

CHINA LIFE MPF MASTER TRUST SCHEME
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

CHINA LIFE MPF MASTER TRUST SCHEME

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Contents	Pages
Scheme report	1 - 7
Investment report	8 - 41
Independent auditor's report	42 - 44
Master trust scheme	
Statement of net assets available for benefits	45
Statement of changes in net assets available for benefits	46 - 47
Statement of cash flows	48
Constituent funds	
Statement of net assets	49 - 52
Statement of comprehensive income	53 - 55
Statement of changes in net assets attributable to members	56 - 58
Statement of cash flows	59 - 61
Notes to the financial statements	62 - 88

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview

China Life MPF Master Trust Scheme (the “Scheme”) is a master trust scheme established by a trust deed dated 26 January 2000, as amended (the “Trust Deed”). The sponsor and administrator is China Life Insurance (Overseas) Company Limited (incorporated in the People’s Republic of China with limited liability). The trustee of the Scheme is China Life Trustees Limited (the “Trustee”). The Scheme was approved by the Mandatory Provident Fund Schemes Authority (the “MPFA”) on 31 January 2000.

Whilst the Scheme has been designed to ensure that participating employers can comply with the requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”) in respect of those employees covered by the MPF Ordinance, it is also possible for self-employed persons and non-employed persons to join the Scheme. If an employee member changes employment, he can leave the whole or any part of his accrued benefits in the Scheme and become a deferred member. Employees, self-employed members and non-employed members are all collectively referred to as “Scheme members” hereinafter.

Mandatory contributions in accordance with the MPF Ordinance are fully vested and belong immediately to Scheme members from the date the contributions were received by the Trustee. Participating employers, employees and self-employed members can choose to make additional voluntary contributions at their own discretion. However, benefits accruing on employers’ voluntary contributions need not belong immediately to the employees, but will be subject to a vesting scale determined by length of employment or other restrictions.

In accordance with the Trust Deed of the Scheme, the Trustee must procure that the trust assets of the Scheme members are invested in the constituent funds. During the year, nine constituent funds ^{Note 1} (including China Life Guaranteed Return Fund (the “Terminated Fund”) which had no investments and operations since 1 December 2020, and MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021), each having a separate and distinct investment objective and policy, were offered exclusively for Scheme members’ selection. The Scheme members can allocate their accrued benefits to one or more constituent funds that best suit their investment objectives and constraints. The Scheme members may also select Default Investment Strategy as their investment choice.

2 Financial Developments

The Scheme commenced operations on 31 January 2000. The total contributions received and receivable including transfers in and benefits paid and payable including transfers out during the year were HK\$664,508,784 (2019: HK\$652,886,855) and HK\$613,650,986 (2019: HK\$777,523,113) respectively. The net asset value as at 31 December 2020 was HK\$4,333,385,983 (2019: HK\$4,009,613,356). The Scheme had 40,869 (2019: 36,996) members as at 31 December 2020.

Note 1: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Changes to the governing rules of the Scheme

The following is a brief summary of the key changes made to the governing rules / MPF Scheme Brochure of the Scheme during the year.

- terminate one constituent fund, namely China Life Guaranteed Return Fund
- make various changes to China Life Joyful Retirement Guaranteed Fund (formerly known as China Life Retire-Easy Guarantee Fund), including the change of guarantee mechanism (where guarantee entitlement is subject to qualifying conditions and guaranteed rate of return is reduced), reduction of management fees and guarantee charge, etc.
- update of auditor's address
- reflect the rename of an offering document as “MPF Scheme Brochure” and be presented in a standardized manner in accordance with the Code on Disclosure for MPF Investment Funds
- incorporate relevant requirements regarding anti-money laundering and automatic exchange of financial account information

For details, please refer to the relevant parts of the MPF Scheme Brochure.

4 Contact

Further information about the Scheme and its operations can be obtained from the following:

Interactive website	:	www.chinalife.com.hk
Employer hotline	:	(852) 3999 5555
Member hotline	:	(852) 3999 5555
Fax number	:	(852) 2893 2103
Postal address	:	China Life Trustees Limited 17/F CLI Building 313 Hennessy Road Wan Chai, Hong Kong

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5 Service providers

Trustee

China Life Trustees Limited
17/F, CLI Building
313 Hennessy Road
Wan Chai, Hong Kong

Sponsor and Administrator

China Life Insurance (Overseas) Company Limited ^{Note 1}
(incorporated in the People's Republic of China with limited liability)
22/F, CLI Building
313 Hennessy Road
Wan Chai, Hong Kong

Custodian

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Central, Hong Kong

Legal advisor

China Life Trustees Limited does not retain a regular external legal advisor.

Note 1: The Trustee is a wholly-owned subsidiary of the service provider.

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5 Service providers (Continued)

Investment Managers

Taiping Assets Management (HK) Company Limited

Unit 1-2, 19th Floor,
No. 18 King Wah Road,
Hong Kong

Being the investment manager of China Life MPF Conservative Fund, the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Guaranteed Return Fund ^{Note 1}
2. China Life Joyful Retirement Guaranteed Fund
(formerly known as China Life Retire-Easy Guarantee Fund)

Invesco Hong Kong Limited

41/F, Champion Tower
Three Garden Road
Central, Hong Kong

Being the investment manager of the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Retire-Easy Balanced Fund ^{Note 2}
2. China Life Retire-Easy Capital Stable Fund ^{Note 2}
3. China Life Retire-Easy Global Equity Fund
4. China Life Core Accumulation Fund
5. China Life Age 65 Plus Fund

FIL Investment Management (Hong Kong) Limited

Level 21, Two Pacific Place
88 Queensway
Admiralty, Hong Kong

Being the investment manager of the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Balanced Fund
2. China Life Growth Fund
3. China Life Hong Kong Equity Fund

Insurer and Guarantor

China Life Insurance (Overseas) Company Limited ^{Note 3}
(incorporated in the People's Republic of China with limited liability)
22/F, CLI Building
313 Hennessy Road
Wan Chai, Hong Kong

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

Note 3: The Trustee is a wholly-owned subsidiary of the service provider.

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5 Service providers (Continued)

Auditor

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

6 Board of Directors

Directors of the Trustee

China Life Trustees Limited

Si Chiu Tan, Henry (Independent Director)

Business address:
17/F, CLI Building
313 Hennessy Road
Wan Chai, Hong Kong

Lu Haitian (appointed on 15 May 2020) (Independent Director)

Business address:
R701, 7/F, Core R, Shirley Chan Building
The Hong Kong Polytechnic University
Hung Hom, Kowloon

Tam Tsz Kin, Thomas (Chief Executive Director)

Business address:
17/F, CLI Building
313 Hennessy Road
Wan Chai, Hong Kong

Fang Jun (resigned on 3 August 2020) (Director)

Business address:
15/F, Tower B, China Life Plaza
No.12 Financial Street
Xicheng District, Beijing
China

Jiang Tao (appointed on 3 August 2020) (Director)

Business address:
16/F, Tower A, China Life Center
One HarbourGate
18 Hung Luen Road
Hung Hom, Kowloon

CHINA LIFE MPF MASTER TRUST SCHEME

SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

6 Board of Directors (Continued)

Directors of the Trustee (Continued)

Lee Fong Yee, Fanny (Non-executive Director)

Business address:
Room 3507, 35/F, Tower 1
Lippo Centre
No. 89 Queensway
Hong Kong

Chau Chi Kin (resigned on 3 August 2020) (Non-executive Director)

Business address:
32/F, Henley Building
5 Queen's Road Central
Hong Kong

Controllers of Associate

The controllers of China Life Insurance (Overseas) Company Limited, which is one of the above parties and an associate of the Trustee, during the financial year ended 31 December 2020 are as follows:

Fang Jun (resigned on 13 February 2020)

Yu Deben (appointed on 18 August 2020)

Jiang Tao (appointed on 18 August 2020)

The business address of the above controllers is:
16/F, China Life Center Tower A
One HarbourGate
No.18 Hung Luen Road, Kowloon

Kuang Tao

Wang Bin (resigned on 30 September 2020)

Wang Kai (appointed on 30 September 2020)

The business address of the above controllers is:
China Life Center
22-28 Floor, 17 Financial Street
Xicheng District, Beijing
China

Yu Sheng Quan

Address:
808, Building 32
Ding Hui Dongli
Haidian District, Beijing
China

CHINA LIFE MPF MASTER TRUST SCHEME

**SCHEME REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Board of Directors (Continued)

Controllers of Associate (Continued)

Liu Huimin (appointed on 13 February 2020 and resigned on 23 June 2020)

Address:

Room 501
No. 2 Guangcheng Street
Xicheng District, Beijing
China

Wang Junhui (appointed on 23 June 2020)

Address:

C4, Guo'aocun Eastern
Lincui Road East
Zhaoyang Qu, Beijing
China

Zhang Shengman

Address:

Flat A, 31/F, Tower 1
Regence Royale
2 Bowen Road, Mid-Levels
Hong Kong

Mao Yumin

Address:

41D, Sorrento Tower 3
1 Austin Road West, Kowloon
Hong Kong

Xu Shiqing (appointed on 23 June 2020)

Address:

Room 2-11D
Zhonghai Huating
No. 89 Mintian Road
Futian District, Shenzhen
China

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview

China Life MPF Master Trust Scheme (the “Scheme”) offers exclusively to Scheme members eight constituent funds to invest their accrued benefits as at 31 December 2020 (2019: Nine). Each of the constituent funds has a separate and distinct investment objective and policy. Scheme members can allocate their accrued benefits to one or more constituent funds that best suit their investment objectives and constraints. The constituent funds are as follow:

China Life Balanced Fund (BF)
China Life MPF Conservative Fund (MCF)
China Life Growth Fund (GF)
China Life Guaranteed Return Fund (GRF) ^{Note 1}
China Life Hong Kong Equity Fund (HKEF)
China Life Joyful Retirement Guaranteed Fund (REGF) *
China Life Retire-Easy Capital Stable Fund (RECSF) ^{Note 2}
China Life Retire-Easy Balanced Fund (REBF) ^{Note 2}
China Life Retire-Easy Global Equity Fund (REGEF)
China Life Core Accumulation Fund (CAF)
China Life Age 65 Plus Fund (APF)

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

Investment objectives and policies

China Life Balanced Fund

The investment objectives of BF are to provide capital appreciation as well as to seek income so as to achieve long-term balanced growth in capital.

The fund achieves its investment objectives by investing in an approved pooled investment fund (“APIF”) managed by FIL Investment Management (Hong Kong) Limited which invests in a diversified range of global equities and bonds.

China Life MPF Conservative Fund

The investment objective of MCF is to provide capital security with a level of income in Hong Kong dollars.

The fund achieves its investment objectives through investing primarily in Hong Kong bank deposits, commercial papers and short-term notes and the fund is managed by Taiping Assets Management (HK) Company Limited. The fund will maintain 10-30% bank deposits under normal circumstances.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment objectives and policies (Continued)

China Life Growth Fund

The investment objectives of GF are to provide capital growth by long-term investment in global equities so that the members are adequately rewarded for foregoing the capital security and higher income that could have been achieved by investing in the money markets.

The fund achieves its investment objectives to provide capital growth by investing in an APIF managed by FIL Investment Management (Hong Kong) Limited which invests in a diversified international portfolio of equity securities in the world's major equities market and will have the flexibility to invest in the global bonds to manage the volatility of returns in the short term. The fund is designed for members who seek a significant and growing capital return together with a modest element of income growth.

China Life Guaranteed Return Fund^{Note 1}

The investment objective of GRF is to provide a return that is above the guaranteed rate of return to participants.

The investment policy is to invest solely in a relevant insurance policy approved pooled investment fund ("relevant APIF") issued by China Life Insurance (Overseas) Company Limited and will in turn solely invest in an underlying unit trust approved pooled investment fund ("UT APIF") which maintains a well-diversified portfolio comprising the following:

- (a) Global equities such as common stocks and preferred stocks;
- (b) Fixed income securities that satisfy the minimum credit rating set by the MPFA, based on the credit rating of the security as determined by a credit rating agency approved by the MPFA; debt securities issued or guaranteed by an exempt authority, or listed on an approved stock exchange, and being issued by or guaranteed by a company or corporation whose shares are so listed;
- (c) Bank deposits that are assets deposited with authorised financial institutions being an institution authorised under Part IV of the Hong Kong Banking Ordinance (Cap. 155).

China Life Hong Kong Equity Fund

The investment objective of HKEF is to produce returns that are related to those achieved on the major stock market indices of Hong Kong.

The investment policy is to invest in an APIF managed by FIL Investment Management (Hong Kong) Limited, which focuses on investment (i.e. at least 70% of its net asset value) into the equity markets of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong, and the APIF will have the flexibility to invest in bonds in a limited manner (i.e. less than 30% of its net asset value) and to accept a high level of return volatility in the short term.

The fund maintains a minimum effective currency exposure of 30% of its net asset value in Hong Kong dollars.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment objectives and policies (Continued)

China Life Joyful Retirement Guaranteed Fund *

The investment objectives of REGF are to provide capital preservation in the long term and to enhance return with limited exposure to global equities, while also providing a guaranteed return.

The investment policy is to invest solely in a relevant insurance policy approved pooled investment fund (“relevant APIF”) issued by China Life Insurance (Overseas) Company Limited and will in turn solely invest in an UT APIF which maintains a diversified portfolio comprising the following:

- (a) Global equities such as common stocks and preferred stocks;
- (b) Intermediate-term global fixed income securities with maturity of up to ten years that meet the minimum credit rating as stipulated by the MPFA;
- (c) Debt securities issued or guaranteed by an exempt authority or listed on approved stock exchanges.

China Life Retire-Easy Capital Stable Fund ^{Note 2}

The investment objectives of RECSF are to achieve capital preservation over the long term whilst seeking to enhance returns through limited exposure to global equities.

The fund achieves its investment objectives through investing in an APIF managed by Invesco Hong Kong Limited, which invests in a combination of global bonds and global equities. The fund maintains a minimum effective currency exposure of 30% of its net asset value in Hong Kong dollars.

China Life Retire-Easy Balanced Fund ^{Note 2}

The investment objectives of REBF are to achieve capital appreciation in excess of Hong Kong salary inflation over the long term.

The fund achieves its investment objectives through investing in an APIF managed by Invesco Hong Kong Limited, which invests in a combination of global bonds and global equities. The fund maintains a minimum effective currency exposure of 30% of its net asset value in Hong Kong dollars.

China Life Retire-Easy Global Equity Fund

The investment objectives of REGEF are to maximize capital appreciation over the long term through investments in global equities.

The fund achieves its investment objectives through investing in an APIF managed by Invesco Hong Kong Limited, which invests up to 100% of the net asset value in global equities. The fund maintains a minimum effective currency exposure of 30% of its net asset value in Hong Kong dollars.

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment objectives and policies (Continued)

China Life Core Accumulation Fund

The investment objectives of CAF are to provide capital growth by investing in a globally diversified manner.

The fund achieves its investment objectives through investing in an APIF managed by Invesco Hong Kong Limited, which in turn invests in two underlying APIFs. The fund primarily invests in a combination of global equities and bonds in a globally diversified manner. It targets to invest 60% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets.

China Life Age 65 Plus Fund

The investment objectives of APF are to provide stable growth by investing in a globally diversified manner.

The fund achieves its investment objectives through investing in an APIF managed by Invesco Hong Kong Limited, which in turn invests in two underlying APIFs. The fund primarily invests in a combination of global equities and bonds in a globally diversified manner. It targets to invest 20% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets.

Investment analysis and commentary

Out of the nine constituent funds, eight of them (BF, GF, GRF, HKEF, REGF, REGEF, CAF and APF) are currently feeder funds and each invests in a relevant approved pooled investment fund. The remaining constituent fund (MCF) invests in bank deposits and debt securities during the relevant year.

The investment policy of each constituent fund is described in the latest MPF Scheme Brochure of the Scheme. A brief summary of the investment policy and strategy is stated above.

The investment performance of each constituent fund during the year varied and is shown in the following pages of this report.

Investment managers' market perspective

Invesco Hong Kong Limited

Being the investment manager of the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

- i) China Life Retire-Easy Balanced Fund ^{Note 1}
- ii) China Life Retire-Easy Capital Stable Fund ^{Note 1}
- iii) China Life Retire-Easy Global Equity Fund
- iv) China Life Core Accumulation Fund
- v) China Life Age 65 Plus Fund

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Invesco Hong Kong Limited (Continued)

Note 1: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

- China Life Retire-Easy Global Equity Fund

2020 Market Overview

Global equity markets moved higher over the reporting period. Gains were fuelled by an accelerating recovery across countries from the COVID disruption together with the continued rollout of massive stimulus. That said, the improving economic prospect has raised concerns around how the recovery, combined with stimulus, could fuel inflation. Value/cyclical sectors have taken market leadership from growth stocks since late 2020 amid strong reflation expectations.

US equities: US equity markets advanced higher, bolstered by signs that the recovery in the US economy is accelerating. With more people being vaccinated and lockdown measures being eased in certain areas, the unemployment rate fell as employers took on more workers.

European equities: European equities rallied during the reporting period driven by positive earnings announcements and a continued pick-up in economic and survey data across the region. The manufacturing side of the Eurozone economies has rebounded since mid-2020, led by strong export demand, while the services side remained sensitive to COVID restrictions.

Japanese equities: Similar to other markets, Japan ended the reporting period on a higher note. Sentiment was helped by the improved global growth outlook and better visibility surrounding the recovery in corporate profitability. Meanwhile, the Bank of Japan will continue with its accommodative policies to stabilize growth outlook.

China/HK equities: China / HK equities delivered strong returns in 2020 thanks to its early economic recovery amid effective COVID containment.

Asia Pacific region (ex Japan, Hong Kong and China): The performances of the Asian equity markets was mixed over the reporting period. In Taiwan and Korea where the COVID situation was under better control, returns were strong driven by the outperformance of technology companies on the back of rising global demand for electronic components and products. India and ASEAN on the other hand underperformed and dragged down by continuous COVID disruptions.

