中国太平
CHINA TAIPING

Participating Savings

Prosperous Future Savings Plan

中國太平人壽保險(香港)有限公司
CHINA TAIPING LIFE INSURANCE(HONG KONG)COMPANY LIMITED

Presented by China Taiping Life Insurance (Hong Kong) Company Limited (the "Company"), **Prosperous Future Savings Plan** (the "Plan") is a participating life insurance plan which provides you with a lifelong protection and wealth accumulation opportunities to build a legacy for your beloved family. The Plan gives you flexibility to change the insured of the policy as well as set a contingent policyowner and a contingent insured. It also allows you to have access to emergency cash through cash withdrawal and, more importantly, enables you to pass the wealth down the generations. With such versatility, you can set your mind at ease and pursue your life goals for a prosperous future.

Plan Features

Unlimited Times of Change of Insured for Legacy Planning

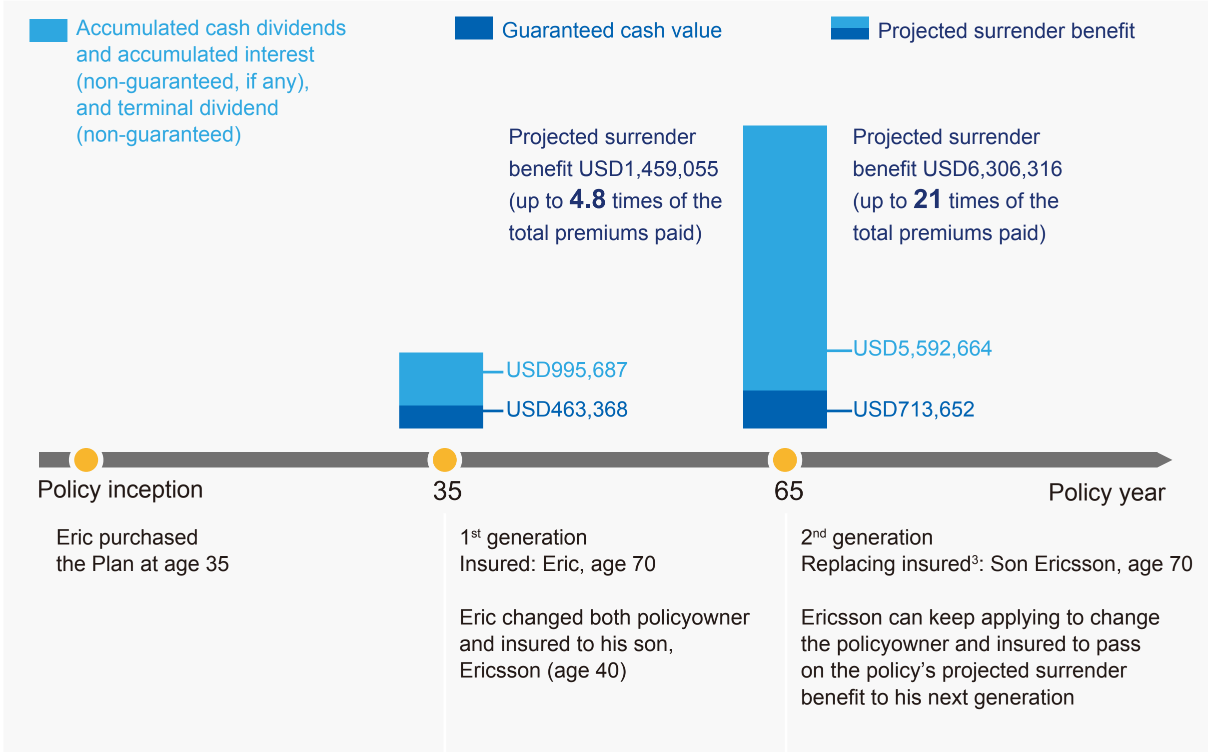
The Plan provides "Change of Insured Option"[1, 2] for you to pass your wealth and protection onto your future generations. Starting from the 2nd policy year, provided that the insured is alive, you can apply to replace the existing insured with another person in lieu as a replacing insured[3] for an unlimited times without affecting the policy values, such that value of the policy can be inherited by later generations.

