中國人壽 CHINA LIFE | 海外

Life Insurance

Lifelong Promise • Lifelong Partner

# Graceful Life Deferred Annuity Plan II

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

Customer Service Hotline 399 95519 www.chinalife.com.hk

## Enjoy a joyous retirement with monthly annuity until age 108

Looking forward to a joyous retirement? A comprehensive retirement solution is all you need. "Graceful Life Deferred Annuity Plan II" (the "Plan") is certified by the Insurance Authority as a qualifying deferred annuity policy, of which you can enjoy tax benefits[1] while building a retirement reserve and a stable stream of monthly annuity for a joyful retirement. The Plan also provides you with financial flexibility and extra protection to accommodate various retirement needs, allowing you to have a true worry-free retirement!

## Plan Features

Enjoy monthly annuity until age 108

Monthly annuity for a fruitful retirement

Self-selected annuity payout option for matching your financial needs

Tax benefits on premium

Life protection for your loved ones

## Enjoy monthly annuity until age 108

By paying just 5 years or 10 years of premiums, you can build a reserve for a steady monthly income stream upon retirement. According to your selected premium payment term and the issue age of the insured, the Plan will provide the annuitant (as the insured) with a monthly annuity income on the first business day of each policy month starting from the policy anniversary of which the insured reaches age 60, 70 or 80 until he/she reaches age 108, as long as the policy is in force.

| Premium payment term | Issue age of the insured | Monthly annuity income payment start age | Annuity income period |
|---|---|---|---|
| 5 years | Age 18-50 | Age 60 | 48 years |
| | Age 51-60 | Age 70 | 38 years |
| | Age 61-72 | Age 80 | 28 years |
| 10 years | Age 18-50 | Age 60 | 48 years |
| | Age 51-60 | Age 70 | 38 years |
| | Age 61-69 | Age 80 | 28 years |

## Monthly annuity for a fruitful retirement

The Plan's monthly annuity income consists of 2 components:

**Guaranteed monthly annuity income –** the amount is fixed during the annuity income period, giving stable returns for better retirement planning.

**Non-guaranteed monthly annuity income[2] –** the amount is non-guaranteed which provides you with potential extra return to boost up your retirement reserve.

## Self-selected annuity payout option[3] for matching your needs

You can opt to withdraw monthly annuity income (including the guaranteed monthly annuity income and non-guaranteed monthly annuity income[2] (if any)) immediately as cash payment to pay daily expenses. Alternatively, you can accumulate that in the policy to earn interest[2], and cash out accumulated monthly annuity incomes and interest[2] (if any) at anytime to suits your needs. If you would change the payout option of monthly annuity income, you can simply complete a dedicated form and no fee will be applied. If you did not choose any payout option before the commencement of monthly annuity income payment, we will pay monthly annuity income in cash.

## Maturity benefit to support your retirement needs

Upon policy maturity when the insured reaches age 108, the Plan will provide a maturity benefit, which is equivalent to accumulated guaranteed monthly annuity incomes and interest[2] (if any), plus accumulated non-guaranteed monthly annuity incomes[2] (if any) and interest[2] (if any), less all indebtedness (if any). The policy will be terminated after the maturity benefit is paid.

### Internal rate of return

The range of the internal rate of return ("IRR") of the Plan is subject to different factors, including but not limited to issue age, premium payment mode, policy currency, premium payment term and monthly annuity payment start age. On the basis of a non-smoking male insured, the table below shows the IRR upon policy maturity or the assumption that he passes away* unfortunately at the end of the 30th policy year since annuity income period starts, whichever is earlier.

| Premium payment term | Issue age | Monthly annuity income payment start age | Policy currency | | | |
|---|---|---|---|---|---|---|
| | | | HKD | | USD | |
| | | | Guaranteed IRR | Total IRR (including non-guaranteed[2]) | Guaranteed IRR | Total IRR (including non-guaranteed[2]) |
| 5 years | Age 45 | Age 60* | 0.54% - 0.69% | 3.90% - 4.00% | 0.56% - 0.70% | 4.01% - 4.10% |
| | Age 60 | Age 70* | 0.38% - 0.55% | 3.62% - 3.74% | 0.35% - 0.53% | 3.82% - 3.94% |
| | Age 72 | Age 80 | 0.04% - 0.26% | 2.30% - 2.48% | 0.16% - 0.38% | 2.50% - 2.68% |
| 10 years | Age 45 | Age 60* | 0.27% - 0.43% | 3.92% - 4.02% | 0.30% - 0.47% | 4.03% - 4.13% |
| | Age 60 | Age 70* | 0.09% - 0.28% | 3.66% - 3.80% | 0.08% - 0.28% | 3.86% - 4.00% |
| | Age 69 | Age 80 | 0.63% - 0.83% | 2.94% - 3.10% | 0.84% - 1.04% | 3.03% - 3.19% |

