

HSBC Hong Li Yue Yue Ying Annuity Insurance (Participating) - Type B:

—Education Planning

This product is a participating insurance, the bonus are not guaranteed.

This product is issued and managed by HSBC Life Insurance Company Limited, thus the consignment agency assumes no responsibility for the investment, the payment or the risk management of this product.

"We" and "the company" in this brochure refer to HSBC Life Insurance Company Limited.



HSBC
Insurance

RBE-1810

Thousands of Kindly Feelings A Comprehensive Planning

You work hard to strive for excellence and further your career so you also hope that this success can be continued; and you can use your accumulated wealth to create a good starting point for your child to let him/her have a glorious future.

Can he/she successfully complete the education, establish a career, get married and settle down and then begin to have a wonderful life? Actually, every step of climbing and progress in the beginning of life of your child needs your support, good care, encouragement and applause.

Parents shall provide the basic necessities of life, make the morality and knowledge cultivation available and prepare the comprehensive financial planning for their children to let them grow up healthily and strong.

HSBC Hong Li Yue Yue Ying Annuity Insurance (Participating)-Type B, provides the sustained and stable Cash Coupon for your child's growth and enables your child to share in the participating business growth results of HSBC Life Insurance to let your kindly feelings for your child become a firm support for him/her to learn knowledge, establish a career, get married and purchase a property.



Benefits at a glance

The stable Cash Coupon to be paid on monthly basis

Since from the First Cash Coupon Payment Day, We will pay the 'Cash Coupon' to the Living Beneficiary, which is based on the Basic Sum Insured of corresponding Cash Coupon Payment Day, if the Insured is still alive by 24:00 of each Cash Coupon Payment Day.

Reversionary Bonus and Terminal bonus to share the market growth

This plan is entitled with the following dividend distribution methods:

1.Reversionary Bonus

- (1) To be paid each month to increase living income:
Addition to the Cash Coupon of that month, the accumulated reversionary bonus which has been announced at that time will be paid to the Living Beneficiary, if the Insured is still alive by 24:00 of each Cash Coupon Payment Day.
- (2) To be paid to increase death claim payment:
If the Insured dies before 24:00 of the First Cash Coupon Payment Day, addition to the Death Benefit, the total number of all installments of Cash Coupon payments times the accumulated reversionary bonus which has been announced for the time will be paid to survived Death Beneficiary as additional part of death payment;
If the Insured dies after 24:00 of the First Cash Coupon Payment Day, addition to the Death Benefit, the additional part of death benefit will be paid to the Death Beneficiary, which equals the accumulated reversionary bonus which has been announced for the time multiplying the number of unpaid installments of Cash Coupon payments from the date of death of the Insured to the date of policy maturity.

Once Reversionary Bonus is announced, we are not supposed to change it.

2.Terminal Bonus

- (1) Terminal Bonus for Policy Maturity
If the Insured is still alive by the policy maturity date and the policy is in force, we will pay the Terminal Bonus for Policy Maturity to the Living Beneficiary in a lump sum at policy maturity date.
- (2) Terminal Bonus for Death Claim
If the Insured dies any time after the first anniversary of the Policy during the policy term, we will pay the Terminal Bonus for Death Claim to the survived Death Beneficiary in a lump sum.
- (3) Terminal Bonus for Surrender
If you apply for surrender of the Policy (or Policy cancellation) any time after the fifth anniversary of the Policy during the policy term, we will pay the Terminal Bonus for Surrender to you in a lump sum.

Note: The bonus are not guaranteed.



Benefits at a glance

Death Benefit for life protection

If the Insured dies before 24:00 of the First Cash Coupon Payment Day, the Policy shall terminate and we will pay the Death Benefit to the survived Death Beneficiary in accordance with either of the following terms whichever yields a greater amount:

- (1) Cash Value of the Basic Sum Insured under the policy upon death of the Insured;
- (2) Total premium amount paid under the Policy upon death of the Insured.

If the Insured dies after 24:00 of the First Cash Coupon Payment Day, the Policy shall terminate and we will pay Death Benefit to the survived Death Beneficiary in accordance with the greatest one among following three items:

- (1) Cash Value of the Basic Sum Insured under the policy upon death of the Insured;
- (2) Total premium amount paid minus total amount of cash coupon that has been paid under the Policy upon death of the Insured;
- (3) Twenty-Four times of the Basic Sum Insured under the Policy upon death of the Insured.

Note: Where the Insured dies before 18 years old, the death benefit to be paid shall not exceed the up limit required by China's Insurance Regulatory Commission.

The Living Beneficiary change service for multi children family

You can apply this education planning for your kid and have the kid as the Insured of the Policy. Unless otherwise agreed, the default living beneficiary is the insured himself. If you think about including your other kids into this education planning, you could come to us to apply Living Beneficiary change and specify the benefit allocation percentage for each living beneficiary.

