

**CHINA LIFE MPF MASTER TRUST SCHEME**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2024**

# **CHINA LIFE MPF MASTER TRUST SCHEME**

## **REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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# **CHINA LIFE MPF MASTER TRUST SCHEME**

## **SCHEME REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

### **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, ten constituent funds (including the restructuring of China Life US Equity Fund with effect from 1 February 2023 and the change of investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund of China Life Joyful Retirement Guaranteed Fund with effect from 23 June 2023), 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.

On 29 July 2024, the Scheme has been onboarded to the eMPF Platform. Upon the Scheme got onboard to the eMPF Platform, the administration of the Scheme is performed by the eMPF Platform.

### **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\$649,994,257 (2023: HK\$768,245,187) and HK\$511,113,814 (2023: HK\$440,211,229) respectively. The net asset value as at 31 December 2024 was HK\$4,726,194,307 (2023: HK\$4,238,351,783). The Scheme had 42,055 (2023: 43,560) members as at 31 December 2024.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **SCHEME REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **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.

- On 29 July 2024, China Life MPF Master Trust Scheme (the “Scheme”) has been onboarded to the eMPF Platform. Upon the Scheme got onboard to the eMPF Platform, the administration of the Scheme is performed by the eMPF Platform. As a result of the use of eMPF Platform for scheme administration services, the management fees at constituent fund level in respect of China Life Balanced Fund, China Life Growth Fund, China Life Joyful Retirement Guaranteed Fund, China Life Greater China Equity Fund and China Life US Equity Fund have been reduced with effect from 29 October 2024. The administration fee has been renamed as eMPF Platform fee effective from 29 October 2024.
- Other changes including
  - (i) Reduction of the investment management fees of the underlying funds of China Life Balanced Fund, China Life Growth Fund and China Life Hong Kong Equity Fund with effect from 1 July 2024.
  - (ii) Scheme’s auditor’s change to Deloitte Touche Tohmatsu with effect from 18 December 2024.

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	:	<a href="http://www.chinalife.com.hk">www.chinalife.com.hk</a>
Employer hotline	:	(852) 3999 5555
Member hotline	:	(852) 3999 5555
Fax number	:	(852) 2893 2103
Postal address	:	China Life Trustees Limited Room 801, 8/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 2024**

#### **5 Service providers**

##### **Trustee**

China Life Trustees Limited  
Room 801, 8/F, Tower A  
China Life Center, One HarbourGate  
18 Hung Luen Road  
Hung Hom, Kowloon

##### **Sponsor and Administrator** <sup>Note 1</sup>

China Life Insurance (Overseas) Company Limited <sup>Note 2</sup>  
(incorporated in the People's Republic of China with limited liability)  
12/F, China Life Center, Tower A  
One HarbourGate  
18 Hung Luen Road  
Hung Hom, Kowloon

##### **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: On 29 July 2024, the Scheme has been onboarded to the eMPF Platform. With effect from 29 July 2024, the scheme administration work is performed by the eMPF Platform.

Note 2: 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 2024

#### 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 fund and the underlying unit trust approved pooled investment fund that the following constituent funds of the Scheme have invested in.

1. China Life Joyful Retirement Guaranteed Fund <sup>Note 1</sup>

With effect from 23 June 2023, Taiping Assets Management (HK) Company Limited ceased to be the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund and Schroder Investment Management (Hong Kong) Limited was appointed as the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund of China Life Joyful Retirement Guaranteed Fund.

##### Schroder Investment Management (Hong Kong) Limited

Level 33, Two Pacific Place,  
88 Queensway,  
Hong Kong

Being the investment manager of the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund that the following constituent fund of the Scheme have invested in.

1. China Life Joyful Retirement Guaranteed Fund <sup>Note 1</sup>

##### 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 Core Accumulation Fund
2. China Life Age 65 Plus Fund

Note 1: Taiping Assets Management (HK) Company Limited was ceased to be the investment manager of the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds and Schroder Investment Management (Hong Kong) Limited was appointed as the investment manager of the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds with effect from 23 June 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 5 Service providers (Continued)

##### **Investment Managers (Continued)**

##### China Asset Management (Hong Kong) Limited

37/F, Bank of China Tower  
1 Garden Road  
Hong Kong

Being the investment manager for the following constituent fund of the Scheme.

1. China Life Retire-Easy Global Equity Fund
2. China Life US Equity Fund <sup>Note 2</sup>

##### 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

##### JPMorgan Asset Management (Asia Pacific) Limited

21/F, Chater House  
8 Connaught Road Central  
Hong Kong

Being the investment manager of the relevant approved pooled investment fund that the following constituent fund of the Scheme has invested in.

1. China Life Greater China Equity Fund

##### Franklin Templeton Investments (Asia) Limited

17/F, Chater House  
8 Connaught Road Central  
Hong Kong

Being the investment manager of the relevant approved pooled investment fund that the following constituent fund of the Scheme has invested in.

1. China Life US Equity Fund <sup>Note 2</sup>

With effect from 1 February 2023, Franklin Templeton Investments (Asia) Limited was ceased to be the investment manager for the underlying fund of China Life US Equity Fund and China Asset Management (Hong Kong) Limited was appointed as the investment manager for China Life US Equity Fund.

Note 2: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **SCHEME REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **5 Service providers (Continued)**

##### **Insurer and Guarantor**

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

##### **Auditor**

Deloitte Touche Tohmatsu (Effective from 18 December 2024)  
35/F One Pacific Place,  
88 Queensway Road  
Hong Kong

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 2024**

#### **6 Board of Directors**

##### **Directors of the Trustee**

##### **China Life Trustees Limited**

Jiang Tao (resigned on 5 January 2024)

Kang Le (appointed on 5 January 2024)

Li Hengyi (appointed on 2 September 2024)

Tam Tsz Kin, Thomas (resigned on 31 May 2025)

Lee Fong Yee, Fanny

Si Chiu Tan, Henry

Lu Haitian

Business address of the Directors of the Trustee:

Room 801, 8/F, Tower A

China Life Center, One HarbourGate

18 Hung Luen Road

Hung Hom, Kowloon

##### **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 2024 are as follows:

Liu Yuejin

Jiang Tao

Wang Junhui (resigned on 19 December 2024)

Liu Qing (resigned on 15 January 2024)

Lang Kuan (resigned on 15 January 2024)

Xu Shiqing

Mao Yumin (resigned on 21 February 2025)

Guo Yike (resigned on 11 March 2024)

Lin Zhaohui (appointed on 28 May 2024)

Li Weibin (appointed on 11 March 2024 and resigned on 5 February 2025)

Zhuo Yu (appointed on 15 January 2024)

Hu Jin (appointed on 15 January 2024)

**CHINA LIFE MPF MASTER TRUST SCHEME**

**SCHEME REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**6 Board of Directors (Continued)**

**Controllers of Associate (Continued)**

Mao Junxiang (appointed on 5 February 2025)

Hu Jingwei (appointed on 21 February 2025)

Qiao Zhonghua (appointed on 21 February 2025)

Address:

The business address of the above controllers is:

16/F, China Life Center Tower A

One HarbourGate

No.18 Hung Luen Road, Kowloon

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview

China Life MPF Master Trust Scheme (the “Scheme”) offers exclusively to Scheme members ten constituent funds to invest their accrued benefits as at 31 December 2024 (2023: Ten). 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 Hong Kong Equity Fund (HKEF)  
China Life Joyful Retirement Guaranteed Fund (REGF) <sup>Note 1</sup>  
China Life Retire-Easy Global Equity Fund (REGEF)  
China Life Core Accumulation Fund (CAF)  
China Life Age 65 Plus Fund (APF)  
China Life Greater China Equity Fund (GCE)  
China Life US Equity Fund (USE) <sup>Note 2</sup>

#### 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 (focusing investment into the global equity markets, whilst providing a degree of asset diversification by investing the remaining assets in global bonds, cash and cash equivalents) to manage the volatility of returns in the short term.

##### 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 2024

#### 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 predominately into the global equity markets and will have the flexibility to invest in the global bonds, and cash and cash equivalents 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 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 or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong).

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 2024

#### 1 Overview (Continued)

##### Investment objectives and policies (Continued)

###### China Life Joyful Retirement Guaranteed Fund<sup>Note 1</sup>

The investment objectives of REGF are to provide capital preservation in the long term and offer 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 of global equities, fixed income securities and cash/bank deposit/cash equivalent comprising the following:

- (a) Global equities and other securities.
- (b) Debt securities.
- (c) Other securities as permitted in the Regulation and other relevant laws, rules or regulations that may be enacted from time to time respectively.

###### 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 two or more index-tracking collective investment schemes duly approved by MPFA managed by China Asset Management (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.

###### 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.

Note 1: Taiping Assets Management (HK) Company Limited ceased to be the investment manager of the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds and Schroder Investment Management (Hong Kong) Limited was appointed as the investment manager of the relevant approved pooled investment funds and the underlying unit trust approved pooled investment funds with effect from 23 June 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment objectives and policies (Continued)

###### 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.

###### China Life Greater China Equity Fund

The investment objective of the Fund is to provide long term capital growth in HK dollar terms.

The fund achieves its investment objectives through investing in an APIF managed by JPMorgan Asset Management (Asia Pacific) Limited, which invests in a portfolio consisting primarily of securities of companies based or operating principally in the People's Republic of China, Hong Kong, Macau or Taiwan ("Greater China Region") and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan.

###### China Life US Equity Fund <sup>Note 2</sup>

The investment objective of the Fund is to provide capital appreciation in the long term through investment in US equities.

The fund achieves its investment objectives through investing in two or more index-tracking collective investment schemes duly approved by MPFA managed by China Asset Management (Hong Kong) Limited, which invests principally in equity securities of US companies demonstrating accelerating growth, increasing profitability or above-average growth or growth potential as compared with the overall economy. The fund maintains a minimum effective currency exposure of 30% of its net asset value in Hong Kong dollars.

Note 2: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

##### Investment analysis and commentary

Out of the ten constituent funds, seven of them (BF, GF, HKEF, REGF, CAF, APF and GCE) are currently feeder funds and each invests in a relevant approved pooled investment fund. The constituent fund (MCF) invests in bank deposits, certificate of deposits and short term debt securities during the relevant year. The constituent funds (REGEF and USE) are a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA 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.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment managers' market perspective

##### Taiping Assets Management (HK) Company Limited

Being the investment manager for the following constituent fund of the Scheme.

- i) China Life MPF Conservative Fund

##### 2024 Market Overview

The MPF Conservative Fund was committed to improve investment return in 2024. On the one hand, the fund expanded the trading counterparties, opened more high-interest accounts with large banks, selected and allocated time deposits in high interest rate banks, reduced the proportion of time deposits in low interest rate banks, and improved the efficiency of fund cash flow. On the other hand, the fund enriched investment varieties and increased the investment proportion of certificate of deposit and short-term bonds within the investment limit, in order to improve the overall portfolio investment return.

Following the end of global rate-hiking cycle of most central banks in 2023, monetary policies gradually shifted to looser stances in the second half of 2024. The U.S. Federal Reserve executed three consecutive rate cuts starting in September 2024, cumulatively reduced the federal funds rate by 100 basis points to a range of 4.25%-4.50%. Despite these reductions, U.S. medium- to long-term Treasury yield elevated in 2024: the 5-year yield increased 56 basis points to 4.39%, the 10-year yield increased 72 basis points to 4.58%, and the 30-year yield increased 76 basis points to 4.78%. However, Short-term bill yield declined from 5.28% to 4.33%, while the 2-year Treasury yield held steady at 4.25%. The yield curve steepened between 2s / 30s, moving from -23 bps inversion to +53 bps upward slope. Major bond indices recorded positive return, JULI Index increased 2.6% in 2024 with credit spreads narrowed 20bps, CEMBI div IG Index increased 4.93% with credit spread narrowed 41bps. The Hong Kong Monetary Base Aggregate Balance kept stable in 2024, the balance at the end of the year was slightly lower than that at the beginning of the year.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **Taiping Assets Management (HK) Company Limited (Continued)**

##### **2025 Market Outlook and Strategy**

The Fixed Income Market in 2025 faces multiple risks, including Trump administration's changing policies and geopolitical tensions that could disrupt supply chains and market confidence. In general, we expect US inflation to maintain high level for a period of time, economic growth continue to decline, and the Fed may cut interest rate in the second half of the year, but the frequency and range may be less than what the Fed did in 2024. US inflation is expected to be pushed up by tariff and tax cut policies. The persistent PCE price index and the impact of government policies may keep the Fed on the sidelines before the middle of the year. In terms of economic growth, several leading economic indicators such as the US ISM manufacturing PMI and ISM service PMI may remain in downward trend. Labor income growth may soften, consumer spending may decelerate. Economic growth is expected to slow down further. However, the expectation of labor market is still strong and the transmission of employment - income - consumption is positive. A soft landing is the base scenario for the US economy forecast in 2025. Trump's policies may have a negative impact on the economy. Tightening immigration affects the growth of labor supply and productivity improvement. Imposing tariffs will deteriorate consumption and bring uncertainty to companies, thereby drag down economic growth and push inflation up. U.S. Treasury yield is expected to stay volatile at high level in the short term, and decrease in medium-to-long-term with economy slow down and rate cutting expectation.

For the investment strategy in 2025, we plan to continue to maintain a high level investment yield by keep expanding trading counterparties, strengthening market research, actively adjusting the tenor of the portfolio, and selectively allocating relatively high-yield products.



## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment managers' market perspective (Continued)

##### 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 Core Accumulation Fund
- ii) China Life Age 65 Plus Fund

##### 2024 Market Overview

###### Equity

Throughout 2024, global equity markets experienced broad performances with notable growth in the first quarter driven by strong earnings from major tech companies and positive jobs data in the US, while the UK and European markets showed resilience despite inflation concerns. The second quarter saw mixed results, with US indices reaching record highs amid AI excitement, and European markets facing political noise and modest economic growth. The third quarter was marked by geopolitical tensions and central bank decisions, leading to gains in US markets and a rally in Chinese stocks, but declines in European and Japanese equities. In the fourth quarter, US equities continued to rise, supported by political developments and sector-specific gains, while Eurozone and UK markets faced recession fears and economic challenges, and Asian markets had mixed outcomes influenced by fiscal policies and currency fluctuations.

###### Fixed Income

Throughout 2024, global fixed income markets experienced significant volatility driven mainly by mixed macroeconomic data and central bank policies. After a strong rally in government bond yields at the end of 2023, 2024 began with rising bond yields as US inflation increased unexpectedly, challenging the Federal Reserve's policy stance. The ECB and Bank of England signalled potential rate cuts, while the Bank of Japan ended an era of negative interest rates in an historic shift in March. Q2 saw mixed performance influenced by inflation and jobs data, with central banks including the ECB and Bank of Canada cutting rates. In Q3, bond markets performed positively on the back of cuts by the ECB, Bank of England and the FED, causing especially US Treasury yields to fall significantly. After the strong returns seen in the third quarter, global bond markets had a more challenging fourth quarter, with investors paring back expectations of future interest rate cuts in major developed markets due to strong jobs reports and core inflation data.

Early in the year, bullish sentiment led to a tightening of credit spreads for USD, Euro, and Sterling issues. As the year progressed, investment grade spreads widened slightly, while high yield-rated credits outperformed on a total return basis. As inflation continued to fall towards targets, corporate credit spreads resumed their tightening trend in Q3, with the US market outperforming Europe and Asia. By the end of the year, the tide for longer term rates shifted once again. Rising concern about fiscal dynamics on both sides of the Atlantic, combined with stronger than expected economic data in the US, drove yield curves steeper and credit markets continued to rally strongly.

Throughout 2024, emerging market bonds had varied performance. Early gains were driven by bullish sentiment and a weakening US dollar. Later, rising US Treasury yields and a stronger dollar led to negative returns. Despite this, Chinese government bonds consistently delivered positive gains, showing resilience amid broader market volatility.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment managers' market perspective (Continued)

##### Invesco Hong Kong Limited (Continued)

##### 2025 Market Outlook and Strategy

###### Equity

At the start of 2025, our outlook for global equities remained positive. Our view is based on a neutral equity market valuation in all regions, except for a positive view in Japan and a negative opinion in the US. Furthermore, a neutral to positive price trend is evitable across most regions. Besides that, a positive risk aversion in all regions is observable. Lastly, the economic environment is slightly positive on a global basis. Therefore, the overall signal for global equities is positive.

###### Fixed Income

While the full extent of the tariffs and counter-tariffs is not yet fully known, the market reaction thus far has been significant. The risk-off environment has been most noticeable in global equity markets, where many indices have approached bear market territory, albeit rebounding in recent weeks. Although credit spreads in both investment-grade (IG) and high-yield bonds have widened, the movements have been relatively orderly compared to equities. Given current spreads, the bond market is pricing in a slowdown but not a recession. There is scope for a significant widening of spreads should the U.S. enter recessionary territory. We expect to see a significant downgrade of global and regional growth prospects and consequently weaker risk assets. Central banks face a very challenging environment. While the implications for growth are clearly negative, the implications for inflation are less clear. Tariffs will increase inflation in the U.S., but if there are no retaliatory tariffs from Europe and the UK, the inflationary impulse may be lower. Government yields have fallen sharply over the past few weeks, and we expect yields to remain on a downward path. However, given the scale of the additional issuance expected, longer-term yields are likely to remain higher than would otherwise be the case. Yield curves will likely steepen as term premiums rise, while the shorter ends will benefit from rate cuts. However, given the uncertainty of the inflationary impulse, central banks are likely to respond more slowly than they did during previous growth shocks, such as COVID-19. The slow response will, in turn, mean that risk markets continue to weaken in anticipation of a global recession. We expect credit spreads in both investment-grade and high-yield bonds to widen significantly from current valuations, and emerging markets to underperform developed market sovereigns, at least in the short term. Weaker risk assets, lower front-end yields, steeper curves and a weaker USD are the key market implications.

We continue to manage the fund in accordance with our fixed income factor approach utilising a factor allocation split between Carry, Value and Quality in G10 markets to which we have added a small allocation to emerging markets to further enhance diversification and return potential.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment managers' market perspective (Continued)

##### China Asset Management (Hong Kong) Limited

Being the investment manager for the following constituent fund of the Scheme.

- i) China Life Retire-Easy Global Equity Fund
- ii) China Life US Equity Fund

##### 2024 Market Overview

Global equities sustained their strong performance in 2024 with major indices posting double-digit returns on the back of healthy corporate earnings growth and expectations of a more favorable interest rate environment. Despite concerns over political instability, markets remained resilient, proving that macroeconomic fundamentals drive performance more than politics. The MSCI All Country World Index and S&P 500 performed exceptionally well, with +18.0% and +25.0% return respectively.

The U.S. lowered the FED fund rate by 25bps each in November and December, following the initial reduction of 50 basis points in September. Donald Trump re-elected as the U.S. President in November boosted the investment sentiment in the U.S. with the hope of further tax rate cut and deregulation that will improve corporate earnings. The equity market reignited its rally and closed the year near the record high.

##### US equities:

The U.S. equity market in 2024 had a stellar year, with the S&P 500 returning approximately +25.0%, marking back-to-back years of 20%+ annual gains. The artificial intelligence sector continued to drive market gains, with AI-driven stocks expanded beyond the "Magnificent 7". Resilient but gradually moderating economic growth, improving corporate earnings, disinflation, and expected central bank rate cuts leave the path to a soft-landing open in the U.S. Inflation has cooled markedly but still sticky, allowing the Federal Reserve (FED) to pivot to rate cuts and shift its focus to backstopping a slowing labor market. However, reflation may be resulted due to Trump's tariff policies, slower rate cut is expected which already reflected in the U.S. treasury yield curve.

##### European equities:

With political instability in major economies of Germany and France weighing on performance, the European equity market in 2024 had a mixed year and ended the year with a single-digit return, underperformed other developed markets. Divergence in performance observed across European countries, Germany's DAX, Spain's IBEX and Italy's FTSE MIB rose almost 20%, France's CAC 40 ended the year flat while UK's FTSE 100 gained nearly 10%. Valuation gap between European equity market as a whole and the U.S. market widened significantly.

With inflation rate keeping at relatively low level, European Central Bank (ECB) began its rate cut cycle in June and have the rates fallen by 1.35 percentage points in 2024, Bank of England (BOE) also cut its rates by 0.5 percentage point during the same period. Talk of tariffs from the U.S. had been a headwind for Europe, however, the shift in economic sentiment supports corporate earnings and equity performance.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **China Asset Management (Hong Kong) Limited (Continued)**

##### **2024 Market Overview (Continued)**

###### **Japanese equities:**

The end of Japan's deflationary era has marked a dramatic transformation, with private consumption showing signs of growth. Improved governance and greater efficiencies as a result of Tokyo Stock Exchange's reforms, and the reasonable valuation continued to support the Japanese stock market. In early August, the unwinding of carry trades after the first key interest rate hike to 0.25% in Japan amid the well expectation of rate cuts by the FED triggered a sharp increase in volatility. Nikkei 225 Index dropped about 20% in 3 days with concerns that the Bank of Japan (BOJ) was tightening its monetary policy too aggressively and too soon. BOJ maintained a less hawkish stance afterwards and market sentiment gradually improved. Nikkei 225 Index ended the year with a gain of 21.3%.

