

CHINA LIFE MACAU BRANCH GUARANTEE OPEN FUND
(“Fund”)

NOTICE TO PARTICIPATING ASSOCIATES AND PARTICIPANTS

This notice is important. Terms used in this notice (unless otherwise defined below) bear the same meaning as in the Management Regulations (“Management Regulations”) of the Fund (1 January 2018 version). If you are in doubt about the contents of this notice, you should seek independent professional financial advice. If there is any inconsistency between the content of this notice and the Management Regulations, the provisions of the Management Regulations shall prevail.

In compliance with clauses 9(c) and 11 of the Management Regulations, the Management Company, China Life Insurance (Overseas) Company Limited, is hereby giving 3 months’ prior notice to Associates and Participants in relation to certain changes (“Changes”) proposed to be made to the Management Regulations, including changes to the guarantee mechanism and the guaranteed rate of return (“GRR”), removal of the smoothing provision, removal of the termination charge, and certain changes due to refinement of clauses. The Changes will take effect from 1 January 2021 (“Effective Date”).

1. The Guarantee Mechanism and the GRR

Before the Changes

Currently, the Fund provides a guaranteed rate of return of 3% p.a., which is directly applied to the Unit Price of a Unit of the Fund at each Valuation Day except the Valuation Day at the end of a calendar year. At the end of each calendar year, the Management Company will determine the value of each Unit by dividing the net asset value by the number of Units in issue that day. If such value is less than the value of a Unit determined by the Management Company at the end of the last calendar year as increased by the guaranteed rate of return, then the difference will be made up by the smoothing provision, if any. If the smoothing provision is inadequate to meet the difference, it will then be made up by a dividend payment from the guarantor of the Fund and the subsequent Unit Price will then be adjusted to reflect the compensation from smoothing provision and dividend payment.

In the event that any benefit becomes payable to or in respect of a Participant, the Management Company will pay such Participant a sum equal to the number of redeeming Units multiplied by the Unit price on the relevant Valuation Day.

After the Changes

To improve the sustainability of the Fund, from the Effective Date, the GRR will be changed from 3% p.a. to 1.35% p.a. and the guarantee mechanism shall be as follows:

An “Actual Balance” and a “Guarantee Balance” will be maintained for each Participant’s account.

“Actual Balance” means the net asset value of Unit balance of a Participant’s account. “Guarantee Balance” means a notional balance representing the sum of (i) the Unit Price of Units multiplied by the amount of Unit balance of a Participant’s account as at the Valuation Day immediately preceding the Effective Date, and (ii) the amount calculated according to the subscription or redemption of Units by a Participant on or after the Effective Date, as increased by the GRR on a compound annual interest basis.

Please note that any guarantee entitlements calculated in accordance with the existing mechanism and accrued before the Effective Date will be preserved and accounted for in item (i) of the definition of “Guarantee Balance”.

Payment of benefits and fund switching

The amount to be paid to a Participant in the case of a redemption will depend on the purpose of the redemption and whether any of the “qualifying conditions” (“Qualifying Conditions”) (as detailed below) are satisfied:

- (a) in the case of a redemption of Units by a Participant for the purpose of receiving benefits or transferring assets over to other management companies:
 - (i) where none of the Qualifying Conditions are satisfied, the redemption amount should equal the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption.

- (ii) where any one of the Qualifying Conditions is satisfied, the redemption amount should be the higher of:
 - (A) the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption, and
 - (B) the Guarantee Balance of the number of Units to be redeemed as at the relevant day of redemption. If the Guarantee Balance determined in (B) is greater than the Actual Balance determined in (A), such shortfall shall be made up by the guarantor of the Fund.
- (b) in the case of a redemption of Units in respect of a Participant for the purpose of switching some or all of the Units of the Fund to another fund of the Management Company, the redemption amount will not be subject to guarantee entitlement and will equal the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption. The Guarantee Balance will be deducted in accordance with the percentage of the number of Units redeemed.