Global bonds: The most prominent development in the bond market over the reporting period was the rise in government bond yields, driven by optimism over the vaccine roll-out as well as inflationary impact of economic stimulus. Central banks continued to argue that low inflation environment is unlikely to change anytime soon and remained committed to accommodative policies.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Invesco Hong Kong Limited (Continued)

2021 Market Outlook and Strategy

Given the apparent success of vaccine rollouts in the developed world, we believe the global economy will show solid growth in 2021, partly as a function of a rebound from early deep recession, partly due to a gradual release of pent-up demand and also due to fiscal support (especially in the US). At the same time, we expect major central banks to continue providing generous support (via low interest rates and asset purchases). We believe equities can still appreciate, even after the strong recent re-rating, as relative valuations remain supportive, particularly when compared to corporate bonds. However, equity investors will now have to rely on the strength of the corporate earnings recovery to drive markets sustainably higher. Nevertheless, with equity valuations not yet in bubble territory, bouts of volatility leading to corrections open-up opportunities to add recovery risk for the longer-term.

US equities: US equities look expensive, both in terms of absolute valuations and relative to other markets.

Leadership remains narrow as large amounts of capital have been allocated to new economy disruptor stocks. Strong performance combined with a number of technical indicators suggest that the US market is overbought, which increases the likelihood of short-term bouts of volatility.

European equities: Valuations look neutral at best, but the sector mix and catch-up of EPS expectations suggests periods of outperformance are possible in the post-pandemic recovery. Co-ordinated policy support is modestly helpful, but its potential to meaningfully support European equity markets is arguably limited.

Japanese equities: Japanese equity market valuations remain attractive in a global context, and earnings have generally been surprising to the upside and catching up to the US. Japanese balance sheets remain strong, which should provide support for dividends, and the policy framework remains helpful with the Bank of Japan being an active buyer and owner of Japanese equities.

China/HK equities: We believe economic growth in China is on the solid footing, evidenced by stronger-than-expected activities data across the board at the beginning of 2021. Government policies, though normalizing, remain accommodative compared with their pre-COVID levels. A favourable macro backdrop is conducive to earnings recovery, which we believe will lead market gains in 2021. From a long-term perspective, we stayed focused on areas that can benefit from structural growth drivers in China.

Asia Pacific (ex Japan, HK and China) equities: We believe Asia will enter a goldilocks phase with improving growth, benign inflation and accommodative policies. We believe economic recovery in developed markets will accelerate its growth thanks to the linkage via exports. We see economic fundamentals have significantly improved across Asian economies in the past few years, leading to strengthened macro stability.

Global Bonds: Yield curves are susceptible to steepening (and so capital loss) as investors grapple with the nature of the recovery, while central banks keep monetary policy as loose as possible via quantitative easing mechanisms. Spreads on corporate bonds are tight, particularly in investment grade where yields are extremely low, leading us to prefer high yield assets, where their yields remain relatively attractive in a world of zero interest rate policies.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Invesco Hong Kong Limited (Continued)

- China Life Core Accumulation Fund
- China Life Age 65 Plus Fund

2020 Market Overview

Equity

Global equity markets ended the first quarter 2020 in deep red territory due to the outbreak of the coronavirus in China. China imposed lockdowns on different cities and regions around the source of the diseases with severe effects on the global supply chain. The fact that the spread of the coronavirus was accelerating outside of China led to a market correction. All equity market sectors saw a decline with the worst hit being the most cyclical parts of the market. In the face of what is the deepest global recession in living memory, equity markets rebounded strongly in the second quarter of 2020. Despite the continuing global spread of Covid-19, April saw both equity and credit markets stage a rebound from the severe market shock witnessed in March, which has led to some of the biggest monthly gains certain sectors and regions have seen in years. Global stocks continued to climb throughout the third quarter and were mostly lifted by US stocks, particularly technology companies. On the other hand, the energy sector faced challenges and continued its year-to-date struggles as Brent oil prices dipped back towards US\$40 a barrel on concerns over slowing global demand. During the fourth quarter of 2020, global equity markets posted a strong rally, particularly due to the successful development of several vaccines. The vaccine breakthroughs led to a strong rotation from growth stocks, such as technology companies, to value sectors.

Fixed Income

Throughout 2020 the portfolio was positioned according to our factor approach to fixed income investing. The portfolio is tilted towards bond markets that exhibit attractive value, quality and value characteristics to which we add an Emerging Market sovereign bond allocation and a smaller corporate bond allocation that exhibits attractive quality characteristics. We believe these tilts will drive outperformance over time. We fund these positions through an underweight relative to benchmark in the core benchmark bond markets – principally the US, Germany and the UK. Global central bank interest rate cuts and quantitative easing programs supported strong performance of fixed income markets over this period. Our active positioning contributed positively to performance over the 12 month period with the portfolio marginally outperforming the benchmark. Select overweight positions that contributed positively to performance included exposure to Norway, Sweden, Australia, New Zealand and Canada. Emerging market exposures also contributed positively especially those to Poland and Mexico.

At year end the portfolio was positioned as follows. To capture carry characteristics the portfolio is positioned with exposure to government bonds from Australia, New Zealand and the USA. To capture value characteristics the portfolio is positioned with exposure to government bonds in Canada, Switzerland and Norway and to capture Quality characteristics positioning is long government bonds in the UK, Norway and Sweden. Emerging market exposures are currently taken in Mexico, Malaysia, Poland and Thailand. There is a small exposure to a select EU corporate credit. The overweight positions are funded through underweights relative to benchmark to the core markets mainly the US, Germany and the UK.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Invesco Hong Kong Limited (Continued)

2021 Market Outlook and Strategy

Equity

If 2020 was dominated by the pandemic, the lockdowns and the enormous government and central bank programmes to overcome the effects of the economic downturns, 2021 is likely to be dominated by (1) the impact and duration of successive lockdowns and the associated economic damage done to economies; (2) the scale and design of the economic stimulus policies applied during the health crisis; (3) and how quickly an effective vaccine can be developed and distributed globally to combat the virus.

At the beginning of the year, our outlook for global equities remains positive. Valuation levels are attractive and price trends as well as a low level of risk aversion are supportive for equities. The economic environment indicator is in neutral territory.

Fixed Income

The year 2020 saw the global economy plunged into economic turmoil. Unlike many past crises, this one was unique in that it was not economic in origin but started as a health crisis. The COVID-19 pandemic rapidly impacted the economy through lockdowns across the globe, which stymied economic activity and caused an unprecedented destruction of demand. Given these circumstances, we recognize that the shape of economic growth in the new year is dependent on a wide variety of factors, including: infection rates, fiscal policy, monetary policy, public health policy including the severity – or “stringency” – of lockdowns, progress towards the rollout of vaccination programmes, and consumer and business confidence. The longer-term growth outlook for the global economy continues to improve however we believe that there will be significant dispersion in economic recovery rates. COVID-19 had an extremely negative impact on the Chinese economy, but its recovery is well underway and we expect China to outperform given its better control of the virus, while the US and Eurozone are likely to experience pauses in their respective re-openings given their recent lockdowns – although some fiscal stimulus will continue to support activity. The sheer amount of monetary and fiscal policy already put in the system will likely continue to support the economy and markets. Monetary aggregates and lending across the US and Europe have grown strongly, indicating that conditions are very supportive of growth. Income replacement means that, in aggregate, households are in good shape, unlike in a typical recession.

We believe the key headwind for markets will be valuations, credit markets have recovered much or all of their crisis underperformance. The overall level of rates is low and negative real yields in the developed market government bond markets are a major headwind for fixed income investors. The outlook for corporate fundamentals continues to evolve, especially for sectors more exposed to COVID-19-related economic restrictions. However, with the Federal Reserve's support, the new issuance market has allowed even the most challenged sectors to raise liquidity and address near-term maturities, reducing pressure on the banking system and providing a degree of patience from ratings agencies.

In Europe, we have neutralized our near-term outlook for European IG credit. The vaccine news has triggered a significant rally in credit spreads, taking us back to, or inside of, pre-COVID-19 levels in large parts of the market. While positive vaccine news has boosted our optimism regarding the strength of an eventual macroeconomic recovery in 2021, it is tempered by the recently implemented lockdowns across Europe that are likely to weigh on corporate operational performance in Q1 2021.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Invesco Hong Kong Limited (Continued)

2021 Market Outlook and Strategy (Continued)

Fixed Income (Continued)

EM has been held back by COVID-19, limited policy flexibility and weak capital flows. As these factors change, EM has room to move higher, in our view. We expect the US dollar to broadly decline in response to continued easy monetary conditions and the likely continued decline in real yields in the US Treasury market. A declining US dollar should ease EM financial conditions and provide support to EM. Whereas we believe in the economic recovery for the new year we believe dispersion of opportunities will be the main theme for the year, both in EM and in corporate bonds.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

FIL Investment Management (Hong Kong) Limited

Being the investment manager of the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

- i) China Life Balanced Fund
- ii) China Life Growth Fund
- iii) China Life Hong Kong Equity Fund

2020 General Markets Review

United States

- US equities recorded strong gains over the review period, as they recovered from the fallout of the COVID-19 pandemic. Markets plummeted in the first quarter on growing pandemic fears and an oil price crash.
- Nevertheless, equities staged a strong recovery post March, fuelled by record levels of stimulus, signs of an economic recovery and progress towards a COVID-19 vaccine. The rollout and distribution of the new COVID-19 vaccine supported investor sentiment towards the end of the year, while markets were buoyed by the passage of fresh US fiscal stimulus measures in the US Congress.
- Meanwhile, Democratic party candidate Joe Biden gained enough electoral college votes to win the 2020 presidential election over incumbent Donald Trump. The US continues to see a high number of infections, leading to worries about the sustainability of the economic recovery. It remains to be seen how the Biden administration will tackle these issues.
- On the monetary policy front, the US Federal Reserve maintained its recently adopted Average Inflation Targeting (AIT) strategy and confirmed that it would keep interest rates low for a prolonged period. It highlighted that the path of the economy will continue to depend significantly on the course of the pandemic.

Europe

- In a year marked by extreme market movements, European equities ended the period in positive territory. 2020 started on an upbeat note as optimism grew around improving US-China trade tensions.
- However, gains were more than offset on mounting concerns over the COVID-19 outbreak and the oil price collapse. The situation worsened in March, as the epicentre of the pandemic moved to Europe, and several countries introduced full or partial lockdown measures to stem the spread of the virus.
- The sharp decline witnessed in the first quarter was followed by a strong rebound over the next three quarters. The biggest surprise came in the fourth quarter, when positive news flows on COVID-19 vaccines, Joe Biden's victory in the US presidential election, the signing of a long-awaited Brexit deal and additional stimulus news drove markets higher. Though there were some concerns about the new strain of COVID-19 and rising cases across Europe, this was overshadowed by news of the approval and subsequent rollout of multiple vaccines.

Japan

- Japanese equities advanced over the 12-month period, supported by the strong performance of large-caps and growth stocks.
- Markets suffered a steep fall in March amid a rising number of COVID-19 infections globally and increasing concerns over its long-term impact on global economic growth. A sharp plunge in oil prices further dampened investor sentiment. Markets subsequently recovered, and key indices reached multi-decade highs towards the end of the year, as positive news on COVID-19 vaccines lifted risk sentiment.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

FIL Investment Management (Hong Kong) Limited (Continued)

2020 General Markets Review (Continued)

Japan (Continued)

- Central bank action reduced volatility and risk sentiment improved as global economies started to reopen. The Japanese economy entered a technical recession in the first three months of 2020, and remained under significant pressure in the second quarter, although GDP recovered strongly in the third quarter. In order to mitigate the economic and social impact of the pandemic, the government and the Bank of Japan extended significant fiscal and monetary support.

Asia Pacific

- Asia Pacific ex Japan equities delivered strong performance in 2020. Investors reacted strongly to an early recovery in the Chinese economy following a sharp downturn inflicted by COVID 19.
- Global cues were also encouraging, with positive news flow surrounding potential COVID-19 vaccines and expectations that the global monetary policy will remain supportive.
- Major central banks across the globe kept interest rates at record lows and injected massive liquidity into their respective economies, which drove strong inflows into Asian markets.

Greater China

- Chinese equities gained as the economy displayed a V-shaped recovery propelled by the successful containment of COVID-19 and targeted policy measures.
- The Chinese economy expanded by 2.3% in 2020, the slowest pace of growth in decades. Nonetheless, it is the only major economy to have avoided an economic contraction in a pandemic hit year, supported by a strong recovery after weeks of lockdown in early 2020. The growth trajectory was largely broad-based, led initially by industrial production and followed by a pick-up in consumption in subsequent quarters.

Bond

- Global bond markets generated positive returns over the period. US investment grade bonds outperformed US Treasuries, while German and UK government bonds outperformed their respective corporate bonds over the year.
- Within credit, investment grade bonds outperformed high yield bonds. Risk sentiment remained strong at the turn of 2020, before the spread of the COVID-19 pandemic resulted in unprecedented levels of volatility, leading to a sell-off in risk assets such as equities and corporate bonds. Government bond yields slumped to new record lows and credit spreads significantly widened in the first quarter of 2020.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

FIL Investment Management (Hong Kong) Limited (Continued)

2021 Market Outlook

In terms of the latest asset allocation, we stay overweight in equities as we expect the restart to re-accelerate and interest rates to stay low into the second half of the year. The economy restart has led to short term supply and demand imbalance; however, the current inflation overshoot doesn't meet the bar as the Fed views it as driven by transient factors. We are underweighting in both bonds and cash. The reflation theme is driving the increase in government yields, while governments are pursuing expansionary fiscal policies, central banks remain committed to maintaining their easy monetary policy as the financial system is still sensitive to rising borrowing costs. We maintain a defensive stance on credits as they continue to look expensive at current levels. We are watching for other potential triggers that could lead to weakness over the coming months.

At the regional level, we kept the overweight in US equities. The US recovery appears to be on track, underpinned by fiscal stimulus, swift economic recovery and solid corporate earnings. Analysts also continues to revise up earnings estimates, hence partially alleviate the valuation concerns. We upgrade European equities to overweight. European countries are catching up in vaccination, the European Commission's target to vaccinate 70% of adults in the EU by the end of the summer is looking feasible. The European market has been so far lagging to other markets, cheaper valuation and the return of investment sentiment should lead to better performance. We reduced the exposure in Japanese equities. The economy is geared towards global cycle as we see industrial output is gaining momentum recently with improving global demand. With vaccine progress remaining slow, the latest emergency measures will impact consumption and the services sector will continue to struggle in the near term. We kept the underweight position in Hong Kong equities. The recent quarterly earnings results for the Chinese companies are encouraging; however, investment sentiment remains weak as market worries over policy tightening and persistent US-China tensions. Meanwhile, the intensified government scrutiny on the big tech-companies is also weighing on the market. We stay positive to Asian equities. A commodity prices upswing and global supply chain relocation are benefiting Asian exporters. A resurgence in Covid cases is triggering fresh mobility restrictions in several countries; hence, the strength of further recovery will be very much hinge on the pace of vaccine roll-out and policy response.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Taiping Assets Management (HK) Company Limited

Being the investment manager of China Life MPF Conservative Fund, the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds that the following constituent funds of the Scheme have invested in.

- i) China Life Guaranteed Return Fund ^{Note 1}
- ii) China Life Joyful Retirement Guaranteed Fund *

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

* formerly known as China Life Retire-Easy Guarantee Fund

2020 Market Overview

Bond Market

Global credit markets posted strong returns in 2020. There was significant volatility as markets experienced the fastest drawdown and recovery in the history of the US Dollar corporate bond market.

Returns for all segments of global credit were driven by UST (US Treasury) changes. The outperformers in global credit were USIG (US Investment Grade) and CEMBI (Emerging Market Corporates) in 2020. UST drove performance in US IG while CEMBI returns were driven by excess returns over UST.

Credit spread retracement has been the fastest of any cycle in history. This contrasts with higher credit risks due to higher debt levels for sovereigns and corporates globally. Default rates were lower than expected after a sharp increase in 2Q20, post the Federal Reserve (the "Fed") injection of liquidity.

Equity Market

Hong Kong Hang Seng Index moved in a W-shaped index trend in 2020. In the first quarter, due to the fast outbreak of the COVID-19 epidemics in Europe and the United States, global stock market continued to plummet. US major indexes witnessed several decline meltdowns and the Hang Seng Index once plunged to 21,139 points in March. After the Fed launched the unlimited quantitative easing policy, the liquidity of the USD was restored, market confidence gradually recovered, and major global stock indexes rebounded sharply.

In the second half, multiple rounds of COVID-19 epidemics broke out in Hong Kong, Hang Seng Index dropped in the third quarter, amid severe tensions in Sino-US relations, the worsening of COVID-19 epidemics in Europe and the United States. After the US presidential election, coupled with the smooth progress of the COVID-19 vaccines in Europe and the United States, market risk appetite significantly recovered. Hang Seng Index trended up in late 2020 and eventually closed at 27,231 points, ended this year with a loss of 3.4% YoY.

2021 Market Outlook and Strategy

Bond Market

The market's recovery has been rapid and dramatic, supported by strong policy responses and vaccine rollout globally. This has been accompanied by the reflation trade. Rising global bond yields and interest rate volatility have been dominant themes. The steepening in yield curves is likely to continue over the next few quarters.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Investment managers' market perspective (Continued)

Taiping Assets Management (HK) Company Limited (Continued)

2021 Market Outlook and Strategy (Continued)

Bond Market (Continued)

We expect modestly positive total returns in 2021. Global credit trends are on diverging paths. Liquidity conditions remain supportive for credit. The rise in long-term U.S. bond yields is driven by strong recovery prospects and controlled reflation. The risks include a disorderly reflationary process which will cause market volatility and repricing, high debt levels and withdrawal of stimulus. In the meantime, low rates and a normalization process will limit longer-term returns in the next few years.

For fixed income investment in 2021, we will remain defensive and more focus on credit selection. We remain defensive on US IG due to valuation. We prefer Asia and other strong EM IG.

Equity Market

Looking ahead into 2021, with the COVID-19 vaccination, the epidemic situation all over the world, especially in Europe and the United States, is expected to gradually improve. However, global economy and capital markets still face many uncertainties. Major uncertainties include the battle between the COVID-19 epidemics and the vaccination, as well as the contest between the progress of global economic recovery and the expected tightening pace of macroeconomic policies. Depending on the progress of the economic recovery and core inflation levels, treasury yields in both US and China see certain upward pressure. If the US Treasury yield rises too high or too fast, it will definitely bring significantly negative impact to global capital market.