###### **China/HK equities:**

The China stock market in 2024 had a volatile year, with early declines followed by a strong rebound in the second half as it responded favorably to the government's policy direction. Hang Seng Index and MSCI China Index gained 22.9% and 19.0% respectively in 2024.

Despite pessimistic sentiment early in the year, China's economy demonstrated greater resilience than expected. The policy shift in China starting on 24th September, at the time when overseas economies began entering rate-cut cycles, provided the market with a significant boost. A series of consumption-supporting policies, along with measures to stabilize the property market and the capital market, led to record trading volumes and a sharp stock market rebound. Yet it takes time for these policies to yield positive economic results, and concerns about Sino-US relations following the US presidential election fueled market volatility, driving the market correction in the fourth quarter. Valuation of Chinese equities looked more reasonable relative to global and emerging market equities after the rally.

###### **Asia Pacific region (ex Japan, Hong Kong and China):**

Outside of China and Japan, the rest of Asia stock market in 2024 had a mixed year. Taiwan's TAIEX Index gained 31.7% as semiconductor demand drove growth, MSCI India Index rose 15.7% with strong macroeconomic fundamentals, but Korea's KOSPI dropped 8.0% due to investors' concerns over issues such as corporate governance, economic woes and the political turmoil in the country. Southeast Asia countries benefited from tourism growth, boosting equities. Despite equity gains, regional currencies struggled due to U.S. dollar strength.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **China Asset Management (Hong Kong) Limited (Continued)**

##### **2025 Market Outlook and Strategy**

Looking ahead, both macro economies and financial markets are facing heightened uncertainties in 2025. A new wave of tariffs imposed by the Trump administration is expected to pose increasing challenges to global inflation and economic growth. In the meantime, ideological shifts in Europe and the U.S. are presenting greater political risks. Additionally, China's economy may face intensified pressures both domestically and internationally in the coming year. As we navigate the path of deglobalization, we should expect increased market volatility and heightened tail risks.

The global equity market is expected to see a dispersion across stocks, styles, sectors, countries, and themes. Policy rates in developed markets are likely to remain higher for longer, with continued divergence between US and Euro area rates.

##### **US equities:**

Enhanced productivity and resilient consumption fueled stronger-than-expected economic growth in the U.S. in 2024. The U.S. economy is expected to remain robust over the first two quarters of 2025, driven by a surge in labor hoarding and inventory stockpiling in response to Trump's immigration and trade policies. The Trump administration's plans to ease regulations and lower taxes may partially offset the negative impacts of stricter immigration policies and higher trade tariffs. Investment growth is also expected to decelerate. In the labor market, we foresee a gradual increase in the unemployment rate, though the chances of a short-term collapse remain slim, given the low levels of layoffs and recruitment. Our base case outlook expects the U.S. to begin imposing 40%-60% planned tariffs on China by mid-2025, which may create supply shocks and lead to recurrent reflation trades. On U.S. policies, we expect the FED to maintain its independence while closely monitoring employment and financial market performance. In our base scenario, the Fed is likely to gradually slow its pace of rate cuts, bringing the interest rate down to approximately 3.75%-4% by the end of 2025. We expect the fiscal deficit will remain manageable in 2025, especially considering the background of the new Secretary of the Treasury and the expiration of the Tax Cuts and Jobs Act (TCJA).

Looking ahead, the US equity market is expected to see poorer performance in 2025 compared to the previous two years. Continued adoption of artificial intelligence could lead to a productivity boom, but on the other hand a negative impact on the labor market in the long term. Potential trade wars implemented with tariffs may finally lead to higher inflation that disrupts the expected path of rate cuts. Expensive shares in the US in a higher interest rate environment for a longer term than expected makes the stock market vulnerable to a sharp pullback. The US equity market may experience a correction in 2025.

##### **European equities:**

Expectations for the European equity market in 2025 are low, with fragile economic growth projected at around 1%. Disappointed PMI indicators reflect a high level of uncertainty among economic agents. Concerns about upcoming tariffs, and inflationary policies add to Europe's political difficulties. However, the European Central Bank is expected to bring interest rates down to 2% in 2025 amid weak growth and cooling inflation, supporting the stock market which is still trading at a reasonable valuation level.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **China Asset Management (Hong Kong) Limited (Continued)**

##### **2025 Market Outlook and Strategy (Continued)**

###### **Japanese equities:**

The outlook for the Japanese equity market remains optimistic, supported by structural factors, macroeconomic improvements, and corporate governance reforms. However, challenges such as labor shortages, global trade uncertainties, and the Bank of Japan's monetary tightening pose risks to exports, consumer spending, and investments. Despite these challenges, the Japanese equity market is expected to maintain its robust performance.

###### **China/HK equities:**

In 2025, we expect more positive changes in China's monetary, fiscal and regulatory policies to further stabilize the economic growth. The government is likely to implement more policies to support consumption, job creation, and infrastructure projects. The expansion of consumer trade-in programs and other consumption support measures are anticipated to boost domestic demand. Additionally, the stabilization of the housing sector and improving market sentiment are expected to contribute to a more positive outlook for Chinese equities. The valuation of China stocks now looks fair after the gains in 2024, and we anticipate a further recovery in both A-shares and Hong Kong stocks in 2025. This will be driven by improvements in global investors' sentiment towards risk factors such as economic growth expectations, Sino-US relations, and geopolitical tensions.

###### **Asia Pacific region (ex Japan, Hong Kong and China):**

The stock market outlook for 2025 appears promising, with strong domestic demand and monetary easing expected to drive growth. Several Asian economies, including Indonesia, Thailand, and Korea, began rate-cutting cycles in late 2024, providing more room for economic expansion in 2025. China's stimulus measures are expected to boost intra-regional trade, benefiting ASEAN markets through increased exports and tourism. India remains a key driver for growth, with strong consumer sentiment and rising infrastructure investment supporting economic expansion. Taiwan and Korea will continue to lead in semiconductor manufacturing, with AI-driven investments expected to boost earnings growth.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **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

##### **2024 General Markets Review**

###### **United States**

US equities advanced strongly over 2024. Companies that had strong ties to artificial intelligence theme or were perceived to benefit from the Trump administration were among the key gainers. Markets were supported by resilient economic data, robust corporate earnings and easing monetary policy by major central banks. US equities saw another consecutive year of impressive returns as inflation slowed and consumer spending remained strong, while the job market proved to be resilient. However, US equities witnessed a period of significant volatility mid-year as surprisingly weak economic data combined with the Bank of Japan's rate hike led to a sharp sell-off in markets. Nevertheless, markets quickly recovered as economic data picked up and the US exceptionalism narrative prevailed.

The US elections were in focus this year as Donald Trump won the presidential race in November and the Republican party secured a majority in both houses of the Congress. Against this backdrop, stocks rose meaningfully on the prospects for an expansionary fiscal policy and a constructive environment for deregulation that is likely to support corporates.

All sectors except materials rose, with communication services and information technology (IT) leading the gains. From a style perspective, growth stocks outpaced their value counterparts as the incoming Republican administration's perceived unfavourable stance towards the pharmaceuticals and biotech industries dampened sentiment around the healthcare sector, weighing on the value segment. At a market-cap level, all segments recorded positive returns with the large-cap stocks outperforming mid and small-cap peers.

###### **Europe**

European equity markets delivered positive returns in 2024, despite declining Purchasing Managers' Indices (PMIs), political uncertainties in France and Germany, Trump's re-election in the US, and ongoing geopolitical tensions between Ukraine and Russia. However, European equities lagged significantly compared to global and US markets.

Europe's manufacturing PMI has been below the expansionary threshold of 50 for over two years, and services PMIs have been slowing down owing to data from Germany and France. While there are some positives such as a relatively resilient consumer and a stable jobs market, and the European Central Bank (ECB)'s easing stance on inflation, the weak economic picture has meant that the debate continues around the pace and scale of the ECB's monetary easing. As anticipated, the ECB reduced its three key lending rates by 25 basis points in June, marking the bank's first interest rate cut since 2019, followed by three more interest rate cuts over the year.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **FIL Investment Management (Hong Kong) Limited (Continued)**

##### **2024 General Markets Review (Continued)**

##### **Europe (Continued)**

Early optimism around the outcome of the US presidential election eroded as investors shifted their focus towards the potential impact of trade tariffs on the eurozone's growth. Sentiment was also impacted by political instability in France and Germany. In France, Prime Minister Michel Barnier's minority government collapsed following a no-confidence vote and subsequently, President Emmanuel Macron nominated Francois Bayrou to be the new prime minister, reducing concerns of a government shutdown. In Germany, Chancellor Olaf Scholz lost a no confidence vote, paving the way for an early election in February 2025.

##### **Japan**

The Japanese equity market rose during the year. The rally was primarily driven by central bank policy expectations, centred on the Bank of Japan (BoJ) and the US Federal Reserve (Fed), and accompanying yen weakness. Meanwhile, upbeat earnings results, including from index heavyweights, accompanied by share buyback announcements, also served to galvanise market sentiment. However, the second half of the year saw periods of profit taking and a strengthening yen, which weighed on overall market returns.

In macroeconomic news, the BoJ decided to end its negative interest rate policy and eliminate yield curve controls in March 2024. This marked the central bank's first move to tighten the monetary policy in Japan in nearly two decades. In July, the BoJ raised interest rates again, while announcing a halving of its monthly bond buying. The BoJ increased the key rate target to 0.25% from near zero, and unveiled a quantitative tightening plan that would roughly halve monthly bond buying to ¥3 trillion (\$19.6 billion) as of early 2026 from the current level of ¥6 trillion. In terms of currency movements, the yen fell to ¥161 against the US dollar, the lowest level since 1986, due to factors such as speculative flows and receding expectations for US rate cuts. However, the yen strengthened later in the period as investors positioned for a further narrowing of the interest-rate gap between the US and Japan following unexpectedly large US Federal Reserve rate cuts in September 2024.

Meanwhile, Japan's Prime Minister Fumio Kishida announced that he would step down as leader of the ruling Liberal Democratic Party. Former Defence Minister Shigeru Ishiba unexpectedly won the leadership election and, despite initial speculation to the contrary, appeared set to maintain the key policies of the Kishida administration - like overcoming deflation and raising wages. All sectors ended the 12-month period with positive returns, with financials, energy and industrials leading the way.



## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **FIL Investment Management (Hong Kong) Limited (Continued)**

##### **2024 General Markets Review (Continued)**

##### **Asia Pacific**

Equities in the Asia Pacific region advanced over the period. The start of the US Federal Reserve (Fed)'s rate-cutting cycle in mid-September, along with stimulus measures in China, helped to boost stock markets. However, towards the end of the period, concerns over potential tariff hikes following Donald Trump's election victory in the US subdued investor sentiment across the region.

Chinese stocks gained, buoyed by the Chinese government's strengthened stimulus measures aimed at revitalising its economy. In September, Chinese authorities announced a larger-than-expected comprehensive stimulus package, including rate cuts and new monetary policy tools, followed by consistent policy support through the rest of the year. Taiwanese equities performed strongly, driven by a rally in technology stocks amid a positive outlook for artificial intelligence (AI)-related demand. Taiwan continued to dominate the chip-making industry amid a sustained recovery in global demand and rapid advancements in AI, electric vehicles (EV), and 5G technologies. Indian shares rose, albeit reduction in some of the gains later in the year due to foreign investor outflows. Australian equities also gained, supported by optimism surrounding the US Fed's commencement of its rate-cutting cycle. The Reserve Bank of Australia kept its cash rate unchanged during the period. Conversely, South Korean equities faced pressure due to selling by foreign investors amid disappointing earnings results from major technology firms and domestic political uncertainty. A short-lived martial law and subsequent impeachment of the president in December increased market volatility and added to the selling pressure. Within ASEAN markets, Singapore and Malaysia reported robust performance. At a sector level, the information technology and financial sectors led the market gains.

##### **Hong Kong**

Chinese and Hong Kong equities rebounded during 2024 and delivered positive returns for the first time since 2020. Investors were initially unimpressed with China's policy response as the country grappled with falling property prices and weak consumer confidence. However, more cohesive policy announcements since September 2024 boosted investor sentiment towards potential economic recovery and thereby Chinese equities rallied in the second half of the year. The concerted efforts by Chinese policymakers assured investors that the government was paying considerable attention to the country's economic realities. Additionally, strong tourism data and stock market reforms rewarding shareholders further boosted the sentiment. On the other hand, concerns about potential trade restriction and tariff curbs on China after the US election win of Donald Trump added to the market's challenges.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **FIL Investment Management (Hong Kong) Limited (Continued)**

##### **2024 General Markets Review (Continued)**

##### **Bond**

Global bond markets experienced volatility but ultimately delivered positive returns. Initially, sentiment came under pressure by persistent core inflation levels and adjusted expectations regarding potential interest rate cuts by major central banks, leading to a selloff in government bonds across developed markets. However, markets began to rebound in May 2024 and continued this momentum towards the end of September.

US Treasury yields fell from their year-to-date highs after Federal Reserve (Fed) Chairman Jerome Powell hinted that further rate hikes were unlikely. Positive labour market conditions and inflation data in the US further strengthened market sentiment. During an annual symposium in August, Powell indicated that the Fed would begin to reduce interest rates, signaling confidence in inflation returning to the Fed's 2% target. However, a pickup in economic data, especially payroll and unemployment figures in late September, led markets to recalibrate their expectations for interest rate cuts, causing US Treasury yields to rise to their highest levels since late July. US elections and fiscal policy risks, as well as the UK government's announcement of additional borrowing in its budget, also contributed to market volatility.

On the monetary policy front, the US Fed initiated its easing cycle with a 50 basis points interest rate cut at its September meeting and implemented two more rate cuts during the November and December meetings, while indicating a slower pace of cuts in 2025. Additionally, five central banks within the 'Group of 10' currency bloc (Swiss National Bank, Riksbank, Bank of Canada, European Central Bank, and Bank of England) lowered interest rates during the period. Conversely, the Bank of Japan (BoJ) raised its policy rate to 0.25% at its July meeting, leading to significant volatility in the market. In the corporate credit space, investment-grade credit spreads narrowed, supported by a stable corporate earnings outlook and balanced technical factors.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **FIL Investment Management (Hong Kong) Limited (Continued)**

##### **2025 Market Outlook**

The US macroeconomic outlook remains in inflationary territory. Many US economic indicators, including the latest non-farm payrolls data, showed an upswing in late 2024, reflecting continued economic exceptionalism. Looking to the year ahead, inflation risks remain skewed to the upside from the second half of 2025 as the impact of the new administration's policies come into play. Downside risks to growth emanate from more significant tariff increases and changes to immigration policy. In the US equity market, we expect to see some broadening of market concentration. Mid-cap companies with domestic exposure are positioned to benefit from lower corporate tax rates and access to cheaper energy relative to other countries, which could help to drive corporate performance.

The resounding victory for the Republicans in November's US election has shifted the economic landscape for 2025. In Europe, Fidelity's macro team expects a cyclical upswing in 2025, as falling inflation and lower interest rates help to resurrect corporate capital expenditure and consumer confidence. Stronger real disposable income and easier financing conditions should facilitate the release of elevated excess savings to spur consumption growth. On monetary policy, the team expects the European Central Bank to cut rates quickly to reach 2%, followed by a gradual easing to 1.5% by the end of 2025. On the flipside, we are mindful that Europe will have to navigate a shift in the US trade and industrial policy that is likely to weaken its growth prospects and put downward pressure on domestic inflation as external demand slows. Potential tariffs from the US pose a downside risk, particularly for the automotive sector, and the resulting trade uncertainty could reduce growth by up to half a percentage point. Recent profit warnings by European industrial and automobile companies, as well as lacklustre sales by consumer discretionary names, raise doubts over the strength of the Chinese demand. Germany in particular is likely to face the impact of these headwinds, given additional uncertainty due to the snap elections in February 2025. While there are reasons to predict that Europe's GDP growth is likely to lag that of the US, as a stock market, the MSCI Europe Index has a very diversified revenue exposure. There are many European companies that present attractive opportunities for investors. The manufacturing recession in Europe is already one of the longest in decades and we are probably closer to the end, which could make Europe more attractive in the near future.

The transition to a mild inflation environment and the normalisation of monetary policy in Japan are positive for both the domestic economy and the stock market. Japanese companies are raising prices across the board and the latest wage negotiations are delivering higher levels of income growth, which will provide reassurance on the consumer side. Meanwhile, TSE-led governance reforms are gaining momentum, and we are seeing progress in the rationalisation of cross shareholdings. While signs of a further weakness in China's economic recovery and the risk of a US recession represent potential headwinds, the accumulation of positive factors support a robust mid-to-long-term outlook for the Japanese market.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **FIL Investment Management (Hong Kong) Limited (Continued)**

##### **2025 Market Outlook (Continued)**

The fundamental backdrop for equities has improved following the commencement of rate cuts by the US Fed, along with China's coherent policy stimulus. These measures are expected to create more favourable financial conditions and support the economies in the region. In the long term, the region could reap economic benefits from shifting global trade flows, such as increased foreign investment and a greater share of the global export market.

We anticipate a continued slowdown in the US's economic growth as the base scenario for 2025, driven by weakness in consumption and a softening labour market. Throughout 2024, we observed underlying cracks in US consumer spending, which is expected to widen further. For example, 40% of Americans have maxed out their credit cards to maintain their consumption, with delinquency rates on these credit cards and auto loans now up at 14-year highs. Additionally, the quits rates trended downward in 2024, indicating low confidence among American workers in finding new employment. This is coupled with falling hiring rates, which are at levels we have not seen since the weak labour market in 2013. Both private and government sectors are also reducing headcounts to cut costs. The January non-farm payrolls figures showed that job growth slowed beyond expectations after strong gains in the previous two months. Elsewhere, given the significant role of the US in the global economy, we expect this to be a noteworthy drag on global growth. On the monetary policy front, we anticipate that the Fed will need to cut rates much more aggressively than current market pricing to provide real support to the wider economy. Against this backdrop, we have a higher conviction in defensive asset allocation. As such, we maintain a long duration bias across a range of developed market government bonds, including US Treasuries, UK gilts, and German bunds. Within credits, we believe current valuations are historically expensive and do not adequately compensate for the risks associated with our US slowdown scenario. We continue to have an overweight stance in European national-champion banks in their shorter-dated and senior issues but have an underweight in most corporate sectors.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

##### Investment managers' market perspective (Continued)

##### **Schroder Investment Management (Hong Kong) Limited**

Being the investment manager of the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund that the following constituent fund of the Scheme has invested in.

- i) China Life Joyful Retirement Guaranteed Fund

##### **2024 Market Overview**

###### Equities

Global stock markets moved higher in the year, starting with strong gains in Q1 amid a resilient US economy and ongoing enthusiasm around AI. US equities had a robust advance in the quarter supported by some well-received corporate earnings as well as ongoing expectations of rate cuts. In Q2, there were worries at the start of the quarter that the US economy may be overheating, however, hopes of a soft landing for the economy grew as US inflation showed signs of cooling. In the second half of the year, US equities continued to grow amid resilient corporate earnings and expectation of pro-growth agenda by US President Donald Trump following his victory in the presidential election. Under this market backdrop, US equities were the largest contributor during the year, while other regions also contributed. Despite there were political instability in France and Germany as well as worries over trade war closer to the end of year, Europe equities moved higher during the year supported by the expectation of the European Central Bank interest rate cuts. Asia and EM equities achieved solid gains, with Taiwan leading the growth in first half of 2024 on the back of the continued investor enthusiasm about AI and the tech sector. Japan equities were higher supported by strong corporate earnings and the tailwinds from corporate governance reform. Shares in China also achieved gains in the year as sentiment was lifted by the announcements of stimulus measures by the Chinese government.

###### Fixed Income

Global bonds were influenced by shifts in the landscape of inflation and interest rate expectations in the year. US yields moved higher in the beginning of the year and peaked in April, as rate cut expectations were scaled back with the central banks proceeded with caution. US Yields then trended lower towards September as investors priced in aggressive rate cuts against weak job data and cooling inflation. The Federal Reserve began its long-awaited cutting cycle with a 50-bps cut in September. In Q4, the yields moved higher amid concerns over potential inflationary policies arising from a possible Republican victory in the presidential election. Investment grade corporate credits contributed in the year with credit spreads remaining tight amid stable corporate fundamentals and rate cut expectations. US Treasuries also made a contribution.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

##### **Schroder Investment Management (Hong Kong) Limited (Continued)**

##### **2025 Market Outlook and Strategy**

###### **Equities**

The 90-day pause in reciprocal tariffs between the US and China reduces the risk of a sudden halt in trade and a sharp increase in unemployment. In the short term, we believe the risk of recession has diminished, creating an improved outlook for equities. However, beyond the short-term trade developments, we believe the disruption caused by the Trump administration still casts a shadow over the narrative of US exceptionalism, leading us to maintain a more geographically diversified exposure.