Once the insured has been changed, the policy will continue to be in force. The coverage of the policy will be extended to the date of death of the replacing insured[3], whereas the coverage for the original insured will be ceased.

Example:

Eric is a successful entrepreneur, married, with a son aged 5. He aims to create a better life and ensure a prosperous future for his family. That's why he purchased Prosperous Future Savings Plan, so as to boost his wealth and pass onto the next generation.

Policyowner and insured:	Eric (age 35)
Premium term:	3 years
Annual premium:	USD100,000
Premium mode:	Annually
Total premiums paid:	USD300,000



The above example is hypothetical and for illustrative purpose only. Actual dividends are not guaranteed and are declared at the Company's sole discretion.

Assumption: There is no advanced claim paid, policy loan, change in notional amount nor cash withdrawals is made on the policy. There is no indebtedness due to the Company under the policy and all premiums are paid in full when due.

Plan Features

Contingent Policyowner and Contingent Insured for Continuous Policy Extension

You can nominate or change a contingent policyowner for the policy anytime by applying for "Contingent Policyowner Option"[1, 2, 4] so that the policy can be managed by the contingent policyowner in the event of unfortunate death of the initial policyowner, provided that the policy has not been assigned. Wealth accumulation in the policy can then be maintained and the policy forms as a valuable legacy to pass onto the next generation.

In addition, starting from the 2nd policy year, while the policy is in force and the insured is alive, you can apply the "Contingent Insured Option"[1, 2, 5] to nominate or change a contingent insured for the policy. Upon successful application, in case of any unexpected death of the initial insured, the contingent insured will become the new insured and the policy can continue to be in force without termination.

Capture Potential Growth with Wealth Accumulation

Offering a comprehensive benefits - guaranteed cash value as well as potential cash dividends and terminal dividends, you can accelerate the growth of your wealth at ease.

Guaranteed cash value

The Plan offers cash value which is guaranteed so that you can enjoy wealth accumulation of your savings.

Cash dividends

Starting from the end of the 4th policy year, a non-guaranteed cash dividend may be payable on this day and at the end of each policy year. Once the dividend is declared, you can either leave it with us to accumulate interest (if any) or withdraw it.

Terminal dividends

Starting from the end of the 4th policy year, the Company may pay a non-guaranteed terminal dividend (i) upon policy surrender, (ii) on the death of the insured (if there is no contingent insured on our record) or (iii) upon "Terminal Dividend Lock In Option"[6] is exercised.