Despite of these uncertainties, we are still optimistic about the long-term growth prospects of Chinese economy. Driven by the national policy of promoting the "double cycle", Chinese economy is still quite resilient. Thanks to China's successful epidemic prevention control, household consumption and corporate investments in China continue to recover, and corporate earnings continue to improve. From the perspective of asset allocation, equity assets in China have promising growth potential and attractive valuation. We will continue to adjust and optimize the holdings by adhering to value investment. We will maintain major positions on quality stocks including both value and growth stocks.

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Hong Kong Equity Fund <i>Launch date: 23/12/2011</i>	18.10%	11.60%	N/A	8.35%
Benchmark / Performance target	20.35% ^{Note 1}	10.36% ^{Note 1}	N/A	N/A ^{Note 2}
Deviation from the benchmark / performance target	Below the performance target	Above the performance target	N/A	N/A
Trustee's commentary	<p>The fund's performance target: average performance of Hong Kong Equity fund type as obtained from Lipper</p> <p>The fund's performance was below the performance target in 1 year while above the performance target in 5 years term.</p> <p>According to the investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - The fund generated positive returns over the period. - The period started on a subdued note as the spread of the COVID-19 pandemic raised fears of a global contagion and concerns around its potential impact on economic activity spurred an indiscriminate sell-off across stock markets, notably in March 2020. Equities rebounded in the second half of the year, due to easing lockdown restrictions and continued stimulus support measures by respective governments and regional central banks, signalling their commitment to bolster economic activity. - The prospect of a balanced approach to international relations under newly elected US President Joe Biden and optimism over an early COVID-19 vaccine following encouraging results from vaccine trials further supported investor confidence. - The establishment of a China-backed trade bloc, the government's pledge for continued policy support and the signing of a China-Europe investment deal further boosted sentiment towards Chinese equities. - Against this backdrop, rewarding security selection in the communication services, consumer staples and health care sectors were the key contributors to returns - Some consumer discretionary stocks also buoyed performance. - The underweight stance in Chinese food delivery giant Meituan detracted from relative returns as crowded trading momentum in internet names continued amid a liquidity rally in the market. 			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Retire-Easy Global Equity Fund <i>Launch date: 01/10/2007</i>	9.45%	8.26%	5.57%	2.46%
Benchmark / Performance target	13.27% ^{Note 1}	9.05% ^{Note 1}	7.00% ^{Note 1}	N/A ^{Note 2}
Deviation from the benchmark / performance target	Below the performance target	Below the performance target	Below the performance target	N/A
Trustee's commentary	<p>The fund's performance target: average performance of Global Equity fund type as obtained from Lipper</p> <p>The fund's performance was below the performance target in 1 year, 5 years and 10 years term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - Contribution from regional equities were mixed throughout the year – European and North America equity extended its weakness but ended the year strongly as market rotates from growth to value and cyclical. - In contrast, HK & China and Asian equities have in general benefited from the outperformance of growth stocks, with a core growth tilt driven by overweight exposures to communication services, internet, consumer, and healthcare sectors where the team sees better earning visibility. 			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Growth Fund <i>Launch date: 01/12/2000</i>	14.81%	9.28%	6.06%	6.07%
Benchmark / Performance target	15.96% ^{Note 1}	8.98% ^{Note 1}	5.52% ^{Note 1}	N/A ^{Note 2}
Deviation from the benchmark / performance target	Below the performance target	Above the performance target	Above the performance target	N/A
Trustee's commentary	<p>The fund's performance target: average performance of Lifestyle- (>80-100% Equity) fund type as obtained from Lipper</p> <p>The fund's performance was below the performance target in 1 year while above the performance target in 5 years and 10 years term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - The fund generated positive returns over the year, led by the strong performance of the equity segment. - Global equity markets generated positive returns over a highly volatile period. Of note, markets fell sharply in the February–March period as the pandemic weighed on global growth prospects. - Markets recovered from April onwards, as substantial stimulus measures introduced to mitigate the economic impact of the pandemic, a recovery in global economic activity, and positive developments around COVID-19 vaccines and treatments provided support. - Against this backdrop, the allocation to Hong Kong, Japanese and American equities added significant value. The exposure to European and other Asia Pacific equity markets also supported performance. - Additionally, the position in bonds contributed to returns as global bond markets delivered positive performance. 			
China Life Retire-Easy Balanced Fund <i>Launch date: 01/10/2007</i>	N/A	N/A	N/A	N/A
Benchmark / Performance target	N/A	N/A	N/A	N/A
Deviation from the benchmark / performance target	N/A	N/A	N/A	N/A
Trustee's commentary	<p>The fund had no investments and operations since 24 September 2019 and the Mandatory Provident Fund Schemes Authority had approved the termination of the fund to take effect on 8 January 2020.</p>			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Balanced Fund <i>Launch date: 01/12/2000</i>	13.73%	8.16%	5.32%	5.59%
Benchmark / Performance target	14.51% ^{Note 1}	7.91% ^{Note 1}	4.88% ^{Note 1}	N/A ^{Note 2}
Deviation from the benchmark / performance target	Below the performance target	Above the performance target	Above the performance target	N/A
Trustee's commentary	<p>The fund's performance target: average performance of Lifestyle- (>60-80% Equity) fund type as obtained from Lipper</p> <p>The fund's performance was below the performance target in 1 year while above the performance target in 5 years and 10 years term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - The fund generated positive returns over the year, led by the strong performance of the equity segment. - Global equity markets generated positive returns over a highly volatile period. Of note, markets fell sharply in the February–March period as the pandemic weighed on global growth prospects. - Markets recovered from April onwards, as substantial stimulus measures introduced to mitigate the economic impact of the pandemic, a recovery in global economic activity, and positive developments around COVID-19 vaccines and treatments provided support. - The exposure to European and other Asia Pacific equity markets supported performance. - Additionally, the position in bonds contributed to returns as global bond markets delivered positive performance. 			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Core Accumulation Fund <i>Launch date: 01/04/2017</i>	12.56%	N/A	N/A	7.84%
Benchmark / Performance target	12.06% ^{Note 3}	N/A	N/A	8.46% ^{Note 3}
Deviation from the benchmark / performance target	Above the performance target	N/A	N/A	Below the performance target
Trustee's commentary	<p>The fund's performance target (recognized reference portfolio): FTSE MPF DIS Reference Portfolios - Core Accumulation Fund</p> <p>The fund's performance was above the performance target in 1 year while below the performance target in since launch term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - For equity, companies are selected that are, in our view, attractively valued, have good earnings and price momentum and evidence that management supports shareholder value. Over the period stock selection had a negative impact with our exposure to value stocks detracting the most while momentum and quality could not fully compensate. - Throughout 2020 the portfolio was tilted towards bond markets that exhibit attractive value, quality and value characteristics and select exposures to Emerging Market sovereign bonds and a smaller corporate bond allocation. Our active positioning contributed positively to performance over the 12-month period. This included overweight positions to Norway, Sweden, Australia, New Zealand and Canada. Emerging market exposures also contributed positively especially those to Poland and Mexico. 			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	9.70%	N/A	N/A	4.97%
Benchmark / Performance target	8.21% ^{Note 3}	N/A	N/A	5.24% ^{Note 3}
Deviation from the benchmark / performance target	Above the performance target	N/A	N/A	Below the performance target
Trustee's commentary	<p>The fund's performance target (recognized reference portfolio): FTSE MPF DIS Reference Portfolios - Age 65 Plus Fund</p> <p>The fund's performance was above the performance target in 1 year while below the performance target in since launch term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - For equity, companies are selected that are, in our view, attractively valued, have good earnings and price momentum and evidence that management supports shareholder value. Over the period stock selection had a negative impact with our exposure to value stocks detracting the most while momentum and quality could not fully compensate. - Throughout 2020 the portfolio was tilted towards bond markets that exhibit attractive value, quality and value characteristics and select exposures to Emerging Market sovereign bonds and a smaller corporate bond allocation. Our active positioning contributed positively to performance over the 12-month period. This included overweight positions to Norway, Sweden, Australia, New Zealand and Canada. Emerging market exposures also contributed positively especially those to Poland and Mexico. 			
China Life Retire-Easy Capital Stable Fund <i>Launch date: 01/10/2007</i>	N/A	N/A	N/A	N/A
Benchmark / Performance target	N/A	N/A	N/A	N/A
Deviation from the benchmark / performance target	N/A	N/A	N/A	N/A
Trustee's commentary	The fund had no investments and operations since 24 September 2019 and the Mandatory Provident Fund Schemes Authority had approved the termination of the fund to take effect on 8 January 2020.			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Guaranteed Return Fund <i>Launch date: 01/12/2000</i>	N/A	N/A	N/A	N/A
Benchmark / Performance target	N/A	N/A	N/A	N/A
Deviation from the benchmark / performance target	N/A	N/A	N/A	N/A
Trustee's commentary	The fund had no investments and operations since 1 December 2020, and the Mandatory Provident Fund Schemes Authority had approved the termination of the fund to take effect on 8 March 2021.			
China Life Joyful Retirement Guaranteed Fund * <i>Launch date: 01/10/2007</i>	1.98%	2.60%	2.88%	3.22%
Benchmark / Performance target	1.35%	1.35%	1.35%	1.35%
Deviation from the benchmark / performance target	Above the performance target	Above the performance target	Above the performance target	Above the performance target
Trustee's commentary	<p>*China Life Joyful Retirement Guaranteed Fund was formerly known as China Life Retire-Easy Guarantee Fund, with change of name effective on 4 December 2020. The changes to its guarantee mechanism (including the change of guaranteed rate of return), reduction of management fee and guarantee charge also took effect on the same day.</p> <p>The fund's performance target: net guaranteed rate (i.e. 1.35% per annum) The fund's performance was above the performance target in 1 year, 5 years, 10 years and since launch term. The comparison between the performance and the average performance of Guaranteed fund type may not be meaningful as guaranteed funds may have different guarantee mechanism.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none">- For the equity portion, our equity performance was stable on the whole in spite of the pandemic in 2020. We will continue to adjust and optimize the holdings by adhering to value investment. We will maintain major positions on quality stocks including both value and growth stocks.- For the fixed income portion, we remained defensive and more focus on credit selection. Relatively, we prefer Asia and other strong Emerging Market investment grade bonds.			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life MPF Conservative Fund <i>Launch date: 01/12/2000</i>	0.65%	0.45%	0.24%	0.48%
Benchmark / Performance target	0.00%	0.03%	0.02%	0.41%
Deviation from the benchmark / performance target	Above the performance target	Above the performance target	Above the performance target	Above the performance target
Trustee's commentary	<p>The fund's performance target: Prescribed Savings Rate</p> <p>The comparison between the performance and the average performance of MPF Conservative fund type may not be meaningful as fees and charges of MPF conservative funds can either be deducted from the assets of the funds or members' accounts by way of unit deduction.</p> <p>The fund's performance was above the performance target in 1 year, 5 years, 10 years and since launch term.</p> <p>According to investment manager, the following factors contributed to the performance of the fund during the year:</p> <ul style="list-style-type: none"> - All of the portfolio's return came from HKD fixed deposits, mainly with medium-to-short tenors. - In response to lower HIBOR rates, the deposit rates in Hong Kong has been trending downwards for most part of 2020. 			

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1 Overview (Continued)

Trustee's commentary (Continued)

B. Supporting information in relation to trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concerns raised in its commentary in section A

• Trustee reviews constituent fund performance regularly by reference to information from industrial data providers who are independent from the trustee. Should there be underperformance of a constituent fund, trustee will carry out review with involvement from relevant investment manager of the underlying funds.

Further to regular monitoring, fund performance also will be overseen by Investment Committee of the Trustee, a committee set up by the Board of the Trustee for assessing and monitoring the overall performance of the funds of the Scheme.

• During the covered period, the trustee was concerned about the performance of China Life Retire-Easy Global Equity Fund and requested the investment manager of its underlying fund to formulate improvement proposal such as the possibility of restructuring underlying investment building block for the fund. Trustee will continue to look for an alternative solution including but not limited to replace investment manager of its underlying fund.

• Trustee no longer considers it advisable to maintain two similar guaranteed funds, being the China Life Guaranteed Return Fund and China Life Joyful Retirement Guaranteed Fund (formerly known as China Life Retire-Easy Guarantee Fund), under the Scheme. To allow for a more cost-effective scheme structure, achieve better economies of scale (by consolidating the assets of these two guaranteed funds) and streamline its fund platform, China Life Guaranteed Return Fund was arranged to be terminated and had no investments and operations since 1 December 2020. The Mandatory Provident Fund Schemes Authority had approved the termination of this fund to take effect on 8 March 2021.

• With the aim of sustaining the continuous operation of the insurance policy approved pooled investment fund of China Life Joyful Retirement Guaranteed Fund (formerly known as China Life Retire-Easy Guarantee Fund) and to ensure that members can continue to enjoy having a guaranteed fund as one of their fund choices, effective from 4 December 2020, relevant changes were made to this fund as that : the guarantee rate has been changed from 2% p.a. to 1.35% p.a.; the guarantee entitlement is subject to qualifying conditions; the management fees and the guarantee charge have been reduced from 1.5% p.a. to 1.2% p.a. and from 1% p.a. to 0.8% p.a. respectively.

• To simplify the choice of constituent funds available under the Scheme and enhance the competitiveness of the Scheme, two funds, namely China Life Retire-Easy Balanced Fund and China Life Retire-Easy Capital Stable Fund, had no investments and operations since 24 September 2019. The Mandatory Provident Fund Schemes Authority had approved the termination of these funds to take effect on 8 January 2020.

Note 1: The figure is obtained from Lipper.

Note 2: The comparison between the performance and the market average of the corresponding fund types may not be meaningful as different funds may have different launch dates.

Note 3: The figure is obtained from FTSE Russell.

CHINA LIFE MPF MASTER TRUST SCHEME
INVESTMENT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

2 Investment valuations and movements

Contribution monies received during the year were invested into the following constituent funds based on the investment options chosen by the Scheme members. Movements in their net asset values during the year and their net asset value positions at year end are summarised as follows:

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund Note 1 HK\$	China Life Hong Kong Equity Fund HK\$	China Life Retire-Easy Capital Stable Fund Note 2 HK\$	China Life Retire-Easy Balanced Fund Note 2 HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
Opening net asset value	390,699,740	215,739,882	629,687,179	1,558,334,108	260,701,405	655,389,161	-	151,273,295	54,089,141	72,578,155
Proceeds on issue of units	74,587,610	152,984,644	136,383,747	312,126,630	277,794,441	1,996,186,949	-	53,720,589	51,086,475	50,108,543
Payments on redemption of units	(52,764,583)	(123,705,152)	(111,254,479)	(1,889,748,295)	(231,428,337)	(566,063,028)	-	(43,061,144)	(19,194,420)	(29,601,170)
Total comprehensive income for the year	56,063,796	1,432,057	95,938,144	19,287,557	59,129,461	14,931,488	-	15,864,410	10,117,911	7,529,815
Change of net asset value during the year	77,886,823	30,711,549	121,067,412	(1,558,334,108)	105,495,565	1,445,055,409	-	26,523,855	42,009,966	28,037,188
Closing net asset value	468,586,563	246,451,431	750,754,591	-	366,196,970	2,100,444,570	-	177,797,150	96,099,107	100,615,343

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

2 Investment valuations and movements (Continued)

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund ^{Note 1} HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund * HK\$	China Life Retire-Easy Capital Stable Fund ^{Note 2} HK\$	China Life Retire-Easy Balanced Fund ^{Note 2} HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
As at 31 December 2020											
Investments	469,820,612	-	751,033,144	-	365,142,060	2,112,078,495	-	-	177,472,325	94,894,426	99,570,035
(% of net asset value)	100.26%	-	100.04%	-	99.71%	100.55%	-	-	99.82%	98.75%	98.96%
Other assets/(liabilities)	(1,234,049)	246,451,431	(278,553)	-	1,054,910	(11,633,925)	-	-	324,825	1,204,681	1,045,308
(% of net asset value)	(0.26%)	100.00%	(0.04%)	-	0.29%	(0.55%)	-	-	0.18%	1.25%	1.04%
Net asset value	468,586,563	246,451,431	750,754,591	-	366,196,970	2,100,444,570	-	-	177,797,150	96,099,107	100,615,343
Net asset value per unit	29.82	11.00	32.70	-	20.63	15.23	-	-	13.81	13.28	12.00
As at 31 December 2019											
Investments	392,128,513	-	630,702,615	1,568,868,117	260,562,649	651,587,007	-	-	151,527,275	53,947,424	72,605,959
(% of net asset value)	100.37%	-	100.16%	100.68%	99.95%	99.42%	-	-	100.17%	99.74%	100.04%
Other assets/(liabilities)	(1,428,773)	215,739,882	(1,015,436)	(10,534,009)	138,756	3,802,154	-	-	(253,980)	141,717	(26,904)
(% of net asset value)	(0.37%)	100.00%	(0.16%)	(0.68%)	0.05%	0.58%	-	-	(0.17%)	0.26%	(0.04%)
Net asset value	390,699,740	215,739,882	629,687,179	1,558,334,108	260,701,405	655,389,161	-	-	151,273,295	54,089,141	72,578,155
Net asset value per unit	26.22	10.93	28.49	15.10	17.46	14.93	-	-	12.62	11.80	10.94

FOR THE YEAR ENDED 31 DECEMBER 2020

	China Life										
	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund ^{Note 1} HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund [*] HK\$	China Life Retire-Easy Capital Stable Fund ^{Note 2} HK\$	China Life Retire-Easy Balanced Fund ^{Note 2} HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
As at 31 December 2018											
Investments	281,741,751	-	524,751,937	1,605,084,031	204,595,966	742,327,891	52,395,057	53,417,231	125,527,542	27,388,607	10,534,441
(% of net asset value)	100.21%	-	100.23%	100.32%	99.51%	100.21%	100.42%	100.42%	100.14%	99.45%	97.02%
Other assets/(liabilities)	(581,643)	192,019,897	(1,194,848)	(5,102,197)	1,003,830	(1,544,532)	(221,246)	(222,924)	(179,704)	151,030	323,765
(% of net asset value)	(0.21%)	100.00%	(0.23%)	(0.32%)	0.49%	(0.21%)	(0.42%)	(0.42%)	(0.14%)	0.55%	2.98%
Net asset value	281,160,108	192,019,897	523,557,089	1,599,981,834	205,599,796	740,783,359	52,173,811	53,194,307	125,347,838	27,539,637	10,858,206
Net asset value per unit	22.50	10.80	23.73	14.58	15.03	14.49	11.96	11.50	10.78	10.19	10.04