###### **Fixed Income**

Within fixed income, we maintain a neutral stance on duration. Yields have risen, so valuations have improved, but rising debt levels pose medium-term concerns. The US also still faces inflation risks. Although market expectations have moved closer to our view, we still expect less easing from the Federal Reserve than what is priced in. Meanwhile, US IG spreads remain tight amid signs of easing growth concerns.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **1 Overview (Continued)**

##### **Investment managers' market perspective (Continued)**

###### **JPMorgan Asset Management (Asia Pacific) Ltd**

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

- i) China Life Greater China Equity Fund

##### **2024 General Markets Review**

In 2024, the Greater China index performed well, with Taiwan's market thriving due to its technology sector, mainly in the first half. Chinese equities gained nearly 20%. Hong Kong experienced volatility, affected by Mainland spillover and geopolitical issues, with weak returns in the second quarter and declines in October and November due to US election uncertainties and potential trade war concerns.

China's PMI data indicates a recovery in manufacturing and construction. Consumer trade-in programs continue to positively impact the economy, with no major new stimulus expected. Innovation and technology remain priorities, and China aims to maintain flexibility amid US policy changes. Taiwan's outlook focuses on technology sector growth, with potential benefits from China's stimulus strategy, especially for consumer-related companies.

##### **2025 Market Outlook and Strategy**

The Chinese market's outlook is likely to hinge on U.S.-China tariff talks and domestic policy agility. In Taiwan, while the focus remains on the technology sector, we have also capitalized on the market correction to enhance our position in secular growth opportunities. In Hong Kong, the market is expected to remain volatile as investors closely monitor trade negotiations and assess the potential impact of US import tariffs along with threats of US and global recessionary risks.

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 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 MPF Conservative Fund <i>Launch date: 01/12/2000</i>	3.43%	1.51%	0.91%	0.68%
Benchmark / Performance target	0.77%	0.32%	0.18%	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 fund's performance was above the performance target in 1 year, 5 years, 10 years term and since launch.</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"> <li>- The fund allocated deposit in high-quality, high-interest banks to increase the overall interest rate. Actively enriched investment products, increased allocation in certificate of deposit and short-term bond. In addition, the fund continued to expand trading counterparties, opened high-quality counterparty banks and security brokers. Improved cash efficiency through various manners.</li> </ul>			



## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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>	11.05%	5.86%	N/A	5.98%
Benchmark / Performance target	9.54% <sup>Note 1</sup>	5.09% <sup>Note 1</sup>	N/A	5.82% <sup>Note 1</sup>
Deviation from the benchmark / performance target	Above the performance target	Above the performance target	N/A	Above 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, 5 years term and since launch.</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"> <li>- For equity, companies are selected using a proprietary multi-factor model that is built on proven return-seeking factors Momentum, Quality and Value. Over the period, Momentum and Quality outperformed Value. Implied active sector, currency and country weights posted in sum slightly positive returns. Other style factors as Size were also positive.</li> <li>- For fixed income, throughout the period the portfolio was tilted towards bond markets exhibiting attractive value, quality and carry characteristics and select exposures to Emerging Market sovereign bonds. Investment manager's Quality style factor and Emerging Market exposure contributed positively to performance, while the value and Carry style factors underperformed slightly.</li> <li>- For Core Accumulation Fund, the positive selection effect from equity contributed significantly, despite the mildly negative impact from fixed income in both allocation and selection. Overall, the outperformance during this period was primarily driven by global equity.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 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>	3.85%	1.08%	N/A	1.86%
Benchmark / Performance target	3.30% <sup>Note 1</sup>	0.53% <sup>Note 1</sup>	N/A	1.81% <sup>Note 1</sup>
Deviation from the benchmark / performance target	Above the performance target	Above the performance target	N/A	Above 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, 5 years term and since launch.</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"> <li>- For equity, companies are selected using a proprietary multi-factor model that is built on proven return-seeking factors Momentum, Quality and Value. Over the period, Momentum and Quality outperformed Value. Implied active sector, currency and country weights posted in sum slightly positive returns. Other style factors as Size were also positive.</li> <li>- For fixed income, throughout the period the portfolio was tilted towards bond markets exhibiting attractive value, quality and carry characteristics and select exposures to Emerging Market sovereign bonds. Investment manager's Quality style factor and Emerging Market exposure contributed positively to performance, while the Value and Carry style factors underperformed slightly.</li> <li>- For Age 65 Plus Fund, the positive selection effect from equity was sufficient to offset the impact from fixed income, given that the allocation to bonds was three times more than equity. Overall, the outperformance in 2024 was primarily driven by an overweight in equity, an underweight in cash, and effective security selection from equity.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 1 Overview (Continued)

#### Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Joyful Retirement Guaranteed Fund <i>Launch date: 01/10/2007</i>	3.57%	(0.76%)	1.01%	2.13%
Benchmark / Performance target	1.35 %	1.35%	1.35%	1.35%
Deviation from the benchmark / performance target	Above the performance target	Below the performance target	Below the performance target	Above the performance target
Trustee's commentary	<p>The fund's performance target : net guaranteed rate (i.e. 1.35% per annum)</p> <p>The fund's performance was above the performance target in 1 year and since launch while below 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"> <li>- For equity, the global equity markets posted positive returns during the year supported by a resilient economy and optimism in technological advancements. The year began with strong gains in the first quarter, bolstered by a resilient US economy and expectations of interest rate cuts. The US market continued to climb towards the year end following Donald Trump's election victory, which fueled optimism around tax cuts and regulatory changes. US equities were the largest contributor within equities in the portfolio, while Europe, Asian and Japan equities also contributed.</li> <li>- For fixed income, the 2024 bond market was characterized by significant shifts in inflation and interest rate expectations. Yields rose in the beginning of the year as the Fed exercised caution amid persistent inflation concerns. Yields peaked in April but fell towards September as the Fed initiated its interest rate cutting cycle prompted by weaker job data. Closer to the year-end, US Treasuries faced sell-offs amid fears of inflationary policies related to the US presidential election. For the portfolio, corporate credits and fixed income provided contributions to the positive returns.</li> </ul>			

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1 Overview (Continued)

#### Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life US Equity Fund <i>Launch date: 13/12/2021</i>	18.47%	N/A	N/A	2.27%
Benchmark / Performance target	23.77%	N/A	N/A	8.32%
Deviation from the benchmark / performance target	Below the performance target	N/A	N/A	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference index): FTSE MPF USA Hedged Index TR</p> <p>The fund's performance was below the performance target in 1 year term and since launch.</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"> <li>- After a year of significant outperformance of technology sectors in the U.S. in 2023, the Investment Manager adopted a more conservative approach to diversify the risk concentrated in the crowded technology companies, especially those AI-related companies. However, the severity of concentration issue even deteriorated as investors found no better choice and further increased participation in those crowded investments that further pushed the share prices up. The strategic allocation to reduce the portfolio volatility by making better sector diversification led to drag in upside performance and thus an underperformance in 2024.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 1 Overview (Continued)

#### Trustee's commentary (Continued)

	Annualized return (in terms of %)			
Constituent Fund	1 Year	5 Years	10 Years	Since Launch
China Life Greater China Equity Fund <i>Launch date: 13/12/2021</i>	13.11%	N/A	N/A	(8.87%)
Benchmark / Performance target	20.46%	N/A	N/A	(2.38%)
Deviation from the benchmark / performance target	Below the performance target	N/A	N/A	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference index): FTSE MPF Greater China Index</p> <p>The fund's performance was below the performance target in 1 year term and since launch.</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"> <li>- In 2024, the Greater China index performed well, with Taiwan's market thriving due to its technology sector, mainly in the first half. Chinese equities gained nearly 20%. Hong Kong experienced volatility, affected by Mainland spillover and geopolitical issues, with weak returns in the second quarter and declines in October and November due to US election uncertainties and potential trade war concerns.</li> <li>- China's PMI data indicates a recovery in manufacturing and construction. Consumer trade-in programs continue to positively impact the economy, with no major new stimulus expected. Innovation and technology remain priorities, and China aims to maintain flexibility amid US policy changes. Taiwan's outlook focuses on technology sector growth, with potential benefits from China's stimulus strategy, especially for consumer-related companies.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 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>	15.79%	6.15%	5.74%	3.12%
Benchmark / Performance target	18.08%	10.72%	9.79%	6.82%
Deviation from the benchmark / performance target	Below the performance target	Below the performance target	Below the performance target	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference index): FTSE MPF All-World Hedged Index TR</p> <p>The fund's performance was below the performance target in 1 year, 5 years, 10 years term and since launch.</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"> <li>- The Fund invests in global markets with tight gaps maintained in the exposures to different countries / regions compared to the benchmark index so as to reduce the tracking difference. After a year of significant outperformance of technology sectors in the U.S. in 2023, the investment manager adopted a more conservative approach to diversify the risk concentrated in the crowded technology companies, especially those AI-related companies. However, the severity of concentration issue even deteriorated as investors found no better choice and further increased participation in those crowded investments that further pushed the share prices up. The strategic allocation to reduce the portfolio volatility by making better sector diversification led to drag in upside performance and thus an underperformance in 2024.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 1 Overview (Continued)

#### Trustee's commentary (Continued)

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>	18.04%	(4.14%)	1.29%	2.69%
Benchmark / Performance target	19.72%	(3.26%)	1.62%	4.01%
Deviation from the benchmark / performance target	Below the performance target	Below the performance target	Below the performance target	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference target from investment manager): FTSE MPF Hong Kong Index</p> <p>The fund's performance was below the performance target in 1 year, 5 years, 10 years term and since launch.</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"> <li>- Chinese and Hong Kong equities rebounded during 2024 and delivered positive returns for the first time since 2020. Investors were initially unimpressed with China's policy response as the country grappled with falling property prices and weak consumer confidence. However, more cohesive policy announcements since September 2024 boosted investor sentiment towards potential economic recovery and thereby Chinese equities rallied in the second half of the year. The concerted efforts by Chinese policymakers assured investors that the government was paying considerable attention to the country's economic realities. Additionally, strong tourism data and stock market reforms rewarding shareholders further boosted the sentiment. On the other hand, concerns about potential trade restriction and tariff curbs on China after the US election win of Donald Trump added to the market's challenges.</li> <li>- The fund generated positive returns over the year. Notably, the performance gap between the fund and the comparative index has narrowed, and impact from market selection was reduced. Security selection in industrials, energy and real estate contributed positively to returns. Meanwhile, allocation to information technology and financials weighed on relative performance.</li> </ul>			

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 1 Overview (Continued)

#### Trustee's commentary (Continued)

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 Growth Fund <i>Launch date: 01/12/2000</i>	10.28%	1.27%	3.55%	4.71%
Benchmark / Performance target	12.33%	4.05%	5.70%	6.27%
Deviation from the benchmark / performance target	Below the performance target	Below the performance target	Below the performance target	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference target from investment manager): 7% FTSE MPF World Government Bond Index (35% Hedged to HKD), 24% FTSE MPF Hong Kong Index + 6% FTSE MPF China A Index (35% Hedged to HKD), 18% FTSE North America Index, 18% FTSE MPF Europe Index, 12% FTSE MPF Japan Index, 12% FTSE MPF Asia Pacific ex Japan ex Hong Kong ex China A Index, 3% 1-month HIBOR.</p> <p>The fund's performance was below the performance target in 1 year, 5 years, 10 years term and since launch.</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"> <li>The fund generated positive returns over the year, driven by the overweight stance in risk assets and a rally in equity assets. Global markets advanced due to resilient economic data and easing monetary policy in key developed markets. Stimulus measures unveiled in China in September and Donald Trump's win in the US presidential election in November also buoyed equities. However, gains were limited as moderating but sticky inflation led investors to reduce their expectations on the size of future rate cuts. Geopolitical conflicts, worries around US trade policy under Trump and the Bank of Japan (BoJ)'s decision to increase its policy rate also kept markets volatile. Against this backdrop, allocations to US and Hong Kong equities were the major contributors to absolute returns. While the exposure to Asia Pacific ex Japan equities enhanced gains, Japanese equities offset some gains. Nevertheless, holdings in high-quality bonds added value as credit spreads broadly tightened. The cash allocation protected the portfolio, particularly in the risk-off periods. In terms of key portfolio actions over the year, the investment manager reduced the exposure to equities and gradually added into higher grade bonds towards the later part of the year. Within equities, the exposure to Chinese onshore equities was raised given supportive policy and a stabilizing Chinese economy earlier in the year. Nevertheless, investment manager took profits in the region in view of geopolitical headwinds for China under a Trump administration early in the fourth quarter of 2024. Overall, the fund maintains a significant exposure to Hong Kong and US equities.</li> </ul>			



# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 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>	7.46%	0.51%	2.70%	4.19%
Benchmark / Performance target	9.45%	2.85%	4.56%	5.74%
Deviation from the benchmark / performance target	Below the performance target	Below the performance target	Below the performance target	Below the performance target
Trustee's commentary	<p>The fund's performance target (reference target from investment manager): 25% FTSE MPF World Government Bond Index (35% Hedged to HKD), 19.2% FTSE MPF Hong Kong Index + 4.8% FTSE MPF China A Index (35% Hedged to HKD), 14% FTSE North America Index, 14% FTSE MPF Europe Index, 9% FTSE MPF Japan Index, 9% FTSE MPF Asia Pacific ex Japan ex Hong Kong ex China A Index<sup>6</sup>, 5% 1-month HIBOR.</p> <p>The fund's performance was below the performance target in 1 year, 5 years, 10 years term and since launch.</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"> <li>- The fund generated positive returns over the year, driven by the overweight stance in risk assets and a rally in equity assets. Global markets advanced due to resilient economic data and easing monetary policy in key developed markets. Stimulus measures unveiled in China in September and Donald Trump's win in the US presidential election in November also buoyed equities. However, gains were limited as moderating but sticky inflation led investors to reduce their expectations on the size of future rate cuts. Geopolitical conflicts, worries around US trade policy under Trump and the Bank of Japan (BoJ)'s decision to increase its policy rate also kept markets volatile. Against this backdrop, allocations to US and Hong Kong equities were the major contributors to absolute returns. While the exposure to Asia Pacific ex Japan equities enhanced gains, Japanese equities offset some gains. While allocations to high-quality bonds struggled, the cash allocation protected the portfolio, particularly in the risk-off periods. In terms of key portfolio actions over the year, the investment manager reduced the exposure to equities and gradually added into higher grade bonds towards the later part of the year. Within equities, the exposure to Chinese onshore equities was raised given supportive policy and a stabilising Chinese economy earlier in the year. Nevertheless, investment manager took profits in the region in view of geopolitical headwinds for China under a Trump administration early in the fourth quarter of 2024. Overall, the fund maintains a significant exposure to US equities and higher-grade bonds.</li> </ul>			

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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.
- Starting from Q4 2024, China Life Trustees Limited ("CLT") increased the frequency of the regular investment committee meeting from semi-annually to quarterly basis. A more frequent dialogue among the investment committee members on the fund performance will drive a more prompt decision on the actions to be taken if there're any underperformance issue noted.
- As of 31 December 2024, all the 10 constituent funds recorded positive 1-year return in 2024. CLT addressed concerns on the underperformance of funds and would visit the fund managers so as to urge for improvement. CLT issued a letter toward the respective fund managers that are underperforming for three consecutive quarters and required those managers to provide a six-month remedial action plan. CLT will closely monitor their progress.

Note 1: The figure is obtained from FTSE MPF DIS Reference Portfolios.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund HK\$
<b>Opening net asset value</b>	410,231,264	407,411,123	684,147,799	423,249,759	1,432,398,391	249,295,329	251,761,955	142,526,469	69,373,304	135,484,532
Proceeds on issue of units	42,195,588	333,494,144	88,428,609	190,109,526	165,718,509	96,737,061	133,432,717	70,368,954	48,046,543	213,498,388
Payments on redemption of units	(55,009,198)	(269,619,728)	(119,423,011)	(204,619,178)	(222,075,015)	(67,672,126)	(78,854,361)	(48,436,427)	(34,169,345)	(148,751,113)
Net income for the year	30,513,399	14,875,064	69,548,147	76,897,588	51,106,456	42,861,220	30,062,342	6,024,167	9,369,179	28,760,726
<b>Change of net asset value during the year</b>	17,699,789	78,749,480	38,553,745	62,387,936	(5,250,050)	71,926,155	84,640,698	27,956,694	23,246,377	93,508,001
<b>Closing net asset value</b>	<u>427,931,053</u>	<u>486,160,603</u>	<u>722,701,544</u>	<u>485,637,695</u>	<u>1,427,148,341</u>	<u>321,221,484</u>	<u>336,402,653</u>	<u>170,483,163</u>	<u>92,619,681</u>	<u>228,992,533</u>

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2 Investment valuations and movements (Continued)

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund <sup>Note 3</sup> HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund <sup>Note 2</sup> HK\$
<b>As at 31 December 2024</b>										
Investments <sup>Note 1</sup>	429,119,318	147,947,089	724,446,299	485,569,384	1,430,224,734	307,101,172	336,195,258	170,661,601	92,177,231	217,577,439
(% of net asset value)	100.28%	30.43%	100.24%	99.99%	100.22%	95.60%	99.94%	100.10%	99.52%	95.02%
Other (liabilities) / assets	(1,188,265)	338,213,514	(1,744,755)	68,311	(3,076,393)	14,120,312	207,395	(178,438)	442,450	11,415,094
(% of net asset value)	(0.28%)	69.57%	(0.24%)	0.01%	(0.22%)	4.40%	0.06%	(0.10%)	0.48%	4.98%
<b>Net asset value</b>	<b>427,931,053</b>	<b>486,160,603</b>	<b>722,701,544</b>	<b>485,637,695</b>	<b>1,427,148,341</b>	<b>321,221,484</b>	<b>336,402,653</b>	<b>170,483,163</b>	<b>92,619,681</b>	<b>228,992,533</b>
<b>Net asset value per unit</b>	<b>26.90</b>	<b>11.78</b>	<b>30.34</b>	<b>14.13</b>	<b>14.38</b>	<b>17.01</b>	<b>15.69</b>	<b>11.54</b>	<b>7.53</b>	<b>10.71</b>

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2 Investment valuations and movements (Continued)

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund <sup>Note 3</sup> HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund <sup>Note 2</sup> HK\$
<b>As at 31 December 2023</b>										
Investments <sup>Note 1</sup>	411,348,497	-	685,837,632	423,669,331	1,435,597,315	234,282,817	251,842,413	142,460,007	69,258,130	126,934,103
(% of net asset value)	100.27%	-	100.25%	100.10%	100.22%	93.98%	100.03%	99.95%	99.83%	93.69%
Other (liabilities) / assets	(1,117,233)	407,411,123	(1,689,833)	(419,572)	(3,198,924)	15,012,512	(80,458)	66,462	115,174	8,550,429
(% of net asset value)	(0.27%)	100.00%	(0.25%)	(0.10%)	(0.22%)	6.02%	(0.03%)	0.05%	0.17%	6.31%
<b>Net asset value</b>	<b>410,231,264</b>	<b>407,411,123</b>	<b>684,147,799</b>	<b>423,249,759</b>	<b>1,432,398,391</b>	<b>249,295,329</b>	<b>251,761,955</b>	<b>142,526,469</b>	<b>69,373,304</b>	<b>135,484,532</b>
<b>Net asset value per unit</b>	<b>25.03</b>	<b>11.39</b>	<b>27.51</b>	<b>11.97</b>	<b>13.88</b>	<b>14.69</b>	<b>14.13</b>	<b>11.11</b>	<b>6.66</b>	<b>9.04</b>
<b>As at 31 December 2022</b>										
Investments	387,579,858	-	647,143,108	425,908,369	1,435,822,990	154,164,525	184,793,259	111,636,017	29,298,698	36,912,877
(% of net asset value)	100.28%	-	100.20%	99.56%	100.40%	99.48%	100.13%	99.79%	99.14%	99.85%
Other (liabilities) / assets	(1,072,542)	331,961,544	(1,308,809)	1,873,133	(5,660,912)	812,090	(236,276)	234,242	253,740	54,911
(% of net asset value)	(0.28%)	100.00%	(0.20%)	0.44%	(0.40%)	0.52%	(0.13%)	0.21%	0.86%	0.15%
<b>Net asset value</b>	<b>386,507,316</b>	<b>331,961,544</b>	<b>645,834,299</b>	<b>427,781,502</b>	<b>1,430,162,078</b>	<b>154,976,615</b>	<b>184,556,983</b>	<b>111,870,259</b>	<b>29,552,438</b>	<b>36,967,788</b>
<b>Net asset value per unit</b>	<b>24.01</b>	<b>11.04</b>	<b>26.32</b>	<b>14.17</b>	<b>13.41</b>	<b>10.88</b>	<b>12.17</b>	<b>10.24</b>	<b>7.35</b>	<b>6.70</b>

Note 1: Please refer to Note 10 to the financial statements for details of the investment portfolio held by each constituent fund.

