

ManuDelight Annuity Plan

靈活自在年金計劃



This product leaflet is for use by the customers of DBS Bank (Hong Kong) Limited (the 'Bank'). **ManuDelight Annuity Plan** is a long term participating life insurance plan underwritten by Manulife (International) Limited (incorporated in Bermuda with limited liability) ('Manulife'). The Bank is acting as a licensed insurance agency of Manulife.

The product is an insurance product and is neither a bank deposit nor a bank saving plan.

Retirement might seem far away. Though you won't be certain when you will retire at this moment, you should start accumulating a retirement fund as long as you are earning an income. The younger you start, the longer you save and grow your retirement reserves, and the more control you have to determine when your retirement life begins.



With ManuDelight Annuity Plan ('ManuDelight'), you will enjoy not only a monthly income when you are no longer working, but also an Extra Income Protector which gives you extra financial support by up to doubling your guaranteed monthly income in the event of a designated illness.

Best of all, even if you've already decided when to retire now, you'll still have the flexibility to change your retirement to an earlier or later date to suit your changing needs. Either way, you'll have a regular monthly income to look forward to.



Flexibility to customize your retirement plan



Extra Income Protector for your added peace of mind



Terminal bonus with realization option to lock in gains



Easy application process

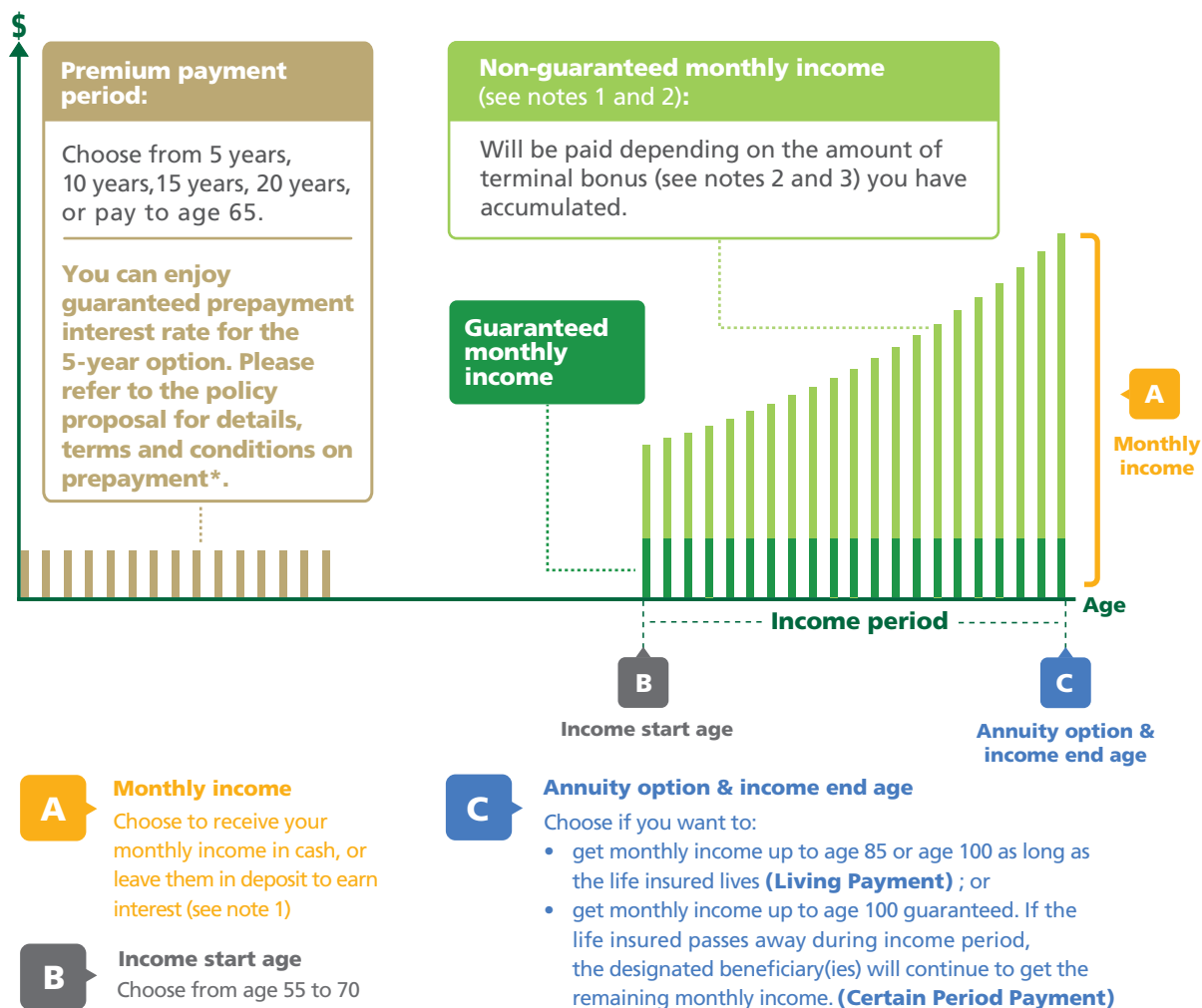
ManuDelight Annuity Plan

ManuDelight Annuity Plan is a long-term participating life-insurance product with a savings element, supplemented with benefit for designated illnesses, and is provided and underwritten by Manulife. This product leaflet provides only general information on this product. It does not form part of the policy and does not contain full terms of the policy. Before making a purchase, you should read the policy provisions for the exact terms and conditions that apply to this product. You can ask us for a copy.



Flexibility to customize your retirement plan

ManuDelight gives you flexibility to customize your retirement plan. You can choose how long you want to pay premiums for (**premium payment period**), how much retirement income you want per month (**monthly income**), when to start receiving your retirement income (**income start age**) and until when (**income end age**), and whether to receive your income till the life insured passes away or till a certain period ends (**annuity option**), all based on your own retirement goals.