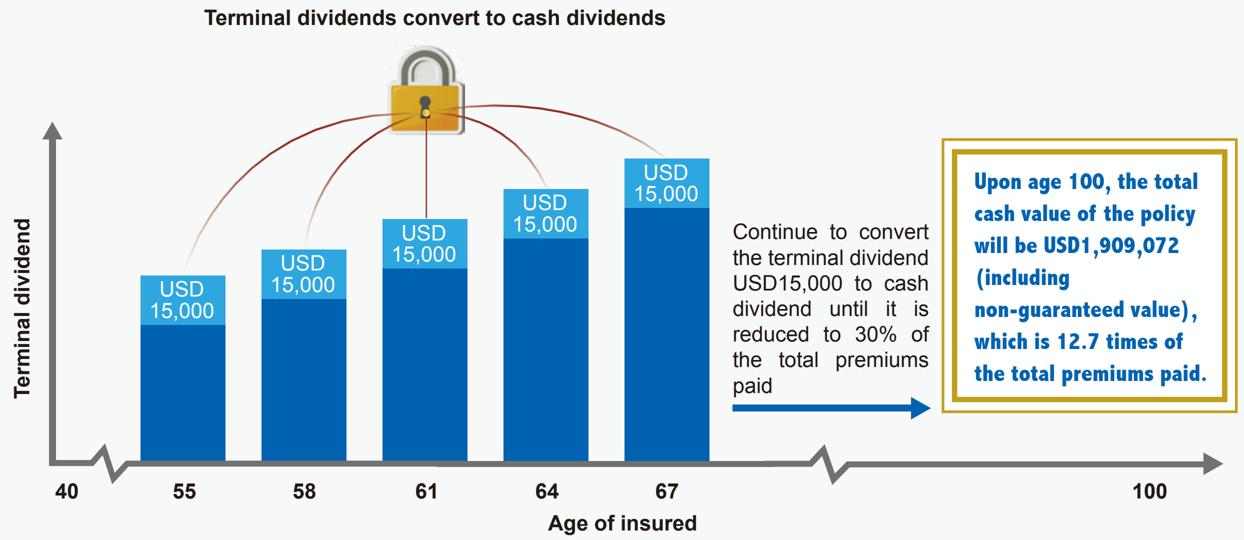
Plan Features

Terminal Dividend Lock In Option to Capture Savings Gains

On or after the 14th policy anniversary date, you can apply the Terminal Dividend Lock In Option"[6] to convert the declared terminal dividends into the cash dividends so as to accumulate and earn interest, if any. After the conversion, you can withdraw[7] your locked-in terminal dividends from the cash dividends at any time to fulfill your changing needs.

Terminal Dividend Lock In Option

Policyowner: Age 40, male, non-smoker
Premium term: 3 years
Annual premium: USD50,000



Assumption: There is no cash withdrawals made on the policy.
Note: Example above is subject to rounding difference.

In applying, you can simply specify the retirement age of the insured (must be 55 or above) at which you elect to start such conversion and the amount of terminal dividends to be converted in form of 10% or a multiplier in integer of 10% of total premiums paid. Once your application is approved, the terminal dividend will be automatically converted to the cash dividends on the policy anniversary date on or immediately follows (i) the insured attaining the retirement age that specified by you; (ii) the premium paid up date; or (iii) the 15th policy anniversary date (whichever is the latest), and on every 3 policy anniversary dates thereafter.

Plan Features

Lifelong Protection for Your Loved Ones

The Plan provides you with whole life protection giving you extra peace of mind. In the case of the unfortunate death of the insured and there is no contingent insured on our record, the designated beneficiary will receive a death benefit to alleviate any immediate financial burden.

Short Premium Term with Guaranteed Prepayment Interest Rate

The premium term is as short as 3 years, empowering you to use your assets flexibly. You can spread payments over a 3-year period and pay on an annual basis. Premium amounts are guaranteed to be fixed throughout the premium term, making it easy for you to plan your budget. Alternatively, you can choose to make a one-time premium payment by paying the premiums of the remaining two years of the premium term together with the first year's premium upon application. The amount of prepaid premium will accumulate interest at a guaranteed prepayment interest rate[8].

Cash Withdrawal and Policy Loans for Emergency Cash

From time to time, you may need emergency cash to meet your evolving needs. Starting from the 4th policy year onwards, you can apply to make cash withdrawal[7] from the policy, subject to the policy's minimum notional amount requirements. If withdrawals are made leading to a reduction in notional amount, adjustments on the values of the guaranteed cash value, accumulated cash dividends and accumulated interest (non-guaranteed, if any), and terminal dividend (non-guaranteed, if any) will be made accordingly.

What's more, while your policy is in force and there is guaranteed cash value, you can apply for policy loan[9] to enjoy additional financial flexibility in times of need.

Product Information

Premium Term	3 years
Issue Age (Age last birthday)	15 days - age 75
Benefit Term	Whole life
Policy Currency	USD / HKD
Premium Mode	Annually
Minimum Notional Amount	USD50,000 / HKD400,000
Death Benefit	The greater of the following: (a) 101% of the total premiums paid; or (b) the guaranteed cash value + accumulated cash dividends and accumulated interest (non-guaranteed, if any) + terminal dividend (non-guaranteed, if any) + any prepaid premium and any accumulated interest that is not used (e.g. to offset any unpaid premium) - any outstanding amount due or owing by you to us under the policy
Surrender Benefit	Guaranteed cash value + accumulated cash dividends and accumulated interest (non-guaranteed, if any) + terminal dividend (non-guaranteed, if any) + any prepaid premium and any accumulated interest which is not used (e.g. to offset any unpaid premium) - any prepaid premium claw back charge - any outstanding amount due or owing by you to us under the policy