Note 2: China Life US Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

Note 3: China Life Retire-Easy Global Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 26 September 2022.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3 Investment performance

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund HK\$
<b>2024</b>										
Guaranteed return	-	-	-	-	13,792,445					
Net (losses)/income excluding capital appreciation and guaranteed return	(2,285,830)	14,287,685	(3,847,076)	69,115	(14,782,127)	569,246	(1,906,626)	(1,017,069)	(74,523)	(188,776)
Capital appreciation	32,799,229	587,379	73,395,223	76,828,473	52,096,138	42,291,974	31,968,968	7,041,236	9,443,702	28,949,502
Net income for the year	30,513,399	14,875,064	69,548,147	76,897,588	51,106,456	42,861,220	30,062,342	6,024,167	9,369,179	28,760,726
Total net asset value	427,931,053	486,160,603	722,701,544	485,637,695	1,427,148,341	321,221,484	336,402,653	170,483,163	92,619,681	228,992,533
Net asset value per unit	26.90	11.78	30.34	14.13	14.38	17.01	15.69	11.54	7.53	10.71

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3 Investment performance (Continued)

	China Life Balanced Fund HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund HK\$	China Life Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund <sup>Note 1</sup> HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund <sup>Note 2</sup> HK\$
<b>2023</b>										
Guaranteed return	-	-	-	-	31,333,229	-	-	-	-	-
Net (losses)/income excluding capital appreciation/ (depreciation) and guaranteed return	(2,254,240)	11,637,165	(3,771,885)	36,805	(16,228,312)	(44,489)	(1,384,695)	(809,816)	(2,073)	(248,207)
Capital appreciation /(depreciation)	18,732,532	-	32,978,132	(73,658,185)	33,186,446	57,556,633	33,997,383	11,342,872	(7,628,996)	23,351,351
Net income/(loss) for the year	16,478,292	11,637,165	29,206,247	(73,621,380)	48,291,363	57,512,144	32,612,688	10,533,056	(7,631,069)	23,103,144
Total net asset value	410,231,264	407,411,123	684,147,799	423,249,759	1,432,398,391	249,295,329	251,761,955	142,526,469	69,373,304	135,484,532
Net asset value per unit	25.03	11.39	27.51	11.97	13.88	14.69	14.13	11.11	6.66	9.04
<b>2022</b>										
Guaranteed return	-	-	-	-	60,329,047	-	-	-	-	-
Net (losses)/income excluding capital depreciation and guaranteed return	(2,242,346)	1,090,882	(3,724,730)	28,955	(20,482,527)	(891,320)	(1,099,051)	(724,467)	(10,609)	(7,944)
Capital depreciation	(90,705,808)	-	(161,339,412)	(80,322,640)	(224,197,696)	(40,567,766)	(29,094,496)	(18,153,363)	(4,259,720)	(8,018,017)
Net (loss)/income for the year	(92,948,154)	1,090,882	(165,064,142)	(80,293,685)	(184,351,176)	(41,459,086)	(30,193,547)	(18,877,830)	(4,270,329)	(8,025,961)
Total net asset value	386,507,316	331,961,544	645,834,299	427,781,502	1,430,162,078	154,976,615	184,556,983	111,870,259	29,552,438	36,967,788
Net asset value per unit	24.01	11.04	26.32	14.17	13.41	10.88	12.17	10.24	7.35	6.70

Note 1: China Life Retire-Easy Global Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 26 September 2022.

Note 2: China Life US Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3 Investment performance (Continued)

##### Performance record (Note 1)

Name of constituent fund	Highest issue price									
	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2016 HK\$	2015 HK\$
China Life Balanced Fund	29.18	26.18	30.03	31.92	29.82	26.23	26.55	24.91	21.32	22.69
China Life MPF Conservative Fund	11.78	11.39	11.04	11.00	11.00	10.93	10.80	10.76	10.76	10.76
China Life Growth Fund	33.28	29.08	33.49	35.78	32.70	28.50	29.24	27.04	22.13	24.21
China Life Guaranteed Return Fund Note 4	N/A	N/A	N/A	N/A	15.37	15.14	15.19	15.28	15.20	15.12
China Life Hong Kong Equity Fund	16.45	16.45	18.27	24.86	20.63	17.77	19.01	17.18	13.26	15.16
China Life Joyful Retirement Guaranteed Fund *	14.64	13.99	14.93	15.54	15.23	14.93	14.49	14.21	13.80	13.39
China Life Retire-Easy Capital Stable Fund Note 3	N/A	N/A	N/A	N/A	N/A	12.79	13.15	12.76	11.99	12.06
China Life Retire-Easy Balanced Fund Note 3	N/A	N/A	N/A	N/A	N/A	12.76	13.62	12.84	10.80	11.63
China Life Retire-Easy Global Equity Fund Note 5	17.49	14.71	14.09	15.35	13.81	12.64	13.34	12.39	9.78	10.99
China Life Core Accumulation Fund	16.15	14.16	14.62	14.63	13.28	11.83	11.32	10.87	N/A	N/A
China Life Age 65 Plus Fund	11.75	11.15	12.08	12.25	12.00	10.97	10.31	10.24	N/A	N/A
China Life Greater China Equity Fund	8.50	8.29	10.04	10.04	N/A	N/A	N/A	N/A	N/A	N/A
China Life US Equity Fund Note 6	11.11	9.06	10.01	10.04	N/A	N/A	N/A	N/A	N/A	N/A

  

Name of constituent fund	Lowest redemption price									
	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2016 HK\$	2015 HK\$
China Life Balanced Fund	24.08	22.83	21.71	29.16	20.98	22.26	22.16	20.32	18.17	19.21
China Life MPF Conservative Fund	11.39	11.04	11.00	11.00	10.93	10.80	10.76	10.76	10.76	10.75
China Life Growth Fund	26.32	24.92	23.36	32.12	21.23	23.36	23.28	21.10	18.21	19.67
China Life Guaranteed Return Fund Note 4	N/A	N/A	N/A	N/A	14.45	14.52	14.48	14.47	14.25	13.95
China Life Hong Kong Equity Fund	10.52	11.48	10.32	16.88	13.76	14.57	14.38	12.08	9.84	11.04
China Life Joyful Retirement Guaranteed Fund *	13.76	12.97	12.29	14.76	14.94	14.49	14.21	13.80	13.39	13.00
China Life Retire-Easy Capital Stable Fund Note 3	N/A	N/A	N/A	N/A	N/A	11.93	11.84	11.35	10.87	11.12
China Life Retire-Easy Balanced Fund Note 3	N/A	N/A	N/A	N/A	N/A	11.38	11.29	10.40	9.27	9.78
China Life Retire-Easy Global Equity Fund Note 5	14.39	10.88	10.41	13.41	8.81	10.61	10.53	9.49	8.01	8.72
China Life Core Accumulation Fund	13.94	12.23	11.49	13.23	9.60	10.11	9.93	9.99	N/A	N/A
China Life Age 65 Plus Fund	10.95	10.27	9.94	11.72	10.42	10.04	9.94	9.92	N/A	N/A
China Life Greater China Equity Fund	6.02	6.34	5.65	9.95	N/A	N/A	N/A	N/A	N/A	N/A
China Life US Equity Fund Note 6	8.85	6.57	6.51	10.00	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 2024

#### 3 Investment performance (Continued)

##### Performance record (Continued)

Name of constituent fund	Net annualised investment return (Note 2)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	%	%	%	%	%	%	%	%	%	%
China Life Balanced Fund	7.47	4.25	(19.56)	0.10	13.73	16.53	(9.82)	22.79	0.89	(2.23)
China Life MPF Conservative Fund	3.42	3.17	0.36	0.00	0.64	1.20	0.37	0.00	0.00	0.09
China Life Growth Fund	10.29	4.52	(20.63)	1.41	14.78	20.06	(12.37)	28.34	0.62	(2.01)
China Life Guaranteed Return Fund Note 4	N/A	N/A	N/A	N/A	1.30	3.57	(1.35)	0.20	0.00	3.87
China Life Hong Kong Equity Fund	18.05	(15.53)	(18.52)	(15.71)	18.16	16.17	(12.51)	42.22	1.43	(4.26)
China Life Joyful Retirement Guaranteed Fund *	3.60	3.50	(9.70)	(2.50)	2.01	3.04	1.97	2.97	3.06	3.00
China Life Retire-Easy Capital Stable Fund Note 3	N/A	N/A	N/A	N/A	N/A	9.41	(6.42)	12.60	0.71	(2.42)
China Life Retire-Easy Balanced Fund Note 3	N/A	N/A	N/A	N/A	N/A	11.57	(10.58)	23.65	1.86	(3.77)
China Life Retire-Easy Global Equity Fund Note 5	15.79	35.02	(21.56)	0.43	9.43	17.07	(13.06)	30.66	2.26	(4.53)
China Life Core Accumulation Fund	11.04	16.11	(16.59)	9.86	12.54	15.80	(6.17)	6.48	N/A	N/A
China Life Age 65 Plus Fund	3.87	8.50	(15.23)	0.67	9.69	8.96	(1.76)	1.66	N/A	N/A
China Life Greater China Equity Fund	13.06	(9.39)	(26.79)	0.02	N/A	N/A	N/A	N/A	N/A	N/A
China Life US Equity Fund Note 6	18.47	34.93	(33.07)	0.01	N/A	N/A	N/A	N/A	N/A	N/A

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 Core Accumulation Fund and China Life Age 65 Plus Fund were launched on 1 April 2017. China Life Greater China Equity Fund and China Life US Equity Fund were launched on 13 December 2021.

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

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

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.

Note 5: China Life Retire-Easy Global Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 26 September 2022.

Note 6: China Life US Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

\* formerly known as China Life Retire-Easy Guarantee Fund

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 3 Investment performance (Continued)

##### Performance record (Continued)

The following table summarizes the fund expense ratio ("FER") and transaction costs of the constituent funds:

	FER 2024 %	Transaction costs 2024 HK\$
China Life Balanced Fund	1.36763%	-
China Life MPF Conservative Fund	0.90091%	-
China Life Growth Fund	1.37224%	-
China Life Hong Kong Equity Fund	0.87615%	-
China Life Joyful Retirement Guaranteed Fund	2.06681%	-
China Life Retire-Easy Global Equity Fund	1.25177%	1,607
China Life Core Accumulation Fund	0.82106%	-
China Life Age 65 Plus Fund	0.81915%	-
China Life Greater China Equity Fund	1.27199%	-
China Life US Equity Fund	0.89316%	793

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4 Investment portfolio as at 31 December 2024

		2024			
	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	1,684,802.98	347,934,841	429,119,318	100.28%
	Nominal value HK\$	Cost HK\$	Fair value HK\$	% of net asset value	
2)	China Life MPF Conservative Fund <u>Certificate of Deposits</u> AGRICULTURAL BANK OF CHINA LTD/ DIFC 4.5% 06FEB2025 FXCD	6,000,000.00	6,001,978	5,998,980	1.23%
	AGRICULTURAL BANK OF CHINA LTD/ HK 3.85% A 08AUG2025 FXCD	5,000,000.00	4,993,015	4,989,947	1.03%
	AGRICULTURAL BANK OF CHINA LTD/HK 4% A 03JUL2025 FXCD	730,000.00	729,815	729,291	0.15%
	AGRICULTURAL BANK OF CHINA LTD/MACAO 0% 22JAN2025 CD	9,000,000.00	8,899,719	8,981,933	1.85%
	BANK OF COMMUNICATIONS CO LTD/SYDNEY 0% 14FEB2025 CD	16,000,000.00	15,653,930	15,918,691	3.28%
	BANK OF COMMUNICATIONS CO LTD/SYDNEY 3.5% S/A 11FEB2025	12,000,000.00	11,940,560	11,986,268	2.47%
	CHINA CONSTRUCTION BANK CORP/SEOUL 0% 07FEB2025 CD	3,000,000.00	2,948,640	2,987,284	0.61%
	CHINA CONSTRUCTION BANK CORP/SEOUL 4.6% S/A 22MAY2025	6,000,000.00	5,994,540	6,003,146	1.23%
	CHINA CONSTRUCTION BANK CORP/TOKYO 0% A 13MAR2025	6,000,000.00	5,892,000	5,949,989	1.22%
	CHINA CONSTRUCTION BANK CORP/TOKYO 0% A 26MAR2025	3,000,000.00	2,910,420	2,971,020	0.61%
	CHINA DEVELOPMENT BANK CORP/HONG KONG 4.27% A 3MAR2025	12,000,000.00	11,991,000	12,002,687	2.47%
	CHINA DEVELOPMENT BANK/HK 0% 12JUN2025	16,000,000.00	15,650,400	15,715,535	3.23%
	INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/DUBAI DIFC 0% A 20AUG2025 FXCD	3,000,000.00	2,897,610	2,922,979	0.60%
	UNITED OVERSEAS BANK LTD HONG KONG 4.77% S/A 03MAR2025	6,000,000.00	6,011,100	6,003,660	1.23%
			102,514,727	103,161,410	21.21%

# INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

		2024			
	Nominal value HK\$	Cost HK\$	Fair value HK\$	% of net asset value	
2)	China Life MPF Conservative Fund (Continued) <u>Debt securities</u>				
	BARCLAYS BANK PLC 5.2% A 13JUL2025	3,000,000.00	3,018,990	3,013,770	0.62%
	CHINA DEVELOPMENT BANK CORP/HONG KONG 1.6% S/A 16FEB2025	2,000,000.00	1,981,600	1,994,220	0.41%
	CITIGROUP GLOBAL MARKETS HLDGS INC 1% A 07SEP2025	4,000,000.00	3,901,560	3,903,319	0.80%
	CITIGROUP INC 2.67% A 06OCT2025	7,000,000.00	6,896,350	6,900,040	1.42%
	JPMORGAN CHASE FINANCIAL 4.1% S/A 25AUG2025	10,000,000.00	10,014,034	9,968,100	2.05%
	MITSUBISHI UFJ FINANCIAL GROUP INC 3.55% S/A 08MAY2025	1,000,000.00	998,000	997,360	0.21%
	MTR CORP LTD 3.95% Q 29MAY2025	3,000,000.00	3,001,410	2,997,570	0.62%
	MTR CORP LTD 4.65% A 01MAR2025	2,000,000.00	2,006,420	2,001,340	0.41%
	MTR CORP LTD 4.7% A 9MAR2025	3,000,000.00	3,005,061	3,002,010	0.62%
	STANDARD CHARTERED BANK 4.14% A 26AUG2025	5,000,000.00	5,002,419	4,987,800	1.03%
	WESTPAC BANKING CORP 5% A 11AUG2025	5,000,000.00	5,036,000	5,020,150	1.03%
			44,861,844	44,785,679	9.22%
	Total investments of China Life MPF Conservative Fund		147,376,571	147,947,089	30.43%
		Holding units	Cost HK\$	Fair value HK\$	% of net asset value
3)	China Life Growth Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Growth Fund Class A	2,567,774.78	551,780,898	724,446,299	100.24%
4)	China Life Hong Kong Equity Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Hong Kong Equity Fund	1,868,868.39	521,640,055	485,569,384	99.99%
5)	China Life Joyful Retirement Guaranteed Fund <u>Approved pooled investment fund</u> China Life Retire-Easy Guarantee (PIF) Fund	79,192,514.67	1,405,018,154	1,430,224,734	100.22%

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 4 Investment portfolio as at 31 December 2024 (Continued)

		2024			
	Holding units	Cost HK\$	Fair value HK\$	% of net asset value	
6)	China Life Retire-Easy Global Equity Fund <u>Approved index-tracking collective investment schemes</u> Hong Kong Dollars				
	ChinaAMC Asia High Dividend ETF (03145)	3,100,000.00	28,375,726	35,774,000	11.14%
	ChinaAMC CSI 300 Index ETF (03188)	20,000.00	908,848	871,600	0.27%
	ChinaAMC Hang Seng Biotech ETF (03069)	150,000.00	1,274,775	1,302,750	0.41%
	ChinaAMC Hang Seng TECH Index ETF (03088)	650,000.00	3,105,211	3,688,750	1.15%
	ChinaAMC HSI ESG ETF (03403)	80,000.00	3,118,980	3,320,000	1.03%
	ChinaAMC MSCI Europe Quality Hedged to USD ETF (03165)	2,850,000.00	42,210,812	48,222,000	15.01%
	ChinaAMC MSCI Japan Hedged to USD ETF (03160)	750,000.00	10,493,904	15,840,000	4.93%
	ChinaAMC NASDAQ 100 ETF (03086)	2,000,000.00	49,782,222	85,640,000	26.66%
			139,270,478	194,659,100	60.60%
	United States Dollars				
	ISHARES-C S&P 500	10,500.00	43,751,458	48,003,969	14.94%
	SPDR DJIA Trust Hedge Fund	19,500.00	55,618,292	64,438,103	20.06%
			99,369,750	112,442,072	35.00%
	Total investments of China Life Retire-Easy Global Equity Fund		238,640,228	307,101,172	95.60%
7)	China Life Core Accumulation Fund <u>Approved pooled investment fund</u>				
	Invesco Core Accumulation Fund	20,264,323.45	285,305,955	336,195,258	99.94%
8)	China Life Age 65 Plus Fund <u>Approved pooled investment fund</u>				
	Invesco Age 65 Plus Fund	13,866,359.11	163,434,656	170,661,601	100.10%
9)	China Life Greater China Equity Fund <u>Approved pooled investment fund</u>				
	JPMorgan SAR Greater China Fund	509,801.62	91,505,751	92,177,231	99.52%

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4 Investment portfolio as at 31 December 2024 (Continued)

		2024 Cost HK\$	Fair value HK\$	% of net asset value
	Holding units			
10)	China Life US Equity Fund			
	<u>Approved index-tracking collective investment schemes</u>			
	Hong Kong Dollars			
	ChinaAMC NASDAQ 100 ETF (03086)	1,200,000.00	36,410,521	51,384,000
				22.44%
	United States Dollars			
	BNY Mellon US Mid Cap Core E Hedge Fund	9,000.00	6,839,581	7,101,231
	BNY Mellon US Small Cap Core Hedge Fund	9,000.00	6,894,312	7,047,097
	ISHARES-C S&P 500	17,500.00	65,745,106	80,006,616
	SPDR DJIA Trust Hedge Fund	21,800.00	64,656,426	72,038,495
				31.46%
			144,135,425	166,193,439
				72.58%
	Total investments of China Life US Equity Fund	180,545,946	217,577,439	95.02%

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

## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 5 Investment portfolio movement report for the year ended 31 December 2024

		Holdings		
		At 1 January 2024	Additions	Disposals
				At 31 December 2024
1)	China Life Balanced Fund <u>Approved pooled investment fund</u> Fidelity Global Investment Fund - Balanced Fund Class A	1,743,445.35	98,609.80	(157,252.17)
2)	China Life MPF Conservative Fund <u>Certificate of Deposits</u> AGRICULTURAL BANK OF CHINA LTD/DIFC 4.5% 06FEB2025 FXCD	-	6,000,000.00	-
	AGRICULTURAL BANK OF CHINA LTD/DIFC 4.6% 25NOV2024 CD	-	12,870,000.00	(12,870,000.00)
	AGRICULTURAL BANK OF CHINA LTD/DIFC 5% 18NOV2024 FXCD	-	3,000,000.00	(3,000,000.00)
	AGRICULTURAL BANK OF CHINA LTD/HK 3.85% A 08AUG2025 FXCD	-	5,000,000.00	-
	AGRICULTURAL BANK OF CHINA LTD/HK 4% A 03JUL2025 FXCD	-	730,000.00	-
	AGRICULTURAL BANK OF CHINA LTD/MACAO 0% 22JAN2025 CD	-	9,000,000.00	-
	AGRICULTURAL BANK OF CHINA LTD/MACAO 4.55% A 01NOV2024 FXCD	-	13,000,000.00	(13,000,000.00)
	BANK OF CHINA LTD/HONG KONG 0% S/A 23DEC2024	-	1,000,000.00	(1,000,000.00)
	BANK OF COMMUNICATIONS CO LTD/SYDNEY 0% 14FEB2025 CD	-	16,000,000.00	-
	BANK OF COMMUNICATIONS CO LTD/SYDNEY 3.5% S/A 11FEB2025	-	12,000,000.00	-
	CHINA CONSTRUCTION BANK CORP/SEOUL 0% 07FEB2025 CD	-	3,000,000.00	-
	CHINA CONSTRUCTION BANK CORP/SEOUL 4.6% S/A 22MAY2025	-	6,000,000.00	-
	CHINA CONSTRUCTION BANK CORP/TOKYO 0% A 13MAR2025	-	6,000,000.00	-
	CHINA CONSTRUCTION BANK CORP/TOKYO 0% A 26MAR2025	-	3,000,000.00	-
	CHINA DEVELOPMENT BANK CORP/HONG KONG 4.27% A 3MAR2025	-	12,000,000.00	-
	CHINA DEVELOPMENT BANK CORP/HONG KONG 5.4% 03DEC2024 FXCD	-	5,000,000.00	(5,000,000.00)
	CHINA DEVELOPMENT BANK/HK 0% 12JUN2025	-	16,000,000.00	-
	INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/DUBAI DIFC 0% A 20AUG2025 FXCD	-	3,000,000.00	-
	UNITED OVERSEAS BANK LTD 4.77% S/A 03MAR2025	-	6,000,000.00	-