On your journey to a well-earned retirement, circumstances sometimes change. Whether you want to enjoy retirement earlier or later than planned, you'll have the flexibility to move forward or postpone the start of your monthly income, as long as your policy has been paid up and before your income period starts (see notes 4 and 7). Your monthly income will then be re-calculated based on your new income start age, which can be anywhere from age 55 to 70.

* Prepayment is an optional payment feature that allows policyowners to make advance premium payments into a premium dump-in facility which earns interest. All dump-in payment must be kept in the premium dump-in facility and may not be withdrawn except when the policy is terminated or when the policy is paid up. A surrender charge will be imposed on the credit balance of the premium dump-in facility when the policy is surrendered. Please refer to the policy proposal for details, terms and conditions.

Remark:

The above diagram is for reference and illustrative purpose only. The amount of non-guaranteed terminal bonus in the diagram is only estimated based on the current terminal bonus projection. The terminal bonus is not guaranteed and is for illustrative and example purposes only (see note 3). The actual terminal bonus amounts we will pay may be higher or lower than those illustrated in the diagram. The diagram assumes that no realization option has been exercised on the terminal bonus. For your own illustrations, please contact the licensed staff of the Bank.



Terminal bonus with realization option to lock in gains

On top of your guaranteed monthly income, you may get a non-guaranteed monthly income which is funded by the terminal bonus (see notes 2 and 3). The amount of the terminal bonus can largely be affected by the performance of equity investments and will thus move up and down over time. Declared terminal bonus does not form a permanent addition to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable or when you lock in the terminal bonus.

To capture the upside potential, you can choose to realize up to 50% of the terminal bonus by exercising the realization option (see notes 5 and 6) to lock in your gains. The 'locked-in' portion of the terminal bonus (also referred as 'realized bonus' or 'realized terminal bonus') can be withdrawn at any time if you need extra liquidity or left in deposit to earn non-guaranteed interest (see note 1).



Extra Income Protector for your added peace of mind

During the income period, if the life insured is unfortunately diagnosed with **severe stroke, kidney failure or Parkinson's disease** ('designated illness') which normally requires long term care or treatment, your guaranteed monthly income will be doubled (see note 8), thereby immediately increasing the financial support for you to meet the long term medical expenses.

If your income period has not started, you may move it forward and start receiving the doubled guaranteed monthly income (see notes 7 and 8). Your monthly income will then be re-calculated based on your new income start age.



Easy application process

With no medical examination or health questions required, application could not be simpler.

Added protection for your family

If the life insured passes away due to an accident within the first 5 policy years, ManuDelight will pay out an additional Accidental Death Benefit equal to 100% of the total premium paid (see note 9), to help relieve the unexpected financial hardship on the family.

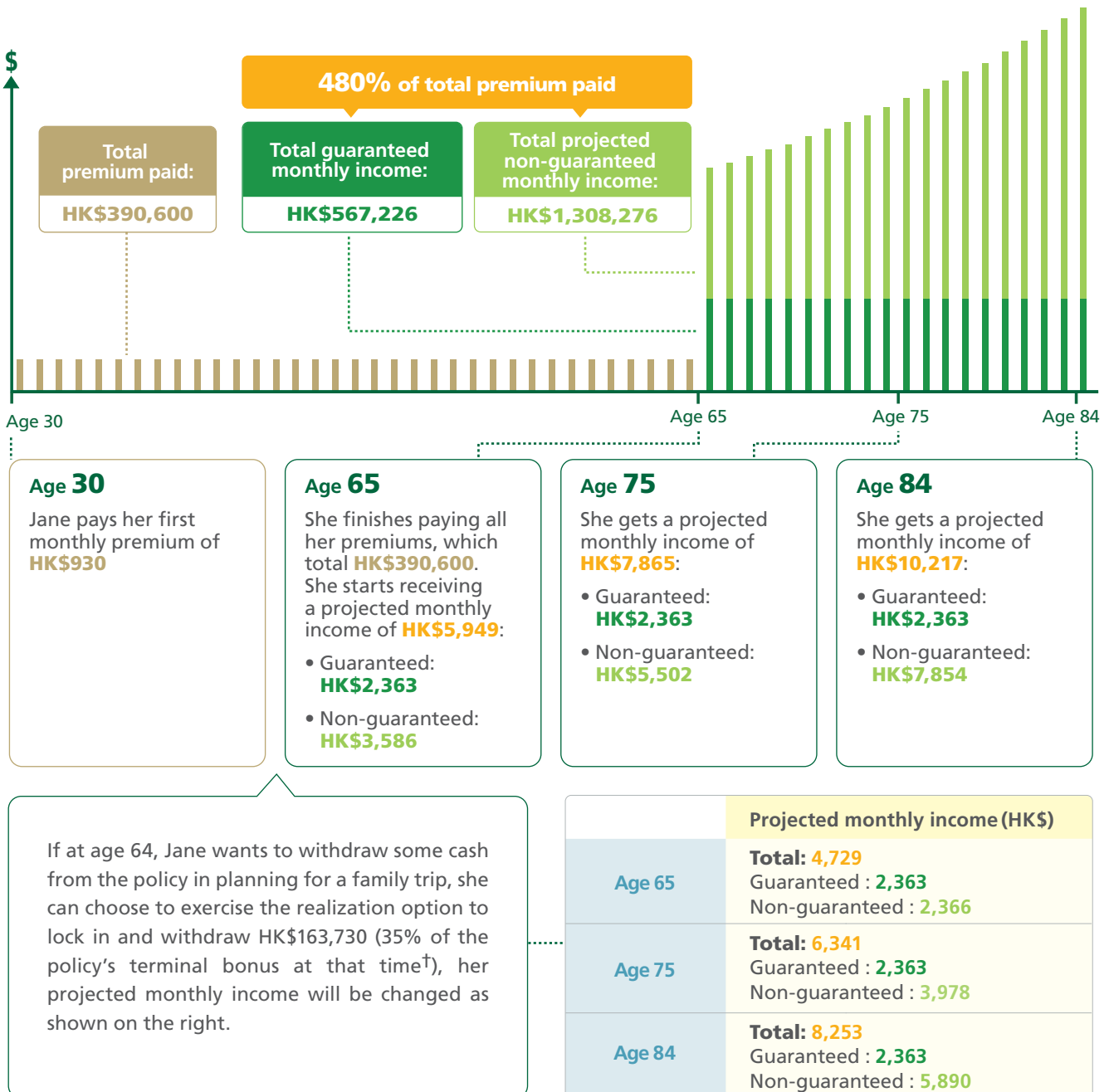
Plan at a glance – ManuDelight Annuity Plan