* formerly known as China Life Retire-Easy Guarantee Fund and operations since 24 September 2019, and funds approved

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment performance

	China Life										
	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund ^{Note 1} HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund * HK\$	China Life Retire-Easy Capital Stable Fund ^{Note 2} HK\$	China Life Retire-Easy Balanced Fund ^{Note 2} HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
2020											
Guaranteed return	-	-	-	15,987,477	-	10,183,980	-	-	-	-	-
Net (losses)/income excluding capital appreciation and guaranteed return	(2,267,569)	1,432,057	(3,564,251)	(20,618,767)	(34,286)	(11,279,353)	-	-	(2,087,455)	(450,574)	(511,891)
Capital appreciation	58,331,365	-	99,502,395	23,918,847	59,163,747	16,026,861	-	-	17,951,865	10,568,485	8,041,706
Net income for the year	56,063,796	1,432,057	95,938,144	19,287,557	59,129,461	14,931,488	-	-	15,864,410	10,117,911	7,529,815
Total net asset value	468,586,563	246,451,431	750,754,591	-	366,196,970	2,100,444,570	-	-	177,797,150	96,099,107	100,615,343
Net asset value per unit	29.82	11.00	32.70	-	20.63	15.23	-	-	13.81	13.28	12.00
2019											
Guaranteed return	-	-	-	5,871,359	-	-	-	-	-	-	-
Net (losses)/income excluding capital appreciation and guaranteed return	(1,905,415)	2,389,729	(3,403,735)	(21,676,507)	(48,289)	(12,170,951)	(604,521)	(630,996)	(1,978,776)	(261,946)	(194,989)
Capital appreciation	51,985,771	-	109,017,559	66,343,397	35,507,194	34,335,742	4,209,653	5,181,528	23,689,392	5,840,055	1,421,797
Net income for the year	50,080,356	2,389,729	105,613,824	50,538,249	35,458,905	22,164,791	3,605,132	4,550,532	21,710,616	5,578,109	1,226,808
Total net asset value	390,699,740	215,739,882	629,687,179	1,558,334,108	260,701,405	655,389,161	-	-	151,273,295	54,089,141	72,578,155
Net asset value per unit	26.22	10.93	28.49	15.10	17.46	14.93	-	-	12.62	11.80	10.94

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment performance (Continued)

2018

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund Note 1 HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund * HK\$	China Life Retire-Easy Capital Stable Fund Note 2 HK\$	China Life Retire-Easy Balanced Fund Note 2 HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
Guaranteed return	-	-	-	60,489,571	-	34,524,147	-	-	-	-	-
Net (losses)/income excluding capital (depreciation) and guaranteed return	(1,963,772)	838,376	(3,789,753)	(22,328,653)	(25,306)	(13,410,162)	(778,433)	(843,943)	(2,054,072)	(134,857)	(52,640)
Capital depreciation	(28,477,740)	-	(69,373,784)	(58,989,270)	(28,106,596)	(3,408,395)	(2,680,322)	(5,237,234)	(16,465,995)	(1,734,293)	(88,749)
Net (losses)/income for the year	(30,441,512)	838,376	(73,163,537)	(20,828,352)	(28,131,902)	17,705,590	(3,458,755)	(6,081,177)	(18,520,067)	(1,869,150)	(141,389)
Total net asset value	281,160,108	192,019,897	523,557,089	1,599,981,834	205,599,796	740,783,359	52,173,811	53,194,307	125,347,838	27,539,637	10,858,206
Net asset value per unit	22.50	10.80	23.73	14.58	15.03	14.49	11.96	11.50	10.78	10.19	10.04

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment performance (Continued)

Performance record (Note 1)

Name of constituent fund	Highest issue price									
	2020 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2016 HK\$	2015 HK\$	2014 HK\$	2013 HK\$	2012 HK\$	2011 HK\$
China Life Balanced Fund	29.82	26.23	26.55	24.91	21.32	22.69	21.33	20.27	18.14	18.46
China Life MPF Conservative Fund	11.00	10.93	10.80	10.76	10.76	10.76	10.75	10.75	10.75	10.75
China Life Growth Fund	32.70	28.50	29.24	27.04	22.13	24.21	22.25	21.03	18.13	18.92
China Life Guaranteed Return Fund Note 4	15.37	15.14	15.19	15.28	15.20	15.12	14.37	13.79	13.31	13.36
China Life Hong Kong Equity Fund	20.63	17.77	19.01	17.18	13.26	15.16	12.93	12.25	11.21	10.00
China Life Joyful Retirement Guaranteed Fund *	15.23	14.93	14.49	14.21	13.80	13.39	13.00	12.62	12.16	11.81
China Life Retire-Easy Capital Stable Fund Note 3	N/A	12.79	13.15	12.76	11.99	12.06	11.80	11.35	11.02	10.71
China Life Retire-Easy Balanced Fund Note 3	N/A	12.76	13.62	12.84	10.80	11.63	11.02	10.40	9.41	9.45
China Life Retire-Easy Global Equity Fund	13.81	12.64	13.34	12.39	9.78	10.99	10.22	9.53	8.18	8.54
China Life Core Accumulation Fund	13.28	11.83	11.32	10.87	N/A	N/A	N/A	N/A	N/A	N/A
China Life Age 65 Plus Fund	12.00	10.97	10.31	10.24	N/A	N/A	N/A	N/A	N/A	N/A

Name of constituent fund	Lowest redemption price									
	2020 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2016 HK\$	2015 HK\$	2014 HK\$	2013 HK\$	2012 HK\$	2011 HK\$
China Life Balanced Fund	20.98	22.26	22.16	20.32	18.17	19.21	19.37	17.83	15.74	14.91
China Life MPF Conservative Fund	10.93	10.80	10.76	10.76	10.76	10.75	10.75	10.75	10.75	10.73
China Life Growth Fund	21.23	23.36	23.28	21.10	18.21	19.67	19.80	17.97	15.24	14.27
China Life Guaranteed Return Fund Note 4	14.45	14.52	14.48	14.47	14.25	13.95	13.40	12.80	12.58	12.16
China Life Hong Kong Equity Fund	13.76	14.57	14.38	12.08	9.84	11.04	11.00	10.11	9.14	9.98
China Life Joyful Retirement Guaranteed Fund *	14.94	14.49	14.21	13.80	13.39	13.00	12.63	12.26	11.81	11.47
China Life Retire-Easy Capital Stable Fund Note 3	N/A	11.93	11.84	11.35	10.87	11.12	11.20	10.66	10.08	9.93
China Life Retire-Easy Balanced Fund Note 3	N/A	11.38	11.29	10.40	9.27	9.78	10.02	9.24	8.09	7.86
China Life Retire-Easy Global Equity Fund	8.81	10.61	10.53	9.49	8.01	8.72	9.00	8.07	6.67	6.52
China Life Core Accumulation Fund	9.60	10.11	9.93	9.99	N/A	N/A	N/A	N/A	N/A	N/A
China Life Age 65 Plus Fund	10.42	10.04	9.94	9.92	N/A	N/A	N/A	N/A	N/A	N/A

Name of constituent fund	Net annualised investment return (Note 2)									
	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %
China Life Balanced Fund	13.73	16.53	(9.82)	22.79	0.89	(2.23)	1.33	12.51	13.86	(11.04)
China Life MPF Conservative Fund	0.64	1.20	0.37	0.00	0.00	0.09	0.00	0.00	0.00	0.00
China Life Growth Fund	14.78	20.06	(12.37)	28.34	0.62	(2.01)	1.42	16.90	16.53	(14.94)
China Life Guaranteed Return Fund Note 4	1.30	3.57	(1.35)	0.20	0.00	3.87	3.57	3.08	(1.63)	3.05
China Life Hong Kong Equity Fund	18.16	16.17	(12.51)	42.22	1.43	(4.26)	3.58	7.14	12.32	(8.11)
China Life Joyful Retirement Guaranteed Fund *	2.01	3.04	1.97	2.97	3.06	3.00	3.01	2.94	3.81	2.96
China Life Retire-Easy Capital Stable Fund Note 3	N/A	9.41	(6.42)	12.60	0.71	(2.42)	2.03	2.91	9.13	(2.23)
China Life Retire-Easy Balanced Fund Note 3	N/A	11.57	(10.58)	23.65	1.86	(3.77)	1.73	11.31	15.11	(9.35)
China Life Retire-Easy Global Equity Fund	9.43	17.07	(13.06)	30.66	2.26	(4.53)	1.46	17.55	18.80	(14.57)
China Life Core Accumulation Fund	12.54	15.80	(6.17)	6.48	N/A	N/A	N/A	N/A	N/A	N/A
China Life Age 65 Plus Fund	9.69	8.96	(1.76)	1.66	N/A	N/A	N/A	N/A	N/A	N/A

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment performance (Continued)

Performance record (Continued)

Note 1: Past performance is not necessarily a guide to future performance. Investors are reminded that the price of units and the income from them are not guaranteed and may go down as well as up. China Life Hong Kong Equity Fund was launched on 23 December 2011. China Life Core Accumulation Fund and China Life Age 65 Plus Fund were launched on 1 April 2017.

Note 2: Net annualised investment return is determined by the following formula:

$$\frac{\text{Unit price at the end of the relevant period} - \text{Unit price at the beginning of the relevant period}}{\text{Unit price at the beginning of the relevant period}} \times \frac{\text{Total number of days for the relevant year}}{\text{Total number of days for the relevant period}}$$

The following table summarises the fund expense ratio (“FER”) and transaction costs of the constituent funds:

	FER 2020 %	Transaction costs 2020 HK\$
China Life Balanced Fund	1.42%	-
China Life MPF Conservative Fund	0.83%	-
China Life Growth Fund	1.42%	-
China Life Guaranteed Return Fund ^{Note 4}	1.78%	-
China Life Hong Kong Equity Fund	0.88%	-
China Life Joyful Retirement Guaranteed Fund *	2.40%	-
China Life Retire-Easy Capital Stable Fund ^{Note 3}	N/A	-
China Life Retire-Easy Balanced Fund ^{Note 3}	N/A	-
China Life Retire-Easy Global Equity Fund	1.58%	-
China Life Core Accumulation Fund	0.84%	-
China Life Age 65 Plus Fund	0.83%	-

Note 3: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

Note 4: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investment portfolio as at 31 December 2020

		2020			
	Holding units	Cost HK\$	Fair value HK\$	% of net asset value	
1)	China Life Balanced Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Balanced Fund Class A	1,699,969.65	322,720,677	469,820,612	100.26%
2)	China Life Growth Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Growth Fund Class A	2,522,785.16	473,963,999	751,033,144	100.04%
3)	China Life Guaranteed Return Fund ^{Note 1} <u>Approved pooled investment fund</u> China Life Guaranteed Return (PIF) Fund	-	-	-	-
4)	China Life Hong Kong Equity Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Hong Kong Equity Fund	961,203.70	293,040,615	365,142,060	99.71%
5)	China Life Joyful Retirement Guaranteed Fund * <u>Approved pooled investment fund</u> China Life Retire-Easy Guarantee (PIF) Fund	115,618,827.60	2,087,628,702	2,112,078,495	100.55%
6)	China Life Retire-Easy Capital Stable Fund ^{Note 2} <u>Approved pooled investment fund</u> Invesco Global Stable Fund	-	-	-	N/A
7)	China Life Retire-Easy Balanced Fund ^{Note 2} <u>Approved pooled investment fund</u> Invesco Global Balanced Fund	-	-	-	N/A

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investment portfolio as at 31 December 2020 (Continued)

		2020		
	Holding units	Cost HK\$	Fair value HK\$	% of net asset value
8)	China Life Retire-Easy Global Equity Fund <u>Approved pooled investment fund</u>			
	Invesco Global Equities Fund	5,014,291.55	122,596,142	177,472,325
				99.82%
9)	China Life Core Accumulation Fund <u>Approved pooled investment fund</u>			
	Invesco Core Accumulation Fund	6,943,172.86	81,048,688	94,894,426
				98.75%
10)	China Life Age 65 Plus Fund <u>Approved pooled investment fund</u>			
	Invesco Age 65 Plus Fund	7,982,397.77	91,301,459	99,570,035
				98.96%

The underlying approved pooled investment funds listed above were established in Hong Kong and have been approved by the MPFA.

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investment portfolio movement report for the year ended 31 December 2020

		Holdings		
		At 1 January 2020	Additions	Disposals
				At 31 December 2020
1)	China Life Balanced Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Balanced Fund Class A	1,622,846.97	213,096.79	(135,974.11)
		<u>1,622,846.97</u>	<u>213,096.79</u>	<u>(135,974.11)</u>
2)	China Life Growth Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Growth Fund Class A	2,446,385.38	364,594.68	(288,194.90)
		<u>2,446,385.38</u>	<u>364,594.68</u>	<u>(288,194.90)</u>
3)	China Life Guaranteed Return Fund ^{Note 1} <u>Approved pooled investment fund</u> China Life Guaranteed Return (PIF) Fund	78,291,520.32	15,486,580.94	(93,778,101.26)
		<u>78,291,520.32</u>	<u>15,486,580.94</u>	<u>(93,778,101.26)</u>
4)	China Life Hong Kong Equity Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Hong Kong Equity Fund	810,408.84	677,683.01	(526,888.15)
		<u>810,408.84</u>	<u>677,683.01</u>	<u>(526,888.15)</u>
5)	China Life Joyful Retirement Guaranteed Fund * <u>Approved pooled investment fund</u> China Life Retire-Easy Guarantee (PIF) Fund	36,426,539.32	110,430,110.33	(31,237,822.05)
		<u>36,426,539.32</u>	<u>110,430,110.33</u>	<u>(31,237,822.05)</u>
6)	China Life Retire-Easy Capital Stable Fund ^{Note 2} <u>Approved pooled investment fund</u> Invesco Global Stable Fund	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
7)	China Life Retire-Easy Balanced Fund ^{Note 2} <u>Approved pooled investment fund</u> Invesco Global Balanced Fund	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>

CHINA LIFE MPF MASTER TRUST SCHEME

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investment portfolio movement report for the year ended 31 December 2020 (Continued)

	Holdings At 1 January 2020	Additions	Disposals	At 31 December 2020
8) China Life Retire-Easy Global Equity Fund <u>Approved pooled investment fund</u> Invesco Global Equities Fund	4,759,201.82	1,302,806.70	(1,047,716.97)	5,014,291.55
9) China Life Core Accumulation Fund <u>Approved pooled investment fund</u> Invesco Core Accumulation Fund	4,469,694.44	3,576,928.97	(1,103,450.55)	6,943,172.86
10) China Life Age 65 Plus Fund <u>Approved pooled investment fund</u> Invesco Age 65 Plus Fund	6,426,477.66	3,366,110.88	(1,810,190.77)	7,982,397.77

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CHINA LIFE MPF MASTER TRUST SCHEME (THE "SCHEME")

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of the Scheme and each of its constituent funds set out on pages 45 to 88, which comprise:

- the statement of net assets available for benefits of the Scheme and the statement of net assets of each of its constituent funds as at 31 December 2020;
- the statement of comprehensive income of each of the constituent funds for the year then ended;
- the statement of changes in net assets available for benefits of the Scheme and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended;
- the statement of cash flows of the Scheme and each of its constituent funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme and each of its constituent funds as at 31 December 2020, and of their financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Scheme and each of its constituent funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter

We draw attention to Note 2(a) to these financial statements, which states that the Trustee has resolved to terminate China Life Guaranteed Return Fund. As a result, these financial statements have not been prepared on a going concern basis, and are prepared in accordance with the basis set out in Note 2(a). Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CHINA LIFE MPF MASTER TRUST SCHEME (THE "SCHEME") (CONTINUED)

Other Information

The Trustee is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's and each of its constituent funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme and its constituent funds or to cease operations, or has no realistic alternative but to do so.