# CHINA LIFE MPF MASTER TRUST SCHEME

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

### 5 Investment portfolio movement report for the year ended 31 December 2024 (Continued)

	At 1 January 2024	Holdings		At 31 December 2024
		Additions	Disposals	
2) China Life MPF Conservative Fund (Continued)				
<u>Debt securities</u>				
BARCLAYS BANK PLC 5.2% A 13JUL2025	-	3,000,000.00	-	3,000,000.00
CHINA DEVELOPMENT BANK CORP/HONG KONG 1.6% S/A 16FEB2025	-	2,000,000.00	-	2,000,000.00
CITIGROUP GLOBAL MARKETS HLDGS INC 1% A 07SEP2025	-	4,000,000.00	-	4,000,000.00
CITIGROUP INC 2.67% A 06OCT2025	-	7,000,000.00	-	7,000,000.00
JPMORGAN CHASE & CO 4.1% S/A 25AUG2025	-	10,000,000.00	-	10,000,000.00
MITSUBISHI UFJ FINANCIAL GROUP INC 3.55% S/A 08MAY2025	-	1,000,000.00	-	1,000,000.00
MIZUHO BANK LTD/HONG KONG 1.5% 16DEC2024 FXCD	-	5,000,000.00	(5,000,000.00)	-
MTR CORP LTD 3.95% Q 29MAY2025	-	3,000,000.00	-	3,000,000.00
MTR CORP LTD 4.65% A 01MAR2025	-	2,000,000.00	-	2,000,000.00
MTR CORP LTD 4.7% A 9MAR2025	-	3,000,000.00	-	3,000,000.00
STANDARD CHARTERED BANK 4.14% A 26AUG2025	-	5,000,000.00	-	5,000,000.00
WESTPAC BANKING CORP 5% A 11AUG2025	-	5,000,000.00	-	5,000,000.00
3) China Life Growth Fund				
<u>Approved pooled investment fund</u>				
Fidelity Global Investment Fund - Growth Fund Class A	2,692,621.54	191,273.59	(316,120.35)	2,567,774.78
4) China Life Hong Kong Equity Fund				
<u>Approved pooled investment fund</u>				
Fidelity Global Investment Fund - Hong Kong Equity Fund	1,917,750.00	545,900.29	(594,781.90)	1,868,868.39
5) China Life Joyful Retirement Guaranteed Fund				
<u>Approved pooled investment fund</u>				
China Life Retire-Easy Guarantee (PIF) Fund	83,170,960.50	4,233,734.09	(8,212,179.92)	79,192,514.67
6) China Life Retire-Easy Global Equity Fund				
<u>Approved index-tracking collective investment schemes</u>				
Hong Kong Dollars				
ChinaAMC Asia High Dividend ETF (03145)	2,600,000	700,000.00	(200,000.00)	3,100,000.00
ChinaAMC CSI 300 Index ETF (03188)	30,000	-	(10,000.00)	20,000.00
CHINAAMC Hang Seng Biotech ETF (03069)	-	200,000.00	(50,000.00)	150,000.00
ChinaAMC Hang Seng TECH Index ETF (03088)	600,000	1,600,000.00	(1,550,000.00)	650,000.00
ChinaAMC HSI ESG ETF (03403)	20,000	100,000.00	(40,000.00)	80,000.00
ChinaAMC MSCI Europe Quality Hedged to USD ETF (03165)	2,580,000	270,000.00	-	2,850,000.00
ChinaAMC MSCI Japan Hedged to USD ETF (03160)	900,000	50,000.00	(200,000.00)	750,000.00
ChinaAMC NASDAQ 100 ETF (03086)	2,680,000	220,000.00	(900,000.00)	2,000,000.00



## CHINA LIFE MPF MASTER TRUST SCHEME

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### 5 Investment portfolio movement report for the year ended 31 December 2024 (Continued)

	At 1 January 2024	Holdings		At 31 December 2024
		Additions	Disposals	
6) China Life Retire-Easy Global Equity Fund (Continued) <u>Approved index-tracking collective investment schemes (Continued)</u> United States Dollars ISHARES-C S&P 500 SPDR DJIA Trust Hedge Fund	   3,000 14,000	   8,000.00 7,200.00	   (500.00) (1,700.00)	   10,500.00 19,500.00
7) China Life Core Accumulation Fund <u>Approved pooled investment fund</u> Invesco Core Accumulation Fund	  16,972,342.92	  5,994,973.06	  (2,702,992.53)	  20,264,323.45
8) China Life Age 65 Plus Fund <u>Approved pooled investment fund</u> Invesco Age 65 Plus Fund	  12,097,692.53	  4,160,246.45	  (2,391,579.87)	  13,866,359.11
9) China Life Greater China Equity Fund <u>Approved pooled investment fund</u> JPMorgan SAR Greater China Fund	  432,674.02	  228,287.57	  (151,159.97)	  509,801.62
10) China Life US Equity Fund <u>Approved index-tracking collective investment schemes</u> Hong Kong Dollars ChinaAMC NASDAQ 100 ETF (03086)	   1,350,000	   400,000.00	   (550,000.00)	   1,200,000.00
United States Dollars BNY Mellon US Mid Cap Core E Hedge Fund BNY Mellon US Small Cap Core Hedge Fund ISHARES-C S&P 500 SPDR DJIA Trust Hedge Fund	   2,000 1,000 12,500 10,800	   7,000.00 8,000.00 8,800.00 13,200.00	   - - (3,800.00) (2,200.00)	   9,000.00 9,000.00 17,500.00 21,800.00

## 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

We have audited the financial statements of China Life MPF Master Trust Scheme (the "Scheme") and each of its constituent funds, China Life Balanced Fund, China Life MPF Conservative Fund, China Life Growth Fund, China Life Hong Kong Equity Fund, China Life Joyful Retirement Guaranteed Fund, China Life Retire-Easy Global Equity Fund, China Life Core Accumulation Fund, China Life Age 65 Plus Fund, China Life Greater China Equity Fund and China Life US Equity Fund, set out on pages 59 to 113, 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 2024, statement of comprehensive income of each of the constituent funds, 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, 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, including material accounting policy information and other explanatory information.

#### *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 2024, and of their financial transactions and cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 ("HKSAs") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" as 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 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.

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

#### Other Matter

The financial statements of the Scheme and each of its constituent funds for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2024.

## **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 but does not include 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 and Those Charged with Governance 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 HKFRS Accounting Standards 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 Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

### **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 HKSAs 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 HKSAs, 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 those charged with governance 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.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants

Hong Kong  
26 June 2025

# CHINA LIFE MPF MASTER TRUST SCHEME

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - THE SCHEME AS AT 31 DECEMBER 2024

	Note	2024 HK\$	2023 HK\$
<b>Assets</b>			
Cash and cash equivalents		49,312,600	26,424,646
Amounts receivable on sale of investments		1,836,590	1,814,129
Contributions receivable			
From employers		15,142,866	17,432,882
From members		9,899,302	12,305,934
Investments	10	4,699,298,750	4,205,879,925
<b>Total assets</b>		<u>4,775,490,108</u>	<u>4,263,857,516</u>
<b>Liabilities</b>			
Benefits payable		17,962,410	12,746,143
Accounts payable on funds switching		7,169,622	2,326,501
Forfeitures payable		39,103	39,103
Accruals and other payables		24,124,667	10,393,986
<b>Total liabilities</b>		<u>49,295,802</u>	<u>25,505,733</u>
<b>Net assets available for benefits attributable to members</b>		<u><u>4,726,194,306</u></u>	<u><u>4,238,351,783</u></u>

On behalf of China Life Trustees Limited

康乐

.....  
Director

李恒宜

.....  
Director

The notes on pages 76 to 113 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 2024

	Note	2024 HK\$	2023 HK\$
<b>Income</b>			
Net change in unrealised gain on investments		346,225,843	116,788,421
Net realised gain on investments		13,792,445	31,333,229
Bank interest income		803,696	160,591
		<u>360,821,984</u>	<u>148,282,241</u>
<b>Expenses</b>			
Bank charges		(200)	-
		<u>(200)</u>	<u>-</u>
<b>Net gain for the year</b>		<u>360,821,784</u>	<u>148,282,241</u>
		-----	-----
<b>Contributions received and receivable</b>	7		
From employers			
- Mandatory		124,421,572	125,959,458
- Additional voluntary		85,880,907	79,282,584
From members			
- Mandatory		130,484,651	131,251,813
- Additional voluntary		4,935,720	2,947,097
- Additional voluntary (Smart Easy Personal Contributions)		4,306,441	5,496,690
- Additional voluntary (Tax Deductible Voluntary Contributions)		11,669,108	17,569,100
		<u>361,698,399</u>	<u>362,506,742</u>
		-----	-----
<b>Transfers in</b>			
Group transfers in from other schemes		34,296,644	42,521,120
Individual transfers in from other schemes		253,999,214	363,217,325
		<u>288,295,858</u>	<u>405,738,445</u>
		-----	-----

The notes on pages 76 to 113 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 2024

	Note	2024 HK\$	2023 HK\$
<b>Benefits paid and payable</b>	8		
Retirement/early retirement		123,384,150	129,506,540
Death		7,547,089	1,915,452
Permanent departure		22,428,501	27,581,820
Total incapacity		1,112,982	592,238
Terminal Illness		3,489,172	685,553
Refund of additional voluntary contributions		34,594,461	86,265,452
Long service payment refund		35,522,750	15,353,776
		<u>228,079,105</u>	<u>261,900,831</u>
		-----	-----
<b>Transfers out</b>			
Group transfers out to other schemes		28,203,493	11,460,200
Individual transfers out to other schemes		254,831,216	166,850,198
		<u>283,034,709</u>	<u>178,310,398</u>
		-----	-----
<b>Forfeitures</b>		<u>11,859,704</u>	<u>7,707,190</u>
		-----	-----
<b>Change in net assets available for benefits attributable to members for the year</b>		487,842,523	468,609,009
<b>Net assets available for benefits attributable to members at the beginning of the year</b>			
- members' accounts		<u>4,238,351,783</u>	<u>3,769,742,774</u>
		-----	-----
<b>Net assets available for benefits attributable to members at the end of the year</b>			
- members' accounts		<u>4,726,194,306</u>	<u>4,238,351,783</u>
		=====	=====

The notes on pages 76 to 113 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 2024

	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>		
Net gain for the year	360,821,784	148,282,241
Adjustment for bank interest income	(803,696)	(160,591)
	<hr/>	<hr/>
Net increase in investments	360,018,088	148,121,650
Net increase in amounts receivable on sale of investments and other receivables	(493,418,825)	(465,709,103)
	(22,461)	(1,793,634)
Net increase in accruals and other payables	13,730,681	2,067,245
Net increase in accounts payable on funds switching	4,843,121	925,411
	<hr/>	<hr/>
Bank interest received	(114,849,396)	(316,388,431)
	803,696	160,591
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	(114,045,700)	(316,227,840)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Contributions and transfers in received	654,690,904	765,163,132
Benefits and transfers out paid	(505,897,547)	(436,795,236)
Forfeitures paid	(11,859,704)	(7,707,190)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	136,933,653	320,660,706
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	22,887,954	4,432,866
Cash and cash equivalents at the beginning of the year	26,424,646	21,991,780
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	49,312,600	26,424,646
	<hr/>	<hr/>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash and cash equivalents	49,312,600	26,424,646
	<hr/>	<hr/>

The notes on pages 76 to 113 are an integral part of these financial statements.



## CHINA LIFE MPF MASTER TRUST SCHEME

### STATEMENT OF NET ASSETS - CONSTITUENT FUNDS AS AT 31 DECEMBER 2024

		<u>China Life Balanced Fund</u>		<u>China Life MPF Conservative Fund</u>		<u>China Life Growth Fund</u>	
	Notes	2024	2023	2024	2023	2024	2023
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Assets</b>							
Cash and cash equivalents		-	535	127,524,506	59,698,378	-	551
Bank deposits with original maturity over three months		-	-	200,231,589	343,309,204	-	-
Other receivables		-	-	-	-	-	-
Fund transfer in receivable		55,457	63,471	-	-	970,907	811,830
Amounts receivable on sale of investments		69,282	429,096	-	-	-	122,836
Interest receivable		-	-	4,710,718	4,080,233	-	-
Dividend receivable		-	-	-	-	-	-
Amounts receivable on funds switching		144,339	130,063	7,620,189	4,525,176	195,575	163,403
Derivative financial instruments		-	-	-	-	-	-
Investments	10	429,119,318	411,348,497	147,947,089	-	724,446,299	685,837,632
<b>Total assets</b>		<u>429,388,396</u>	<u>411,971,662</u>	<u>488,034,091</u>	<u>411,612,991</u>	<u>725,612,781</u>	<u>686,936,252</u>
<b>Liabilities</b>							
Amounts payable on funds switching		324,874	285,312	767,396	3,275,668	1,107,695	958,737
Amounts payable on purchase of investments		69,282	429,096	-	-	-	122,836
Derivative financial instruments		-	-	-	-	-	-
Accruals and other payables		1,063,137	1,025,990	1,106,092	926,200	1,803,542	1,706,880
<b>Total liabilities</b>		<u>1,457,343</u>	<u>1,740,398</u>	<u>1,873,488</u>	<u>4,201,868</u>	<u>2,911,237</u>	<u>2,788,453</u>
<b>Net assets attributable to members</b>		<u>427,931,053</u>	<u>410,231,264</u>	<u>486,160,603</u>	<u>407,411,123</u>	<u>722,701,544</u>	<u>684,147,799</u>
<b>Units in issue</b>		<u>15,908,374.57</u>	<u>16,388,309.03</u>	<u>41,268,741.70</u>	<u>35,763,382.70</u>	<u>23,822,738.40</u>	<u>24,872,133.97</u>
<b>Net asset value per unit</b>		<u>26.90</u>	<u>25.03</u>	<u>11.78</u>	<u>11.39</u>	<u>30.34</u>	<u>27.51</u>

On behalf of China Life Trustees Limited

康乐

.....  
Director

李恒宜

.....  
Director

The notes on pages 76 to 113 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 2024

	Notes	China Life Hong Kong Equity Fund	2023 HK\$	China Life Joyful Retirement Guaranteed Fund	2023 HK\$	China Life Retire-Easy Global Equity Fund	2023 HK\$
		2024 HK\$		2024 HK\$		2024 HK\$	
<b>Assets</b>							
Cash and cash equivalents		-	287	-	267	11,419,762	14,195,900
Bank deposits with original maturity over three months		-	-	-	-	-	-
Other receivables		-	-	-	-	-	115,456
Fund transfer in receivable		616,953	1,939,095	276,305	185,506	-	-
Amounts receivable on sale of investments		-	-	130,831	958,460	4,212,319	-
Interest receivable		-	-	-	-	-	-
Dividend receivable		-	-	-	-	132,940	63,772
Amounts receivable on funds switching		1,949,673	1,380,398	762,336	1,487,589	446,655	1,623,389
Derivative financial instruments	12	-	-	-	-	-	-
Investments	10	485,569,384	423,669,331	1,430,224,734	1,435,597,315	307,101,172	234,282,817
<b>Total assets</b>		<u>488,136,010</u>	<u>426,989,111</u>	<u>1,431,394,206</u>	<u>1,438,229,137</u>	<u>323,312,848</u>	<u>250,281,334</u>
<b>Liabilities</b>							
Amounts payable on funds switching		1,912,252	3,227,444	556,480	1,079,150	799,786	407,019
Amounts payable on purchase of investments		-	-	130,831	958,460	450,334	-
Derivative financial instruments	12	-	-	-	-	53,401	22,069
Accruals and other payables		586,063	511,908	3,558,554	3,793,136	787,843	556,917
<b>Total liabilities</b>		<u>2,498,315</u>	<u>3,739,352</u>	<u>4,245,865</u>	<u>5,830,746</u>	<u>2,091,364</u>	<u>986,005</u>
<b>Net assets attributable to members</b>		<u>485,637,695</u>	<u>423,249,759</u>	<u>1,427,148,341</u>	<u>1,432,398,391</u>	<u>321,221,484</u>	<u>249,295,329</u>
<b>Units in issue</b>		<u>34,363,174.49</u>	<u>35,350,832.67</u>	<u>99,270,640.52</u>	<u>103,200,282.39</u>	<u>18,888,795.52</u>	<u>16,975,155.82</u>
<b>Net asset value per unit</b>		<u>14.13</u>	<u>11.97</u>	<u>14.38</u>	<u>13.88</u>	<u>17.01</u>	<u>14.69</u>

On behalf of China Life Trustees Limited

康乐

Director

李恒宜

Director

The notes on pages 76 to 113 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 2024

		China Life Core Accumulation Fund		China Life Age 65 Plus Fund		China Life Greater China Equity Fund	
	Notes	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Assets</b>							
Cash and cash equivalents		-	-	-	-	-	-
Bank deposits with original maturity over three months		-	-	-	-	-	-
Other receivables		-	-	-	-	34,834	59,397
Fund transfer in receivable		1,213,700	410,447	402,953	46,704	518,028	26,434
Amounts receivable on sale of investments		450,083	62,831	159,910	240,907	-	-
Interest receivable		-	-	-	-	-	-
Dividend receivable		-	-	-	-	-	-
Amounts receivable on funds switching		1,254,599	408,713	841,123	332,970	558,560	221,376
Derivative financial instruments		-	-	-	-	-	-
Investments	10	336,195,258	251,842,413	170,661,601	142,460,007	92,177,231	69,258,130
<b>Total assets</b>		<u>339,113,640</u>	<u>252,724,404</u>	<u>172,065,587</u>	<u>143,080,588</u>	<u>93,288,653</u>	<u>69,565,337</u>
<b>Liabilities</b>							
Amounts payable on funds switching		1,717,621	505,939	1,140,834	85,678	518,028	79,515
Amounts payable on purchase of investments		450,083	62,831	159,910	240,907	-	-
Derivative financial instruments		-	-	-	-	-	-
Accruals and other payables		543,283	393,679	281,680	227,534	150,944	112,518
<b>Total liabilities</b>		<u>2,710,987</u>	<u>962,449</u>	<u>1,582,424</u>	<u>554,119</u>	<u>668,972</u>	<u>192,033</u>
<b>Net assets attributable to members</b>		<u>336,402,653</u>	<u>251,761,955</u>	<u>170,483,163</u>	<u>142,526,469</u>	<u>92,619,681</u>	<u>69,373,304</u>
<b>Units in issue</b>		<u>21,442,453.86</u>	<u>17,820,871.45</u>	<u>14,774,884.25</u>	<u>12,827,696.90</u>	<u>12,299,665.54</u>	<u>10,420,522.20</u>
<b>Net asset value per unit</b>		<u>15.69</u>	<u>14.13</u>	<u>11.54</u>	<u>11.11</u>	<u>7.53</u>	<u>6.66</u>

On behalf of China Life Trustees Limited

康乐

Director

李恒宜

Director

The notes on pages 76 to 113 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 2024

		China Life US Equity Fund <sup>Note 1</sup>		Total	
	Notes	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Assets</b>					
Cash and cash equivalents		5,295,322	6,750,313	144,239,590	80,646,231
Bank deposits with original maturity over three months		-	-	200,231,589	343,309,204
Other receivables		-	1,196	34,834	176,049
Fund transfer in receivable		-	-	4,054,303	3,483,487
Amounts receivable on sale of investments		4,458,538	-	9,480,963	1,814,130
Interest receivable		-	-	4,710,718	4,080,233
Dividend receivable		198,543	54,984	331,483	118,756
Amounts receivable on funds switching		3,934,198	3,053,942	17,707,247	13,327,019
Derivative financial instruments	12	81,819	13,825	81,819	13,825
Investments	10	217,577,439	126,934,103	4,341,019,525	3,781,230,245
<b>Total assets</b>		<u>231,545,859</u>	<u>136,808,363</u>	<u>4,721,892,071</u>	<u>4,228,199,179</u>
<b>Liabilities</b>					
Amounts payable on funds switching		1,692,594	1,095,993	10,537,560	11,000,455
Amounts payable on purchase of investments		458,845	-	1,719,285	1,814,130
Derivative financial instruments	12	-	-	53,401	22,069
Accruals and other payables		401,887	227,838	10,283,075	9,482,600
<b>Total liabilities</b>		<u>2,553,326</u>	<u>1,323,831</u>	<u>22,593,321</u>	<u>22,319,254</u>
<b>Net assets attributable to members</b>		<u>228,992,533</u>	<u>135,484,532</u>	<u>4,699,298,750</u>	<u>4,205,879,925</u>
<b>Units in issue</b>		<u>21,382,388.23</u>	<u>14,989,007.30</u>		
<b>Net asset value per unit</b>		<u>10.71</u>	<u>9.04</u>		

On behalf of China Life Trustees Limited

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康乐

Director

.....  
李恒定

Director

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

The notes on pages 76 to 113 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 2024

Notes	China Life Balanced Fund		China Life MPF Conservative Fund		China Life Growth Fund		China Life Hong Kong Equity Fund		China Life Joyful Retirement Guaranteed Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Income</b>										
Bank interest income	178	28	17,615,898	14,922,433	311	37	244	84	4	1
Bond interest income	-	-	682,528	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
Guaranteed return	9	-	-	-	-	-	-	-	13,792,445	31,333,229
Net realised gains/(losses) on sale of investments	7,359,280	2,838,028	16,861	-	19,860,091	7,578,688	(21,863,121)	(18,439,974)	(13,615,021)	(45,382,382)
Net change in unrealised gains/(losses) on investments	25,439,949	15,894,504	570,518	-	53,535,132	25,399,444	98,691,594	(55,218,211)	65,711,159	78,568,828
Other income	1,905,984	1,745,421	-	-	3,212,460	2,921,519	2,076,594	1,995,143	-	-
Exchange losses	-	-	-	-	-	-	-	-	-	-
	34,705,391	20,477,981	18,885,805	14,922,433	76,607,994	35,899,688	78,905,311	(71,662,958)	65,888,587	64,519,676
<b>Expenses</b>										
Transaction costs	-	-	-	-	-	-	-	-	-	-
Auditor's remuneration	74,351	55,899	77,876	57,687	124,491	94,308	72,137	70,271	253,336	165,343
Administration fee	5(a)	1,753,397	2,014,223	1,084,876	2,953,335	3,372,779	728,032	883,021	6,557,781	7,856,783
eMPF platform fee	5(a)	281,612	-	217,263	476,427	-	136,221	-	932,079	-
Custodian fee	426,791	402,845	445,188	365,872	719,431	674,556	449,154	441,511	1,444,237	1,428,506
MPF indemnity insurance	77,824	85,701	78,901	73,358	129,892	142,995	83,239	89,334	272,605	311,853
Trustee fee	5(a)	1,524,212	1,409,956	1,591,582	1,280,551	2,569,515	483,209	441,511	5,155,595	4,999,771
Investment management fee	5(b)	-	-	445,188	365,872	-	-	-	-	1,371,659
Other expenses	53,805	31,065	69,867	44,312	86,756	47,858	55,731	32,774	166,498	94,398
Withholding tax	-	-	-	-	-	-	-	-	-	-
	4,191,992	3,999,689	4,010,741	3,285,268	7,059,847	6,693,441	2,007,723	1,958,422	14,782,131	16,228,313
<b>Total comprehensive income/(loss) for the year</b>	30,513,399	16,478,292	14,875,064	11,637,165	69,548,147	29,206,247	76,897,588	(73,621,380)	51,106,456	48,291,363

The notes on pages 76 to 113 are an integral part of these financial statements.