Product objective & nature	A long-term participating life-insurance product with a savings element, supplemented with benefit for designated illnesses				
Product type	Basic plan				
Premium structure	Level and premium rate is guaranteed				
Premium payment period	5 years	10 years	15 years	20 years	To age 65
Issue age	Age 18-60	Age 18-55	Age 18-50	Age 18-45	Age 18-44
Minimum notional amount	HK\$24,000/ US\$3,000	HK\$12,000/ US\$1,500	HK\$8,000/ US\$1,000	HK\$6,000/ US\$750	HK\$4,000/ US\$500
Monthly income	Income amount	Consists of guaranteed monthly income and non-guaranteed monthly income (see notes 1 and 2)			
	Income start age	Age 55-70, after all the premium is paid up (Can be changed before the start of income period (see note 4))			
	Income end age & annuity option	<ul style="list-style-type: none">• Living Payment till age 85;• Living Payment till age 100; or• Certain Period Payment till age 100			
Extra Income Protector (see note 8)	Designated illness	Severe stroke, kidney failure and Parkinson's disease			
	Start of coverage	After the 5 th policy year			
	Benefit amount	An amount equal to guaranteed monthly income or up to US\$5,000 or HK\$40,000 per month (whichever is lesser)			
	Benefit period	During the income period until the death of the life insured or termination of this policy, whichever is earlier			
Death benefit (see note 10)	For Living Payment In the unfortunate event of death of the life insured, a death benefit equals to the higher of: 1) aggregate sum of all basic plan premiums paid less any guaranteed monthly income paid; or 2) guaranteed cash value (see note 15); plus any terminal bonus (see notes 2 and 3), accumulated monthly income and accumulated realized bonus left with Manulife for interest accumulation (see notes 1, 2 and 3), less any indebtedness (see note 13), will be payable to your beneficiary in lump sum.		For Certain Period Payment (see notes 11 and 12) 1. <u>Death of the life insured before the income period:</u> In the unfortunate event of death of the life insured before the income period, a death benefit equals to the higher of: 1) aggregate sum of all basic plan premiums paid; or 2) guaranteed cash value (see note 15); plus any terminal bonus (see notes 2 and 3), and any accumulated realized bonus with interest left with Manulife (see notes 1, 2 and 3), less any indebtedness (see note 13), will be payable to your beneficiary in lump sum. 2. <u>Death of the life insured during the income period:</u> For the unfortunate event of death of the life insured happened during the income period, payments to the beneficiary(ies) will include the following: i. Any accumulated monthly income and any accumulated realized bonus left with Manulife for interest accumulation as of the death of the life insured (see notes 1, 2 and 3) will be payable to the beneficiary(ies); and ii. then, any ongoing guaranteed monthly income and non-guaranteed monthly income (see notes 1 and 2) under the plan that become due and payable after the death of the life insured will be paid to the beneficiary(ies) until the end of income period, less any indebtedness (see note 13).		
Accidental Death Benefit	Additional 100% of the total premium paid if the life insured passes away due to an accident within the first 5 policy years, up to US\$125,000 or HK\$1,000,000 less the aggregate amount of the same/similar benefits paid under all of the policies covering the same life insured and issued by us.				
Policy currency	Hong Kong Dollar (HK\$) or United States Dollar (US\$)				
Surrender value	Guaranteed cash value (see note 15) plus any terminal bonus (see notes 2 and 3), any accumulated monthly income and any accumulated realized bonus left with Manulife for interest accumulation (see notes 1, 2 and 3), less any indebtedness (see note 13) (For prepayment policy, the balance of premium dump-in after surrender charge (if any) will be paid when the policy is surrendered)				

Case 1^

Jane is a 30-year-old sales manager. To supplement her Mandatory Provident Fund, she chooses to save with ManuDelight. Paying a monthly premium of HK\$930 until age 65, she may enjoy a projected monthly income of up to HK\$10,217 during her income period from age 65 to age 85 as long as she lives.

In this scenario, assuming no realization option has been exercised on the terminal bonus, Jane will receive a total of HK\$567,226 in guaranteed monthly incomes, which is equal to **145%** of what she has paid. Together with the non-guaranteed monthly income of HK\$1,308,276, she may receive a total projected income of **480%** of what she has paid. (see notes 1, 2 and 3)