Remarks

1. Subject to the prevailing conditions and requirements as determined in the Company's sole discretion from time to time.
2. If the Company receives your application for change of ownership, change of insured option, contingent policyowner option and contingent insured option at the same time, we will proceed your applications in the following sequence: (i) application for change of insured; (ii) application for change of ownership; (iii) application for nomination of contingent insured; and (iv) application for nomination of contingent policyowner.
3. The proposed replacing insured must have an insurable interest with the initial policyowner and proof of insurability is satisfactory to us. The proposed replacing insured's attained age on his/her last birthday must be between 15 days to age 65. Where the proposed replacing insured is older than the initial insured, the proposed replacing insured's attained age on his/her last birthday must not be older than the initial insured's attained age by 10 years or more.
4. Only one contingent policyowner can be nominated prior to the death of the policyowner. The proposed contingent policyowner must have an insurable interest with the initial insured and his/her attained age on last birthday must be over 18 or above.
5. Only one contingent insured can be nominated prior to the death of the insured. The proposed contingent insured must have an insurable interest with the initial policyowner and proof of insurability is satisfactory to us, and his/her attained age on last birthday must be acceptable to us. Where the proposed contingent insured is older than the initial insured, the proposed contingent insured's attained age on his/her last birthday must not be older than the initial insured's attained age by 10 years or more.
6. Once Terminal Dividend Lock In Option is approved, conversion of terminal dividends into cash dividends will take place until the terminal dividend is reduced to 30% of the total premiums paid. Please also note that, exercise of Terminal Dividend Lock In Option will reduce any subsequent future terminal dividend(s).
7. No cash withdrawal will be allowed if such withdrawal action will lead to the notional amount of the policy falling below the minimum notional amount required. The Company reserves the right to restrict any or more of the following: (a) the number; (b) the timing; and (c) the amount of cash withdrawal. Please note that, if you apply for cash withdrawal, automatic lock in option, if you have previously elected to exercise, will be suspended.
8. Prepaid premium will accumulate interest at a guaranteed prepayment interest rate based on the prevailing rate at the date of policy issue date as determined at the Company's entire discretion. Any withdrawal of prepaid premium is subject to the following: (i) on the basis that only full withdrawal (i.e. both prepaid premium and accrued interest) is allowed; and (ii) subject to a claw back charge of USD260 (or its equivalent in the policy currency), or 3.5% of the amount of prepaid premium (together with accrued interest, if any), whichever is higher. The Company reserves the right to review and adjust the claw back charge from time to time at our sole discretion
9. Policy loan is subject to a minimum and a maximum amount requirements as determined by the Company from time to time and the Company's approval. Interest will be charged on policy loans. The Company shall have the discretion to determine or change the interest rate from time to time. Please note that policy loans will affect the amount of benefits payable under the policy. For details, please refer to policy provisions.

Bonus Concept

This is a participating insurance plan designed to be held long term. Your premiums will be invested in a variety of assets according to our investment strategy, with the cost of policy benefits (such as charges to support guarantees (if applicable)) and expenses deducted as appropriate from premiums or assets. Your policy can share the divisible surplus (if any) from related policy groups determined by us. We aim to ensure a fair sharing of profits between policyowners and shareholders, and among different groups of policyowners.

Future investment performance is unpredictable. Through our smoothing process, we aim to deliver more stable cash dividends and terminals dividends payments by spreading out the gains and losses over a longer period of time.

We will review and determine the cash dividends and terminals dividends amount to be payable to policyowners at least once per year. The actual cash dividends and terminals dividends declared may be different from those illustrated in any product information provided (e.g. benefit illustrations). If there are any changes in the actual cash dividends and terminals dividends against the illustration or in the projected future cash dividends and terminals dividends, such changes will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the cash dividends and terminal dividend amount to the Board of Directors of the Company. The committee is comprised of members from different departments within the organisation. Each member of the committee will exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilize the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decision and to manage the risk of conflict of interests, in order to ensure fair treatment between policyowners and shareholders, and among different groups of policyowners. The actual cash dividends and terminal dividend, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors.