Qualifying Conditions

The Qualifying Conditions mentioned above include:

- (a) the conditions for withdrawal of benefits under any of the grounds set out in the participation agreement (i.e. the agreement, contract or application form formulated by the Management Company that is required to be signed when an Associate or a Participant joins the Fund); or
- (b) a redemption in circumstances other than those set out in Qualifying Condition (a) above where:
 - (i) in respect of a redemption initiated by the Associate, the “Associate Qualifying Period” (i.e. the period starting from the day on which the participation agreement signed by the Associate to participate in the Fund takes effect and ending on the day on which the Associate ceases to participate in the Fund) equals a continuous period of 36 completed calendar months or more; or
 - (ii) in respect of a redemption initiated by the Participant, the “Participant Qualifying Period” (i.e. unless otherwise provided, the period starting from the day on which the participation agreement signed by the Participant to participate in the Fund takes effect and ending on the day on which the relevant redemption is made) equals a continuous period of 36 completed calendar months or more.

For illustrative examples of how the guarantee mechanism and the GRR operate after the Changes, please refer to Appendix 1 to this notice.

2. Smoothing Provision

Before the Changes

Currently, the guarantor of the Fund, i.e. the Management Company, may at its sole discretion set aside any amount as the smoothing provision, provided that the amount shall not exceed 0.5% p.a. of the net asset value of the Fund. The smoothing provision is set up for the purpose of smoothing contingency at any time and belongs to the Fund.

After the Changes

From the Effective Date, the smoothing provision will be removed such that smoothing provision will no longer be set aside. Any remaining amounts in the smoothing provision will count towards the net assets value of the Fund for the determination of the Unit Price on the Valuation Day immediately preceding the Effective Date.

3. Termination Charge

Before the Changes

Currently, the Management Company is entitled to deduct from the withdrawal value of a Participant under the Fund a termination charge as follows:

Years of Participation in the Fund	Termination Charge
Less than 1 year	5% of the withdrawal value
1 year or more but less than 2 years	4% of the withdrawal value

2 years or more but less than 3 years	3% of the withdrawal value
3 years or more but less than 4 years	2% of the withdrawal value
4 years or more but less than 5 years	1% of the withdrawal value
5 years or more	Nil

After the Changes

After the Changes, no termination charge will be charged, and accordingly, no charges will be imposed on the redemption of Units under the Fund.

4. Certain Changes due to Refinement of clauses

Apart from the changes set out above, the Management Regulations have also been updated to include the following changes due to refinement of clauses:

- (a) Changes relating to the Custodian Fee, which are settled from the Management Fee paid to the Management Company;
- (b) changes to the arbitration clause;
- (c) deletion of clause relating to the application of proceeds upon the winding up of the Fund; and
- (d) other minor miscellaneous updates and changes.

5. Transitional Arrangement

For the benefit of Participants, the Management Company has put in place the following transitional arrangements:

- (a) The Management Company has exercised its discretion to waive the Qualifying Conditions on a one-off basis for any redemption for the purpose of receiving benefits or transferring assets over to other management companies during a period of 12 months from the Effective Date. This means that Participants will be entitled to the Guarantee Balance and will be paid in accordance with paragraph (a)(ii) under the section “Payment of benefits and fund switching”, regardless of whether any of the Qualifying Conditions have been satisfied. This will allow Associates and Participants more time to consider their investment options.
- (b) Termination charges will be waived from the date of this notice for any Participant who terminates his or her participation in the Fund regardless of the duration of the Participant’s participation in the Fund.

For Further Information

The Changes have been incorporated into the relevant parts of the Management Regulations. Should you have any queries about the above, please contact us on 2859 5519, or if you wish to obtain the latest Management Regulations (1 January 2021 version), please our website at <https://www.chinalife.com.mo/en>.

China Life Insurance (Overseas) Company Limited Macau Branch
2020-09-20

Appendix 1 – Illustrative Examples

1. Fund switching

Details of the account of Participant A as of 15 October 2022:

Unit balance of the Fund = 1,500

Actual Balance = MOP30,750 (calculated based on a Unit Price of MOP20.50)

Accumulated Guarantee Balance = MOP32,000

On 16 October 2022, Participant A redeemed 450 Units in the Fund (i.e. 30% of the total unit holdings) for the purpose of switching to another fund of the Management Company. The Unit Price was MOP20.60 and the switching amount was therefore MOP9,270.

Details of the account of Participant A as of 16 October 2022 after fund switching:

Unit balance of the Fund = 1,500 – 450 = 1,050

Actual Balance = MOP21,630 (calculated based on a Unit Price of MOP20.60)

Accumulated Guarantee Balance = MOP32,000 – (MOP32,000*30% = 9,600) = MOP22,400

2. Payment of benefits

Participant B joined the Fund on 1 July 2021, and ceases to participate in the Fund on 15 April 2024 (“**Withdrawal Day**”).

