Press Release

HKMC Annuity Plan Introduces Enhancement Measures and Continuous Sales Model

HKMC Annuity Limited (HKMCA), wholly-owned by The Hong Kong Mortgage Corporation Limited (HKMC), announces today that it will introduce enhancement measures and year-round continuous sales model for the HKMC Annuity Plan ("Plan").

The enhancement measures, which come into effect today, are applicable to both existing and new customers. Details are set out as follows:

1) **100% lump-sum death benefit payment**: In the unfortunate death of the insured, the designated beneficiary can choose to immediately get back all the premium paid in a lump-sum less the cumulative guaranteed monthly annuity payments paid, without extra discount. This means that there will no longer be financial loss in the case of lump-sum death benefit payment, which should enable customers to apply for the Plan with a greater sense of security.

2) **Special withdrawal to meet medical and dental expenses**: The policyowner can apply for special withdrawal for medical and dental expenses in Hong Kong. The withdrawal amount would be the lower of:
   (i) 50% of the premium paid; or
   (ii) the premium paid less the cumulative guaranteed monthly annuity payments paid.

   Special withdrawal is subject to a maximum amount of HK$300,000 and can only be made once. The usage of the withdrawal is not confined to

specified critical illnesses, and can be used for surgery, medical treatment or examination considered necessary by doctors. After the special withdrawal, the guaranteed monthly annuity payments will be reduced proportionally without extra discount.

3) **Relaxation of maximum premium amount per person**: The maximum premium amount per person will be increased from HK$1 million to HK$2 million. For example, if an applicant aged 65 has paid a premium of HK$2 million, HK$11,600 and HK$10,600 of guaranteed monthly annuity payment will be paid to a male and female policyowner respectively.

In addition, the Plan will from now on adopt a continuous sales model throughout the year and open for eligible persons who are Hong Kong permanent residents aged 65 or above. Interested persons can make sales appointment with the HKMCA directly through the HKMCA's Customer Service Hotline (2512 5000) or website (www.hkmca.hk) and come to the HKMCA's sales office[1] located on Hong Kong Island or in Kowloon to complete the application procedures. The HKMCA will have licensed sales staff to introduce the product and conduct Financial Needs Analysis with the customers during the application process. Customers can directly submit the application to the HKMCA after consideration and will receive their first guaranteed monthly annuity payment within one month after the application.

[1] Hong Kong Island: 35/F, Cosco Tower (High Block), Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong
Kowloon: 22/F, 909 Cheung Sha Wan Road, Kowloon

Executive Director and Chief Executive Officer of the HKMCA, Mr Edmond Lau, said, “We notice that there have been different opinions in the market about the product features and sales arrangement since the launch of the HKMC Annuity Plan. We believe that the enhancements introduced will offer a greater protection and flexibility to the customers, thereby enabling them to apply for the Plan with a greater sense of security. The adoption of the continuous sales model can also enable customers to experience a more convenient and efficient application process and have a clearer understanding of the product features.”

The first tranche of the Plan records a total of 9,410 registrations of subscription intention, among which over 5,500 applicants have already completed the application procedures with an average premium amount of HK$506,000. The HKMCA will follow up the uncompleted cases under the continuous sales model and continue to implement and strengthen the marketing and promotion activities.

HKMC Annuity Limited
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