To determine the cash dividends and terminal dividend of the policy, we consider both past experiences and the future outlook of all the factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the product's backing assets. Depending on the asset combination adopted for the product, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including credit spread and default risk, fluctuations in equity prices, property prices and foreign exchange currency fluctuation of the backing asset against the policy currency.

Claims: include the cost of providing death benefits and other insured benefits under the product(s).

Surrenders: include policy surrenders, partial surrenders and policy lapses; and the corresponding impact on the investments backing the product(s).

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the policy group (e.g. general administrative costs).

You may browse the Company's website (https://tplhk.cntaiping.com/en/info/fulfillment_ratio) to understand the Company's historical bonus fulfillment ratio for reference purposes. Fulfillment ratio is not an indicator of future performance of the participating products.

Investment Philosophy and Strategy

Our investment philosophy is to achieve sustainable and stable returns on investments whilst maintaining moderate investment risk levels in the long term. We strive to reward our policyowners with investment returns and protect their interests and reasonable expectations.

Through active portfolio management, we will invest in multiple asset classes to control and diversify investment risks and secure potential and stable returns under different economic conditions. In general, it is expected that we will invest in a variety of asset classes, including but not limited to stocks, real estates, government bonds, corporate bonds, funds, alternative investments and cash. If needed, we may also utilize derivatives to manage our risk exposures, such as currency risk exposures. Derivatives may be utilized mainly for hedging purposes.

In terms of our geographic allocation of investments, we are inclined towards allocating our assets in various geographic regions and our major investment areas are currently Asia, North America and Pan-European regions. Our present currency exposures are mainly in USD and HKD, and if we invest in assets in other currencies, we will hedge the foreign exchange ("FX") risk with the use of FX derivatives.

The asset allocation under our long-term investment strategy for the Plan is as follows:

Asset category	Long-term target allocation (%)
Fixed income and alternative investment	30% - 100%
Equity and fund	0% - 70%

Depending on the asset allocation of the product, investment returns could be subject to fluctuations in interest income and a number of market risks including but not limited to credit spread and default risk, volatility in equity and property prices. These factors will have a significant impact on the determination of bonus.

Our investment strategy will be constantly adjusted according to changes in the investment market and economic conditions. We will review our long-term investment targets on a regular basis to ensure that they are in line with our business and financial goals. If there is material change in our investment strategy, we will inform the policyowner the details of the change, the reasons for the change as well as the impact it may have on the relevant policy.

Key Product Risks

1. **Exchange Rate Risk**
   The application of the Plan with the policy currency denominated in a foreign currency is subject to that foreign currency's exchange rate and currency risk. The foreign currency may be subject to the relevant regulatory bodies' control (for example, exchange restrictions). If your home currency is different from the policy currency, please note that any exchange rate fluctuation between your home currency and the policy currency of your policy will have a direct impact on the amount of premiums required and the value of the benefit(s) to be received. For instance, if the policy currency of your policy depreciates substantially against your home currency, the potential loss arising from such exchange rate movement may have a negative impact on your benefits to be received from the policy and your burden of the premium payment. You may browse our website (http://tplhk.cntaiping.com/en/service-jfbf) to find out the latest prevailing exchange rate for reference.

2. **Early Surrender Risk**
   The liquidity of the Plan is limited. You should hold the policy until the end of benefit term and reserve adequate liquid assets for emergency use. While the policy is in force, you may terminate the policy by sending a written surrender request. If the policy is terminated or surrendered before the end of benefit term of the policy, the surrender benefit received by you may be less than the total amount of premiums paid.

3. **Premium Term and Result of Non-Premium Payment**
   You should pay the premiums on time for the whole premium term. Any delay or missing of the payment of premiums due may lead to policy lapse and result in loss of coverage and financial loss.