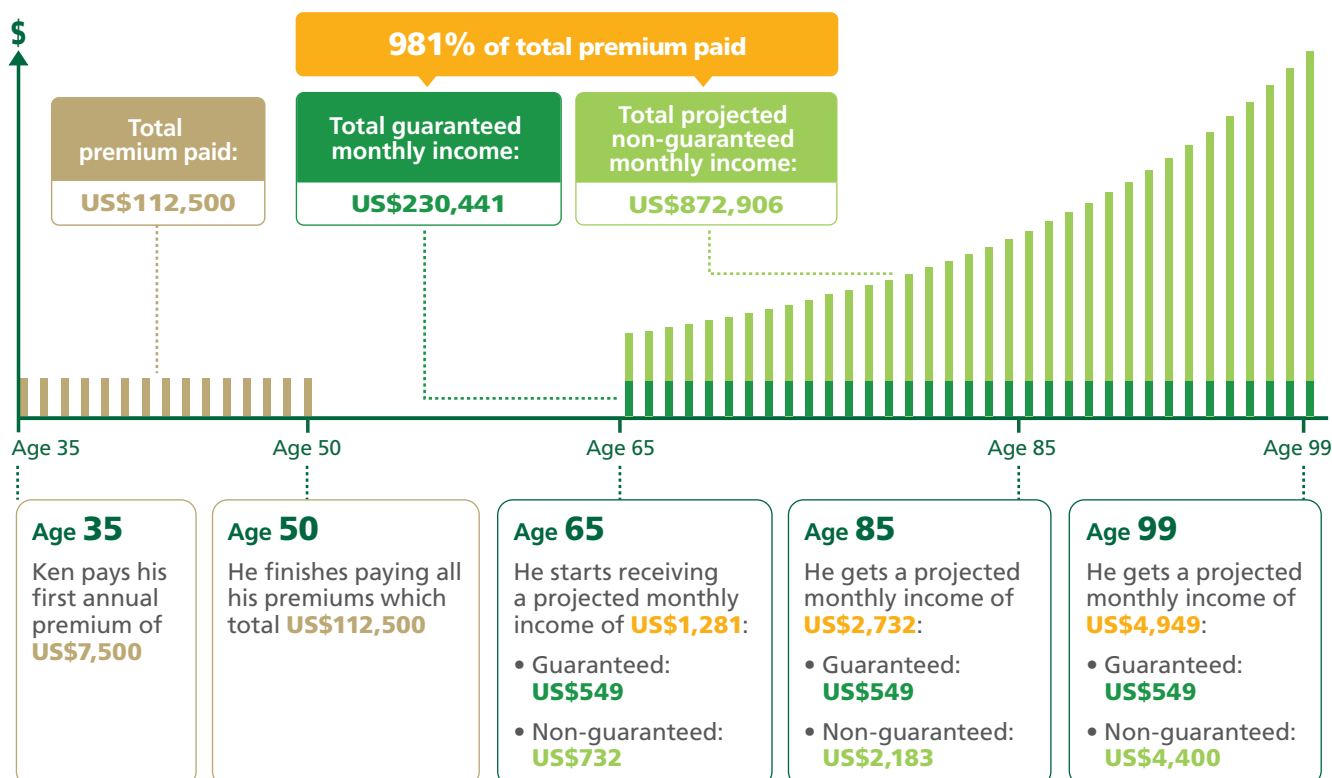
[†] This is calculated based on the terminal bonus of respective policy as if no 'terminal bonus realization option' has been exercised before.

[^] Figures in the example assume that Jane is age 30, buying a HKD policy, currently lives in Hong Kong and remains living by the end of the income period. The annuity option is assumed to be Living Payment and the income payment is paid out monthly. The non-guaranteed monthly income is illustrated with best estimated assumptions on non-guaranteed terminal bonus (see note 14). Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly and will have no remaining values when the policy matures.

Case 2^

Ken is a 35-year-old entrepreneur. He chooses ManuDelight with an annual premium of US\$7,500 (equivalent to US\$625 per month) for 15 years and plans to start retirement at age 65.

In this scenario, Ken will receive a total of US\$230,441 in guaranteed monthly incomes, which is equal to **205%** of what he has paid. Together with the non-guaranteed monthly income of US\$872,906, he may receive a total projected income of **981%** of what he has paid if he lives until age 100 (see notes 1, 2, and 3).



From age 50 until age 65

Ken may decide to either retire earlier or later depending on his needs before his income payment starts at age 65.

If Ken retires earlier at age 60 [#]	
	Projected monthly income (US\$)
Age 60	Total: 844 Guaranteed : 441 Non-guaranteed : 403
Age 85	Total: 2,159 Guaranteed : 441 Non-guaranteed : 1,718
Age 99	Total: 3,904 Guaranteed : 441 Non-guaranteed : 3,463

If Ken retires later at age 70 [#]	
	Projected monthly income (US\$)
Age 70	Total: 1,995 Guaranteed : 698 Non-guaranteed : 1,297
Age 85	Total: 3,529 Guaranteed : 698 Non-guaranteed : 2,831
Age 99	Total: 6,405 Guaranteed : 698 Non-guaranteed : 5,707