## CHINA LIFE MPF MASTER TRUST SCHEME

### STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

		China Life Retire-Easy Global Equity Fund		China Life Core Accumulation Fund		China Life Age 65 Plus Fund		China Life Greater China Equity Fund	
	Notes	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Income</b>									
Bank interest income		260,674	27,635	65	11	2	-	27	8
Bond interest income		-	-	-	-	-	-	-	-
Dividend income		3,601,951	2,073,799	-	-	-	-	-	-
Guaranteed return		-	-	-	-	-	-	-	-
Net realised gains/(losses) on sale of investments		18,890,359	13,221,709	6,533,079	839,417	1,188,720	(411,598)	(1,184,676)	(661,570)
Net change in unrealised gains/(losses) on investments		23,401,615	44,334,924	25,435,889	33,157,966	5,852,516	11,754,470	10,628,378	(6,967,426)
Other income		337,262	397,259	-	-	-	-	445,415	366,234
Exchange losses		(328,454)	(603,359)	-	-	-	-	-	-
		<u>46,163,407</u>	<u>59,451,967</u>	<u>31,969,033</u>	<u>33,997,394</u>	<u>7,041,238</u>	<u>11,342,872</u>	<u>9,889,144</u>	<u>(7,262,754)</u>
<b>Expenses</b>									
Transaction costs		1,607	1,512	-	-	-	-	-	-
Auditor's remuneration		60,288	28,521	55,142	35,975	29,226	18,977	15,059	11,413
Administration fee	5(a)	992,871	794,518	675,553	610,185	362,278	356,398	256,536	226,718
eMPF platform fee	5(a)	209,016	-	138,772	-	70,796	-	59,365	-
Custodian fee		457,063	297,944	299,091	217,923	158,884	127,285	80,178	56,680
MPF indemnity insurance		46,508	36,717	47,404	42,368	27,027	25,449	13,584	6,581
Trustee fee	5(a)	1,083,428	695,203	650,961	457,340	345,306	267,150	80,178	56,680
Investment management fee	5(b)	-	-	-	-	-	-	-	-
Other expenses		42,262	20,640	39,768	20,915	23,554	14,557	15,065	10,243
Withholding tax		409,144	64,768	-	-	-	-	-	-
		<u>3,302,187</u>	<u>1,939,823</u>	<u>1,906,691</u>	<u>1,384,706</u>	<u>1,017,071</u>	<u>809,816</u>	<u>519,965</u>	<u>368,315</u>
<b>Total comprehensive income/(loss) for the year</b>									
		42,861,220	57,512,144	30,062,342	32,612,688	6,024,167	10,533,056	9,369,179	(7,631,069)

The notes on pages 76 to 113 are an integral part of these financial statements.

## CHINA LIFE MPF MASTER TRUST SCHEME

### STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

		China Life US Equity Fund <sup>Note 1</sup>		Total	
	Notes	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Income</b>					
Bank interest income		135,264	16,124	18,012,667	14,966,361
Bond interest income		-	-	682,528	-
Dividend income		2,073,833	787,011	5,675,784	2,860,810
Guaranteed return	9	-	-	13,792,445	31,333,229
Net realised gains/(losses) on sale of investments		9,886,900	112,133	27,072,472	(40,305,549)
Net change in unrealised gains/(losses) on investments		19,062,602	23,239,218	328,329,352	170,163,717
Other income		4,383	25,129	7,982,098	7,450,705
Exchange losses		(413,490)	(242,357)	(741,944)	(845,716)
		<u>30,749,492</u>	<u>23,937,258</u>	<u>400,805,402</u>	<u>185,623,557</u>
<b>Expenses</b>					
Transaction costs		793	642	2,400	2,154
Auditor's remuneration		39,707	16,337	801,613	554,731
Administration fee	5(a)	589,140	329,757	15,953,799	17,541,998
eMPF platform fee	5(a)	141,513	-	2,663,064	-
Custodian fee		185,532	82,439	4,665,549	4,095,561
MPF indemnity insurance		24,700	9,592	801,684	823,948
Trustee fee	5(a)	389,617	169,337	13,873,603	12,138,444
Investment management fee	5(b)	-	-	445,188	1,737,531
Other expenses		27,414	13,483	580,720	330,245
Withholding tax		590,350	212,527	999,494	277,295
		<u>1,988,766</u>	<u>834,114</u>	<u>40,787,114</u>	<u>37,501,907</u>
<b>Total comprehensive income for the year</b>		<u><u>28,760,726</u></u>	<u><u>23,103,144</u></u>	<u><u>360,018,288</u></u>	<u><u>148,121,650</u></u>

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

The notes on pages 76 to 113 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 2024

	<u>China Life Balanced Fund</u>		<u>China Life MPF Conservative Fund</u>		<u>China Life Growth Fund</u>		<u>China Life Hong Kong Equity Fund</u>		<u>China Life Joyful Retirement Guaranteed Fund</u>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Balance at the beginning of the year</b>	410,231,264	386,507,316	407,411,123	331,961,544	684,147,799	645,834,299	423,249,759	427,781,502	1,432,398,391	1,430,162,078
Units issued	42,195,588	45,479,007	333,494,144	277,243,198	88,428,609	83,810,147	190,109,526	214,882,716	165,718,509	220,211,902
Units redeemed	(55,009,198)	(38,233,351)	(269,619,728)	(213,430,784)	(119,423,011)	(74,702,894)	(204,619,178)	(145,793,079)	(222,075,015)	(266,266,952)
	(12,813,610)	7,245,656	63,874,416	63,812,414	(30,994,402)	9,107,253	(14,509,652)	69,089,637	(56,356,506)	(46,055,050)
<b>Total comprehensive income/(loss) for the year</b>	30,513,399	16,478,292	14,875,064	11,637,165	69,548,147	29,206,247	76,897,588	(73,621,380)	51,106,456	48,291,363
<b>Balance at the end of the year</b>	427,931,053	410,231,264	486,160,603	407,411,123	722,701,544	684,147,799	485,637,695	423,249,759	1,427,148,341	1,432,398,391
<b>Units outstanding at the beginning of the year</b>	16,388,309.03	16,094,929.93	35,763,382.70	30,076,399.22	24,872,133.97	24,536,055.56	35,350,832.67	30,179,251.78	103,200,282.39	106,656,547.83
Units issued	1,591,039.70	1,844,879.48	28,742,905.26	24,749,748.90	2,986,386.09	3,095,262.86	14,559,327.37	15,839,319.21	11,722,215.03	16,291,356.56
Units redeemed	(2,070,974.16)	(1,551,500.38)	(23,237,546.26)	(19,062,765.42)	(4,035,781.66)	(2,759,184.45)	(15,546,985.55)	(10,667,738.32)	(15,651,856.90)	(19,747,622.00)
<b>Units outstanding at the end of the year</b>	15,908,374.57	16,388,309.03	41,268,741.70	35,763,382.70	23,822,738.40	24,872,133.97	34,363,174.49	35,350,832.67	99,270,640.52	103,200,282.39

The notes on pages 76 to 113 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 2024

	China Life Retire-Easy Global Equity Fund		China Life Core Accumulation Fund		China Life Age 65 Plus Fund		China Life Greater China Equity Fund	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Balance at the beginning of the year</b>	249,295,329	154,976,615	251,761,955	184,556,983	142,526,469	111,870,259	69,373,304	29,552,438
Units issued	96,737,061	65,391,209	133,432,717	80,455,823	70,368,954	40,288,911	48,046,543	60,784,678
Units redeemed	(67,672,126)	(28,584,639)	(78,854,361)	(45,863,539)	(48,436,427)	(20,165,757)	(34,169,345)	(13,332,743)
	29,064,935	36,806,570	54,578,356	34,592,284	21,932,527	20,123,154	13,877,198	47,451,935
<b>Total comprehensive income/(loss) for the year</b>	42,861,220	57,512,144	30,062,342	32,612,688	6,024,167	10,533,056	9,369,179	(7,631,069)
<b>Balance at the end of the year</b>	321,221,484	249,295,329	336,402,653	251,761,955	170,483,163	142,526,469	92,619,681	69,373,304
<b>Units outstanding at the beginning of the year</b>	16,975,155.82	14,243,843.60	17,820,871.45	15,163,396.54	12,827,696.90	10,921,558.89	10,420,522.20	4,021,446.08
Units issued	6,108,735.35	4,895,692.23	8,789,287.73	6,153,604.75	6,172,325.93	3,803,842.48	6,695,428.47	8,231,816.06
Units redeemed	(4,195,095.65)	(2,164,380.01)	(5,167,705.32)	(3,496,129.84)	(4,225,138.58)	(1,897,704.47)	(4,816,285.13)	(1,832,739.94)
<b>Units outstanding at the end of the year</b>	18,888,795.52	16,975,155.82	21,442,453.86	17,820,871.45	14,774,884.25	12,827,696.90	12,299,665.54	10,420,522.20

The notes on pages 76 to 113 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 2024

	China Life US Equity Fund <sup>Note 1</sup>		Total	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
<b>Balance at the beginning of the year</b>	135,484,532	36,967,788	4,205,879,925	3,740,170,822
	-----	-----	-----	-----
Units issued	213,498,388	123,290,826	1,382,030,039	1,211,838,417
Units redeemed	(148,751,113)	(47,877,226)	(1,248,629,502)	(894,250,964)
	-----	-----	-----	-----
	64,747,275	75,413,600	133,400,537	317,587,453
	-----	-----	-----	-----
<b>Total comprehensive income/(loss) for the year</b>	28,760,726	23,103,144	360,018,288	148,121,650
	-----	-----	-----	-----
<b>Balance at the end of the year</b>	228,992,533	135,484,532	4,699,298,750	4,205,879,925
	=====	=====	=====	=====
<b>Units outstanding at the beginning of the year</b>	14,989,007.30	5,515,988.08		
Units issued	21,265,262.54	15,496,991.43		
Units redeemed	(14,871,881.61)	(6,023,972.21)		
	-----	-----		
<b>Units outstanding at the end of the year</b>	21,382,388.23	14,989,007.30		
	=====	=====		

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

The notes on pages 76 to 113 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 2024

	China Life Balanced Fund		China Life MPF Conservative Fund		China Life Growth Fund		China Life Hong Kong Equity Fund		China Life Joyful Retirement Guaranteed Fund	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>										
Total comprehensive income/(loss) for the year	30,513,399	16,478,292	14,875,064	11,637,165	69,548,147	29,206,247	76,897,588	(73,621,380)	51,106,456	48,291,363
Adjustment for:										
Bank interest income	(178)	(28)	(17,615,898)	(14,922,433)	(311)	(37)	(244)	(84)	(4)	(1)
Bond interest income	-	-	(682,528)	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
Net (increase)/decrease in investments	(17,770,821)	(23,768,639)	(147,947,089)	-	(38,608,667)	(38,694,524)	(61,900,053)	2,239,038	5,372,581	225,675
Net decrease in derivative financial instruments - assets	-	-	-	-	-	-	-	-	-	-
Net increase in interest receivable	-	-	(630,485)	(1,927,806)	-	-	-	-	-	-
Net decrease/(increase) in bank deposits with original maturity over three months	-	-	143,077,615	(85,585,098)	-	-	-	-	-	-
Net decrease/(increase) in amounts receivable on sale of investments	359,814	(429,096)	-	-	122,836	(122,836)	-	1,458	827,629	(958,460)
Net decrease/(increase) in other receivables	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in accruals and other payables	37,197	43,062	179,892	(730,249)	96,662	81,208	74,155	41,806	(234,582)	(857,102)
Net (decrease)/increase in amounts payable on purchase of investments	(359,814)	429,096	-	-	(122,836)	122,836	-	(1,458)	(827,629)	958,460
Net increase in derivative financial instruments - liabilities	-	-	-	-	-	-	-	-	-	-
Cash generated from/(used in) operations	12,779,597	(7,247,313)	(8743,429)	(91,528,421)	31,035,831	(9,407,106)	15,071,446	(71,340,620)	56,244,451	47,659,935
Bank interest income received	178	28	17,615,898	14,922,433	311	37	244	84	4	1
Bond interest income received	-	-	682,528	-	-	-	-	-	-	-
Dividend income received	-	-	-	-	-	-	-	-	-	-
<b>Net cash generated from/(used in) operating activities</b>	12,779,775	(7,247,285)	9,554,997	(76,605,988)	31,036,142	(9,407,069)	15,071,690	(71,340,536)	56,244,455	47,659,936
<b>Cash flows from financing activities</b>										
Receipts on subscription*	42,189,326	45,403,538	330,399,131	274,966,081	88,237,360	83,480,230	190,862,393	215,924,587	166,352,963	219,532,079
Payments on redemption*	(54,969,636)	(38,156,225)	(272,128,000)	(210,538,200)	(119,274,053)	(74,073,124)	(205,934,370)	(144,583,968)	(222,597,685)	(267,192,014)
<b>Net cash (used in)/generated from financing activities</b>	(12,780,310)	7,247,313	58,271,131	64,427,881	(31,036,693)	9,407,106	(15,071,977)	71,340,619	(56,244,722)	(47,659,935)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(535)	28	67,826,128	(12,178,107)	(551)	37	(287)	83	(267)	1
Cash and cash equivalents at the beginning of the year	535	507	59,698,378	71,876,485	551	514	287	204	267	266
<b>Cash and cash equivalents at the end of the year</b>	-	535	127,524,506	59,698,378	-	551	-	287	-	267
<b>Analysis of balances of cash and cash equivalents</b>										
Cash and cash equivalents	-	535	127,524,506	59,698,378	-	551	-	287	-	267

\*Include increase/decrease in amounts receivable/payable on funds switching.

The notes on pages 76 to 113 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 2024

	<u>China Life Retire-Easy Global Equity Fund</u>		<u>China Life Core Accumulation Fund</u>		<u>China Life Age 65 Plus Fund</u>		<u>China Life Greater China Equity Fund</u>	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>								
Total comprehensive income/(loss) for the year	42,861,220	57,512,144	30,062,342	32,612,688	6,024,167	10,533,056	9,369,179	(7,631,069)
Adjustment for:								
Bank interest income	(260,674)	(27,635)	(65)	(11)	(2)	-	(27)	(8)
Bond interest income	-	-	-	-	-	-	-	-
Dividend income	(3,601,951)	(2,073,799)	-	-	-	-	-	-
Net (increase)/decrease in investments	(72,818,355)	(80,118,292)	(84,352,845)	(67,049,154)	(28,201,594)	(30,823,990)	(22,919,101)	(39,959,432)
Net decrease in derivative financial instruments - assets	-	15,583	-	-	-	-	-	-
Net increase in interest receivable	-	-	-	-	-	-	-	-
Net decrease/(increase) in bank deposits with original maturity over three months	-	-	-	-	-	-	-	-
Net decrease/(increase) in amounts receivable on sale of investments	(4,212,319)	-	(387,252)	(62,831)	80,997	(230,354)	-	-
Net decrease/(increase) in other receivables	115,456	(36,565)	-	-	-	-	24,563	(27,041)
Net increase/(decrease) in accruals and other payables	230,926	165,678	149,604	88,586	54,146	38,039	38,426	70,621
Net (decrease)/increase in amounts payable on purchase of investments	450,334	-	387,252	62,831	(80,997)	230,354	-	-
Net increase in derivative financial instruments - liabilities	31,332	22,069	-	-	-	-	-	-
Cash generated from/(used in) operations	(37,204,031)	(24,540,817)	(54,140,964)	(34,347,891)	(22,123,283)	(20,252,895)	(13,486,960)	(47,546,929)
Bank interest income received	260,674	27,635	65	11	2	-	27	8
Bond interest income received	-	-	-	-	-	-	-	-
Dividend income received	3,532,783	2,010,027	-	-	-	-	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>(33,410,574)</b>	<b>(22,503,155)</b>	<b>(54,140,899)</b>	<b>(34,347,880)</b>	<b>(22,123,281)</b>	<b>(20,252,895)</b>	<b>(13,486,933)</b>	<b>(47,546,921)</b>
<b>Cash flows from financing activities</b>								
Receipts on subscription <sup>#</sup>	97,913,795	63,785,512	131,783,578	80,324,008	69,504,552	40,470,616	47,217,765	60,803,194
Payments on redemption <sup>#</sup>	(67,279,359)	(28,446,943)	(77,642,679)	(45,976,128)	(47,381,271)	(20,217,721)	(33,730,832)	(13,256,273)
<b>Net cash (used in)/generated from financing activities</b>	<b>30,634,436</b>	<b>35,338,569</b>	<b>54,140,899</b>	<b>34,347,880</b>	<b>22,123,281</b>	<b>20,252,895</b>	<b>13,486,933</b>	<b>47,546,921</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(2,776,138)</b>	<b>12,835,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	14,195,900	1,360,486	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>11,419,762</b>	<b>14,195,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Analysis of balances of cash and cash equivalents</b>								
Cash and cash equivalents	11,419,762	14,195,900	-	-	-	-	-	-

<sup>#</sup>Include increase/decrease in amounts receivable/payable on funds switching.

The notes on pages 76 to 113 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 2024

	China Life US Equity Fund <sup>Note 1</sup>		Total	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
<b>Cash flows from operating activities</b>				
Total comprehensive income/(loss) for the year	28,760,726	23,103,144	360,018,288	148,121,650
Adjustment for:				
Bank interest income	(135,264)	(16,124)	(18,012,667)	(14,966,361)
Bond interest income	-	-	(682,528)	-
Dividend income	(2,073,833)	(787,011)	(5,675,784)	(2,860,810)
Net (increase)/decrease in investments	(90,643,336)	(90,021,226)	(559,789,280)	(367,970,544)
Net decrease in derivative financial instruments - assets	(67,994)	(13,825)	(67,994)	1,758
Net increase in interest receivable	-	-	(630,485)	(1,927,806)
Net decrease/(increase) in bank deposits with original maturity over three months	-	-	143,077,615	(85,585,098)
Net decrease/(increase) in amounts receivable on sale of investments	(4,458,538)	8,484	(7,666,833)	(1,793,635)
Net decrease/(increase) in other receivables	1,196	54,909	141,215	(8,697)
Net increase/(decrease) in accruals and other payables	174,049	172,536	800,475	(885,815)
Net (decrease)/increase in amounts payable on purchase of investments	458,845	(8,484)	(94,845)	1,793,635
Net increase in derivative financial instruments - liabilities	-	-	31,332	22,069
Cash generated from/(used in) operations	(67,984,149)	(67,507,597)	(88,551,491)	(326,059,654)
Bank interest income received	135,264	16,124	18,012,667	14,966,361
Dividend income received	1,930,274	732,027	5,463,057	2,742,054
<b>Net cash generated from/(used in) operating activities</b>	<b>(65,918,611)</b>	<b>(66,759,446)</b>	<b>(64,393,239)</b>	<b>(308,351,239)</b>
<b>Cash flows from financing activities</b>				
Receipts on subscription <sup>#</sup>	212,618,132	120,338,655	1,377,078,995	1,205,028,500
Payments on redemption <sup>#</sup>	(148,154,512)	(46,828,896)	(1,249,092,397)	(889,269,492)
<b>Net cash (used in)/generated from financing activities</b>	<b>64,463,620</b>	<b>73,509,759</b>	<b>127,986,598</b>	<b>315,759,008</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,454,991)</b>	<b>6,750,313</b>	<b>63,593,359</b>	<b>7,407,769</b>
Cash and cash equivalents at the beginning of the year	6,750,313	-	80,646,231	73,238,462
<b>Cash and cash equivalents at the end of the year</b>	<b>5,295,322</b>	<b>6,750,313</b>	<b>144,239,590</b>	<b>80,646,231</b>
<b>Analysis of balances of cash and cash equivalents</b>				
Cash and cash equivalents	5,295,322	6,750,313	144,239,590	80,646,231

<sup>#</sup>Include increase/decrease in amounts receivable/payable on funds switching.