* The death benefit is included when calculating related IRR

The variation within the range of above IRR depends on the premium payment mode. The figures of above IRR are adjusted to 2 decimal places and are for reference purposes only, and it is assumed that:

1) there is no partial surrender or any indebtedness throughout the benefit term;
2) all premiums are paid in full when due;
3) the insured chooses to receive all monthly annuity income paid as cash payment immediately; and
4) premium levy is not included.

## Tax benefits[1] on premium

The Plan is certified by the Insurance Authority as a qualifying deferred annuity policy. The maximum premium that can apply for tax deduction is up to HKD60,000 for an individual or HKD120,000 for a married couple provided that the husband and the wife are both taxpayers, and the deductions claimed by each taxpayer does not exceed the individual limit.

For details of tax deduction, please refer to clause 8 – "tax deduction" under "important information".

## Life protection for your loved ones

### Death benefit

In the unfortunate event that the insured passes away while the policy is in force, the beneficiary will receive a death benefit which is equivalent to:

1) The higher of:
   - 108% of the accumulated premiums due and paid after deducting the guaranteed monthly annuity income paid (if any) ; or
   - the guaranteed cash value at the date of death of the insured ;
2) plus the accumulated guaranteed monthly annuity income and interest[2] (if any) ;
3) plus the accumulated non-guaranteed monthly annuity income[2] (if any) and interest[2] (if any) ;
4) plus non-guaranteed terminal dividend[4] (if any) ; and
5) less all indebtedness (if any).

### Accidental death benefit

While the policy is in force, prior to the insured reaching age 66 and within the first 10 policy years from the policy effective date, if the insured suffers an injury caused by an accident, and dies from such injury within 180 days (both dates inclusive) from the date of such occurrence, the Plan will pay an extra accidental death benefit which is equal to the lower of:

1) 100% of the accumulated premiums due and paid; or
2) HKD500,000/USD62,500.

Accidental death benefit payable under all policies in China Life (Overseas) per insured is subject to aggregate claim limits of HKD1,000,000/ USD125,000.

### Death benefit and accidental death benefit settlement option

While the insured is alive, you can choose how the death benefit and accidental death benefit is to be paid, as long as the payment options of both benefits are the same. You can opt for settling the benefits in a lump sum or by annual instalments with a fixed amount over a fixed payment term of 10 or 20 years, helping you to safeguard your family's financial future.

For the instalment option, the remaining balance of the death benefit and accidental death benefit (if applicable) will be accumulated in the policy to earn interest[2] until the end of the payment term. The interest rate will be determined by us from time to time, and the interest will be calculated on an annual basis and is non-guaranteed. The accumulated interest will be paid together with the last instalment of the death benefit. If the beneficiary dies during the settlement period of the death benefit and accidental death benefit (if applicable), we will pay the remaining balance of the death benefit and accidental death benefit (if applicable), with interest (if any) in a lump sum payment to the estate of the deceased beneficiary.

If the death benefit amount on the date of death of the insured is less than HKD400,000/USD50,000, or the policyholder has not indicated the way of receiving the benefit, the beneficiary will receive a lump sum.

## Extra protection for extra peace of mind

### Premium waiver benefit for total and permanent accidental disability

While the policy is in force, if the insured suffers from total and permanent accidental disability[5] diagnosed by a registered medical practitioner due to an accident for a continuous period of not less than 180 days from the date of diagnosis (both dates inclusive), we will waive you the premiums of the Plan from the first policy monthiversary after the date of diagnosis, helping you to release financial pressure.

### 24-hour worldwide emergency assistance service[6]

If the insured is diagnosed with an illness or is injured in an accident outside the country of residence, he or she will be able to access comprehensive coverage under the free 24-hour worldwide emergency assistance service.

## Simplified underwriting procedure

The Plan offers you simplified underwriting with no medical examination required which makes application easier and more convenient.