In addition, the Trustee is required to ensure that the financial statements of the Scheme and each of its constituent funds have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Scheme and each of its constituent funds have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
CHINA LIFE MPF MASTER TRUST SCHEME (THE "SCHEME") (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

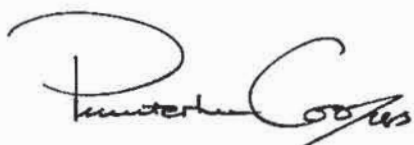
As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's and its constituent funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's and its constituent funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme and its constituent funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the General Regulation

- a. In our opinion, the financial statements of the Scheme and each of its constituent funds have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- b. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 June 2021

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - THE SCHEME AS AT 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Assets			
Investments	9	4,306,945,725	3,988,492,066
Contributions receivable			
From employers		16,049,451	13,891,095
From members		11,256,182	10,498,523
Amounts receivable on sale of investments		1,500,438	2,136,917
Cash and cash equivalents		26,482,265	26,217,941
Total assets		<u>4,362,234,061</u>	<u>4,041,236,542</u>
Liabilities			
Accruals and other payables		10,307,573	5,758,299
Benefits payable		18,501,402	24,255,431
Accounts payable on funds switching		-	1,570,353
Forfeitures payable		39,103	39,103
Total liabilities		<u>28,848,078</u>	<u>31,623,186</u>
Net assets available for benefits attributable to members		<u>4,333,385,983</u>	<u>4,009,613,356</u>

On behalf of China Life Trustees Limited

姜涛

Director



Director

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - THE SCHEME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Income			
Net change in unrealised gain on investments		279,921,669	299,584,672
Net realised gain on investments		372,970	3,332,379
Bank interest income		378	29,065
Other income		954	-
		<u>280,295,971</u>	<u>302,946,116</u>
Expenses			
Bank charges		300	-
Net income for the year		<u>280,295,671</u>	<u>302,946,116</u>
		-----	-----
Contributions received and receivable	6		
From employers			
- Mandatory		129,367,585	127,694,419
- Additional voluntary		74,552,729	84,116,853
From members			
- Mandatory		140,341,433	154,855,929
- Additional voluntary		8,671,139	112,652,203
- Additional voluntary (Smart Easy Personal Contributions)		117,082,560	46,078,946
- Additional voluntary (Tax Deductible Voluntary Contributions)		14,744,249	5,594,778
		<u>484,759,695</u>	<u>530,993,128</u>
		-----	-----
Transfers in			
Group transfers in from other schemes		7,623,085	5,035,548
Individual transfers in from other schemes		172,126,004	116,858,179
		<u>179,749,089</u>	<u>121,893,727</u>
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The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - THE SCHEME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Benefits paid and payable	7		
Retirement/early retirement		73,058,400	98,908,372
Death		2,324,901	3,402,391
Permanent departure		14,190,617	12,034,741
Total incapacity		585,275	702,520
Terminal Illness		767,280	344,832
Refund of additional voluntary contributions		282,302,774	462,902,901
Long service payment refund		21,933,656	10,815,874
		<u>395,162,903</u>	<u>589,111,631</u>
Transfers out			
Group transfers out to other schemes		15,241,755	13,563,837
Individual transfers out to other schemes		203,246,328	174,847,645
		<u>218,488,083</u>	<u>188,411,482</u>
Forfeitures		<u>7,380,842</u>	<u>8,387,271</u>
Change in net assets available for benefits attributable to members for the year		323,772,627	169,922,587
Net assets available for benefits attributable to members at the beginning of the year			
- members' accounts		<u>4,009,613,356</u>	<u>3,839,690,769</u>
Net assets available for benefits attributable to members at the end of the year			
- members' accounts		<u>4,333,385,983</u>	<u>4,009,613,356</u>

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CASH FLOWS - THE SCHEME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 HK\$	2019 HK\$
Cash flows from operating activities		
Net income	280,295,671	302,946,116
Adjustment for bank interest income	(378)	(29,065)
	<hr/>	<hr/>
Net increase in investments	280,295,293	302,917,051
Net decrease/(increase) in amounts receivable on sale of investments and other receivables	(318,453,659)	(176,276,184)
	636,479	(1,705,305)
Net increase/(decrease) in accruals and other payables	4,549,274	(947,641)
Net decrease in accounts payable on funds switching	(1,570,353)	(260,439)
	<hr/>	<hr/>
Bank interest received	(34,542,966)	123,727,482
	378	29,065
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(34,542,588)	123,756,547
	<hr/>	<hr/>
Cash flows from financing activities		
Contributions and transfers in received	661,592,769	654,165,347
Benefits and transfers out paid	(619,405,015)	(763,005,124)
Forfeitures paid	(7,380,842)	(8,387,271)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	34,806,912	(117,227,048)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	264,324	6,529,499
Cash and cash equivalents at the beginning of the year	26,217,941	19,688,442
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26,482,265	26,217,941
	<hr/>	<hr/>
Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents	26,482,265	26,217,941
	<hr/>	<hr/>

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF NET ASSETS - CONSTITUENT FUNDS AS AT 31 DECEMBER 2020

	Note	China Life Balanced Fund		China Life MPF Conservative Fund		China Life Growth Fund	
		2020	2019	2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Assets							
Investments	9	469,820,612	392,128,513	-	-	751,033,144	630,702,615
Amounts receivable on funds switching		323,308	41,881	1,850,688	841,135	1,729,980	722,835
Interest receivable		-	-	358,830	1,131,417	-	-
Amounts receivable on sale of investments		-	222,294	-	-	158,085	715,835
Fund transfer in receivable		-	93,929	-	-	-	52,974
Other receivables		-	-	-	-	-	-
Bank deposits with original maturity over three months		-	-	214,447,548	188,354,043	-	-
Cash and cash equivalents		507	507	31,671,050	25,986,528	512	512
Total assets		470,144,427	392,487,124	248,328,116	216,313,123	752,921,721	632,194,771
Liabilities							
Accruals and other payables		1,127,655	980,867	435,411	498,749	1,780,824	1,563,991
Amounts payable on funds switching		430,209	584,223	1,441,274	74,492	228,221	227,766
Amounts payable on purchase of investments		-	222,294	-	-	158,085	715,835
Total liabilities		1,557,864	1,787,384	1,876,685	573,241	2,167,130	2,507,592
Net assets attributable to members		468,586,563	390,699,740	246,451,431	215,739,882	750,754,591	629,687,179
Units in issue		15,712,705.80	14,899,517.84	22,403,628.19	19,739,018.71	22,955,925.42	22,105,683.09
Net asset value per unit		29.82	26.22	11.00	10.93	32.70	28.49

On behalf of China Life Trustees Limited



Director



Director

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF NET ASSETS - CONSTITUENT FUNDS (CONTINUED) AS AT 31 DECEMBER 2020

	Note	China Life Guaranteed Return Fund		China Life Hong Kong Equity Fund		China Life Joyful Retirement Guaranteed Fund *	
		2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Assets							
Investments	9	-	1,568,868,117	365,142,060	260,562,649	2,112,078,495	651,587,007
Amounts receivable on funds switching		-	2,020,591	2,833,075	1,132,419	2,075,986	8,475,339
Interest receivable		-	-	-	-	-	-
Amounts receivable on sale of investments		-	-	274,436	249,795	-	-
Fund transfer in receivable		-	-	-	1,137,141	-	-
Other receivables		-	-	-	-	-	-
Bank deposits with original maturity over three months		-	-	-	-	-	-
Cash and cash equivalents		-	517	203	203	266	266
Total assets		-	1,570,889,225	368,249,774	263,082,207	2,114,154,747	660,062,612
Liabilities							
Accruals and other payables		-	5,809,657	395,244	298,299	4,251,088	2,749,898
Amounts payable on funds switching		-	6,745,460	1,383,124	1,832,708	9,459,089	1,923,553
Amounts payable on purchase of investments		-	-	274,436	249,795	-	-
Total liabilities		-	12,555,117	2,052,804	2,380,802	13,710,177	4,673,451
Net assets attributable to members		-	1,558,334,108	366,196,970	260,701,405	2,100,444,570	655,389,161
Units in issue		-	103,170,332.54	17,754,929.90	14,928,335.63	137,910,758.21	43,882,866.96
Net asset value per unit		-	15.10	20.63	17.46	15.23	14.93

On behalf of China Life Trustees Limited

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Director

Director

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

* formerly known as China Life Retire-Easy Guarantee Fund
The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF NET ASSETS - CONSTITUENT FUNDS (CONTINUED) AS AT 31 DECEMBER 2020

	Note	China Life Retire-Easy Capital Stable Fund 2020 HK\$	2019 HK\$	China Life Retire-Easy Balanced Fund 2020 HK\$	2019 HK\$	China Life Retire-Easy Global Equity Fund 2020 HK\$	2019 HK\$
Assets							
Investments	9	-	-	-	-	177,472,325	151,527,275
Amounts receivable on funds switching		-	-	-	-	1,450,345	341,553
Interest receivable		-	-	-	-	-	-
Amounts receivable on sale of investments		-	-	-	-	396,651	491,353
Fund transfer in receivable		-	-	-	-	-	589,249
Other receivables		-	-	-	-	-	-
Bank deposits with original maturity over three months		-	-	-	-	-	-
Cash and cash equivalents		-	-	-	-	93	93
Total assets						179,319,414	152,949,523
Liabilities							
Accruals and other payables		-	-	-	-	596,681	533,733
Amounts payable on funds switching		-	-	-	-	925,583	651,142
Amounts payable on purchase of investments		-	-	-	-	-	491,353
Total liabilities						1,522,264	1,676,228
Net assets attributable to members						177,797,150	151,273,295
Units in issue						12,876,960.03	11,990,826.38
Net asset value per unit						13.81	12.62

On behalf of China Life Trustees Limited

姜涛


Director

Director

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF NET ASSETS - CONSTITUENT FUNDS (CONTINUED) AS AT 31 DECEMBER 2020

	Note	China Life Core Accumulation Fund		China Life Age 65 Plus Fund		Total
		2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$
Assets						
Investments	9					
Amounts receivable on funds switching		94,894,426	53,947,424	99,570,035	72,605,059	4,070,011,097
Interest receivable		1,348,128	228,673	1,214,897	139,154	12,826,407
Amounts receivable on sale of investments		-	-	-	-	358,830
Fund transfer in receivable		-	354,103	-	103,537	432,521
Other receivables		3,195	280,950	-	-	399,846
Bank deposits with original maturity over three months		1,496	2,499	1,496	2,499	2,992
Cash and cash equivalents		-	-	-	-	214,447,548
		-	-	-	-	31,672,631
Total assets		96,247,245	54,813,649	100,786,428	72,850,249	4,330,151,872
Liabilities						
Accruals and other payables		143,049	83,605	149,413	121,540	8,879,365
Amounts payable on funds switching		5,089	286,800	21,672	47,017	13,894,261
Amounts payable on purchase of investments		-	354,103	-	103,537	432,521
Total liabilities		148,138	724,508	171,085	272,094	23,206,147
Net assets attributable to members		96,099,107	54,089,141	100,615,343	72,578,155	4,306,945,725
Units in issue		7,238,069.51	4,585,521.26	8,385,931.02	6,635,811.88	
Net asset value per unit		13.28	11.80	12.00	10.94	

On behalf of China Life Trustees Limited

姜涛

Director

Director

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 31 DECEMBER 2020

Note	China Life Balanced Fund		China Life MPF Conservative Fund		China Life Growth Fund		China Life Guaranteed Return Fund Note 1		China Life Hong Kong Equity Fund	
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Income										
Bank interest income	-	2	3,335,367	4,230,668	-	4	-	-	-	2
Guaranteed return	-	-	-	-	-	-	15,987,477	5,871,359	-	-
Net realised gains on sale of investments	6,772,967	5,308,363	-	-	18,141,397	15,551,298	130,601,515	24,137,333	10,935,624	5,623,639
Net change in unrealised gains/(losses) on investments	51,558,398	46,677,408	-	-	81,360,998	93,466,261	(106,682,668)	42,206,064	48,228,123	29,883,555
Other income	1,643,799	1,303,365	-	-	2,575,667	2,342,992	-	-	1,233,010	975,398
	59,975,164	53,289,138	3,335,367	4,230,668	102,078,062	111,360,555	39,906,324	72,214,756	60,396,757	36,482,594
Expenses										
Auditor's remuneration	67,147	48,363	38,143	33,568	106,410	81,274	229,217	237,799	52,198	37,202
Administration fee	1,994,542	1,633,683	642,092	620,336	3,132,338	2,929,450	12,981,323	13,613,116	586,484	471,458
Custodian fee	398,908	326,736	214,031	206,779	626,468	585,890	1,442,369	1,512,569	293,242	235,729
MPF indemnity insurance	11,270	9,784	6,378	6,169	17,903	17,637	42,511	51,013	7,352	6,780
Trustee fee	1,396,179	1,143,578	749,108	723,726	2,192,637	2,050,615	5,769,477	6,050,274	293,242	235,729
Investment management fee	-	-	214,031	206,779	-	-	-	-	-	-
Other expenses	43,322	46,638	39,527	43,582	64,162	81,865	153,870	211,736	34,778	36,791
	3,911,368	3,208,782	1,903,310	1,840,939	6,139,918	5,746,731	20,618,767	21,676,507	1,267,296	1,023,689
Total comprehensive income for the year	56,063,796	50,080,356	1,432,057	2,389,729	95,938,144	105,613,824	19,287,557	50,538,249	59,129,461	35,458,905

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

The notes on pages 62 to 88 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

- 54 -

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	China Life Core Accumulation Fund		China Life Age 65 Plus Fund		Total	
		2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Income							
Bank interest income		-	-	-	-	3,335,367	4,230,676
Guaranteed return		-	-	-	-	26,171,457	5,871,359
Net realised gains on sale of investments		833,834	329,413	930,288	216,398	187,736,322	92,512,551
Net change in unrealised gains on investments		9,734,651	5,510,642	7,111,418	1,205,399	105,768,949	245,019,537
Other income		-	-	-	215	5,452,476	4,621,970
		10,568,485	5,840,055	8,041,706	1,422,012	328,464,571	352,256,093
Expenses							
Auditor's remuneration		14,547	8,332	13,669	6,302	643,898	577,027
Administration fee	4(a)	199,387	113,932	228,481	84,904	25,024,931	25,387,608
Custodian fee		71,210	40,690	81,601	30,323	4,426,511	4,464,924
MPF indemnity insurance		1,597	923	2,182	802	116,660	122,723
Trustee fee	4(a)	149,493	85,393	171,266	63,632	13,940,515	13,914,097
Investment management fee	4(b)	-	-	-	-	3,569,266	4,276,666
Other expenses		14,340	12,676	14,692	9,241	448,151	595,997
		450,574	261,946	511,891	195,204	48,169,932	49,339,042
Total comprehensive income for the year		10,117,911	5,578,109	7,529,815	1,226,808	280,294,639	302,917,051

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	China Life Balanced Fund			China Life MPF Conservative Fund		China Life Growth Fund		China Life Guaranteed Return Fund Note 1		China Life Hong Kong Equity Fund	
	2020 HK\$	2019 HK\$		2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Balance at the beginning of the year	390,699,740	281,160,108		215,739,882	192,019,897		629,687,179	523,557,089		1,558,334,108	260,701,405
Units issued	74,587,610	95,205,111		152,984,644	80,759,021		136,383,747	82,195,452		312,126,630	277,794,441
Units redeemed	(52,764,583)	(35,745,835)		(123,705,152)	(59,428,765)		(111,254,479)	(81,679,186)		(1,889,748,295)	(231,428,337)
	21,823,027	59,459,276		29,279,492	21,330,256		25,129,268	516,266		(1,577,621,665)	46,366,104
Total comprehensive income for the year	56,063,796	50,080,356		1,432,057	2,389,729		95,938,144	105,613,824		19,287,557	59,129,461
Balance at the end of the year	468,586,563	390,699,740		246,451,431	215,739,882		750,754,591	629,687,179		-	366,196,970
Units outstanding at the beginning of the year	14,899,517.84	12,494,224.44		19,739,018.71	17,772,616.01		22,105,683.09	22,063,713.11		103,170,332.54	14,928,335.63
Units issued	2,846,667.58	3,852,510.54		13,927,574.75	7,435,539.57		4,927,061.68	3,124,492.32		20,721,094.66	16,255,588.00
Units redeemed	(2,033,479.62)	(1,447,217.14)		(11,262,965.27)	(5,469,136.87)		(4,076,819.35)	(3,082,522.34)		(123,891,427.20)	(13,428,993.73)
Units outstanding at the end of the year	15,712,705.80	14,899,517.84		22,403,628.19	19,739,018.71		22,955,925.42	22,105,683.09		-	17,754,929.90

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>China Life Joyful Retirement</u>		<u>China Life Retire-Easy</u>		<u>China Life Retire-Easy</u>		<u>China Life Retire-Easy</u>	
	<u>Guaranteed Fund *</u>	2019	<u>Capital Stable Fund</u>	Note 2	<u>Balanced Fund</u>	Note 2	<u>Global Equity Fund</u>	
	2020	HK\$	2020	HK\$	2020	HK\$	2020	2019
	HK\$		HK\$		HK\$		HK\$	HK\$
Balance at the beginning of the year	655,389,161		-	52,173,811	-	53,194,307	151,273,295	125,347,838
Units issued	1,996,186,949		-	14,851,419	-	7,791,376	53,720,589	29,686,417
Units redeemed	(566,063,028)		-	(70,630,362)	-	(65,536,215)	(43,061,144)	(25,471,576)
	1,430,123,921		-	(55,778,943)	-	(57,744,839)	10,659,445	4,214,841
Total comprehensive income for the year	14,931,488		-	3,605,132	-	4,550,532	15,864,410	21,710,616
Balance at the end of the year	2,100,444,570		-	655,389,161	-	-	177,797,150	151,273,295
Units outstanding at the beginning of the year	43,882,866.96		-	4,363,644.87	-	4,625,490.95	11,990,826.38	11,624,094.71
Units issued	131,461,555.13		-	1,195,895.45	-	633,984.04	4,547,524.93	2,503,645.66
Units redeemed	(37,433,663.88)		-	(5,559,540.32)	-	(5,259,474.99)	(3,661,391.28)	(2,136,913.99)
Units outstanding at the end of the year	137,910,758.21		-	-	-	-	12,876,960.03	11,990,826.38

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>China Life Core Accumulation Fund</u>		<u>China Life Age 65 Plus Fund</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at the beginning of the year	54,089,141	27,539,637	72,578,155	10,858,206	3,988,492,066	3,812,215,882
Units issued	51,086,475	31,855,523	50,108,543	69,825,955	3,104,979,628	1,607,464,669
Units redeemed	(19,194,420)	(10,884,128)	(29,601,170)	(9,332,814)	(3,066,820,608)	(1,734,105,536)
	31,892,055	20,971,395	20,507,373	60,493,141	38,159,020	(126,640,867)
Total comprehensive income for the year	10,117,911	5,578,109	7,529,815	1,226,808	280,294,639	302,917,051
Balance at the end of the year	96,099,107	54,089,141	100,615,343	72,578,155	4,306,945,725	3,988,492,066
Units outstanding at the beginning of the year	4,585,521.26	2,702,947.75	6,635,811.88	1,081,931.88		
Units issued	4,274,287.49	2,853,320.87	4,360,012.48	6,421,754.98		
Units redeemed	(1,621,739.24)	(970,747.36)	(2,609,893.34)	(867,874.98)		
Units outstanding at the end of the year	7,238,069.51	4,585,521.26	8,385,931.02	6,635,811.88		

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 31 DECEMBER 2020

	China Life Balanced Fund		China Life MPF Conservative Fund		China Life Growth Fund		China Life Guaranteed Return Fund Note 1		China Life Hong Kong Equity Fund	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cash flows from operating activities										
Total comprehensive income for the year	56,063,796	50,080,356	1,432,057	2,389,729	95,938,144	105,613,824	19,287,557	50,538,249	59,129,461	35,458,905
Adjustment for:										
Bank interest income	-	(2)	(3,335,367)	(4,230,668)	-	(4)	-	-	-	(2)
Net (increase)/decrease in investments	(77,692,099)	(110,386,762)	-	-	(120,330,529)	(105,950,678)	1,568,868,117	36,215,914	(104,579,411)	(55,966,683)
Net increase/(decrease) in interest receivable	-	-	772,587	(201,322)	-	-	-	-	-	-
Net increase in bank deposits with original maturity over three months	-	-	(26,093,505)	(9,967,306)	-	-	-	-	-	-
Net decrease/(increase) in amounts receivable on sale of investments	222,294	(185,557)	-	-	557,750	(414,628)	-	-	(24,641)	(249,795)
Net decrease in other receivables	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in accruals and other payables	146,788	215,759	(63,338)	42,121	216,833	117,157	(5,809,657)	(235,700)	96,945	45,953
Net (decrease)/increase in amounts payable on purchase of investments	(222,294)	185,557	-	-	(557,750)	414,628	-	-	24,641	249,795
Cash (used in)/generated from operations	(21,481,515)	(60,090,649)	(27,287,566)	(11,967,446)	(24,175,552)	(219,701)	1,582,346,017	86,518,463	(45,353,005)	(20,461,827)
Bank interest income received	-	2	3,335,367	4,230,668	-	4	-	-	-	2
Net cash (used in)/generated from operating activities	(21,481,515)	(60,090,647)	(23,952,199)	(7,736,778)	(24,175,552)	(219,697)	1,582,346,017	86,518,463	(45,353,005)	(20,461,825)
Cash flows from financing activities										
Receipts on subscription [#]	74,400,112	95,378,241	151,975,091	79,999,602	135,429,576	81,852,749	314,147,221	457,392,023	277,230,926	176,770,408
Payments on redemption [#]	(52,918,597)	(35,287,591)	(122,338,370)	(59,701,429)	(111,254,024)	(81,633,048)	(1,896,493,755)	(543,910,486)	(231,877,921)	(156,308,581)
Net cash generated from/(used in) financing activities	21,481,515	60,090,650	29,636,721	20,298,173	24,175,552	219,701	(1,582,346,534)	(86,518,463)	45,353,005	20,461,827
Net increase/(decrease) in cash and cash equivalents	-	3	5,684,522	12,561,395	-	4	(517)	-	-	2
Cash and cash equivalents at the beginning of the year	507	504	25,986,528	13,425,133	512	508	517	517	203	201
Cash and cash equivalents at the end of the year	507	507	31,671,050	25,986,528	512	512	-	517	203	203
Analysis of balances of cash and cash equivalents										
Cash and cash equivalents	507	507	31,671,050	25,986,528	512	512	-	517	203	203

[#]Include increase/decrease in amounts receivable/payable on funds switching and sale/purchase of investments.