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

The notes on pages 76 to 113 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 trustee of the Scheme is China Life Trustees Limited (the “Trustee”).

The Scheme comprises ten constituent funds as at 31 December 2024 (2023: Ten). 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 Hong Kong Equity Fund  
China Life Joyful Retirement Guaranteed Fund  
China Life Retire-Easy Global Equity Fund  
China Life Core Accumulation Fund  
China Life Age 65 Plus Fund  
China Life Greater China Equity Fund  
China Life US Equity Fund

China Life US Equity Fund was changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

Taiping Assets Management (HK) Company Limited ceased to be the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund and Schroder Investment Management (Hong Kong) Limited was appointed as the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund of China Life Joyful Retirement Guaranteed Fund with effect from 23 June 2023.

On 29 July 2024, the Scheme has been onboarded to the eMPF Platform. Upon the Scheme got onboard to the eMPF Platform, the administration of the Scheme is performed by the eMPF Platform. As a result of the use of eMPF Platform for scheme administration services, the administration fees at constituent fund level in respect of China Life Balanced Fund, China Life Growth Fund, China Life Joyful Retirement Guaranteed Fund, China Life Greater China Equity Fund and China Life US Equity Fund have been reduced with effect from 29 October 2024. The administration fee has been renamed as eMPF Platform fee effective from 29 October 2024.

The financial information of the Scheme comprises (i) the statement of net assets available for benefits as at 31 December 2024, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2024 of the Scheme on a standalone basis; and (ii) the statement of net assets as at 31 December 2024, 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 2024 for each of the Scheme’s constituent funds.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Application of new and amendments to HKFRS Accounting Standards

##### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Scheme and its constituent funds have applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the Scheme's and its constituent funds' annual period beginning on 1 January 2024 for the preparation of the financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Scheme's net assets available for benefits and changes in net assets available for benefits and the constituent funds' net assets and performance for the current and prior years and/or on the disclosures set out in these financial statements.

##### New and amendments to HKFRS Accounting Standards s in issue but not yet effective

The Scheme and its constituent funds have not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Trustee of the Scheme and its constituent funds anticipates that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Application of new and amendments to HKFRS Accounting Standards (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective  
(Continued)

##### HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of changes in net assets available for benefits for the Scheme and statement of comprehensive income for the constituent funds; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of changes in net assets available for benefits for the Scheme and statement of comprehensive income for the constituent funds and disclosures in the future financial statements. The Trustee of the Scheme and its constituent funds are in the process of assessing the detailed impact of HKFRS 18 on the Scheme's and its constituent funds' financial statements.

#### 3 Material accounting policy information

The material 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 HKFRS Accounting Standards issued by the HKICPA. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS Accounting Standards 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.



## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 3 Material accounting policy information (Continued)

##### (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 is managed and performance is 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.

###### 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/(loss) 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 realised gains/(losses) 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 and approved index-tracking collective investment schemes 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.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **3 Material accounting policy information (Continued)**

##### **(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.

###### **(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/(loss) 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/(losses) on sale of investments” for the constituent funds.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### **3 Material accounting policy information (Continued)**

##### **(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, contribution receivables and other receivables 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.

Accounts receivables are classified as current assets if the collections of receivables are expected within one year. If not, they are presented as non-current assets.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **3 Material accounting policy information (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. Accounts payables and accruals are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

##### **(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.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **3 Material accounting policy information (Continued)**

##### **(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:

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- (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 4(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.

##### **(o) Financial derivative instruments**

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quotes from broker. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Subsequent changes in the fair value of any derivative instruments are recognised immediately in the statement of comprehensive income.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 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 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 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) Fixed income securities\* (50% to 100%)
- b) Global equities and other securities (0% to 30%)
- c) Cash/bank deposit/cash equivalent (0% to 50%)

\* Include but not limited to bonds, debt securities or approved index-tracking collective investment schemes defined in Section 1 of Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation ("Regulation") duly approved by the Authority substantially investing in fixed income securities are also categorized as "Fixed Income Securities"

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (a) Strategy in using financial instruments (Continued)

###### China Life Joyful Retirement Guaranteed Fund(Continued)

The targeted geographic distribution of the assets is:

- a) Hong Kong/China (0% to 90%)
- b) Europe (0% to 90%)
- c) America (0% to 90%)
- d) Asia Pacific (0% to 90%)
- e) Others (equities\*) (0% to 10%)
- f) Others (debt securities\*) (0% to 40%)

\*Investments as permitted under Schedule 1 to the Regulation

###### China Life Retire-Easy Global Equity Fund

The constituent fund invests in two or more index-tracking collective investment schemes duly approved by MPFA managed by China Asset Management (Hong Kong) Limited, which invests up to 100% of the net asset value in global equities.

###### 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.

###### China Life Greater China Equity Fund

The constituent fund invests in JPMorgan SAR Greater China Fund which invests in a portfolio consisting primarily of securities of companies based or operating principally in the People's Republic of China, Hong Kong, Macau or Taiwan ("Greater China Region") and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan.

###### China Life US Equity Fund <sup>Note 1</sup>

The constituent fund invests in two or more index-tracking collective investment schemes duly approved by MPFA managed by China Asset Management (Hong Kong) Limited, which invests principally in equity securities of US companies demonstrating accelerating growth, increasing profitability or above-average growth or growth potential as compared with the overall economy.

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 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. The Scheme invests all of its assets in the constituent funds, and is therefore exposed to the same market price risk as the constituent funds.

Except for China Life MPF Conservative Fund, China Life Retire-Easy Global Equity Fund and China Life US Equity 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 4(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:

	2024 HK\$	2023 HK\$
China Life Balanced Fund	21,455,966	20,567,425
China Life Growth Fund	36,222,315	34,291,882
China Life Hong Kong Equity Fund	24,278,469	21,183,467
China Life Joyful Retirement Guaranteed Fund	71,511,237	71,779,866
China Life Core Accumulation Fund	16,809,763	12,592,121
China Life Age 65 Plus Fund	8,533,080	7,123,000
China Life Greater China Equity Fund	4,608,862	3,462,907
China Life US Equity Fund <sup>Note 1</sup>	N/A	N/A

Market price sensitivity analysis for China Life Retire-Easy Global Equity Fund and China Life US Equity Fund investing in index-tracking collective investment schemes approved by MPFA are as follows:

China Life Retire-Easy Global Equity Fund:

	2024		2023	
	Change in index +/-	Impact HK\$ +/-	Change in index +/-	Impact HK\$ +/-
Approved index-tracking collective investment schemes	5%	2,277,244	5%	6,290,046

China Life US Equity Fund <sup>Note 1</sup>:

	2024		2023	
	Change in index +/-	Impact HK\$ +/-	Change in index +/-	Impact HK\$ +/-
Approved index-tracking collective investment schemes	5%	628,209	5%	514,841

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.



## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **4 Financial risk management (Continued)**

##### **(b) Market price risk (Continued)**

China Asset Management (Hong Kong) Limited, the investment manager of China Life Retire-Easy Global Equity Fund and China Life US Equity Fund, 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.

##### **(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.

The Scheme and its constituent funds had interest bearing cash and cash equivalents of HK\$49,312,600 (2023: HK\$26,315,662) and HK\$144,154,299 (2023: HK\$70,280,090) and bank deposits with original maturity of more than three months of HK\$Nil (2023: HK\$Nil) and HK\$200,231,589 (2023: HK\$343,309,204) respectively at 31 December 2024 and are therefore exposed to interest rate risk on these bank deposits.

At 31 December 2024, should the relevant market interest rates have risen/lowered by 25 basis points (2023: 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\$123,282 (2023: HK\$65,789) and HK\$860,965 (2023: HK\$1,033,973) respectively, arising mainly from the increase/decrease in bank interest income.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (c) Interest rate risk (Continued)

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\$
<b>At 31 December 2024</b>					
<u>Assets</u>					
Investments	147,947,089	-	-	-	147,947,089
Amounts receivable on funds switching	-	-	-	7,620,189	7,620,189
Interest receivable	-	-	-	4,710,718	4,710,718
Bank deposits with original maturity over three months	200,231,589	-	-	-	200,231,589
Cash and cash equivalents	127,439,215	-	-	85,291	127,524,506
	475,617,893	-	-	12,416,198	488,034,091
<u>Liabilities</u>					
Accruals and other payables	-	-	-	1,106,092	1,106,092
Amounts payable on funds switching	-	-	-	767,396	767,396
	-	-	-	1,873,488	1,873,488
Interest sensitivity gap	475,617,893	-	-		
<b>At 31 December 2023</b>					
<u>Assets</u>					
Amounts receivable on funds switching	-	-	-	4,525,176	4,525,176
Interest receivable	-	-	-	4,080,233	4,080,233
Bank deposits with original maturity over three months	343,309,204	-	-	-	343,309,204
Cash and cash equivalents	49,332,237	-	-	10,366,141	59,698,378
	392,641,441	-	-	18,971,550	411,612,991
<u>Liabilities</u>					
Accruals and other payables	-	-	-	926,200	926,200
Amounts payable on funds switching	-	-	-	3,275,668	3,275,668
	-	-	-	4,201,868	4,201,868
Interest sensitivity gap	392,641,441	-	-		

At 31 December 2024, China Life MPF Conservative Fund held debt securities of HK\$44,785,679 (2023:HK\$Nil) and therefore, was exposed to fair value interest rate risk Market price sensitivity analysis for debt securities is as follow:

	2024		2023	
	Change in market interest rates +/-	Impact HK\$ +/-	Change in market interest rates +/-	Impact HK\$ +/-
Debt securities	50 bps	120,154	N/A	N/A

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (c) Interest rate risk (Continued)

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
<b>At 31 December 2024</b>			
Bank of China (Hong Kong) Limited	49,312,600	Aa3	Moody's
<b>At 31 December 2023</b>			
Bank of China (Hong Kong) Limited	26,315,321	Aa3	Moody's
Citibank, N.A.	109,325	A+	S&P

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (d) Credit and custody risk (Continued)

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 summarizes the assets placed with banks and custodians at the year end date:

	Bank	2024		2023		Source
		Bank balances HK\$	Credit rating	Bank balances HK\$	Credit rating	
China Life Balanced Fund	Bank of China (Hong Kong) Limited	-	Aa3	535	Aa3	Moody's
China Life MPF Conservative Fund	Bank of China (Hong Kong) Limited	2,885,292	Aa3	10,366,141	Aa3	Moody's
	Bank of Communications	3,248,251	A-	18,478,130	A-	S&P
	BNP Paribas	39,923,046	Aa3	29,993,547	Aa3	Moody's
	China Bohai Bank Co Ltd	35,868,432	Baa3	-	Baa3	Moody's
	China CITIC Bank International Limited	8,331,110	A3	31,997,364	A3	Moody's
	China Construction Bank (Asia) Corporation Limited	22,868,365	A	34,446,714	A	S&P

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 4 Financial risk management (Continued)

#### (d) Credit and custody risk (Continued)

	Bank	2024	Credit rating	2023	Credit rating	Source
		Bank balances HK\$		Bank balances HK\$		
China Life MPF Conservative Fund (Continued)	China Guangfa Bank Co., Ltd.	38,682,389	Baa3	32,520,311	Baa3	Moody's
	China Merchants Bank	3,049,623	A-2	31,222,946	BBB+	S&P
	Chong Hing Bank	6,116,670	Baa1	30,413,278	Baa1	Moody's
	CMB Wing Lung Bank Ltd.	1,500,000	A3	27,267,942	A2	Moody's
	DBS Bank	2,010,971	Aa3	25,182,288	Aa3	Moody's
	Hang Seng Bank	24,709,887	AA-	32,831,948	AA-	S&P
	Industrial and Commercial Bank of China (Asia) Limited	39,099,861	A1	27,640,697	A1	Moody's
	Industrial Bank Co., Ltd.	39,364,591	Baa2	29,599,882	Baa2	Moody's
	Shanghai Pudong Development Bank Co., Ltd.	39,997,607	Baa2	33,991,007	Baa2	Moody's
	Standard Chartered Bank	-	A+	7,055,387	A+	S&P
	MUFG	20,100,000	A1	N/A	N/A	Moody's
China Life Growth Fund	Bank of China (Hong Kong) Limited	-	Aa3	551	Aa3	Moody's
China Life Hong Kong Equity Fund	Bank of China (Hong Kong) Limited	-	Aa3	287	Aa3	Moody's
China Life Joyful Retirement Guaranteed Fund	Bank of China (Hong Kong) Limited	-	Aa3	267	Aa3	Moody's
China Life Retire-Easy Global Equity Fund	Bank of China (Hong Kong) Limited	11,419,762	Aa3	14,195,900	Aa3	Moody's
China Life US Equity Fund <sup>4</sup>	Bank of China (Hong Kong) Limited	5,295,322	Aa3	6,750,313	Aa3	Moody's

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (d) Credit and custody risk (Continued)

	Custodian	2024		2023		Source
		Investments HK\$	Credit rating	Investments HK\$	Credit rating	
China Life Balanced Fund	HSBC <sup>1</sup> #	429,119,318	A-1+	411,348,497	A-1+	S&P
China Life MPF Conservative Fund	Bank of China (Hong Kong) Limited	147,947,089	Aa3	-	N/A	Moody's
China Life Growth Fund	HSBC <sup>1</sup> #	724,446,299	A-1+	685,837,632	A-1+	S&P
China Life Hong Kong Equity Fund	HSBC <sup>1</sup> #	485,569,384	A-1+	423,669,331	A-1+	S&P
China Life Joyful Retirement Guaranteed Fund	Bank of China (Hong Kong) Limited	1,430,224,734	Aa3	1,435,597,315	Aa3	Moody's
China Life Retire-Easy Global Equity Fund	Bank of China (Hong Kong) Limited	307,101,172	Aa3	234,282,817	Aa3	Moody's
China Life Core Accumulation Fund	BCT <sup>2</sup> #	336,195,258	Unrated	251,842,413	Unrated	N/A
China Life Age 65 Plus Fund	BCT <sup>2</sup> #	170,661,601	Unrated	142,460,007	Unrated	N/A
China Life Greater China Equity Fund	JPMorgan <sup>3</sup> #	92,177,231	A-1	69,258,130	A-1	S&P
China Life US Equity Fund <sup>4</sup>	Bank of China (Hong Kong) Limited	217,577,439	Aa3	126,934,103	Aa3	Moody's

<sup>1</sup> HSBC stands for "HSBC Institutional Trust Services (Asia) Limited".

<sup>2</sup> BCT stands for "Bank Consortium Trust Company Limited".

<sup>3</sup> JPMorgan stands for "JPMorgan Chase Bank, N.A., Hong Kong Branch".

<sup>4</sup> China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

# represents custodian of underlying approved pooled investment funds

All derivative financial instruments of China Life Retire-Easy Global Equity Fund and China Life US Equity Fund represent outstanding currency forward contracts as disclosed in Note 12. The counterparty of these contracts is Bank of China (Hong Kong) Limited with credit rating of P-1 by Moody's (2023: Bank of China (Hong Kong) Limited with credit rating of P-1 by Moody's).

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (d) Credit and custody risk (Continued)

The table below summarizes the credit rating of the debt investments held by China Life MPF Conservative Fund by rating category in percentage to the total balance of debt investments as at 31 December 2024 (2023: HK\$Nil).

Portfolio by rating category	2024 %	Source of credit rating
AA	11	Standard and Poor's
AA-	18	Standard and Poor's
A+	25	Standard and Poor's
A	46	Standard and Poor's
	<hr/> 100 <hr/>	

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 2024 and 2023, all contribution receivable, other receivable, amounts receivable on sale of investments, amounts receivable on funds switching, interest receivable, dividend 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.

##### (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. The scheme is exposed to the requests of the payment of benefit. The Scheme invests predominately in the constituent funds that are considered to be readily realizable

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Financial risk management (Continued)

##### (e) Liquidity risk (Continued)

At 31 December 2024, the constituent funds held fixed deposits of HK\$327,670,804 (2023: HK\$392,641,441) and approved pooled investment funds of HK\$3,668,393,825 (2023: HK\$3,420,013,325) that are expected to readily generate cash inflows for managing liquidity risk.

The Scheme's contractual maturity dates for financial liabilities (which represent all liabilities recognised in the net assets available for benefits attributable to members) are less than one month. The undiscounted cash flows equal their carrying balances, as the impact of discounting is not significant.

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.

	<u>Less than 1 month</u>			<u>1-3 months</u>			<u>More than 3 months</u>	
	Amounts payable on funds switching HK\$	Amounts payable on purchase of investments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Derivative financial instruments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Total HK\$
<b>At 31 December 2024</b>								
China Life Balanced Fund	324,874	69,282	394,156	980,352	-	980,352	82,835	1,457,343
China Life MPF Conservative Fund	767,396	-	767,396	1,019,384	-	1,019,384	86,708	1,873,488
China Life Growth Fund	1,107,695	-	1,107,695	1,663,895	-	1,663,895	139,647	2,911,237
China Life Hong Kong Equity Fund	1,912,252	-	1,912,252	498,665	-	498,665	87,398	2,498,315
China Life Joyful Retirement Guaranteed Fund	556,480	130,831	687,311	3,278,590	-	3,278,590	279,964	4,245,865
China Life Retire-Easy Global Equity Fund	799,786	450,334	1,250,120	728,536	53,401	781,937	59,307	2,091,364
China Life Core Accumulation Fund	1,717,621	450,083	2,167,704	484,876	-	484,876	58,407	2,710,987
China Life Age 65 Plus Fund	1,140,834	159,910	1,300,744	250,740	-	250,740	30,940	1,582,424
China Life Greater China Equity Fund	518,028	-	518,028	135,299	-	135,299	15,645	668,972
China Life US Equity Fund	1,692,594	458,845	2,151,439	365,412	-	365,412	36,475	2,553,326



# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 4 Financial risk management (Continued)

#### (e) Liquidity risk (Continued)

	<u>Less than 1 month</u>			<u>1-3 months</u>			<u>More than 3 months</u>	
	Amounts payable on funds switching HK\$	Amounts payable on purchase of investments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Derivative financial instruments HK\$	Sub-total HK\$	Accruals and other payables HK\$	Total HK\$
<b>At 31 December 2023</b>								
China Life Balanced Fund	285,312	429,096	714,408	952,835	-	952,835	73,155	1,740,398
China Life MPF Conservative Fund	3,275,668	-	3,275,668	853,649	-	853,649	72,551	4,201,868
China Life Growth Fund	958,737	122,836	1,081,573	1,583,992	-	1,583,992	122,888	2,788,453
China Life Hong Kong Equity Fund	3,227,444	-	3,227,444	430,029	-	430,029	81,879	3,739,352
China Life Joyful Retirement Guaranteed Fund	1,079,150	958,460	2,037,610	3,539,530	-	3,539,530	253,606	5,830,746
China Life Retire-Easy Global Equity Fund	407,019	-	407,019	519,550	22,069	541,619	37,367	986,005
China Life Core Accumulation Fund	505,939	62,831	568,770	351,719	-	351,719	41,960	962,449
China Life Age 65 Plus Fund	85,678	240,907	326,585	203,629	-	203,629	23,905	554,119
China Life Greater China Equity Fund	79,515	-	79,515	101,173	-	101,173	11,345	192,033
China Life US Equity Fund <sup>Note 1</sup>	1,095,993	-	1,095,993	210,999	-	210,999	16,839	1,323,831

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 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 2024 and 2023, all of the constituent funds' assets and liabilities (except China Life Retire-Easy Global Equity Fund and China Life US Equity Fund) are denominated in Hong Kong dollars. Thus, the constituent funds were not directly exposed to currency risk.

As at 31 December 2024, China Life Retire-Easy Global Equity Fund and China Life US Equity Fund have assets and liabilities denominated in currencies other than the Hong Kong dollar, the Fund's functional and presentation currency, and United States dollar. Since the Hong Kong dollar is currently pegged to the United States dollar within a narrow range, the currency risk is considered minimal (2023: minimal).

China Life Joyful Retirement Guaranteed Fund has indirect currency risk exposure through its investment in the APIF (China Life Retire-Easy Guarantee (PIF) Fund), which invests in UT APIF (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 2024, China Life Retire-Easy Stable Return Unit Trust (PIF) Fund had net monetary exposure of HK\$1,350,118,507 (2023: HK\$1,413,027,907) which are denominated in United States dollar, British Pound, EURO and Renminbi and therefore, the constituent fund was 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 British Pound, EURO and Renminbi, as the value of assets and liabilities denominated in British Pound, EURO and Renminbi will fluctuate due to changes in foreign exchange rates.