## Enrollment Terms

| | | |
|---|---|---|
| **Issue age and premium payment term** | **Premium payment term** | **Issue age** |
| | 5 years | Age 18 to 72 |
| | 10 years | Age 18 to 69 |
| **Benefit term** | To age 108 of the insured | |

| **Monthly annuity income payment start age and annuity income period** | **Premium payment term** | **Issue age of the insured** | **Monthly annuity income payment start age** | **Annuity income period** |
|---|---|---|---|---|
| | 5 years | Age 18-50 | Age 60 | 48 years |
| | | Age 51-60 | Age 70 | 38 years |
| | | Age 61-72 | Age 80 | 28 years |
| | 10 years | Age 18-50 | Age 60 | 48 years |
| | | Age 51-60 | Age 70 | 38 years |
| | | Age 61-69 | Age 80 | 28 years |

| | |
|---|---|
| **Premium structure** | Fixed and guaranteed |
| **Premium payment mode** | Annual, semi-annual, quarterly, monthly[7], annual and premium prepayment[8] |

| **Policy currency and minimum premium** | **Policy currency** | **Premium payment term** | **Annual** | **Semi-annual** | **Quarterly** | **Monthly** |
|---|---|---|---|---|---|---|
| | HKD | 5 years | 36,000 | 18,360 | 9,360 | 3,132 |
| | | 10 years | 18,000 | 9,180 | 4,680 | 1,566 |
| | USD | 5 years | 4,800 | 2,448 | 1,248 | 417.6 |
| | | 10 years | 2,400 | 1,224 | 624 | 208.8 |

| | |
|---|---|
| **Monthly annuity income** | **Guaranteed monthly annuity income:**<br>Steady and fixed monthly income during annuity income period<br><br>**Non-guaranteed monthly annuity income[2]:**<br>Potential extra monthly income during annuity income period and it is non-guaranteed |
| **Monthly annuity income payout option** | • Cash withdrawal; or<br>• Accumulate in the policy to earn interest[2]<br>If no payout option is selected, we will pay in cash. |
| **Guaranteed cash value** | Payable upon policy surrender |
| **Non-guaranteed terminal dividend[4]** | One-time and non-guaranteed. Starting from the 9th policy anniversary (applicable to 5-year premium payment term policy(ies)) or the 11th policy anniversary (applicable to 10-year premium payment term policy(ies)), the non-guaranteed terminal dividend will be payable at the earliest of below:<br>• policy surrender; or<br>• death benefit being paid by the Plan |
| **Surrender value** | Guaranteed cash value<br>+ accumulated guaranteed monthly annuity income and interest[2] (if any)<br>+ accumulated non-guaranteed monthly annuity income[2] (if any) and interest[2] (if any)<br>+ non-guaranteed terminal dividend[4] (if any)<br>− all indebtedness (if any) |

<table>
<tr><td>Total surrender value at the end of the first policy year (including the guaranteed and non-guaranteed amounts)</td><td>Depends on the insured's issue age and premium payment mode, the range of total surrender value at the end of the first policy year are as below:
<table>
<tr><th>Policy currency</th><th>Premium payment term</th><th>Range of total surrender value at the end of the first policy year (% of the first year premium)</th><th>This means that if the first year premium is HKD/USD10,000, the total surrender value at the end of the first policy year is:</th></tr>
<tr><td rowspan="2">HKD</td><td>5 years</td><td>34.48% - 36.00%</td><td>3,448 - 3,600</td></tr>
<tr><td>10 years</td><td>14.37% - 15.00%</td><td>1,437 - 1,500</td></tr>
<tr><td rowspan="2">USD</td><td>5 years</td><td>34.48% - 36.00%</td><td>3,448 - 3,600</td></tr>
<tr><td>10 years</td><td>14.37% - 15.00%</td><td>1,437 - 1,500</td></tr>
</table></td></tr>
<tr><td>Maturity benefit</td><td>Accumulated guaranteed monthly annuity income and interest[2] (if any)<br>+ accumulated non-guaranteed monthly annuity income[2] (if any) and interest[2] (if any)<br>– all indebtedness (if any)</td></tr>
<tr><td>Death benefit</td><td>The higher of:<br>• 108% of the accumulated premium due and paid after deducting the guaranteed monthly annuity income paid (if any); or<br>• the guaranteed cash value at the date of death of the insured ;<br>+ the accumulated guaranteed monthly annuity income and interest[2] (if any)<br>+ the accumulated non-guaranteed monthly annuity income[2] (if any) and interest[2] (if any)<br>+ non-guaranteed terminal dividend[4] (if any) ; and<br>– all indebtedness (if any).</td></tr>
<tr><td>Accidental death benefit</td><td>Applicable prior to the insured reaching age 66 and within the first 10 policy years from the policy effective date<br>Equal to the lower of:<br>• 100% of the accumulated premiums due and paid; or<br>• HKD500,000/USD62,500.<br>Accidental death benefit payable under all policies in China Life (Overseas) per insured is subject to aggregate claim limits of HKD1,000,000/USD125,000.</td></tr>
<tr><td>Death benefit and accidental death benefit settlement option</td><td>One-off:<br>Death benefit and accidental death benefit (if any) will be paid in a lump sum<br>Installments:<br>• Death benefit and accidental death benefit (if any) will be paid in 10 or 20 years according to the policyholder's instruction<br>• The remaining amount will be accumulated in the policy to earn interest[2] until the end of payment period</td></tr>
<tr><td>Premium waiver benefit for total and permanent accidental disability</td><td>If the insured suffers from total and permanent accidental disability[5] due to an accident for a continuous period of not less than 180 days from the date of diagnosis (both dates inclusive), the premiums of the Plan from the first policy monthiversary after the date of diagnosis will be waived</td></tr>
<tr><td>24-hour worldwide emergency assistance service[6]</td><td>Applicable</td></tr>
</table>