For the year 2021, monthly contributions paid at each month end are MOP1,500, and the total number of Units issued is 432.7023.

For the year 2022, monthly contributions paid at each month end are MOP1,600, and the total number of Units issued is 928.0725.

For the year 2023, monthly contributions paid at each month end are MOP1,800, and the total number of Units issued is 1,036.7777.

For the months of January to April in the year 2024, monthly contributions paid at each month end are MOP1,800, and the total number of Units issued is 254.7170.

Guaranteed net return = 1.35%p.a.

Case A (Where at least one Qualifying Condition is satisfied)

On the Withdrawal Day, Participant B ceases to participate in the Fund and withdraws his benefits on the grounds of cessation of employment (i.e. where Qualifying Condition (a) set out in the notice is satisfied).

Scenario 1 (Where Actual Balance is greater than Guarantee Balance on Withdrawal Day)

Year	Contribution amount	Guaranteed return (@1.35%p.a)	Guarantee Balance at year end / period end	Unit balance at year end / period end (A)	Unit price at year end / period end (B)	Actual Balance at year end / period end (A*B)
2021	9,000	25.76	9,025.76	432.7023	20.90	9,043.48
2022	19,200	241.84	28,467.60	1,360.7748	20.48	27,871.39
2023	21,600	519.33	50,586.93	2,397.5525	21.20	50,828.11
2024	5,400	204.93*	56,191.86**	2,652.2695**	21.70	57,554.25**

*Represents the guaranteed return pro-rated up to Business Day immediately preceding the Withdrawal Day

**Represents the relevant amount as of the Withdrawal Day.

The withdrawal amount will be **MOP57,554.25**. (The Actual Balance of MOP57,554.25 is greater than the Guarantee Balance of MOP56,191.86.)

Scenario 2 (Where Actual Balance is less than the Guarantee Balance on Withdrawal Day)

Year	Contribution Amount	Guaranteed net return (@1.35%p.a)	Guarantee Balance at year end / period end	Unit balance at year end / period end (A)	Unit price at year end / period end (B)	Actual Balance at year end / period end (A*B)
2021	9,000	25.76	9,025.76	432.7023	20.90	9,043.48
2022	19,200	241.85	28,467.60	1,360.7748	20.48	27,871.39
2023	21,600	519.33	50,586.93	2,394.5525	21.20	50,828.11
2024	5,400	204.93*	56,191.86**	2,652.2695**	20.30**	53,841.07**

*Represents the guaranteed return pro-rated up to Business Day immediately preceding the Withdrawal Day.

**Represents the relevant amount as of the Withdrawal Day.

The withdrawal amount will be **MOP56,191.86**. (The Guarantee Balance of MOP56,191.86 is greater than the Actual Balance of MOP53,841.07).

Case B (Where none of the Qualifying Conditions are satisfied)

On the Withdrawal Day, Participant B ceases to participant in the Fund and withdraws his benefits for the purpose of transferring to other Management Company (i.e. where the Participant Qualifying Period is less than 36 months and none of the Qualifying Conditions set out in the notice are satisfied).

Year	Contribution Amount	Guaranteed net return (@1.35%p.a)	Guarantee Balance at year end / period end	Unit balance at year end / period end (A)	Unit price at year end / period end (B)	Actual Balance at year end / period end (A*B)
2021	9,000	25.76	9,025.76	432.7023	20.90	9,043.48
2022	19,200	241.84	28,467.60	1,360.7748	20.48	27,871.39
2023	21,600	519.33	50,586.93	2,397.5525	21.20	50,828.11
2024	5,400	204.93*	56,191.86**	2,652.2695**	20.30**	53,841.07

*Represents the guaranteed return pro-rated up to Business Day immediately preceding the Withdrawal Day.

**Represents the relevant amount as of the Withdrawal Day.

The withdrawal amount will be **MOP53,841.07** (i.e. the Actual Balance) as none of the Qualifying Condition are satisfied.