[#] Assume retirement age equals to income start age

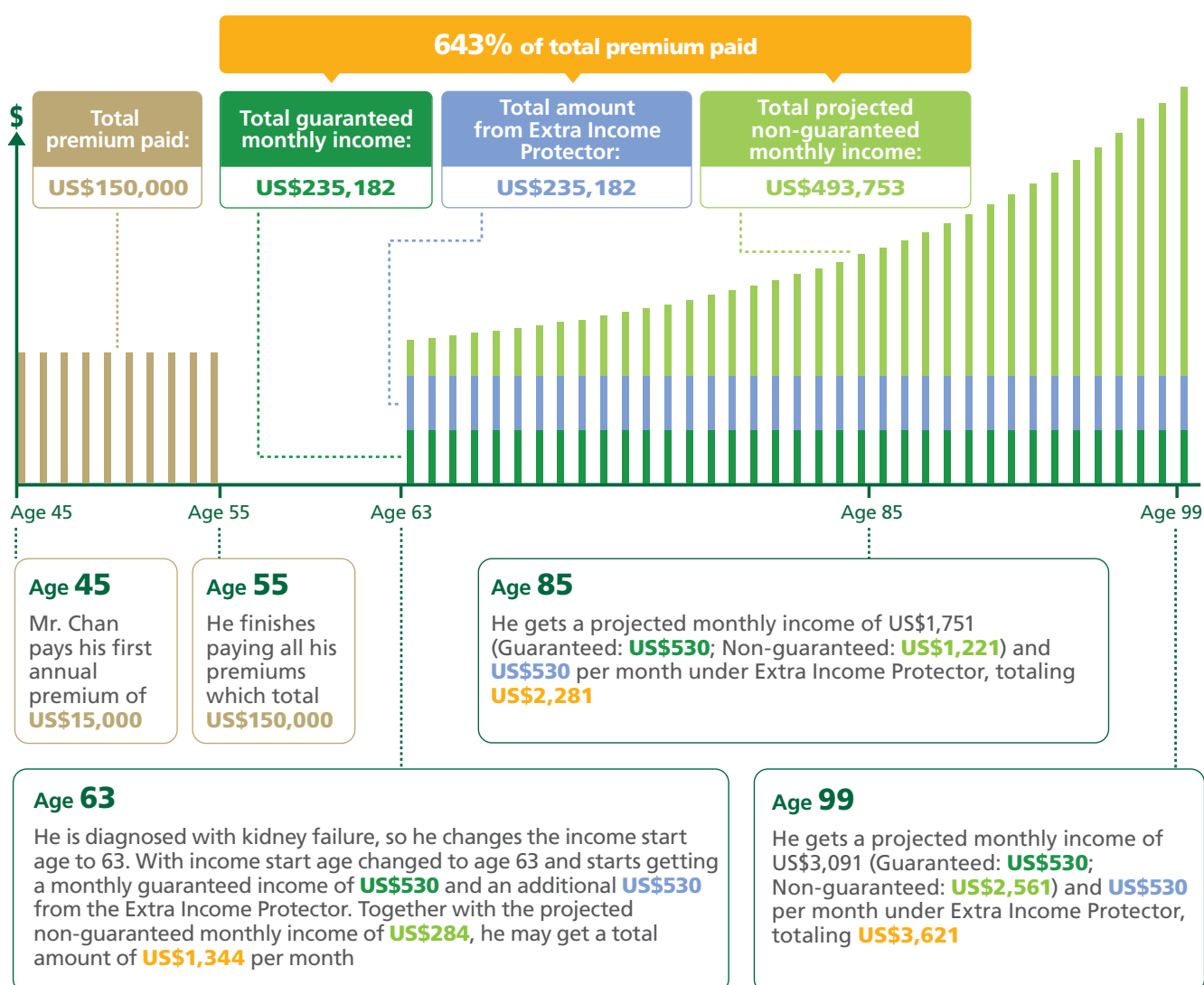
[^] Figures in the example assume that Ken is age 35, buying a USD policy, currently lives in Hong Kong and remains living by the end of the income period. The annuity option is assumed to be Living Payment and the income payment is paid out monthly. The non-guaranteed monthly income is illustrated with best estimated assumptions on non-guaranteed terminal bonus (see note 14). Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly and will have no remaining values when the policy matures. The example assumes that no realization option has been exercised on the terminal bonus.

Case 3[^]

Mr. Chan chooses to accumulate for a retirement income with ManuDelight at age 45. He plans to start retirement at age 65 and pays an annual premium of US\$15,000 (equivalent to US\$1,250 per month) for 10 years. He also chooses the Certain Period Payment annuity option with payments until age 100. If he passes away before age 100, his beneficiary(ies) may receive the monthly payment until the end of the income period.

At age 63, he is diagnosed with kidney failure which requires long term treatment. He decides to change his income start age to 63 to start receiving the doubled guaranteed monthly income (see note 8).

In this scenario, Mr. Chan will receive US\$235,182 in guaranteed monthly incomes and the amount from Extra Income Protector of US\$235,182 by the age of 100, which is equal to **314%** of what he has paid. Together with the non-guaranteed monthly income of US\$493,753, he may receive a total projected income of **643%** of what he has paid by the age of 100 (see notes 1, 2, and 3).



The Extra Income Protector will terminate if Mr. Chan passes away. His designated beneficiary(ies) will continue to receive the monthly income (without the amount from Extra Income Protector) until the end of the income period.

[^] Figures in the example assume that Mr. Chan is age 45, buying a USD policy, currently lives in Hong Kong and remains living by the end of the income period. The annuity option is assumed to be Certain Period Payment and the income payment is paid out monthly. The non-guaranteed monthly income is illustrated with best estimated assumptions on non-guaranteed terminal bonus (see note 14). Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly and will have no remaining values when the policy matures. The example assumes that no realization option has been exercised on the terminal bonus.

Notes:

1. The non-guaranteed monthly income, terminal bonus and the accumulation interest rates of monthly income and 'locked-in' terminal bonus are not guaranteed and we may change them from time to time.
2. The non-guaranteed monthly income is determined and payable based on the terminal bonus at the beginning of each policy anniversary. Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly. Any remaining amount of terminal bonus will be paid under certain circumstances including but not limited to 1) if you end the policy and cash it in, or 2) if the life insured unfortunately passes away under the Living Payment annuity option. For the exact terms and conditions, please refer to policy provision.
3. The terminal bonus is not guaranteed. We will review and adjust the terminal bonus at least once a month, but we may do so more often. Please see 'The main risks affecting the non-guaranteed terminal bonus, non-guaranteed monthly income and accumulation interest rate of the monthly income and 'locked-in' terminal bonus' paragraph under the 'Important Information' section .
4. The request for the change of income start age must be submitted to us at least 6 months before the start of income period. Once submitted, the application for exercising such option cannot be withdrawn or reversed. The first request for the change of income start age is free. For each subsequent request, we will charge you a handling fee of HK\$200 but we can change this from time to time without giving you notice.
5. You can exercise the realization option within 30 days starting from the Realization Anniversary (that is, the earlier of 20th policy anniversary or the Earliest Income Start Age (see note 7), and every policy anniversary thereafter), up to 2 times on each policy as long as the aggregate realization percentage of the two exercises shall not exceed 50%. To exercise the realization option, you must submit a written application in a prescribed format required by us. Once submitted, the application for exercising such option cannot be withdrawn and no realized terminal bonus will be allowed to be reversed. Exercise of the realization option will reduce any subsequent non-guaranteed benefits including the future terminal bonus and hence the non-guaranteed monthly income.
6. There may be a delay in making payment when you cash in your policy or exercising the realization option, especially during periods when the market is experiencing significant rises and falls in value. The actual amount of the terminal bonus that you can get will only be determined after your request has been processed. Under certain circumstances, for example, if the request is not received by us before our prevailing cut-off time or is not in our prescribed format, such amount can be lower or higher than the amount of the terminal bonus tentatively indicated to you at the time you submit the request. Please check with Manulife for the prevailing operational rule and latest amount of terminal bonus under your policy before exercising the realization option.
7. Earliest Income Start Age for the policy is the age after the basic plan has been paid up or age 55, whichever is later.
8. The guaranteed monthly income will be doubled starting from the next monthly income payout after the diagnosis of the designated illness. If the income period has not started, you can exercise the option to change the income start age (see note 4) up to the Earliest Income Start Age (see note 7). It is subject to the maximum total amount of US\$5,000 or HK\$40,000 per month of the same or similar benefits we will pay under all insurance policies covering the same life insured and issued by us. It is also subject to the receipt by us a satisfactory proof of survival of the life insured upon request.
In addition, no Extra Income Protector will be payable if any physical condition, that results in a claim otherwise payable by us in respect of a designated illness, is
 - (a) diagnosed;
 - (b) treated;
 - (c) for which a doctor was consulted; or
 - (d) for which the existence or onset of signs or symptoms of any illness or disease were present,within or prior to the Elimination Period. The Elimination Period means the 5-year period after the issue date or the policy year date (whichever is later) of the basic plan. The Elimination Period will still apply if the designated illness is directly and solely caused by an accident. Please see the policy provision for the definition of the respective designated illnesses and the circumstances that we will/will not pay the benefit amount of Extra Income Protector. Upon the death of life insured or termination of the policy (whichever is earlier), the Extra Income Protector will be terminated. The Extra Income Protector can only be claimed once per policy.
9. It is subject to the maximum total amount of US\$125,000 or HK\$1,000,000 of the same or similar benefits we will pay under all insurance policies covering the same life insured and issued by us. Please see the policy provision for the circumstances that we will / will not pay the Accidental Death Benefit.