## Case:

### Monthly annuity income payout option: cash withdrawal

| | | | |
|---|---|---|---|
| Policyholder, insured, annuitant: | Anthony | Insured's gender: | Male |
| Smoking status: | Non-smoking | Issue age: | Age 45 |
| Premium payment mode: | Annual | Policy currency: | HKD |

Anthony enrolls into "Graceful Life Deferred Annuity Plan II" at **age 45**

Anthony starts to receive a monthly annuity income at **age 60**

Anthony passes way at **age 90** and his beneficiary receives a death benefit. The distribution of monthly annuity income and the policy will be terminated thereafter

Age of annuitant: Age 45 | Age 55 | Age 60 | Age 90 | Age 108

Premium payment term: 10 years

Accumulation period: 15 years

Annuity income period: 48 years

Annual premium:
**HKD 60,018**

Total premiums paid:
**HKD 600,184**

Monthly annuity income:
**HKD 3,532**

Guaranteed monthly annuity income:
**HKD 1,766**

Non-guaranteed monthly annuity income:
**HKD 1,766**

Total amount received upon Anthony passes away unfortunately at the policy anniversary in which he is **aged 90**

Total monthly annuity income:
**HKD 1,271,520**

Total guaranteed monthly annuity income:
**HKD 635,760**

Total non-guaranteed monthly annuity income:
**HKD 635,760**

The death benefit the beneficiary received:
**HKD 547,049**

Total amount received by Anthony and his beneficiary:
**HKD 1,818,569**

IRR upon the policy anniversary in which he is **aged 90**

Guaranteed IRR:
**0.43%**

Total IRR (including non-guaranteed[2]):
**4.02%**

In the above case, the figure of IRR is adjusted to 2 decimal places while other figures are rounded to the nearest whole numbers, and all figures are for reference purpose only.

The above case is based on the following assumptions:

- there is no partial surrender or any indebtedness throughout the benefit term;
- premiums are paid in annual mode and all premiums are paid in full when due;
- the insured chooses to receive all paid monthly annuity income as cash payment immediately;
- premium levy is not included; and
- the death benefit is included when calculating IRR.

Notes:

1. HKD60,000 is the maximum tax deduction limit per taxpayer per year of assessment for "qualifying deferred annuity premiums" and "Mandatory Provident Fund tax deductible voluntary contributions". HKD120,000 is the maximum tax deduction limit per a taxpaying and married couple per year of assessment for "qualifying deferred annuity premiums" and "Mandatory Provident Fund tax deductible voluntary contributions", so long as the deductions claimed by each taxpayer do not exceed the individual limit. For details on tax deductions, please refer to clause 8 – "tax deduction" under "important information", visit Inland Revenue Department (IRD) of HKSAR website and consult your tax and accounting advisors for tax advice.
2. The non-guaranteed monthly annuity income and interest are not guaranteed and may become zero in some circumstances. The actual benefits and/or returns may be lower or higher than estimates and China Life (Overseas) reserves the right to revise the non-guaranteed monthly annuity income and/or interest from time to time.
3. If no payment option has been chosen by the annuitant (as the insured), China Life (Overseas) will assume that the annuitant chooses to receive monthly annuity incomes as cash payments.
4. Terminal dividend is non-guaranteed and is a one-time dividend. It is not perpetually attached to the policy. The amount of the terminal dividend will be subject to adjustment when it is declared. Terminal dividend may become zero in some circumstances. For more information, please refer to clause 5 and clause 6 under "important information" and "non-guaranteed benefit" risk.