CHINA LIFE MACAU BRANCH BALANCE OPEN FUND
(“Fund”)

NOTICE TO PARTICIPATING ASSOCIATES AND PARTICIPANTS

This notice is important. Terms used in this notice (unless otherwise defined below) bear the same meaning as in the Management Regulations (“Management Regulations”) of the Fund (1 January 2018 version). If you are in doubt about the contents of this notice, you should seek independent professional financial advice. If there is any inconsistency between the content of this notice and the Management Regulations, the provisions of the Management Regulations shall prevail.

In compliance with clauses 10 of the Management Regulations, the Management Company, China Life Insurance (Overseas) Company Limited, is hereby giving 3 months’ prior notice to Associates and Participants in relation to certain changes (“Changes”) proposed to be made to the Management Regulations, including removal of the termination charge, and certain changes due to refinement of clauses. The Changes will take effect from 1 January 2021 (“Effective Date”).

1. Termination Charge

Before the Changes

Currently, the Management Company is entitled to deduct from the withdrawal value of a Participant under the Fund a termination charge as follows:

Years of Participation in the Fund	Termination Charge
Less than 1 year	5% of the withdrawal value
1 year or more but less than 2 years	4% of the withdrawal value
2 years or more but less than 3 years	3% of the withdrawal value
3 years or more but less than 4 years	2% of the withdrawal value
4 years or more but less than 5 years	1% of the withdrawal value
5 years or more	Nil

After the Changes

After the Changes, no termination charge will be charged, and accordingly, no charges will be imposed on the redemption of Units under the Fund.

2. Certain Changes due to Refinement of Clauses

Apart from the changes set out above, the Management Regulations have also been updated to include the following changes due to refinement of clauses:

- (a) Changes relating to the Custodian Fee, which are settled from the Management Fee paid to the Management Company;
- (b) changes to the arbitration clause;
- (c) deletion of disclosures relating to the application of proceeds upon the winding up of the Fund; and
- (d) other minor miscellaneous updates and changes.

For Further Information

The Changes have been incorporated into the relevant parts of the Management Regulations. Should you have any queries about the above, please contact us on 2859 5519, or if you wish to obtain the latest Management Regulations (1 January 2021), please our website at <https://www.chinalife.com.mo/en>.

CHINA LIFE MACAU BRANCH GROWTH OPEN FUND
(“Fund”)
NOTICE TO PARTICIPATING ASSOCIATES AND PARTICIPANTS

This notice is important. Terms used in this notice (unless otherwise defined below) bear the same meaning as in the Management Regulations (“Management Regulations”) of the Fund (1 January 2018 version). If you are in doubt about the contents of this notice, you should seek independent professional financial advice. If there is any inconsistency between the content of this notice and the Management Regulations, the provisions of the Management Regulations shall prevail.

In compliance with clauses 10 of the Management Regulations, the Management Company, China Life Insurance (Overseas) Company Limited, is hereby giving 3 months’ prior notice to Associates and Participants in relation to certain changes (“Changes”) proposed to be made to the Management Regulations, including removal of the termination charge, and certain changes due to refinement of clauses. The Changes will take effect from 1 January 2021 (“Effective Date”).

1. Termination Charge

Before the Changes

Currently, the Management Company is entitled to deduct from the withdrawal value of a Participant under the Fund a termination charge as follows:

Years of Participation in the Fund	Termination Charge
Less than 1 year	5% of the withdrawal value
1 year or more but less than 2 years	4% of the withdrawal value
2 years or more but less than 3 years	3% of the withdrawal value
3 years or more but less than 4 years	2% of the withdrawal value
4 years or more but less than 5 years	1% of the withdrawal value
5 years or more	Nil

After the Changes

After the Changes, no termination charge will be charged, and accordingly, no charges will be imposed on the redemption of Units under the Fund.

2. Certain Changes due to Refinement of Clauses

Apart from the changes set out above, the Management Regulations have also been updated to include the following changes due to refinement of clauses:

- (a) Changes relating to the Custodian Fee, which are settled from the Management Fee paid to the Management Company;
- (b) changes to the arbitration clause;
- (c) deletion of disclosures relating to the application of proceeds upon the winding up of the Fund; and
- (d) other minor miscellaneous updates and changes.

For Further Information

The Changes have been incorporated into the relevant parts of the Management Regulations. Should you have any queries about the above, please contact us on 2859 5519, or if you wish to obtain the latest Management Regulations (1 January 2021 version), please our website at <https://www.chinalife.com.mo/en>.