which the accrued benefits are transferred (resulting zero balance) may be terminated upon such transfer;
- For the avoidance of doubt, transfer of accrued benefits derived from a TVC Account to another TVC Account of the TVC Account holder in another registered scheme cannot be claimed as deductions for taxation purposed; and
- Transfer of TVC accrued benefits to another TVC Account of the TVC Account holder in another registered scheme will also be subject to the same preservation and withdrawal restrictions applicable to Mandatory Contributions in the Regulation.

Withdrawal and Termination

The accrued benefits derived from TVC will become payable under the same conditions of payment of accrued benefits of Mandatory Contributions. Please refer to "Preservation" of "CHARACTERISTICS OF MANDATORY CONTRIBUTIONS" of the section of "CHARACTERISTCS OF THE SCHEME" for details.

In addition, withdrawal of accrued benefits by instalments are also applicable to withdrawal of TVC. Please see "Withdrawal" of "CHARACTERISTICS OF MANDATORY CONTRIBUTIONS" of the section of "CHARACTERISTCS OF THE SCHEME" and the section "WITHDRAWAL OF ACCRUED BENEFITS OF MANDATORY CONTRIBUTIONS AND VOLUNTARY CONTRIBUTIONS (OTHER THAN SMART EASY PERSONAL CONTRIBUTIONS) BY INSTALMENTS" for details.

Apart from the withdrawal of accrued benefits, the Approved Trustee may terminate the TVC Account if (1) the balance of the TVC Account is zero and (2) has had no activity in respect of the TVC Account for 365 days."

5. The following sub-section will be added after sub-section "III. Employee Choice Arrangement" in the section "TRANSFER OF ACCRUED BENEFITS" in page 12.

   "IV. <u>Transfer in relation to TVC Account</u>
   Please refer to "Portability" of the section of "TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS ("TVC")" for details."

6. The sub-column "Voluntary Contributions – Smart Easy Personal Contributions" under the column "Current amount (HK$)" of Part "(A) JOINING FEE & ANNUAL FEE" of "FEE TABLE" under the section "FEES AND CHARGES" in page 19 will be substituted with "TVC and Voluntary Contributions – Smart Easy Personal Contributions".

7. The sub-column "Voluntary Contributions – Smart Easy Personal Contributions" under the column "Current level" of Part "(B) FEES, EXPENSES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMEBR'S ACCOUNT" of "FEE TABLE" under the section "FEES AND CHARGES" in page 19 will be substituted with "TVC and Voluntary Contributions – Smart Easy Personal Contributions".

8. "For TVC Account holders, TVC will be eligible for tax deduction in accordance with the Hong Kong Inland Revenue Ordinance." will be added at the end of the first paragraph and "and TVC" will be added after "Mandatory Contributions" of the second paragraph of item (c) respectively under the section "TAX ADVANTAGES" in page 26.