   Starting from the 9th policy anniversary (applicable to 5-year premium payment term policy(ies)) or the 11th policy anniversary (applicable to 10-year premium payment term policy(ies)), the terminal dividend shall be paid upon the occurrence of the earliest of the following conditions:
   a) when the death benefit is paid; or
   b) when the policy reaches the policy maturity date.
5. Total and permanent accidental disability" means the insured suffers any of the following conditions due to an accident:
   a) the inability of the insured as a result of accidental injury to engage in all missions of any gainful work, occupation or profession for which the insured is suited by education level, training or experience to earn or to obtain wage, compensation or profit (only applicable to the insured who is diagnosed before age 65) ;
   b) total and irrecoverable loss of sight of both eyes;
   c) total loss of use of two limbs at or above wrist or ankle; or
   d) total and irrecoverable loss of sight of one eye and total loss of use of one limb at or above wrist or ankle.
6. 24-hour worldwide emergency assistance service is provided by a third party service provider. China Life (Overseas) shall not be liable for any matter in connection with the services. China Life (Overseas) reserves the right to amend the terms and conditions thereof from time to time without prior notice.
7. If the required renewal premium is paid by you within the grace period, the policy shall continue to be in force. For details, please refer to the policy provisions issued by China Life (Overseas). If the policy is lapsed or surrendered early, the policy cash value received by you may be considerably less than the total amount of the premium paid.
8. If you choose the annual and premium prepayment option, you can withdraw the unused prepaid premium (including interest, if any) at one time without any charge. You can withdraw the unused prepaid premium once only. The interest rate of prepaid premium is 1% p.a. and this interest rate is guaranteed.

## Important Information:

This product brochure is for reference only. It does not form a contract between China Life (Overseas) and anyone or any entity else. The detailed terms, conditions and exclusions of the Plan are subject to the relevant policy contract. You are reminded to review the policy contract and all relevant product materials and to seek independent professional advice if necessary. For a copy of the policy contract, please contact China Life (Overseas) for enquiry.

1. The Plan is underwritten by China Life Insurance (Overseas) Company Limited ("China Life (Overseas)", the "Company" or "us/we/our"). China Life (Overseas) is responsible for the features, underwriting and benefit payments under the Plan. You should fully understand all of the risks involved in this Plan and consider whether this Plan is affordable and suitable to you before making your application.

2. China Life (Overseas) shall make the final decisions on the underwriting and claims. We shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premium and levy (if any) paid without interest for declined cases.