4. **Automatic Premium Loan Risk**
   Any premium remains unpaid at the end of the grace period will be paid by way of an automatic premium loan ("Automatic Premium Loan") provided that the total sum of guaranteed cash value, accumulated cash dividends and accrued interest (non-guaranteed, if any) is then equal to or greater than the amount of that unpaid premium. An interest, where the interest rate will be determined by us from time to time, will be charged on the Automatic Premium Loan.

   If you continue to default paying your premium, we will continue to provide you with an Automatic Premium Loan until the sum of the accumulated outstanding premiums and any indebtedness to the Company is greater than the sum of the guaranteed cash value, accumulated cash dividends and accrued interest (non-guaranteed, if any), the policy will be terminated and you will lose any coverage provided under the policy. We will return the balance of the remaining guaranteed cash value, accumulated cash dividends and accrued interest (non-guaranteed, if any) to you. We may at any time modify or alter, in part or in whole, the "Automatic Premium Loan" provision under the Plan by giving written notice to you.

5. **Credit Risk of Issuer**
   The Plan is issued and underwritten by the Company. Your policy is subject to the credit risk of the Company. All premiums paid become part of our assets and you do not have any rights or ownership over any of our assets. In the worst case, you may lose all the premiums paid and insurance coverage.

6. **Inflation Risk**
   Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

7. Investment Risk

Our investments are based on policy details. Professional and licensed asset management company has been appointed to manage duration, currency exposure and the return according to the characteristics of the insurance products. We have long term strategic asset allocation (SAA) and short-mid term tactical asset allocation (TAA). Portfolio manager will follow the TAA range to optimize investment return. The portfolios are built up and aimed at attaining a balanced portfolio to deliver stable return by investing in fixed return financial assets, high quality alternative debt investments, public equity, private equity and fund investments.

(i) Market risk and price risk

Market risk, which is also called "systematic risk", is the possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets in which he is involved. Sources of market risk include recessions, political turmoil, changes in interest rates, natural disasters and terrorist attacks.

Price risk is the risk of a decline in the value of a security or a portfolio.

(ii) Interest rate risk and credit risk

The investments in debt and debt-related securities are subject to interest rate risk and credit risk. Interest rate fluctuations will affect the capital value of investments. Where long term interest rates rise, the capital value of shares is likely to fall and vice versa. Interest rate risk is the chance that such movements in interest rates will negatively affect the value of a security. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Credit risk reflects the ability of the borrower (bond issuer) to meet its obligations (pay the interest on a bond and return the capital on redemption date). Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values. The credit worthiness of each issuer will be considered carefully and certain level of diversification will be pursued by the portfolio manager.

(iii) Liquidity risk

The Plan is a long term insurance policy. The policy contains value and, if you surrender your policy in the early policy years, the amount you get back may be considerably less than the total premiums you have paid. Application of the Plan may constitute liquidity risk to your financial condition. You need to bear the liquidity risk associated with the Plan. Our investment manager will closely monitor the duration gap between investment and insurance liabilities and will ensure to prepare sufficient fund to meet each maturity of insurance contracts. Marketable fixed income instruments can be sold to provide cash flow for policy surrender when necessary.

Cancellation Right

You have the right to cancel the policy and obtain a refund of any premium and any levy paid less any market value adjustment, if applicable, by giving written notice to us within the cooling-off period, i.e. 21 calendar days immediately following the day of the delivery of (i) the policy; or (ii) the cooling-off notice to you or your nominated representative, whichever is earlier. The premium will be refunded in the currency of premium payment at the time of application for the policy. If the currency of premium payment is not the same as the policy currency, the refundable premium amount in policy currency under the policy will be converted to the currency of premium payment at the prevailing currency exchange rate as determined by the Company in its absolute discretion from time to time upon payment. However, no refund can be made if a claim under the policy has been made prior to your request for cancellation. After the cooling-off period expires, if you cancel the policy before the end of benefit term, the actual cash value may be substantially less than the total amount of premiums paid.

Grace Period

Other than the first premium, there is a grace period of 31 days after the due date of each premium. The policy will continue to be in force during the grace period even the premium is not paid. If you fail to pay the premium within the grace period, the policy will automatically terminate, subject to the "Automatic Premium Loan" provision (if any).