10. The description aims to give you some general information on how the amount of the death benefit is worked out on the assumption that the notional amount and premium for the basic plan stay the same, and the guaranteed monthly income are paid when they fall due throughout the whole period when the policy is in force. Please see the policy proposal and the 'Death Benefit' provision in the policy provision for details of how the amount of the death benefit is worked out under different situations including, in particular, if the notional amount and the premium for the basic plan are reduced.
11. Under certain circumstances, we will pay the lump-sum death benefit even though the annuity option chosen is Certain Period Payment, for example, upon the death of the beneficiary. Please see the policy provision for more details on these circumstances.
12. Please see the policy provision for details on the entitlements of the beneficiaries to the terminal bonus and the ongoing guaranteed monthly income and non-guaranteed monthly income that we will pay after the life insured's death.
13. Any indebtedness will be deducted from any payment made by us. Indebtedness means indebtedness to us against the policy, and it includes but not limited to any premium in default, the outstanding policy loan amount and interest accrued to date.
14. The amount of non-guaranteed terminal bonus in the diagram / examples is only estimated based on the current terminal bonus projection. The terminal bonus is not guaranteed and is for illustrative and example purposes only (see note 3). The actual terminal bonus amounts we will pay may be higher or lower than those illustrated in the diagram / examples. The diagram / examples are for reference only and all figures are rounded to the nearest whole number and percentage. For your own illustrations, please contact the licensed staff of the Bank.
15. Guaranteed cash value varies by the level of notional amount, policy issue age and other factors. Please see the policy proposal for more information.

Important Information

This plan is a participating plan. A participating plan provides you with non-guaranteed benefits, namely, non-guaranteed monthly income and terminal bonus.

Your policy will have a 'notional amount', which is an amount we use to work out the premium and other policy values and benefits of the plan. This notional amount does not represent the amount of death benefit we will pay. Any change in this notional amount will lead to a corresponding change in the premiums and other policy values and benefits of the plan.

Terminal bonus philosophy

Our participating plan aims to offer a competitive long-term return to policyholders and at the same time make a reasonable profit for shareholders. We also aim to make sure we share profits between policyholders and shareholders in a fair way. In principle, all experience gains and losses, measured against the best estimate assumptions, are passed on to the policyholders. These gains and losses include claims, investment return and persistency (the likelihood of policies staying in force), and so on. However, expense gains and losses measured against the best estimate assumptions, are not passed on to the policyholders. Shareholders will be responsible for any gains or losses when actual expenses are different from what was originally expected. Expenses refer to both expenses directly related to the policy (such as commission, the expenses for underwriting (reviewing and approving insurance applications), issuing the policy and collecting premiums) as well as indirect expenses allocated to the product group (such as general overhead costs).

To protect terminal bonus from significant rises and falls, we use a smoothing process when we set the terminal bonus. When the performance is better than expected, we do not immediately use the full amount we have made to increase terminal bonus. And, when the performance is worse than expected, we do not pass back the full amount of losses immediately to reduce terminal bonus. Instead, the gains or losses are passed back to the policies over a number of years to make sure we provide a more stable terminal bonus year to year.

An exception to the above smoothing mechanism is the volatility in the market value of equity and non-fixed income investments. Such experience gain/loss will be passed back to policyholders via adjustment in terminal bonus in a timely manner instead of smoothing out over time.

We share the gains and losses from the participating accounts among different classes and generations of policyholders, depending on the contribution from each class. When we manage terminal bonus, we aim to pass back these gains and losses within a reasonable time, while making sure we treat policyholders fairly. When considering the fairness between different groups of policyholders, we will consider, for example, the following.

- Products (including supplementary benefits) that you bought
- Premium payment periods or policy terms or the currency of the plan
- When the policy was issued

Declared terminal bonus does not form a permanent addition to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable or when you lock in the terminal bonus. The amount of the terminal bonus is mainly affected by the performance of the equity investments, so the amount is relatively volatile and will move up and down over time. Review and adjustment of projected terminal bonus is performed at least monthly and may be performed more frequently than monthly at any time upon Manulife's decision.