3. Exclusions and limitations - **applicable to "accidental death benefit" and "premium waiver benefit for total and permanent accidental disability"** – the Plan shall not cover any claims if the insured is involved in any of the following activities or the consequences directly or indirectly caused by wholly or partly any of the following events occur in respect of the insured:
   a) congenital illnesses or intrinsic illnesses existed before applying for the Plan;
   b) engage or in any way involved in any acts or activities that violate any laws or regulations of Hong Kong or the laws of the place where the insured stays;
   c) war, act of hostility (whether war declared or not), civil war, revolution, rebellion, civil commotion, riot, strike, activities of terrorism or any military actions;
   d) the insured is serving in the military services, including but not limited to where the Insured is engaging in or taking part in military service during the time of war, act of hostility (whether war declared or not), any military actions or repression of rebellion;
   e) contamination resulting from nuclear weapons, ionizing radiation, nuclear fuel or waste produced from the combustion of nuclear fuel (the said nuclear combustion shall include any self-sustaining process of nuclear fission);
   f) directly or indirectly caused by the insured engaging in aviation, except as a passenger on an aircraft of a commercial airline on a scheduled route;
   g) self-inflicted injuries or suicide (whether sane or not) by or attempted by the insured (whether felony or not) or deliberate exposure to exceptional danger (except in an attempt to save human life);
   h) childbirth, pregnancy, miscarriage or abortion, even if it is accelerated or induced by an accident;
   i) treatment operated on the Insured and induced by disease, infected disease or incident that is not caused by an accident;
   j) taking of poison or inhaling poisonous gas or poisonous mist (whether voluntary or not); except accidental inhaling by the insured in a fire;
   k) the insured as a professional athlete participating in sports or earning income or remuneration through the sports;
   l) participating in hunting, mountaineering, motor racing, horse racing, ice-skiing, skiing, scuba-diving, parachuting, hang-gliding, boxing or any other competitions or performances;
   m) while the insured is on duty as a professional driver and is entering, driving, operating, servicing, riding in or departing from any land vehicle or conveyance outside the territorial limits of Hong Kong and Macau;
   n) the insured is assaulted or murdered during rebellion, civil commotion, strikes or when making an arrest while the insured:
      (i) is employed as a full-time or part-time police officer/cadet officer, or an officer or a member of the Correctional Services Department; or
      (ii) is on duty with the above mentioned occupation;
   o) the insured is assaulted or murdered during rebellion, civil commotion or strikes while the insured:
      (i) is employed as a fireman; or
      (ii) is on duty as a fireman and is engaging in firefighting or activities for protecting people and property in a fire; or
   p) disappearance of the insured, except including but not limited to the situation when the ship which the insured is taking or the aircraft which the insured is taking as passenger has totally disappeared.

   In addition, the information stated in this product brochure is for reference only. Please refer to the "general provisions" and "benefit provisions" for the exact terms and conditions and limitations such as incontestability, suicide and fraud etc. or all exclusions.

4. Non-payment of premium / automatic premium loan - You should pay premium(s) on time according to the selected premium payment term. If the due premium remains unpaid upon the expiry of the grace period, an automatic premium loan will be taken out against the policy to settle the unpaid premium automatically. All policy loans are interest-bearing and calculated at a rate (as stated on our corporate website www.chinalife.com.hk) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. When the loan balance is equal to or exceeds the guaranteed cash value of the basic plan of the policy, the policy will be lapsed and you will lose the related insurance coverage and suffer a financial loss. Under these circumstances, the surrender value of the policy will be deducted to repay the outstanding loan balance (including interest), and the remaining value will be refunded to you.

5 This is a participating and/or providing interest on accumulation insurance plan. Premiums received from the policies will be invested to a variety of assets according to China Life (Overseas)'s investment strategy. The surplus from the invested assets will be shared with policyholder through declared dividends and/or interest rate on accumulation in accordance with the relevant clause in the "benefit provisions". China Life (Overseas) will ensure a fair sharing of surplus among different groups of policyholders and also between policyholders and China Life (Overseas). China Life (Overseas) will review and determine the dividend and/or interest rate on accumulation at least once a year, the current projection on dividend and/or interest rate on accumulation are not guaranteed and subject to change with the entire performance of the relevant policies and the factor including but not limited to the past experience and future prospect of investment returns, claims and persistency:

   **Claims** – including the costs of providing death benefit as well as other benefits under the product(s).

   **Investment return** – including the interest income, dividend income, investment outlook and changes in the asset value.

   **Persistency** – including policy lapse and partial surrender experience.

   Note: The dividend or interest rate history is not an indicator of the future performance of the Plan.

6. Investment philosophy, policy and strategy - China Life (Overseas) aims to strive for minimizing volatility of the investment return and provides stable return as our investment philosophy. Assets are mainly invested in bonds and other fixed income instruments, such as government and corporate bonds and other fixed income instruments to support the guaranteed financial obligation. To enhance the performance of the investment portfolio, China Life (Overseas) invests in equity-type investments and other investment instruments such as mutual funds and direct/indirect investment in properties or commercial institutions.

   The investment portfolio will be diversified across different geographic regions and /or industries. Investment strategy will be subject to change depending on the market conditions and the economic outlook. China Life (Overseas) will inform policyholder through the annual statement the relevant changes in dividend and/or interest rate on accumulation and the impact to the policies when there is change in the investment strategy.