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	China Life Joyful Retirement Guaranteed Fund *		China Life Retire-Easy Capital Stable Fund Note 2		China Life Retire-Easy Balanced Fund Note 2		China Life Retire-Easy Global Equity Fund	
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
Cash flows from operating activities								
Total comprehensive income for the year	14,931,488	22,164,791	-	3,605,132	-	4,550,532	15,864,410	21,710,616
Adjustment for:								
Bank interest income	-	-	-	-	-	-	-	-
Net (increase)/decrease in investments	(1,460,491,488)	90,740,884	-	52,395,057	-	53,417,231	(25,945,050)	(25,999,733)
Net decrease/(increase) in interest receivable	-	-	-	-	-	-	-	-
Net increase in bank deposits with original maturity over three months	-	-	-	-	-	-	-	-
Net decrease/(increase) in amounts receivable on sale of investments	-	-	-	-	-	-	-	-
Net decrease in other receivables	-	-	-	34,138	-	2,015	491,353	(442,062)
Net increase/(decrease) in accruals and other payables	1,501,190	(279,178)	-	(208,046)	-	(215,532)	62,948	44,145
Net (decrease)/increase in amounts payable on purchase of investments	-	-	-	(34,138)	-	(2,015)	(491,353)	442,062
Cash (used in)/generated from operations	(1,444,058,810)	112,626,497	-	55,792,143	-	57,752,231	(10,017,692)	(4,244,972)
Bank interest income received	-	-	-	-	-	-	-	-
Net cash (used in)/generated from operating activities	(1,444,058,810)	112,626,497	-	55,792,143	-	57,752,231	(10,017,692)	(4,244,972)
Cash flows from financing activities								
Receipts on subscription [#]	2,002,586,302	555,206,014	-	14,864,281	-	7,899,781	52,804,395	29,476,973
Payments on redemption [#]	(558,527,492)	(667,832,511)	-	(70,656,474)	-	(65,652,067)	(42,786,703)	(25,232,001)
Net cash generated from/(used in) financing activities	1,444,058,810	(112,626,497)	-	(55,792,193)	-	(57,752,286)	10,017,692	4,244,972
Net increase/(decrease) in cash and cash equivalents	-	-	-	(50)	-	(55)	-	-
Cash and cash equivalents at the beginning of the year	266	266	-	50	-	55	93	93
Cash and cash equivalents at the end of the year	266	266	-	-	-	-	93	93
Analysis of balances of cash and cash equivalents								
Cash and cash equivalents	266	266	-	-	-	-	93	93

[#] Include increase/decrease in amounts receivable/payable on funds switching and sale/purchase of investments.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	China Life Core Accumulation Fund		China Life Age 65 Plus Fund		Total
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$	2020 HK\$
Cash flows from operating activities					
Total comprehensive income for the year	10,117,911	5,578,109	7,529,815	1,226,808	280,294,639
Adjustment for:					
Bank interest income	-	-	-	-	(3,335,367)
Net (increase)/decrease in investments	(40,947,002)	(26,558,817)	(26,964,976)	(62,070,618)	(288,082,438)
Net (increase)/(decrease) in interest receivable	-	-	-	-	772,587
Net increase in bank deposits with original maturity over three months	-	-	-	-	(26,093,505)
Net decrease/(increase) in amounts receivable on sale of investments	354,103	(345,879)	103,537	(103,537)	1,704,396
Net decrease in other receivables	1,003	1,000	1,003	1,000	2,006
Net increase/(decrease) in accruals and other payables	59,444	40,116	27,873	105,254	(3,760,974)
Net (decrease)/increase in amounts payable on purchase of investments	(354,103)	345,879	(103,537)	103,537	(1,704,396)
Cash (used in)/generated from operations	(30,768,644)	(20,939,592)	(19,406,285)	(60,737,556)	(40,203,052)
Bank interest income received	-	-	-	-	3,335,367
Net cash (used in)/generated from operating activities	(30,768,644)	(20,939,592)	(19,406,285)	(60,737,556)	(36,867,685)
Cash flows from financing activities					
Receipts on subscription [#]	50,244,775	31,546,632	49,032,800	70,023,506	3,107,851,198
Payments on redemption [#]	(19,476,131)	(10,607,040)	(29,626,515)	(9,285,950)	(3,065,299,508)
Net cash generated from/(used in) financing activities	30,768,644	20,939,592	19,406,285	60,737,556	42,551,690
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	5,684,005
Cash and cash equivalents at the beginning of the year	-	-	-	-	25,988,626
Cash and cash equivalents at the end of the year	-	-	-	-	31,672,631
Analysis of balances of cash and cash equivalents					
Cash and cash equivalents	-	-	-	-	31,672,631

[#]Include increase/decrease in amounts receivable/payable on funds switching and sale/purchase of investments.

The notes on pages 62 to 88 are an integral part of these financial statements.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

1 The Scheme

China Life MPF Master Trust Scheme (the “Scheme”) is established and governed by its Trust Deed dated 26 January 2000, as amended. The Scheme is registered under section 21 of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”) and is required to comply with the MPF Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority (the “MPFA”) and the Securities and Futures Commission of Hong Kong (the “SFC”).

The Scheme comprises eight constituent funds as at 31 December 2020 (2019: Nine). Each of the constituent funds is approved by the MPFA and authorised by the SFC, and has its own investment policy and predetermined fees and charges. Contributions and benefits are dealt with at the scheme level whereas investments in approved pooled investment funds are dealt with at the constituent funds level. The constituent funds are as follows:

China Life Balanced Fund
China Life MPF Conservative Fund
China Life Growth Fund
China Life Guaranteed Return Fund (the Terminated Fund)
China Life Hong Kong Equity Fund
China Life Joyful Retirement Guaranteed Fund (formerly known as China Life Retire-Easy Guarantee Fund)
China Life Retire-Easy Global Equity Fund
China Life Core Accumulation Fund
China Life Age 65 Plus Fund

China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

China Life Retire-Easy Guarantee Fund changed its name to China Life Joyful Retirement Guaranteed Fund with effect from 4 December 2020.

The financial information of the Scheme comprises (i) the statement of net assets available for benefits as at 31 December 2020, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2020 of the Scheme on a standalone basis; and (ii) the statement of net assets as at 31 December 2020, and the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the year ended 31 December 2020 for each of the Scheme’s constituent funds.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of financial statements of the Scheme and its constituent funds are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

MPFA had approved the termination of the China Life Guaranteed Return Fund (the “Terminated Fund”) on 8 March 2021, where the Terminated Fund had no operations and investments since 1 December 2020. As a result, the financial statements of the Terminated Fund for the year ended have not been prepared on a going concern basis. The Trustee has assessed that the values of all assets and liabilities at the reporting date approximate their net realizable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that the Terminated Fund will be able to realise its assets or to extinguish its liabilities in the normal course of business.

The preparation of financial statements in conformity with HKFRSs requires the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

All references to net assets throughout the financial statements refer to net assets attributable to members unless otherwise stated. All the Scheme and its constituent funds’ assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

Standards and amendments to existing standards effective from 1 January 2020

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2020 that have a material effect on the financial statements of the Scheme and its constituent funds.

New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme and its constituent funds.

(b) Investments

Classification

The Scheme and its constituent funds classify their investments based on both the Scheme’s and its constituent funds’ business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets are managed and performance are evaluated on a fair value basis. The Scheme and its constituent funds are primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Scheme and its constituent funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The collection of contractual cash flows is only incidental to achieving the Scheme and its constituent funds’ business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(b) Investments (Continued)

Recognition, derecognition and measurement

Regular purchases and sales of investments are accounted for on the trade date basis - the date on which the Scheme and its constituent funds commit to purchase or sell the investments. Financial assets at fair value through profit or loss are initially recognised at fair value, excluding transaction costs. Transaction costs are expensed as incurred in the statement of changes in net assets available for benefits for the Scheme and statement of comprehensive income for the constituent funds.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Scheme and its constituent funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “investments” category are presented in the statement of changes in net assets available for benefits within “net change in unrealised gain on investments” and “net realised gain on investments” for the Scheme and in the statement of comprehensive income within “net change in unrealised gains/(losses) on investments” and “net realized gains on sale of investments” for the constituent funds in the year in which they arise.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market and participants at the measurement date.

Investments in unitised constituent funds are valued at their respective closing net asset value per unit. Investments in approved pooled investment funds are valued at their respective closing bid prices.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting year.

(c) Income and expenses

Guaranteed return is recognised when declared by China Life Insurance (Overseas) Company Limited (incorporated in the People's Republic of China with limited liability), the Guarantor. Interest income is recognised on a time-proportion basis using the effective interest method. Other income is accounted for on an accruals basis.

Expenses are accounted for on an accruals basis.

(d) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Scheme and its constituent funds are measured using the currency of the primary economic environment in which they operate (the “functional currency”). The financial statements are presented in Hong Kong dollars, which is the functional and presentation currency of the Scheme and its constituent funds.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(d) Translation of foreign currencies (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of changes in net assets available for benefits for the Scheme and the statement of comprehensive income for the constituent funds.

Foreign exchange gains and losses relating to financial assets carried at fair value through profit or loss are presented in the statement of changes in net assets available for benefits within “net change in unrealised gain on investments” and “net realised gain on investments” for the Scheme and statement of comprehensive income within “net change in unrealised gains/(losses) on investments” and “net realised gains on sale of investments” for the constituent funds.

(e) Proceeds and payments on issue and redemption of units

The net asset value of the constituent funds is computed on each business day. Prices for issues and redemptions on each business day are based on the closing valuation of that business day.

Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the respective constituent funds.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits held at banks with a maturity of three months or less from the date of placement, net of bank overdrafts, if any.

(g) Amounts receivable on sale of investments/payable on purchase of investments

Amounts receivable on sale of investments/payable on purchase of investments represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year respectively.

(h) Accounts receivables

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Scheme and its constituent funds shall measure the loss allowance on amounts receivable on sale of investments at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme and its constituent funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(i) Accounts payable and accruals

Accounts payable and accruals are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(j) Contributions

Contributions are accounted for on an accruals basis.

(k) Benefits

Benefits are accounted for on an accruals basis.

(l) Transfers in/out

Transfer-in amounts are recognised when the right to receive payment is established. Transfer-out amounts are accounted for when the obligation to make payment is established.

(m) Forfeitures

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Scheme may be applied in reducing the contributions of the employer or in such other manner as the Trustee may determine, having consulted the employers (including payment to the employers). Forfeitures arising from such cases which have not been designated for the benefit of existing members and which have not been returned to the employers would be treated as liabilities of the Scheme.

(n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- (a) restricted activities,
- (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors,
- (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support, and
- (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

The Scheme and its constituent funds consider all of their investments in constituent funds and APIFs respectively (the "Investee Funds") to be investments in unconsolidated structured entities. Refer to Note 3(a) for investment strategies of the Investee Funds. The Investee Funds finance their operations by issuing units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets. The Scheme and its constituent funds hold units in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the statement of changes in net assets available for benefits for the Scheme and statement of comprehensive income for the constituent funds.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management

The Scheme and its constituent funds are exposed to various risks which are discussed below.

(a) Strategy in using financial instruments

China Life Balanced Fund

The investment strategy is an attempt to limit risk through prudent diversification in various asset classes as stated below:

- a) Cash (5%)
- b) Bonds (25%)
- c) Equities (70%)

China Life MPF Conservative Fund

The investment strategy is an attempt to limit risk through prudent diversification in various short-term notes or commercial papers as stated below:

- a) Bank deposits and commercial papers (0% to 100%)
- b) Short-term notes (maximum 2 years) (0% to 12%)

China Life Growth Fund

The investment strategy is an attempt to achieve high return through prudent diversification in various asset classes as stated below:

- a) Cash (3%)
- b) Bonds (7%)
- c) Equities (90%)

China Life Guaranteed Return Fund ^{Note 1}

The investment strategy is an attempt to limit risk through prudent diversification in various asset classes as stated below:

- a) Bank deposit (0% to 50%)
- b) Fixed income securities (50% to 80%)
- c) Global equities (0% to 30%)

The targeted geographic distribution of the assets is:

- a) Hong Kong/China (30% to 80%)
- b) Europe (0% to 40%)
- c) America (0% to 40%)
- d) Asia Pacific (0% to 40%)
- e) Middle East (debt securities only) (0% to 40%)

China Life Hong Kong Equity Fund

The investment strategy is an attempt to limit risk through diversification in various asset classes as stated below:

- a) Cash (0%)
- b) Bonds (0%)
- c) Equities (100%)*

* Please note that this only represents the target allocations and the actual asset allocations will at times vary considerably from that shown above.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(a) Strategy in using financial instruments (Continued)

China Life Joyful Retirement Guaranteed Fund *

The constituent fund through the approved pooled investment fund maintains at least 30% effective currency exposure to Hong Kong dollars. It generally follows the assets allocation as below:

- a) Global equities (0% to 30%)
- b) Fixed income securities (50% to 80%)
- c) Cash/bank deposit (0% to 50%)

The targeted geographic distribution of the assets is:

- a) Hong Kong/China (30% to 80%)
- b) Europe (0% to 40%)
- c) America (0% to 40%)
- d) Asia Pacific (0% to 40%)
- e) Middle East (debt securities only) (0% to 40%)

China Life Retire-Easy Capital Stable Fund ^{Note 2}

The constituent fund invests in Invesco Global Stable Fund which will normally invest 70% of its net asset value in global bonds and 30% of its net asset value in global equities.

China Life Retire-Easy Balanced Fund ^{Note 2}

The constituent fund invests in Invesco Global Balanced Fund which will normally invest around 30% of its net asset value in global bonds and 70% of its net asset value in global equities.

China Life Retire-Easy Global Equity Fund

The constituent fund invests in Invesco Global Equities Fund. Investments will be made with an emphasis on the Hong Kong market but in general may cover a global range of markets in Asia, Australia, Japan, Europe and North America.

China Life Core Accumulation Fund

The constituent fund invests in Invesco Core Accumulation Fund which invests in a combination of global equities and bonds in a globally diversified manner through investment into two underlying Invesco approved pooled investment funds. It will target to invest 60% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets.

China Life Age 65 Plus Fund

The constituent fund invests in Invesco Age 65 Plus Fund which invests in a combination of global equities and bonds in a globally diversified manner through investment into two underlying Invesco approved pooled investment funds. It will target to invest 20% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets.

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market. The investments are subject to market price risk arising from uncertainties about the future prices of the investments.

Except for China Life MPF Conservative Fund, the constituent funds' market price risk is managed through diversification of the underlying investment portfolio of the approved pooled investment funds held. The market price risk of China Life MPF Conservative Fund is covered under interest rate risk. Refer to Note 3(c).

At the year end date, should market prices of the approved pooled investment funds have risen/lowered by 5% with all other variables held constant, the net assets attributable to members would increase/decrease by approximately:

	2020 HK\$	2019 HK\$
China Life Balanced Fund	23,491,031	19,606,426
China Life Growth Fund	37,551,657	31,535,131
China Life Guaranteed Return Fund ^{Note 1}	-	78,443,406
China Life Hong Kong Equity Fund	18,257,103	13,028,132
China Life Joyful Retirement Guaranteed Fund *	105,603,925	32,579,350
China Life Retire-Easy Capital Stable Fund ^{Note 2}	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}	-	-
China Life Retire-Easy Global Equity Fund	8,873,616	7,576,364
China Life Core Accumulation Fund	4,744,721	2,697,371
China Life Age 65 Plus Fund	4,978,502	3,630,253

Management has used its view of what would be a "reasonable possible shift" in the market prices, having regard to the historical volatility of the market prices, to estimate the change for use in the sensitivity analysis above.

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021. The Terminated Fund was not exposed to market price risk as there was no investment held by the Terminated Fund since 1 December 2020.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020. The Terminated Funds were not exposed to market price risk as there was no investment held by the Terminated Funds since 24 September 2019.

* formerly known as China Life Retire-Easy Guarantee Fund

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Except for China Life MPF Conservative Fund, the majority of the financial assets and liabilities of the Scheme and its constituent funds are non-interest bearing. As a result, the Scheme and its constituent funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. However, some constituent funds are indirectly exposed to interest rate risk in respect of certain approved pooled investment funds for their fixed income investment portfolios, and these are covered under market price risk.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

The Scheme and its constituent funds had interest bearing cash and cash equivalents of HK\$26,373,281 (2019: HK\$26,108,957) and HK\$28,799,739 (2019: HK\$24,514,564) and bank deposits with original maturity of more than three months of HK\$Nil (2019: HK\$Nil) and HK\$214,447,548 (2019: HK\$188,354,043) respectively at 31 December 2020 and are therefore exposed to interest rate risk on these bank deposits.