Termination

The policy will terminate automatically upon the following whichever is the earliest:

(i) if the policy lapses as a result of any premiums due remaining unpaid at the end of the grace period (subject to the "Automatic Premium Loan", if any); or

(ii) upon the death of the insured (unless the "Contingent Insured Option" apply); or

(iii) upon the surrender of the policy; or

(iv) if the amount of the outstanding indebtedness due by you to us under the policy is equal to or is more than the total sum of the guaranteed cash value, accumulated cash dividends and accrued interest (non-guaranteed, if any); or

(v) any circumstance contemplated under the "Contingent Insured Option" has occurred rendering the policy unable to continue.

Unless otherwise stated, termination of the policy will not affect any claim or benefit arising before such termination.

Exclusion for Suicide

No death benefit shall be paid if the insured commits suicide, whether sane or insane, within 1 year after the latest of the following: (i) the policy issue date; (ii) the effective date; or (iii) the reinstatement date. The Company's liability under the policy will be limited to a refund of the premiums paid, without interest and after deducting any amount due or owing by you to the Company under the policy. If there has been reinstatement of the policy, such refund of the premiums to you will be calculated from the date on which we confirm the policy is reinstated.

If the "Change of Insured Option" or the "Contingent Insured Option" provisions apply, without prejudice to the above conditions, the "insured-change effective date" or the "contingent insured effective date" (as the case may be) will also be taken into account of.

Important Notes

- From January 1, 2018, the Insurance Authority starts collecting levy on insurance premiums from policyowners for policies issued in Hong Kong Special Administrative Region of the People's Republic of China (the "HKSAR"). For details of the levy and its collection arrangement, please visit our website (http://tplhk.cntaiping.com).
- This product brochure is for reference only. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of the Plan. The precise terms and conditions of the Plan are specified in the policy documents. Please refer to the policy document for the exact and complete terms and conditions of the cover. This product brochure should be read along with the benefit illustrations (if any) and other relevant marketing materials (if any), which include additional information and important considerations about the Plan. The Company would like to remind you to review the relevant product materials (if any) provided to you and seek independent professional advice if necessary.
- The Plan is an insurance product. All premiums are paid for the insurance and related costs of the policy. The premiums paid are not the savings deposit or time deposit of the bank. It is not protected deposit under the Deposit Protection Scheme in the HKSAR. The Plan is intended only for sale in the HKSAR.
- The Plan is underwritten by China Taiping Life Insurance (Hong Kong) Company Limited.
- The Company is authorized and regulated by Insurance Authority to carry on long-term business in the HKSAR.
- The offer of the Plan is limited and subject to availability. The Company reserves the right to decide at its sole discretion whether to accept or decline any application for the Plan according to the information provided by the applicant and the proposed insured at the time of application.
- This product brochure is issued by the Company and is intended to be distributed in the HKSAR only. It shall not be construed as any offer to sell or a solicitation of an offer or recommendation to purchase or sale or provision of any products of the Company outside the HKSAR.

Company Profile

China Taiping Life Insurance (Hong Kong) Company Limited (the "Company") is a life insurance subsidiary of China Taiping Insurance Group Ltd. ("China Taiping"). Founded in Shanghai in 1929, China Taiping is not only a time-honored national insurance brand with the longest history in the country, but also the only Chinese state-owned financial and insurance group whose management headquarters is located in Hong Kong.

Established in 2015, the Company has been dedicated to business developments both in Hong Kong and Macau while having a resolutely global outlook. It has developed rapidly by leaps and bounds despite fierce competition, as evidenced by its rapidly growing business scale and value.

China Taiping
Official Wechat Account

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中國太平人壽保險(香港)有限公司
CHINA TAIPING LIFE INSURANCE(HONG KONG)COMPANY LIMITED

Customer Enquiry

Customer Service Hotline：(852) 800 961 589；(86) 95589 **Website**：http://tplhk.cntaiping.com
Customer Service Centre：7/F, China Taiping Tower Phase I, 8 Sunning Road, Causeway Bay, Hong Kong