The table below summarizes 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 Joyful Retirement Guaranteed Fund

	2024		2023	
	Change in foreign exchange rates +/-	Impact HK\$ +/-	Change in foreign exchange rates +/-	Impact HK\$ +/-
British Pound	5.00%	389,142	5.00%	420,532
EURO	5.00%	405	5.00%	2,174
Renminbi	5.00%	321	5.00%	331

The Managers have used its view of what would be a reasonable possible shift in the foreign exchange rates, having regard to the historical volatility of the foreign exchange rates, to estimate the change for use in the sensitivity analysis above. The investment managers may enter into currency forward contracts from time to time to reduce currency exposure. Refer to Note 12 for details of outstanding currency forward contracts as at 31 December 2024 (2023: US\$15,135,587).

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **4 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 2024 and 2023, 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

#### 4 Financial risk management (Continued)

##### (h) Fair value estimation (Continued)

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

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>At 31 December 2024</b>				
<b>China Life Balanced Fund</b>				
Approved pooled investment fund	429,119,318	-	-	429,119,318
<b>China Life MPF Conservative Fund</b>				
Certificate of deposits/debt securities	15,999,450	131,947,639	-	147,947,089
<b>China Life Growth Fund</b>				
Approved pooled investment fund	724,446,299	-	-	724,446,299
<b>China Life Hong Kong Equity Fund</b>				
Approved pooled investment fund	485,569,384	-	-	485,569,384
<b>China Life Joyful Retirement Guaranteed Fund</b>				
Approved pooled investment fund	-	1,430,224,734	-	1,430,224,734
<b>China Life Retire-Easy Global Equity Fund</b>				
Approved index-tracking collective investment schemes	307,101,172	-	-	307,101,172
Derivative financial instruments	-	(53,401)	-	(53,401)
	<u>307,101,172</u>	<u>(53,401)</u>	<u>-</u>	<u>307,047,771</u>
<b>China Life Core Accumulation Fund</b>				
Approved pooled investment fund	336,195,258	-	-	336,195,258
<b>China Life Age 65 Plus Fund</b>				
Approved pooled investment fund	170,661,601	-	-	170,661,601
<b>China Life Greater China Equity Fund</b>				
Approved pooled investment fund	92,177,231	-	-	92,177,231
<b>China Life US Equity Fund</b>				
Approved index-tracking collective investment schemes	217,577,439	-	-	217,577,439
Derivative financial instruments	-	81,819	-	81,819
	<u>217,577,439</u>	<u>81,819</u>	<u>-</u>	<u>217,659,258</u>

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 4 Financial risk management (Continued)

#### (h) Fair value estimation (Continued)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>At 31 December 2023</b>				
<b>China Life Balanced Fund</b>				
Approved pooled investment fund	411,348,497	-	-	411,348,497
<b>China Life MPF Conservative Fund</b>				
Certificate of deposits/debt securities	-	-	-	-
<b>China Life Growth Fund</b>				
Approved pooled investment fund	685,837,632	-	-	685,837,632
<b>China Life Hong Kong Equity Fund</b>				
Approved pooled investment fund	423,669,331	-	-	423,669,331
<b>China Life Joyful Retirement Guaranteed Fund</b>				
Approved pooled investment fund	-	1,435,597,315	-	1,435,597,315
<b>China Life Retire-Easy Global Equity Fund</b>				
Approved index-tracking collective investment schemes	234,282,817	-	-	234,282,817
Derivative financial instruments	-	(22,069)	-	(22,069)
	<u>234,282,817</u>	<u>(22,069)</u>	<u>-</u>	<u>234,260,748</u>
<b>China Life Core Accumulation Fund</b>				
Approved pooled investment fund	251,842,413	-	-	251,842,413
<b>China Life Age 65 Plus Fund</b>				
Approved pooled investment fund	142,460,008	-	-	142,460,008
<b>China Life Greater China Equity Fund</b>				
Approved pooled investment fund	69,258,131	-	-	69,258,131
<b>China Life US Equity Fund</b> <sup>Note 1</sup>				
Approved index-tracking collective investment schemes	126,934,103	-	-	126,934,103
Derivative financial instruments	-	13,825	-	13,825
	<u>126,934,103</u>	<u>13,825</u>	<u>-</u>	<u>126,947,928</u>

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 2024 and 2023, the constituent funds did not hold any investments classified in level 3.

For the year ended 31 December 2024 and 2023, there were no transfers between levels of investments held by the constituent funds.

As at 31 December 2024 and 2023, the financial assets and liabilities included in the statement of net assets, other than investments and derivative financial instruments 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 Financial risk management (Continued)

##### (h) Fair value estimation (Continued)

The fair values of forward foreign exchange contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

#### 5 Transactions with associates/related parties

Except as disclosed below and in Note 10, 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, Schroder Investment Management (Hong Kong) Limited, Invesco Hong Kong Limited, FIL Investment Management (Hong Kong) Limited, China Asset Management (Hong Kong) Limited, JPMorgan Asset Management (Asia Pacific) 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/eMPF platform fee <sup>Note 2</sup>

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 years ended 31 December 2024 and 2023:

	China Life Balanced Fund	China Life MPF Conservative Fund	China Life Growth Fund	China Life Hong Kong Equity Fund	China Life Joyful Retirement Guaranteed Fund	China Life Retire- Easy Global Equity Fund	China Life Core Accumula- tion Fund	China Life Age 65 Plus Fund	China Life Greater China Equity Fund	China Life US Equity Fund <sup>1</sup>
Trustee fee (On or after 29 October 2024)	0.39%	0.39%	0.39%	0.14%	0.39%	0.38%	0.25%	0.25%	0.10%	0.21%
Trustee fee (On or after 1 February 2023)	0.35%	0.35%	0.35%	0.10%	0.35%	0.35%	0.21%	0.21%	0.10%	0.21%
Trustee fee (On or before 31 January 2023)	0.35%	0.35%	0.35%	0.10%	0.35%	0.35%	0.21%	0.21%	0.10%	0.10%
eMPF platform fee (On or after 29 October 2024)	0.37%	0.26%	0.37%	0.16%	0.37%	0.37%	0.24%	0.24%	0.37%	0.37%
Administration fee (On or before 28 October 2024)	0.50%	0.30%	0.50%	0.20%	0.55%	0.40%	0.28%	0.28%	0.40%	0.40%

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

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Transactions with associates/related parties (Continued)

##### (a) Trustee and administration fees/eMPF platform fee <sup>Note 2</sup> (Continued)

The trustee and administration fees/eMPF platform fee for the year are disclosed in the statement of comprehensive income. The trustee and administration fees payable/eMPF platform fee 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 Hong Kong Equity Fund HK\$	China Life Joyful Retirement Guaranteed Fund HK\$	China Life Retire-Easy Global Equity Fund HK\$	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$	China Life Greater China Equity Fund HK\$	China Life US Equity Fund <sup>1</sup> HK\$
At 31 December 2024										
Trustee fee	416,864	453,171	707,215	158,722	1,371,709	300,267	195,665	101,023	23,352	111,474
Administration fee	171,471	109,095	292,907	79,056	611,675	97,830	68,244	36,417	29,230	59,343
eMPF platform fee	281,612	217,263	476,427	136,221	932,079	209,016	138,772	70,796	59,365	141,513
At 31 December 2023										
Trustee fee	351,045	351,502	583,576	107,507	1,238,835	202,047	125,122	72,447	16,862	62,408
Administration fee	501,492	301,288	833,680	215,015	1,946,741	230,911	166,967	96,660	67,449	118,873

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

Note 2: On 29 July 2024, the Scheme has been onboarded to the eMPF Platform. With effect from 29 July 2024, the scheme administration work is performed by the eMPF Platform. The administration fee has been renamed as eMPF Platform fee effective from 29 October 2024.

##### (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 fund that the following constituent fund of the Scheme has invested in.

##### 1. China Life Joyful Retirement Guaranteed Fund

With effect from 23 June 2023, Taiping Assets Management (HK) Company Limited ceased to be the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund and Schroder Investment Management (Hong Kong) Limited was appointed as the investment manager for the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund of China Life Joyful Retirement Guaranteed Fund.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Transactions with associates/related parties (Continued)

##### (b) Investment management fees (Continued)

###### Schroder Investment Management (Hong Kong) Limited

Being the investment manager of the relevant approved pooled investment fund and the underlying unit trust approved pooled investment fund that the following constituent fund of the Scheme have invested in.

1. 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 Core Accumulation Fund
2. China Life Age 65 Plus Fund

###### China Asset Management (Hong Kong) Limited

Being the investment manager for the following constituent fund of the Scheme.

1. China Life Retire-Easy Global Equity Fund
2. China Life US Equity Fund <sup>Note 3</sup>

###### 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

###### JPMorgan Asset Management (Asia Pacific) Limited

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

1. China Life Greater China Equity Fund

###### Franklin Templeton Investments (Asia) Limited

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

1. China Life US Equity Fund <sup>Note 3</sup>

With effect from 1 February 2023, Franklin Templeton Investments (Asia) Limited was ceased to be the investment manager for the underlying fund of China Life US Equity Fund and China Asset Management (Hong Kong) Limited was appointed as the investment manager for China Life US Equity Fund.



# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 5 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.

	China Life Balanced Fund <sup>1</sup>	China Life MPF Conservative Fund	China Life Growth Fund <sup>1</sup>	China Life Hong Kong Equity Fund <sup>1</sup>	China Life Joyful Retirement Guaranteed Fund <sup>1&amp;2</sup>	China Life Retire- Easy Global Equity Fund <sup>1</sup>	China Life Core Accumul- ation Fund <sup>1</sup>	China Life Age 65 Plus Fund <sup>1</sup>	China Life Greater China Equity Fund <sup>1</sup>	China Life US Equity Fund <sup>1&amp;3</sup>
Investment management fee (On or after 1 July 2024)	Up to 0.40%	0.10%	Up to 0.40%	Up to 0.40%	0.20%	N/A	0.08%	0.08%	0.58%	N/A
Investment management fee (On or after 23 June 2023)	0.45%	0.10%	0.45%	0.45%	0.20%	N/A	0.08%	0.08%	0.58%	N/A
Investment management fee (On or after 1 February 2023)	0.45%	0.10%	0.45%	0.45%	0.20%	N/A	0.08%	0.08%	0.58%	N/A
Investment management fee (On or after 26 September 2022)	0.45%	0.10%	0.45%	0.45%	0.20%	N/A	0.08%	0.08%	0.58%	Up to 0.59%

The investment management fees are calculated and accrued on each valuation day and payable quarterly in arrears. The investment management fees payables at the year end date were as follows:

	China Life Balanced Fund <sup>1</sup> HK\$	China Life MPF Conservative Fund HK\$	China Life Growth Fund <sup>1</sup> HK\$	China Life Hong Kong Equity Fund <sup>1</sup> HK\$	China Life Joyful Retirement Guaranteed Fund <sup>1&amp;2</sup> HK\$	China Life Retire- Easy Global Equity Fund <sup>1</sup> HK\$	China Life Core Accumul- ation Fund <sup>1</sup> HK\$	China Life Age 65 Plus Fund <sup>1</sup> HK\$	China Life Greater China Equity Fund <sup>1</sup> HK\$	China Life US Equity Fund <sup>1&amp;3</sup> HK\$
At 31 December 2024										
Investment management fee	N/A	119,927	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
At 31 December 2023										
Investment management fee	N/A	100,429	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Note 2: The investment management fee of 0.2% per annum is charged at the underlying unit trust approved pooled investment funds of China Life Joyful Retirement Guaranteed Fund with effect from 23 June 2023.

Note 3: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### **6 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.

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.

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 6 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 2024

	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
<b>Payments for services</b>		
- Administration fee	675,553	362,278
- Custodian fee	299,091	158,884
- eMPF platform fee	138,772	70,796
- Trustee fee	650,961	345,306
- Investment management fee	-	-
<b>Total payments services</b>	<u>1,764,377</u>	<u>937,264</u>
<b>Out-of-pocket expenses</b>		
- Auditor’s remuneration	55,142	29,226
- MPF indemnity insurance	47,404	27,027
- Other expenses	39,768	23,554
<b>Total out-of-pocket expenses</b>	<u>142,314</u>	<u>79,807</u>
<b>Other payments</b>		
- Organisational costs	-	-
<b>Total other payments</b>	<u>-</u>	<u>-</u>
<b>Total payments</b>	<u>1,906,691</u>	<u>1,017,071</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>0.04701%</u>	<u>0.04978%</u>

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 6 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 2023

	China Life Core Accumulation Fund HK\$	China Life Age 65 Plus Fund HK\$
<b>Payments for services</b>		
- Administration fee	610,185	356,398
- Custodian fee	217,923	127,285
- Trustee fee	457,340	267,150
- Investment management fee	-	-
<b>Total payments services</b>	<u>1,285,448</u>	<u>750,833</u>
<b>Out-of-pocket expenses</b>		
- Auditor’s remuneration	35,975	18,977
- MPF indemnity insurance	42,368	25,449
- Other expenses	20,915	14,557
<b>Total out-of-pocket expenses</b>	<u>99,258</u>	<u>58,983</u>
<b>Other payments</b>		
- Organisational costs	-	-
<b>Total other payments</b>	<u>-</u>	<u>-</u>
<b>Total payments</b>	<u>1,384,706</u>	<u>809,816</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>0.04510%</u>	<u>0.04599%</u>

#### 7 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**

#### **8 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.

#### **9 Guaranteed return**

##### **China Life Joyful Retirement Guaranteed Fund**

The guarantee rate of return of 1.35% per annum after the deduction of administration expenses. 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.

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Investments

	2024 HK\$	2023 HK\$
<b><u>The Scheme</u></b>		
Investments in constituent funds		
China Life Balanced Fund	427,931,053	410,231,264
China Life MPF Conservative Fund	486,160,603	407,411,123
China Life Growth Fund	722,701,544	684,147,799
China Life Hong Kong Equity Fund	485,637,695	423,249,759
China Life Joyful Retirement Guaranteed Fund	1,427,148,341	1,432,398,391
China Life Retire-Easy Global Equity Fund	321,221,484	249,295,329
China Life Core Accumulation Fund	336,402,653	251,761,955
China Life Age 65 Plus Fund	170,483,163	142,526,469
China Life Greater China Equity Fund	92,619,681	69,373,304
China Life US Equity Fund <sup>Note 1</sup>	228,992,533	135,484,532
	<hr/>	<hr/>
Investments at fair value	4,699,298,750	4,205,879,925
	<hr/>	<hr/>
Investments at cost	3,814,593,971	3,667,400,989
	<hr/>	<hr/>

Note 1: China Life US Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Investments (Continued)

	2024 HK\$	2023 HK\$
<b><u>Constituent funds</u></b>		
<b>China Life Balanced Fund</b>		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Balanced Fund Class A	429,119,318	411,348,497
<b>China Life MPF Conservative Fund</b>		
Certificate of Deposits	103,161,410	-
Debt securities	44,785,679	-
<b>China Life Growth Fund</b>		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Growth Fund Class A	724,446,299	685,837,632
<b>China Life Hong Kong Equity Fund</b>		
<u>Approved pooled investment fund</u>		
Fidelity Global Investment Fund - Hong Kong Equity Fund	485,569,384	423,669,331
<b>China Life Joyful Retirement Guaranteed Fund</b>		
<u>Approved pooled investment fund</u>		
China Life Retire-Easy Guarantee (PIF) Fund	1,430,224,734	1,435,597,315
<b>China Life Retire-Easy Global Equity Fund</b>		
<u>Approved index-tracking collective investment schemes</u>		
Listed securities	307,101,172	234,282,817
<b>China Life Core Accumulation Fund</b>		
<u>Approved pooled investment fund</u>		
Invesco Core Accumulation Fund	336,195,258	251,842,413
<b>China Life Age 65 Plus Fund</b>		
<u>Approved pooled investment fund</u>		
Invesco Age 65 Plus Fund	170,661,601	142,460,007

# CHINA LIFE MPF MASTER TRUST SCHEME

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Investments (Continued)

	2024 HK\$	2023 HK\$
<b>China Life Greater China Equity Fund</b>		
<u>Approved pooled investment fund</u>		
JPMorgan SAR Greater China Fund	92,177,231	69,258,130
<b>China Life US Equity Fund</b> <sup>Note 1</sup>		
<u>Approved index-tracking collective investment schemes</u>		
Listed securities	217,577,439	126,934,103
Investments at fair value	4,341,019,525	3,781,230,245
Investments at cost	3,933,183,055	3,701,723,127

Note 1: China Life US Equity Fund has changed from a feeder fund investing in a single underlying approved pooled investment fund to a portfolio management fund investing in index-tracking collective investment schemes approved by MPFA with effect from 1 February 2023.



## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 11 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 December 2024 and 2023.

#### 12 Derivative financial instruments

##### China Life Retire-Easy Global Equity Fund

##### At 31 December 2024

Contract to deliver	In exchange for	Settlement date	Unrealised loss HK\$
Open forward contracts: US\$12,898,732	HK\$100,000,000	31 March 2025	(53,401)
		Total unrealised loss	(53,401)

##### At 31 December 2023

Contract to deliver	In exchange for	Settlement date	Unrealised loss HK\$
Open forward contracts: US\$8,982,766	HK\$70,000,000	28 March 2024	(22,069)
		Total unrealised loss	(22,069)

##### China Life US Equity Fund

##### At 31 December 2024

Contract to deliver	In exchange for	Settlement date	Unrealised gain HK\$
Open forward contracts: US\$10,298,661	HK\$80,000,000	5 March 2025	81,819
		Total unrealised gain	81,819

##### At 31 December 2023

Contract to deliver	In exchange for	Settlement date	Unrealised gain HK\$
Open forward contracts: US\$6,152,821	HK\$48,000,000	5 March 2024	13,825
		Total unrealised gain	13,825

#### 13 Accrued benefits of the Scheme

The total accrued benefits vested in the members' accounts amounted to HK\$4,646,607,988 as at 31 December 2024 (2023: HK\$4,140,037,153).

#### 14 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.

## **CHINA LIFE MPF MASTER TRUST SCHEME**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **15 Soft commission arrangements**

During the year ended 31 December 2024 and 2023, 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.

#### **16 Security lending arrangements**

During the year ended 31 December 2024 and 2023, the Scheme and its constituent funds did not enter into any security lending arrangements.

#### **17 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 2024 and 2023.

#### **18 Commitments**

The Scheme and its constituent funds had no commitments as at 31 December 2024 and 2023.

#### **19 Contingent liabilities**

The Scheme and its constituent funds had no contingent liabilities as at 31 December 2024 and 2023.

#### **20 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 2024 and 2023.

## CHINA LIFE MPF MASTER TRUST SCHEME

### NOTES TO THE FINANCIAL STATEMENTS

#### 21 Fund expenses ratio

The following table summarizes the fund expense ratio (“FER”) of the constituent funds for the corresponding period:

	Annualised FER For the period from 29 October 2024 to 31 December 2024
China Life Balanced Fund	1.08794%
China Life MPF Conservative Fund	0.89081%
China Life Growth Fund	1.09165%
China Life Hong Kong Equity Fund	0.65646%
China Life Joyful Retirement Guaranteed Fund	2.03896%
China Life Retire-Easy Global Equity Fund	1.23388%
China Life Core Accumulation Fund	0.81772%
China Life Age 65 Plus Fund	0.81572%
China Life Greater China Equity Fund	1.26087%
China Life US Equity Fund	0.85781%

#### 22 Subsequent events

The existing definition of “Business Day” was amended and a new definition of “Severe Weather Trading Day” was introduced effective from 22 April 2025 in response to the severe weather trading arrangement implemented by The Stock Exchange of Hong Kong Limited, effective from 23 September 2024.

The new MPF offsetting arrangement of statutory long service payment or severance payment (the “LSP / SP”) took effect from 1 May 2025.

#### 23 Approval of financial statements

The financial statements were approved by the Trustee on 26 June 2025.

**CHINA LIFE MPF MASTER TRUST SCHEME  
INDEPENDENT AUDITOR'S ASSURANCE REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2024**

## INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Trustee of China Life MPF Master Trust Scheme

We have audited the financial statements of China Life MPF Master Trust Scheme and each of its constituent funds hereafter referred to as ("the Scheme") for the year ended 31 December 2024 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 ("HKICPA"), and have issued an unmodified auditor's report thereon dated 26 June 2025.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") 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 MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 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 MPFSO 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 Management

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.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## INDEPENDENT AUDITOR'S ASSURANCE REPORT – continued

### Auditor's Responsibility

Our responsibility is to report on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, 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.

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 PN 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:

1. in our opinion:
  - a. proper accounting and other records have been kept during the year ended 31 December 2024 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
  - b. the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2024, 30 September 2024 and 31 March 2024; and

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT – continued**

### **Opinion – continued**

- c. the requirements specified in the MPFSO 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 2024, 30 September 2024 and 31 March 2024; and
  - d. the requirements specified in section 34DD(4)(b) of the MPFSO 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 2024.
2. as at 31 December 2024, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

### **Other Matter**

The requirements specified in the MPFSO 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 2024 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. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter contract have any rights under it.



Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
26 June 2025