At 31 December 2020, should the relevant market interest rates have risen/lowered by 25 basis points (2019: 25 basis points) with all other variables held constant, the net assets of the Scheme and its constituent funds would increase/decrease by approximately HK\$65,933 (2019: HK\$65,272) and HK\$608,118 (2019: HK\$532,172) respectively, arising mainly from the increase/decrease in bank interest income.

The table below summarizes China Life MPF Conservative Fund's exposure to interest rate risk at the year end date:

	Up to 1 year HK\$	1-5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
At 31 December 2020					
<u>Assets</u>					
Amounts receivable on funds switching	-	-	-	1,850,688	1,850,688
Interest receivable	-	-	-	358,830	358,830
Bank deposits with original maturity over three months	214,447,548	-	-	-	214,447,548
Cash and cash equivalents	28,798,158	-	-	2,872,892	31,671,050
	<u>243,245,706</u>	<u>-</u>	<u>-</u>	<u>5,082,410</u>	<u>248,328,116</u>
<u>Liabilities</u>					
Accruals and other payables	-	-	-	435,411	435,411
Amounts payable on funds switching	-	-	-	1,441,274	1,441,274
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,876,685</u>	<u>1,876,685</u>
Interest sensitivity gap	<u>243,245,706</u>	<u>-</u>	<u>-</u>		
At 31 December 2019					
<u>Assets</u>					
Amounts receivable on funds switching	-	-	-	841,135	841,135
Interest receivable	-	-	-	1,131,417	1,131,417
Bank deposits with original maturity over three months	188,354,043	-	-	-	188,354,043
Cash and cash equivalents	24,512,466	-	-	1,474,062	25,986,528
	<u>212,866,509</u>	<u>-</u>	<u>-</u>	<u>3,446,614</u>	<u>216,313,123</u>
<u>Liabilities</u>					
Accruals and other payables	-	-	-	498,749	498,749
Amounts payable on funds switching	-	-	-	74,492	74,492
	<u>-</u>	<u>-</u>	<u>-</u>	<u>573,241</u>	<u>573,241</u>
Interest sensitivity gap	<u>212,866,509</u>	<u>-</u>	<u>-</u>		

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(c) Interest rate risk (Continued)

At 31 December 2020 and 2019, China Life MPF Conservative Fund did not hold any debt securities.

Taiping Assets Management (HK) Company Limited, the investment manager of China Life MPF Conservative Fund, has used its view of what would be a “reasonable possible shift” in the market interest rates, having regard to the historical volatility of the market interest rates, to estimate the change for use in the sensitivity analysis above.

(d) Credit and custody risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Certain transactions entered into by the constituent funds may expose them to risks associated with counterparties not able to fulfil their obligations. To mitigate this risk, the constituent funds only buy and sell through brokers which have been approved as an acceptable counterparty according to the investment managers’ internal counterparty credit review procedures.

The Scheme’s financial assets which are potentially subject to concentrations of credit risk consist principally of bank balances. Details are as follows:

	HK\$	Credit rating	Source
At 31 December 2020			
Bank of China (Hong Kong) Limited	26,373,281	Aa3	Moody’s
Citibank, N.A.	108,984	A+	S&P
At 31 December 2019			
Bank of China (Hong Kong) Limited	26,108,957	Aa3	Moody’s
Citibank, N.A.	108,984	A+	S&P

The constituent funds’ financial assets which are potentially subject to concentrations of credit risk consist principally of bank balances held with the banks and investments held with the custodians (including the custodian of the underlying approved pooled investment funds). The table below summarises the assets placed with banks and custodians at the year end date:

		2020		2019		Source
		Bank balances	Credit rating	Bank balances	Credit rating	
	Bank	HK\$		HK\$		
China Life Balanced Fund	Bank of China (Hong Kong) Limited	507	Aa3	507	Aa3	Moody’s
China Life MPF Conservative Fund	Bank of China (Hong Kong) Limited	2,872,892	Aa3	1,474,062	Aa3	Moody’s
	Bank of Communications	4,550,334	A-	10,828,680	A-	S&P
	Bank of East Asia	19,475,467	A-	17,023,849	A-	S&P
	China CITIC Bank International Limited	20,233,376	A3	16,675,609	A3	Moody’s

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

	Bank	2020	Credit rating	2019	Credit rating	Source
		Bank balances HK\$		Bank balances HK\$		
China Life MPF Conservative Fund (Continued)	China Construction Bank (Asia) Corporation Limited	11,026,172	A	7,133,794	A	S&P
	China Merchants Bank	20,942,989	BBB+	16,576,336	BBB+	S&P
	Chiyu Banking Corporation	20,441,862	Baa1	16,838,665	Baa1	Moody's
	Chong Hing Bank	20,887,169	Baa1	16,876,766	Baa1	Moody's
	CMB Wing Lung Bank Ltd.	20,963,448	A3	17,043,109	A3	Moody's
	Dah Sing Bank Limited	20,597,728	A2	17,350,671	A2	Moody's
	Fubon Bank	20,756,816	BBB+	17,416,873	BBB+	S&P
	Hang Seng Bank	19,539,033	AA-	17,345,890	AA-	S&P
	Industrial and Commercial Bank of China (Asia) Limited	20,948,078	A1	12,000,000	A1	Moody's
	Industrial Bank Co., Ltd.	20,883,234	Baa2	17,500,000	Baa2	Moody's
	Standard Chartered Bank (Hong Kong) Limited	2,000,000	A+	12,256,267	A+	S&P
China Life Growth Fund	Bank of China (Hong Kong) Limited	512	Aa3	512	Aa3	Moody's
China Life Guaranteed Return Fund ³	Bank of China (Hong Kong) Limited	-	Aa3	517	Aa3	Moody's
China Life Hong Kong Equity Fund	Bank of China (Hong Kong) Limited	203	Aa3	203	Aa3	Moody's
China Life Joyful Retirement Guaranteed Fund *	Bank of China (Hong Kong) Limited	266	Aa3	266	Aa3	Moody's
China Life Retire-Easy Capital Stable Fund ⁴	Bank of China (Hong Kong) Limited	-	Aa3	-	Aa3	Moody's
China Life Retire-Easy Balanced Fund ⁴	Bank of China (Hong Kong) Limited	-	Aa3	-	Aa3	Moody's
China Life Retire-Easy Global Equity Fund	Bank of China (Hong Kong) Limited	93	Aa3	93	Aa3	Moody's

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

	Bank	2020		2019		Source
		Bank balances HK\$	Credit rating	Bank balances HK\$	Credit rating	
China Life Core Accumulation Fund	Bank of China (Hong Kong) Limited	-	Aa3	-	Aa3	Moody's
China Life Age 65 Plus Fund	Bank of China (Hong Kong) Limited	-	Aa3	-	Aa3	Moody's
	Custodian	2020		2019		Source
		Investments HK\$	Credit rating	Investments HK\$	Credit rating	
China Life Balanced Fund	HSBC ¹	469,820,612	A-1+	392,128,513	A-1+	S&P
China Life Growth Fund	HSBC ¹	751,033,144	A-1+	630,702,615	A-1+	S&P
China Life Guaranteed Return Fund ³	Bank of China (Hong Kong) Limited	-	Aa3	1,568,868,117	Aa3	Moody's
China Life Hong Kong Equity Fund	HSBC ¹	365,142,060	A-1+	260,562,649	A-1+	S&P
China Life Joyful Retirement Guaranteed Fund *	Bank of China (Hong Kong) Limited	2,112,078,495	Aa3	651,587,007	Aa3	Moody's
China Life Retire-Easy Capital Stable Fund ⁴	BCT ²	-	Unrated	-	Unrated	N/A
China Life Retire-Easy Balanced Fund ⁴	BCT ²	-	Unrated	-	Unrated	N/A
China Life Retire-Easy Global Equity Fund	BCT ²	177,472,325	Unrated	151,527,275	Unrated	N/A
China Life Core Accumulation Fund	BCT ²	94,894,426	Unrated	53,947,424	Unrated	N/A
China Life Age 65 Plus Fund	BCT ²	99,570,035	Unrated	72,605,059	Unrated	N/A

¹ HSBC stands for "HSBC Institutional Trust Services (Asia) Limited".

² BCT stands for "Bank Consortium Trust Company Limited".

³ China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

⁴ China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

represents custodian of underlying approved pooled investment funds

* formerly known as China Life Retire-Easy Guarantee Fund

The Scheme and its constituent funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2020 and 2019, all contribution receivable, amounts receivable on sale of investments, amounts receivable on funds switching, interest receivable, fund transfer in receivable, bank deposits with original maturity over three months and cash and cash equivalents are due to be settled within 1 month. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme and constituent funds.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request.

The constituent funds are exposed to daily cash redemptions of units in the constituent funds. The constituent funds invest in approved pooled investment funds or quoted debt securities that are considered to be readily realisable.

At 31 December 2020, the constituent funds held fixed deposits of HK\$243,245,706 (2019: HK\$212,866,509) and approved pooled investment funds of HK\$4,070,011,097 (2019: HK\$3,781,928,659) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the financial liabilities of the constituent funds into relevant maturity groupings based on the remaining period at the year ended date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month			1-3 months	More than 3 months	
	Amounts payable on funds switching HK\$	Amounts payable on purchase of investments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Accruals and other payables HK\$	Total HK\$
At 31 December 2020						
China Life Balanced Fund	430,209	-	430,209	1,046,898	80,757	1,557,864
China Life MPF Conservative Fund	1,441,274	-	1,441,274	389,057	46,354	1,876,685
China Life Growth Fund	228,221	158,085	386,306	1,653,989	126,835	2,167,130
China Life Guaranteed Return Fund ^{Note 1}	-	-	-	-	-	-
China Life Hong Kong Equity Fund	1,383,124	274,436	1,657,560	335,873	59,371	2,052,804
China Life Joyful Retirement Guaranteed Fund *	9,459,089	-	9,459,089	3,803,276	447,812	13,710,177
China Life Retire-Easy Capital Stable Fund ^{Note 2}	-	-	-	-	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}	-	-	-	-	-	-
China Life Retire-Easy Global Equity Fund	925,583	-	925,583	566,773	29,908	1,522,264
China Life Core Accumulation Fund	5,089	-	5,089	128,617	14,432	148,138
China Life Age 65 Plus Fund	21,672	-	21,672	132,901	16,512	171,085

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(e) Liquidity risk (Continued)

	Less than 1 month			1-3 months	More than 3 months	Total HK\$
	Amounts payable on funds switching HK\$	Amounts payable on purchase of investments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Accruals and other payables HK\$	
At 31 December 2019						
China Life Balanced Fund	584,223	222,294	806,517	906,291	74,576	1,787,384
China Life MPF Conservative Fund	74,492	-	74,492	456,852	41,897	573,241
China Life Growth Fund	227,766	715,835	943,601	1,445,298	118,693	2,507,592
China Life Guaranteed Return Fund	6,745,460	-	6,745,460	5,503,208	306,449	12,555,117
China Life Hong Kong Equity Fund	1,832,708	249,795	2,082,503	250,539	47,760	2,380,802
China Life Joyful Retirement Guaranteed Fund *	1,923,553	-	1,923,553	2,588,894	161,004	4,673,451
China Life Retire-Easy Capital Stable Fund ^{Note 2}	-	-	-	-	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}	-	-	-	-	-	-
China Life Retire-Easy Global Equity Fund	651,142	491,353	1,142,495	505,380	28,353	1,676,228
China Life Core Accumulation Fund	286,800	354,103	640,903	75,339	8,266	724,508
China Life Age 65 Plus Fund	47,017	103,537	150,554	107,375	14,165	272,094

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the “Terminated Funds”) had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(f) Currency risk

Currency risk is the risk that the value of assets and liabilities will fluctuate due to changes in foreign exchange rates. As at 31 December 2020 and 2019, all of the constituent funds' assets and liabilities are denominated in Hong Kong dollars. Thus, the constituent funds were not directly exposed to currency risk.

China Life Guaranteed Return Fund and China Life Joyful Retirement Guaranteed Fund (formerly known as China Life Retire-Easy Guarantee Fund) have indirect currency risk exposure through its investment in the APIFs (China Life Guaranteed Return (PIF) Fund and China Life Retire-Easy Guarantee (PIF) Fund), which invest in UT APIFs (China Life Stable Return Unit Trust (PIF) Fund and China Life Retire-Easy Stable Return Unit Trust (PIF) Fund) with major investment in securities, and from such investment in securities generate investment income, which is denominated in currencies other than Hong Kong dollars.

As at 31 December 2020, China Life Stable Return Unit Trust (PIF) Fund and China Life Retire-Easy Stable Return Unit Trust (PIF) Fund had net monetary exposure of HK\$Nil (2019: HK\$969,101,742) and HK\$1,307,224,420 (2019: HK\$434,703,362) respectively which are denominated in United States dollar and Renminbi and therefore, the constituent funds were indirectly exposed to currency risk. Since the Hong Kong dollar is currently pegged to the United States dollar within a narrow range, the currency risk is considered minimal. However, the constituent funds are exposed to currency risk on Renminbi, as the value of assets and liabilities denominated in Renminbi will fluctuate due to changes in foreign exchange rates.

The table below summarises the impact on net assets attributable to unitholders of the UT APIFs as a result of increases/decreases of key exchange rates on the exposures above.

China Life Guaranteed Return Fund ^{Note 1}

	2020		2019	
	Change in foreign exchange rates +/-	Impact HK\$ +/-	Change in foreign exchange rates +/-	Impact HK\$ +/-
Renminbi	-	-	5.00%	19

China Life Joyful Retirement Guaranteed Fund *

	2020		2019	
	Change in foreign exchange rates +/-	Impact HK\$ +/-	Change in foreign exchange rates +/-	Impact HK\$ +/-
Renminbi	5.00%	21	-	-

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021. There was no longer any investment in China Life Guaranteed Return (PIF) Fund, which invest in China Life Stable Return Unit Trust (PIF) Fund. MPFA has approved the termination of China Life Guaranteed Return (PIF) Fund and China Life Stable Return Unit Trust (PIF) Fund to take effect on 16 April 2021.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(g) Capital risk management

The capital of the constituent funds is represented by the units of the constituent funds, and shown as net assets attributable to members in the statement of net assets. The amount of net assets attributable to members for each constituent fund can change significantly on a daily basis as the constituent funds are subject to daily subscriptions and redemptions at the discretion of members. Subscriptions and redemptions of units during the year are shown in the statement of changes in net assets attributable to members. The constituent funds' objective when managing capital is to safeguard the constituent funds' ability to continue as a going concern in order to provide retirement benefits to members. In order to achieve the investment objectives, the constituent funds endeavor to invest their capital in accordance with the investment policies as outlined in note 3(a), whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

(h) Fair value estimation

As at 31 December 2020 and 2019, the carrying values of financial assets and liabilities other than investments are a reasonable approximation of their fair values.

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Scheme and its constituent funds is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Scheme and its constituent funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes observable requires significant judgment by the constituent funds. The constituent funds consider observable data to be such market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(h) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the constituent funds' financial assets measured at fair value at the year end date.

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
At 31 December 2020				
China Life Balanced Fund				
Approved pooled investment fund	469,820,612	-	-	468,820,612
China Life Growth Fund				
Approved pooled investment fund	751,033,144	-	-	751,033,144
China Life Guaranteed Return Fund				
Note 1				
Approved pooled investment fund	-	-	-	-
China Life Hong Kong Equity Fund				
Approved pooled investment fund	365,142,060	-	-	365,142,060
China Life Joyful Retirement Guaranteed Fund *				
Approved pooled investment fund	-	2,112,078,495	-	2,112,078,495
China Life Retire-Easy Capital Stable Fund Note 2				
Approved pooled investment fund	-	-	-	-
China Life Retire-Easy Balanced Fund Note 2				
Approved pooled investment fund	-	-	-	-
China Life Retire-Easy Global Equity Fund				
Approved pooled investment fund	177,472,325	-	-	177,472,325
China Life Core Accumulation Fund				
Approved pooled investment fund	94,894,426	-	-	94,894,426
China Life Age 65 Plus Fund				
Approved pooled investment fund	99,570,035	-	-	99,570,035

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

(h) Fair value estimation (Continued)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
At 31 December 2019				
China Life Balanced Fund				
Approved pooled investment fund	392,128,513	-	-	392,128,513
China Life Growth Fund				
Approved pooled investment fund	630,702,615	-	-	630,702,615
China Life Guaranteed Return Fund				
Approved pooled investment fund	-	1,568,868,117	-	1,568,868,117
China Life Hong Kong Equity Fund				
Approved pooled investment fund	260,562,649	-	-	260,562,649
China Life Joyful Retirement Guaranteed Fund *				
Approved pooled investment fund	-	651,587,007	-	651,587,007
China Life Retire-Easy Capital Stable Fund ^{Note 2}				
Approved pooled investment fund	-	-	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}				
Approved pooled investment fund	-	-	-	-
China Life Retire-Easy Global Equity Fund				
Approved pooled investment fund	151,527,275	-	-	151,527,275
China Life Core Accumulation Fund				
Approved pooled investment fund	53,947,424	-	-	53,947,424
China Life Age 65 Plus Fund				
Approved pooled investment fund	72,605,059	-	-	72,605,059

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

Investments whose values are based on quoted market prices in active markets are classified within level 1. The constituent funds do not adjust the quoted price for these instruments.

Financial instruments traded in markets that are not considered to be active and are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31 December 2020 and 2019, the constituent funds did not hold any investments classified in level 3.

For the year ended 31 December 2020 and 2019, there were no transfers between levels of investments held by the constituent funds.

As at 31 December 2020 and 2019, the financial assets and liabilities included in the statement of net assets, other than investments are measured at amortised cost; their carrying values are a reasonable approximation of fair value.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

4 Transactions with associates/related parties

Except as disclosed below and in Note 9, the Scheme and its constituent funds did not have any transactions and balances with related parties, including the Trustee, Taiping Assets Management (HK) Company Limited, Invesco Hong Kong Limited, FIL Investment Management (Hong Kong) Limited and their associates or delegates during the year. Associates or delegates of the Investment Manager or Trustee are those as defined in the Ordinance established by the MPFA.

All transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Trustee and administration fees

China Life Trustees Limited, the Trustee, and China Life Insurance (Overseas) Company Limited, the Administrator, are entitled to receive a fee calculated based on the net asset value of the respective constituent funds at the following annual rates for the year ended 31 December 2020 and 2019:

	China Life Balanced Fund	China Life MPF Conservative Fund	China Life Growth Fund	China Life Guaranteed Return Fund ¹	China Life Hong Kong Equity Fund	China Life Joyful Retirement Guaranteed Fund *	China Life Retire- Easy Capital Stable Fund ²	China Life Retire- Easy Balanced Fund ²	China Life Retire- Easy Global Equity Fund	China Life Core Accumulation Fund	China Life Age 65 Plus Fund
Trustee fee	0.35%	0.35%	0.35%	0.40%	0.10%	0.35%	0.35%	0.35%	0.35%	0.21%	0.21%
Administration fee (Before 4 December 2020)	0.50%	0.30%	0.50%	0.90%	0.20%	0.60%	0.58%	0.58%	0.48%	0.28%	0.28%
Administration fee (On or after 4 December 2020)	0.50%	0.30%	0.50%	N/A	0.20%	0.55%	N/A	N/A	0.48%	0.28%	0.28%

The trustee and administration fees are calculated and accrued on each valuation day and payable quarterly in arrears.

The trustee and administration fees for the year are disclosed in the statement of comprehensive income. The trustee and administration fees payable at the year end date were as follows:

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Guaranteed Return Fund ¹ HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund * HK\$	China Life Retire- Easy Capital Stable Fund ² HK\$	China Life Retire- Easy Balanced Fund ² HK\$	China Life Retire- Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
At 31 December 2020											
Trustee fee	385,699	160,200	609,364	-	83,968	1,000,744	-	-	143,747	45,771	47,293
Administration fee	550,999	137,314	870,520	-	167,937	1,634,623	-	-	197,139	61,044	63,079
At 31 December 2019											
Trustee fee	333,897	188,116	532,478	1,572,345	62,635	604,075	-	-	128,176	26,809	38,199
Administration fee	476,995	161,242	760,683	3,537,777	125,270	1,035,558	-	-	175,784	35,759	50,972

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

4 Transactions with associates/related parties (Continued)

(b) Investment management fees

The following investment managers are entitled to receive a fee calculated based on the net asset value of the respective constituent funds at the following annual rates:

Taiping Assets Management (HK) Company Limited

Being the investment manager for China Life MPF Conservative Fund and the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Guaranteed Return Fund ^{Note 2}
2. China Life Joyful Retirement Guaranteed Fund *

Invesco Hong Kong Limited

Being the investment manager for the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Retire-Easy Balanced Fund ^{Note 3}
2. China Life Retire-Easy Capital Stable Fund ^{Note 3}
3. China Life Retire-Easy Global Equity Fund
4. China Life Core Accumulation Fund
5. China Life Age 65 Plus Fund

FIL Investment Management (Hong Kong) Limited

Being the investment manager for the relevant approved pooled investment funds that the following constituent funds of the Scheme have invested in.

1. China Life Balanced Fund
2. China Life Growth Fund
3. China Life Hong Kong Equity Fund

	China Life Balanced Fund ¹	China Life MPF Conservative Fund	China Life Growth Fund ¹	China Life Guaranteed Return Fund ^{1&2}	China Life Hong Kong Equity Fund ¹	China Life Joyful Retirement Guaranteed Fund *	China Life Retire- Easy Capital Stable Fund ³	China Life Retire- Easy Balanced Fund ³	China Life Retire- Easy Global Equity Fund	China Life Core Accum- ulation Fund ¹	China Life Age 65 Plus Fund ¹
Investment management fee (Before 4 December 2020)	0.45%	0.10%	0.45%	0.10%	0.45%	0.40%	0.40%	0.40%	0.40%	0.08%	0.08%
Investment management fee (On or after 4 December 2020)	0.45%	0.10%	0.45%	N/A	0.45%	0.20%	N/A	N/A	0.40%	0.08%	0.08%

The investment management fees are calculated and accrued on each valuation day and payable quarterly in arrears.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

4 Transactions with associates/related parties (Continued)

(b) Investment management fees (Continued)

The investment management fees for the year are disclosed in the statement of comprehensive income. The investment management fees payable at the year end date were as follows:

	China Life Balanced Fund ¹ HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund ¹ HK\$	China Life Guaranteed Return Fund ^{1&2} HK\$	China Life Hong Kong Equity Fund ¹ HK\$	China Life Joyful Retirement Guaranteed Fund * HK\$	China Life Retire- Easy Capital Stable Fund ³ HK\$	China Life Retire- Easy Balanced Fund ³ HK\$	China Life Retire- Easy Global Equity Fund HK\$	China Life Core Accumul ation Fund ¹ HK\$	China Life Age 65 Plus Fund ¹ HK\$
At 31 December 2020											
Investment management fee	N/A	45,771	N/A	N/A	N/A	819,956	-	-	164,282	N/A	N/A
At 31 December 2019											
Investment management fee	N/A	53,747	N/A	N/A	N/A	690,372	-	-	146,487	N/A	N/A

Note 1: The investment management fees are deducted at the approved pooled investment fund level.

Note 2: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 3: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

5 Payments charged to Default Investments Strategy ("DIS") constituent funds or scheme or members who invest in the constituent funds

In accordance with the Mandatory Provident Fund legislation, the aggregate of the payments for services of China Life Core Accumulation Fund and China Life Age 65 Plus Fund must not, in a single day, exceed the daily rate of 0.75% per annum of the net asset value of each of the China Life Core Accumulation Fund and China Life Age 65 Plus Fund divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the Trustee, the Administrator, the investment manager(s), the custodian and the sponsor and/or the promoter (if any) of the Scheme and the underlying investment fund(s) of each of the China Life Core Accumulation Fund and China Life Age 65 Plus Fund, and any of the delegates from these parties, and such fees are calculated as a percentage of the net asset value of each of the DIS constituent funds and their underlying investment fund(s), but do not include any out-of-pocket expenses incurred by each of the China Life Core Accumulation Fund and China Life Age 65 Plus Fund and their underlying investment fund(s).

In addition, in accordance with the Mandatory Provident Fund legislation, the total amount of all payments that are charged to or imposed on a DIS constituent fund or members who invest in a DIS constituent fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS constituent fund, shall not in a single year exceed 0.2% of the net asset value of the China Life Core Accumulation Fund and China Life Age 65 Plus Fund.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

5 Payments charged to Default Investments Strategy (“DIS”) constituent funds or scheme or members who invest in the constituent funds (Continued)

For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of net asset value and transaction costs incurred by a DIS constituent fund in connection with recurrent acquisition of investments for the DIS constituent fund (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS constituent fund.

Out-of-pocket expenses that are not incurred on a recurrent basis may still be charged or imposed on DIS constituent fund and such out-of-pocket expenses are not subject to the above statutory limit.

Payment for services, out-of-pocket expenses and other payment charged to the China Life Core Accumulation Fund and China Life Age 65 Plus Fund are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

For the year ended 31 December 2020

	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
Payments for services		
- Administration fee	199,387	228,481
- Custodian fee	71,210	81,601
- Trustee fee	149,493	171,266
- Investment management fee	-	-
Total payments services	<u>420,090</u>	<u>481,348</u>
Out-of-pocket expenses		
- Auditor’s remuneration	14,547	13,669
- MPF indemnity insurance	1,597	2,182
- Other expenses	13,337	13,689
Total out-of-pocket expenses	<u>29,481</u>	<u>29,540</u>
Other payments		
- Organisational costs	1,003	1,003
Total other payments	<u>1,003</u>	<u>1,003</u>
Total payments	<u>450,574</u>	<u>511,891</u>
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the constituent funds	<u>0.04%</u>	<u>0.04%</u>

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

5 Payments charged to Default Investments Strategy (“DIS”) constituent funds or scheme or members who invest in the constituent funds (Continued)

For the year ended 31 December 2019

	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
Payments for services		
- Administration fee	113,932	84,904
- Custodian fee	40,690	30,323
- Trustee fee	85,393	63,632
- Investment management fee	-	-
Total payments services	<u>240,015</u>	<u>178,859</u>
Out-of-pocket expenses		
- Auditor’s remuneration	8,332	6,302
- MPF indemnity insurance	923	802
- Other expenses	11,676	8,241
Total out-of-pocket expenses	<u>20,931</u>	<u>15,345</u>
Other payments		
- Organisational costs	1,000	1,000
Total other payments	<u>1,000</u>	<u>1,000</u>
Total payments	<u>261,946</u>	<u>195,204</u>
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the constituent funds	<u>0.05%</u>	<u>0.05%</u>

6 Contributions

Mandatory contributions for both the employers and members are equal to 5% of the members’ relevant income up to HK\$30,000 per month and in respect of members earning less than HK\$7,100 per month, the members’ mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum mandatory contribution of HK\$1,500 per month unless their relevant income is less than HK\$7,100 per month.

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are additional voluntary contributions.

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

7 Benefits

Members will become entitled to benefits in respect of mandatory contributions to the Scheme in the circumstances set out in the MPF Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment, after reaching the age of 60; (iii) become totally incapacitated; (iv) permanently depart from Hong Kong; (v) die; (vi) have the right to claim a small balance or (vii) become terminally ill pursuant to the MPF Ordinance.

With effect from 1 February 2016, the scheme member can choose one of the following ways to manage MPF benefits: (a) withdraw MPF benefits by instalments, (b) withdraw all MPF benefits in a lump sum and (c) retain all the MPF benefits in the account for continuous investment.

Members will become entitled to benefits in respect of voluntary contributions to the Scheme in circumstances set out in the Trust Deed and the relevant participation agreement.

8 Guaranteed return

(a) China Life Guaranteed Return Fund ^{Note 1}

The amount represented the shortfall between the actual rate of return at the year end date ^{Note 1 & 2} and the guaranteed compound rate of return of not less than 4% (2019: 4%) per annum before the deduction of administration expenses (1.5%). The amount is guaranteed by China Life Insurance (Overseas) Company Limited.

Note 1: China Life Guaranteed Return Fund (the “Terminated Fund”) had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: For the year 2020, the respective date was 30 November 2020.

(b) China Life Joyful Retirement Guaranteed Fund *

Before 4 December 2020, the amount represented the shortfall between the actual rate of return at the year end date and the guaranteed compound rate of return of not less than 3.5% (2019: 3.5%) per annum before the deduction of administration expenses (1.5%). The amount is guaranteed by China Life Insurance (Overseas) Company Limited.

On or after 4 December 2020, the new guarantee rate of return of 1.35% per annum after the deduction of administration expenses (1.2%). The amount is guaranteed by China Life Insurance (Overseas) Company Limited. The guarantee entitlement is provided to a Member upon satisfaction of any of the following qualifying conditions

- (A) withdrawals on any grounds specified in section 15 of the Mandatory Provident Fund Schemes Ordinance; or
- (B) withdrawals in circumstances other than the ones set out in (A) above where the period starting from the first Dealing Day on which contributions are credited and ending on the relevant Dealing Day on which the contributions are withdrawn (“Qualifying Period”) equals a continuous period of at least 36 completed months or more.

For the avoidance of doubt, condition (B) of the Qualifying Conditions is not applicable in the case of withdrawal by way of rebalancing or rectification of overpaid contributions.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

9 Investments

	2020 HK\$	2019 HK\$
<u>The Scheme</u>		
Investments in constituent funds		
China Life Balanced Fund	468,586,563	390,699,740
China Life MPF Conservative Fund	246,451,431	215,739,882
China Life Growth Fund	750,754,591	629,687,179
China Life Guaranteed Return Fund ^{Note 1}	-	1,558,334,108
China Life Hong Kong Equity Fund	366,196,970	260,701,405
China Life Joyful Retirement Guaranteed Fund *	2,100,444,570	655,389,161
China Life Retire-Easy Capital Stable Fund ^{Note 2}	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}	-	-
China Life Retire-Easy Global Equity Fund	177,797,150	151,273,295
China Life Core Accumulation Fund	96,099,107	54,089,141
China Life Age 65 Plus Fund	100,615,343	72,578,155
	<hr/>	<hr/>
Investments at fair value	4,306,945,725	3,988,492,066
	<hr/>	<hr/>
Investments at cost	3,098,235,937	3,059,703,947
	<hr/>	<hr/>

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

9 Investments (Continued)

	2020 HK\$	2019 HK\$
<u>Constituent funds</u>		
China Life Balanced Fund		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Balanced Fund Class A	469,820,612	392,128,513
China Life Growth Fund		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Growth Fund Class A	751,033,144	630,702,615
China Life Guaranteed Return Fund ^{Note 1}		
<u>Approved pooled investment fund</u>		
China Life Guaranteed Return (PIF) Fund	-	1,568,868,117
China Life Hong Kong Equity Fund		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Hong Kong Equity Fund	365,142,060	260,562,649
China Life Joyful Retirement Guaranteed Fund *		
<u>Approved pooled investment fund</u>		
China Life Retire-Easy Guarantee (PIF) Fund	2,112,078,495	651,587,007
China Life Retire-Easy Capital Stable Fund ^{Note 2}		
<u>Approved pooled investment fund</u>		
Invesco Global Stable Fund	-	-
China Life Retire-Easy Balanced Fund ^{Note 2}		
<u>Approved pooled investment fund</u>		
Invesco Global Balanced Fund	-	-
China Life Retire-Easy Global Equity Fund		
<u>Approved pooled investment fund</u>		
Invesco Global Equities Fund	177,472,325	151,527,275
China Life Core Accumulation Fund		
<u>Approved pooled investment fund</u>		
Invesco Core Accumulation Fund	94,894,426	53,947,424
China Life Age 65 Plus Fund		
<u>Approved pooled investment fund</u>		
Invesco Age 65 Plus Fund	99,570,035	72,605,059
Investments at fair value	<u>4,070,011,097</u>	<u>3,781,928,659</u>
Investments at cost	<u>3,472,300,282</u>	<u>3,289,986,793</u>

Note 1: China Life Guaranteed Return Fund (the "Terminated Fund") had no investments and operations since 1 December 2020. MPFA had approved the termination of the Terminated Fund to take effect on 8 March 2021.

Note 2: China Life Retire-Easy Capital Stable Fund and China Life Retire-Easy Balanced Fund (collectively, the "Terminated Funds") had no investments and operations since 24 September 2019. MPFA had approved the termination of the Terminated Funds to take effect on 8 January 2020.

* formerly known as China Life Retire-Easy Guarantee Fund

CHINA LIFE MPF MASTER TRUST SCHEME

NOTES TO THE FINANCIAL STATEMENTS

10 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 December 2020 and 2019.

11 Accrued benefits of the Scheme

The total accrued benefits vested in the members' accounts amounted to HK\$4,257,064,134 as at 31 December 2020 (2019: HK\$3,947,505,346).

12 Taxation

The Scheme is not subject to Hong Kong profits tax as it is considered as a recognized retirement scheme and not carrying on a business in Hong Kong according to the Inland Revenue Department Practice Note No.23.

13 Soft commission arrangements

During the year ended 31 December 2020 and 2019, the investment managers and their associates did not enter into any soft commission arrangements with brokers in relation to dealings in the assets of the Scheme and its constituent funds.

14 Security lending arrangements

During the year ended 31 December 2020 and 2019, the Scheme and its constituent funds did not enter into any security lending arrangements.

15 Negotiability of assets

There were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds as at 31 December 2020 and 2019.

16 Commitments

The Scheme and its constituent funds had no commitments as at 31 December 2020 and 2019.

17 Contingent liabilities

The Scheme and its constituent funds had no contingent liabilities as at 31 December 2020 and 2019.

18 Marketing expenses

There have been no advertising expenses, promotional expenses or commissions or brokerage fees paid or payable to the MPF intermediaries deducted from the Scheme or its constituent funds during the year ended 31 December 2020 and 2019.

19 Subsequent event

China Life Guaranteed Return Fund (the "Terminated Fund") had no investments since 1 December 2020. MPFA has approved the termination of the Terminated Fund to take effect on 8 March 2021.

20 Approval of financial statements

The financial statements were approved by the Trustee on 23 June 2021.

CHINA LIFE MPF MASTER TRUST SCHEME
INDEPENDENT AUDITOR'S ASSURANCE REPORT
FOR THE YEAR ENDED
31 DECEMBER 2020

INDEPENDENT AUDITOR’S ASSURANCE REPORT TO THE TRUSTEE OF CHINA LIFE MPF MASTER TRUST SCHEME

We have audited the financial statements of the China Life MPF Master Trust Scheme and each of its constituent funds (hereafter referred to as the “Scheme”) for the year ended 31 December 2020 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised) “The Audit of Retirement Schemes” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and have issued an unqualified auditor’s report thereon dated 23 June 2021.

Pursuant to section 102 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”), we are required to report whether the Scheme complied with certain requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance”) and the General Regulation.

Trustee’s Responsibility

The General Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
- (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority (the “MPFA”) under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- (c) the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the Ordinance are complied with; and
- (d) the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to report solely to the Trustee, in accordance with section 102 of the General Regulation, on the Scheme’s compliance with the above requirements based on the results of the procedures performed by us, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF CHINA LIFE MPF MASTER TRUST SCHEME (CONTINUED)

Auditor's Responsibility (Continued)

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 860.1, (Revised) "The Audit of Retirement Schemes" issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended in Practice Note 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Scheme's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing:

- (a) in our opinion:
 - (i) proper accounting and other records have been kept during the year ended 31 December 2020 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
 - (ii) the requirements specified in the guidelines made by the MPFA under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2020, 31 August 2020 and 29 April 2020; and
 - (iii) the requirements specified in the Ordinance under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to China Life Core Accumulation Fund and China Life Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2020, 31 August 2020 and 29 April 2020; and
 - (iv) the requirements specified in section 34DD(4)(b) of the Ordinance with respect to the controls of out-of-pocket expenses of the China Life Core Accumulation Fund and China Life Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2020.
- (b) as at 31 December 2020, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

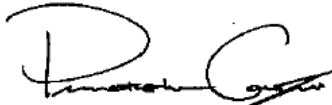
**INDEPENDENT AUDITOR'S ASSURANCE REPORT
TO THE TRUSTEE OF CHINA LIFE MPF MASTER TRUST SCHEME
(CONTINUED)**

Other Matter

The requirements specified in the Ordinance under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to China Life Core Accumulation Fund and China Life Age 65 Plus Fund are not applicable to the Trustee during the year ended 31 December 2020 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 was not guaranteed funds. Accordingly, there is no reporting on these sections.

Intended Users and Purpose

This report is intended solely for submission by the Trustee to the MPFA pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purpose.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 June 2021