Written declaration by our Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary is in place to confirm the mechanism manages fairness between different parties. You may browse the following website to learn more about your participating policy.

www.manulife.com.hk/link/par-en

Investment policy, objective and strategy

Our investment policy aims to achieve targeted long-term investment results based on the set amount of risk we are willing to take ('risk tolerances'). It also aims to control and spread out risk, maintain enough assets that we can convert into cash easily ('liquidity') and manage assets based on our liabilities.

The long-term asset mix is expected to be within the ranges as listed below. There may be situations that the actual mix will move outside of these ranges if investment performance deviates from expected.

Asset class	Expected asset mix (%)
Bonds and other fixed income assets	25%-50%
Non-fixed income assets	50%-75%

The bonds and other fixed income assets include mainly government and corporate bonds, and are mainly invested in the United States and Asia. Non-fixed income assets may include, for example, public and private equities and real estate and so on, and are mainly invested in the United States, Europe and Asia. Derivatives may be used mainly for hedging purposes.

For bonds and other fixed-income assets, if the currency of the asset is not in the same currency as the policies, we use currency hedges. These are a way of counteracting the effect of any fluctuations in the currency. However, we give more flexibility to non-fixed-income assets where those assets can be invested in other currencies not matching the policy currency. This is to benefit from diversifying our investment (in other words, spreading the risk).

Actual investments would depend on market opportunities at the time of buying them. As a result, they may differ from the expected asset mix.

The investment strategy may change depending on the market conditions and economic outlook. If there are any significant changes in the investment strategy, we would tell you about the changes, with reasons and the effect on the policies.

Fulfillment ratio

You may browse the following website on fulfillment ratio to understand our dividend and bonus history. This is only for reference purposes. Dividend / bonus history or past performance is not a guide for future performance of the participating products.

www.manulife.com.hk/link/div-en

Other product disclosures

1. Nature of the product

The product is a long-term participating life-insurance plan with a savings element. Part of the premium pays for the insurance and related costs. The savings element is reflected in the surrender value and may not be guaranteed. The product is aimed at customers who can pay the premiums for the whole of the premium payment period. As a result, you are advised to save enough money to cover the premiums in the future. You should be prepared to hold this product for the long term to achieve the savings target. However, under certain circumstances the surrender value could still be less than the total premiums you have paid, even though you hold the policy over a long period.

2. Cooling-off period

If you are not happy with your policy, you have a right to cancel it within the cooling-off period and get a refund of any premiums and any levy paid. To do this, you must give us, within the cooling-off period, your written notice signed by you at Individual Financial Products, Manulife (International) Limited, 22/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. In other words, your written notice to cancel your policy must reach us directly at the relevant address within a period of 21 calendar days immediately following the day we deliver to you or your nominated representative the policy or a notice telling you about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier. After the expiration of the cooling-off period, if you cancel the policy before the end of the term, the projected total cash value that you will receive may be considerably less than the total premium you have paid.

3. Premium term and result of not paying the premium

You should pay the premium (or premiums) on time for the whole of the premium payment period. If you do not pay a premium on time, you have 31 days from the due date to pay it, during which the policy will continue in force. If we do not receive the premium after the 31-day period ends and as long as there is enough guaranteed cash value and 'locked-in' terminal bonus that has built up, the 'automatic premium loan' (see point 11 below) will apply and the policy will continue in force. If there is not enough guaranteed cash value and 'locked-in' terminal bonus that has built up in the policy, the policy will end and the life insured will not be covered. In this case, we will not pay any amount to you.

4. The main risks affecting the non-guaranteed terminal bonus, non-guaranteed monthly income and accumulation interest rate of the monthly income and 'locked-in' terminal bonus

Non-guaranteed monthly income is distributed from the terminal bonus. The terminal bonus and hence the non-guaranteed monthly income are not guaranteed. Factors that may significantly affect the terminal bonus include, but are not limited to, the following:

Claims – our experience on insurance claims such as paying death benefit and benefits under Extra Income Protector.

Investment return – includes both interest income, dividend income, the outlook for interest rates and any changes in the market value of the assets backing the product. Investment returns could be affected by a number of market risks, including but not limited to credit spread and default risk, and the rise and fall in share and property prices. Please be aware that the amount of the terminal bonus can be largely affected by the performance of the equity investments, so the amount is relatively volatile and will move up and down over time. If there is a significant fall in the market value of the equity investments, your terminal bonus will also be reduced significantly from your previous terminal bonus available; and even if there is a mild rise in the market value of the equity investments during a policy year, your actual terminal bonus can still be lower than what was shown for that policy year, since the growth in the market value was lower than what we assumed when we gave you the illustration for your terminal bonus.

Persistency – includes other policyowners voluntarily ending their insurance policies (premiums not being paid, cashing in all or part of the policy) and the corresponding effects on investments, and the length of time paying monthly income.

You can leave your monthly income and 'locked-in' terminal bonus with us to earn interest. The rate of interest that we can pay is based on the investment performance, market conditions and the expected length of time you leave your monthly income and 'locked-in' terminal bonus with us. This rate is also not guaranteed and may change from time to time due to changes in the investment environment.

5. Credit risk

Any premiums you paid would become part of our assets and so you will be exposed to our credit risk. Our financial strength may affect our ability to meet the ongoing obligations under the insurance policy.

6. Currency risk

This plan is available in foreign currency. You should consider the potential currency risks. The foreign-currency exchange rate may fall as well as rise. Any change in the exchange rate will have a direct effect on the amount of premium you need to pay and the value of your benefits in your local currency. The risk of changes in the exchange rate may cause a financial loss to you. This potential loss from the currency conversion may wipe out the value of your benefits under the policy or even be more than the value of benefits under your policy.

7. Inflation risk

The cost of living in the future is likely to be higher than it is today due to inflation. As a result, your current planned benefits may not be enough to meet your future needs.