   China Life (Overseas)'s current investment strategy on participating and/or providing interest on accumulation plans are as follow:

| Asset type | Target Asset Mix (%) |
|---|---|
| Bonds and other fixed income instruments | 50% to 90% |
| Equity-type investment and other investments | 10% to 50% |

   Please refer to China Life (Overseas) Company's website www.chinalife.com.hk/products/dividend-philosophy-and-investment-strategy for dividend history,dividend and/or crediting interest philosophy, investment philosophy, policy and strategy, as well as the fulfillment ratio of China Life (Overseas).

7. Cooling-off right - You have the right to cancel the policy within the cooling-off period and obtain a refund of any premiums and premium levy (if any) paid provided that no claim has been made under it. You must submit a written notice signed by you to China Life (Overseas) at 22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong within 21 calendar days after the delivery of the policy or Notice of policy Issuance (telling you about the availability of the policy and the expiry date of the cooling-off period) to you or your representative, whichever is earlier.

8. Tax deduction - Please note that the Qualifying Deferred Annuity Policy ("QDAP") status of the Plan does not necessarily mean you are eligible for tax deduction available for QDAP premiums paid. The QDAP status of the Plan is based on the features of the Plan as well as certification by the Insurance Authority 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. Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. You should always 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. We do 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 Insurance Authority www.ia.org.hk.

**Certification by Insurance Authority**

The Insurance Authority'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 policyholders nor is it an endorsement of its suitability for any particular policyholder or class of policyholders. The policy has been certified by the Insurance Authority but such certification does not imply official recommendation. The Insurance Authority does not take any responsibility for the contents of the product brochure of the policy, 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 policy.

## What are the key product risks?

**Credit risk:**

The Plan is a life insurance policy issued by China Life (Overseas). Any premium paid will become part of our assets and our financial strength will affect our ability to meet our contractual obligations to you under the policy. Therefore, you are subject to our credit risk.

**Early surrender risk:**

The savings component of the Plan is subject to risks and possible losses. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

**Exchange rate and currency risks:**

Any policy with foreign currencies involves risks, such as potential changes in political or economic conditions that may substantially affect the price or liquidity of a currency. The fluctuations in exchange rates may also cause financial losses to you during currency conversions. You should take exchange rate risk into consideration when deciding the policy currency.

**Inflation risk:**

The cost of living in the future may be higher than expected due to the effects of inflation. Therefore, your current planned benefits and/or returns maybe insufficient to meet your future needs even if we fulfill all of our contractual terms and obligations.

**Liquidity and withdrawal risk:**

You are obliged to hold the policy and pay the premium(s) for the designated period of time. If you terminate the policy prior to the policy maturity date, you will suffer a financial loss. In case you make partial withdrawals from the policy, your policy value, death benefit and other policy benefits will be affected, and you may need to pay the relevant handling fee or charges (if any).

**Non-guaranteed benefit:**

The Plan consists of non-guaranteed benefits and/or returns. The actual amounts of benefits and/or returns in the future may be different from the benefits and/or returns which project on the product materials. The product materials are for illustrative purposes only.

**Policy termination:**

The policy will be terminated if (a) the policy has lapsed or is surrendered; (b) the policy maturity benefit is paid; (c) the death benefit is fully paid, (d) the due premium has not been paid within 31 days after the premium due date and the policy has no remaining guaranteed cash value; or (e) the indebtedness of this policy is equal to or exceeds the guaranteed cash value of this policy.

Effective from 1 January 2018, all policyholders are required to pay a levy on each premium payment made for both new and in-force policies to the Insurance Authority (the "IA"). For levy details, please visit our website at www.chinalife.com.hk or contact our customer service hotline at 399 95519 or visit IA's website at www.ia.org.hk.

This product brochure is for distribution in Hong Kong only and shall not be construed as any provision of or offer to sell or solicitation to buy any insurance product outside Hong Kong. China Life (Overseas) does not provide or offer to sell any insurance product outside Hong Kong. The above information is for reference only. The detailed terms, conditions and exclusions of the Plan are subject to the terms and conditions of the policy contract of the Plan. For a copy of the terms and conditions of the policy contract, please contact China Life (Overseas) for enquiry.

中國人壽 CHINA LIFE | 海外

**China Life Insurance (Overseas) Company Limited**

Address：22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong

Email：info@chinalife.com.hk

Customer Service Hotline：399 95519

Website：www.chinalife.com.hk

China Life Insurance (Overseas) Company Limited (incorporated in the People's Republic of China with limited liability)

C387-C390_202102