8. Risk from cashing in (surrender) early

If you cash in the policy, the amount we will pay is the surrender value worked out at the time you cash in the policy, less any amount you owe us. Depending on when you cash in your policy, this may be considerably less than the total premiums you have paid. You should refer to the proposal for the illustrations of the surrender value we project.

9. Liquidity and withdrawal risk

You can make withdrawals from monthly incomes or 'locked-in' terminal bonus which have built up, take a policy loan or even cash in the policy to get the surrender value. You may make partial withdrawals from the guaranteed cash value and terminal bonus but it would reduce the notional amount and the subsequent surrender value, death benefit and other policy values and benefits. However, the notional amount after the reduction cannot be smaller than the minimum notional amount which we will set from time to time without giving you notice. Taking a policy loan will reduce your surrender value and death benefit.

10. Policy loan

You can take a policy loan of up to the loan value less any amount you owe us, where the loan value is 90% (we will decide this figure and may change it from time to time without giving you notice) of the sum of guaranteed cash value and any 'locked-in' terminal bonus that has built up. The interest we charge on the policy loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. If at any time the amount you owe us equals or is more than the sum of guaranteed cash value and any 'locked-in' terminal bonus that has built up, the policy

will end and we will not pay any amount to you. Any policy loan will reduce the policy's death benefit, surrender value and other benefits payable under the policy. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provision.

11. Automatic premium loan

We will provide an automatic premium loan to keep the policy in force if you fail to pay the premium on time (see point 3 above), as long as there is enough loan value in the policy. If the loan value less any amount you owe is not enough to pay the premium you have missed, we can change how often you pay premiums. If the sum of guaranteed cash value and any 'locked-in' terminal bonus that has built up less any amount you owe is less than a monthly premium, the policy will end and we will not pay any amount to you. The interest we charge on the automatic premium loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. The automatic premium loan will reduce the policy's death benefit, surrender value and other benefits payable under the policy. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provision.

12. Condition for ending the policy

The policy will end if:

- i. you fail to pay the premium within 31 days after the due date and your policy does not meet the requirements of an automatic premium loan;
 - ii. if the annuity option is living payment, the life insured dies and we have paid the death benefit;
 - iii. if the annuity option is certain period payment, the last payment under the certain period payment of the annuity option becomes due and payable;
 - iv. we approve your written request to cash in and end the policy and we have paid the guaranteed cash value, plus any accumulated monthly income and 'locked-in' terminal bonus, any non-guaranteed interest and any terminal bonus;
 - v. your policy matures; or
 - vi. the amount you owe us is equal to or more than the sum of guaranteed cash value and any 'locked-in' terminal bonus that has built up;
- whichever happens first.

The written request mentioned above should be signed by you and sent to our address as stated at the end of this product leaflet, attention to 'Individual Financial Products'.

13. Suicide

If the life insured commits suicide, whether sane or insane, within one year from the date of issue of the policy, our liability will be limited to a refund of the premium paid less any amount paid by us under the policy. For detailed terms and conditions including reinstatement, please refer to the policy provisions.

14. Claims procedure

For claims procedure, please refer to the 'Notice and Proof of Claims' and 'Notice and Proof of Claims of Extra Income Protector' sections in the policy provisions and visit www.manulife.com.hk/claims-procedure-en for details.

15. Exclusions and limitations

We will not pay the accidental death benefit if the life insured's death results directly or indirectly from any of the following.

- i. Any deliberately, self-inflicted injury or suicide, whether sane or insane.
- ii. Any drug, poison, alcohol, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a result of an accident arising from an unavoidable danger of the life insured's job.
- iii. War or any act related to war, or serving in the armed forces of any country at war or serving in a civilian force auxiliary.
- iv. Travel or flight in any aircraft, except as a passenger on an aircraft operated by a regular airline.
- v. Taking part in driving or riding in any kind of race or underwater activities which take place at sea-depth greater than 130 feet, taking part in a sport in a professional capacity or where the life insured would earn income from, or other dangerous activities such as mountaineering, pot holing, parachuting or bungee-jumping.
- vi. Carrying out or attempting to carry out a criminal offence, or resisting or avoiding arrest.
- vii. Childbirth, pregnancy, miscarriage or abortion, whether or not this event may have been accelerated or caused by an accident.
- viii. Riot and civil commotion while the life insured was carrying out certain types of work.

(Please see the policy provision for the list of work.)

We will not pay any benefits under Extra Income Protector if the designated illness results from any of the following.

- i. Directly or indirectly by acquired immune deficiency syndrome (AIDS), aids related complex (ARC), or infection by human immunodeficiency virus (HIV).

- ii. Suicide, attempted suicide or deliberately self-inflicted injury, whether sane or insane.
- iii. Any physical conditions for which no benefit is payable under the section 'Elimination Period of Extra Income Protector' in the policy provision.
- iv. Directly or indirectly by taking of drugs (unless taken as prescribed by a registered medical practitioner), poison or alcohol.
- v. Directly or indirectly by war or any act of war, declared or undeclared, riots, insurrection or civil commotion.
- vi. Taking part in any criminal event.

What we have said above is an outline of the circumstances under which we will not pay the policy benefits. You should see the policy provision for the exact terms and conditions and pay particular attention to those terms including but not limited to the clauses on 'Elimination Period of Extra Income Protector', 'Notice and Proof of Claims' and 'Notice and Proof of Claims of Extra Income Protector'.

In this product leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited (incorporated in Bermuda with limited liability).

You should not buy this product unless you fully understand the product features and risks. For more information, please contact the licensed staff of the Bank or call our customer service hotline on (852) 2510 3383. If you have any doubts, please get professional advice from independent advisors.

From January 1, 2018, the Insurance Authority starts collecting levy on insurance premiums from policyowners. For details of the levy and its collection arrangement, please visit our website at www.manulife.com.hk/link/levy-en.

To view our Privacy Policy, you can go to our website at www.manulife.com.hk. You may also ask us not to use your personal information for direct marketing purposes by writing to us at the address below. We will not charge you a fee for this.

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