Note: The change of Living Beneficiary shall comply with the company's related operating rule at the time of the change application and will be effective by the remark or endorsement is issued or attached under the Policy.



Application Process & Rule

Application Process

Step 1

Decide the **Basis Sum Insured** on base of your need on education fee level

Step 2

Choose the matched **Cash Coupon Payment Starting Age** and **Cash Coupon Payment Period** on base of the period of your education planning

Step 3

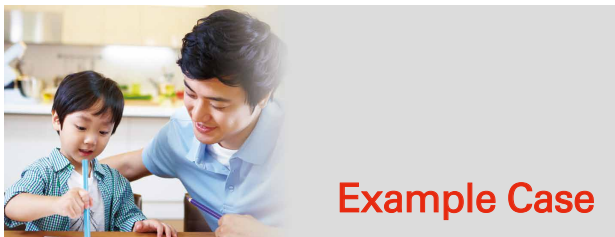
Choose the proper **Premium Payment Term** according to your current financial situation and affordability

Application Rule

HSBC Hong Li Yue Yue Ying Annuity Insurance (Participating) - Type B provides following application plans to apply for education planning:

Cash Coupon Payment Starting Age	Cash Coupon Payment Period/Policy term	Available Premium Payment Term	Available Issue Age range
Age 7	Till Age 25	3 / 5 years	3 years pay: From 30 days to age 2 5 years pay: From 30 days to age 2
Age 12	Till Age 25	3 / 5 years	3 years pay: From 30 days to age 7 5 years pay: From 30 days to age 5
Age 15	Till Age 25	3 / 5 years	3 years pay: From 30 days to age 10 5 years pay: From 30 days to age 8
Age 18	Till Age 25	3 / 5 years	3 years pay: From 30 days to age 10 5 years pay: From 30 days to age 8
The 6 th policy year	Till maturity (policy term of 20 years)	Single; 3 / 5 years	From 30 days to age 17
The 6 th policy year	Till maturity (policy term of 25 years)	Single; 3 / 5 years	From 30 days to age 17

This product provides the premium payment mode of Single payment and Annual payment.



Example Case

Example Case

Mr. Feng who is acting as a middle-level manager in a foreign company has a 5-year-old son named Xiao Feng. Mr. Feng agreed to the importance of planning the children's education ahead of time and bought the HSBC Hong Li Yue Yue Ying Annuity Insurance (Participating)-Type B policy with Xiao Feng as the insured. Mr. Feng chose the Basic Sum Insured of RMB 10,000, Premium Payment Term of 3 years, the Policy Term will last for till Xiao Feng age 25 and the Cash Coupon payment starting from Xiao Feng age 18 till the policy maturity, in which Mr. Feng needs to pay the premium of RMB 237,950 each year with the total premium payment of RMB 713,850 for three years.

Assuming no change on Living Beneficiary, the insurance benefits of the Policy are as followings:

1) Cash Coupon

From the nearest policy year after reaching age 18, Xiao Feng can get the Cash Coupon of RMB 10,000 every month until the the 1st policy anniversary date after reaching age 25 when policy term expires. The total amount of Cash Coupon (excluding interests) is up to RMB 840,000.

2) Reversionary Bonus and Terminal Bonus

From the nearest policy year after reaching age 18, in addition to the Cash Coupon, every month Xiao Feng can also receive the Accumulated Reversionary Bonus that has been declared until the policy maturity. As illustrated at the mid-level rate of investment return, the total amount of accumulated Reversionary Bonus (excluding the interests) can be up to RMB 248,200. In addition to Reversionary Bonus, Xiao Feng can also receive the Terminal Bonus at policy maturity, and as illustrated at the mid-level rate of investment return, the Terminal Bonus can be RMB 55,657.

Please be noted that the bonus mentioned above are not guaranteed.

3) Death Payment

As illustrated at the mid-level rate of investment return, the Death Beneficiary can get the Death Payment of up to RMB 966,584 at the highest case.

In line with the above example, detailed benefit illustration at low, medium and high level of investment return are listed as below:

Policy Year	Age	Premium Of the Year	Premium Accumulated	Death Benefit	Death payment= Death Benefit+ Reversionary Bonus + Terminal Bonus			Cash Coupon of the Year	Survival payment of the year= Cash coupon+ Reversionary Bonus + Terminal Bonus			Accumulated Cash Coupon	Accumulated Survival payment			Cash value of Basic Sum Insured	Surrender payment= Cash value of Basic Sum Insured + cash value of Reversionary Bonus + Terminal Bonus		
					Low	Medium	High		Low	Medium	High		Low	Medium	High		Low	Medium	High
1	6	237,950	237,950	237,950	237,950	237,950	237,950	0	0	0	0	0	0	153,570	153,570	156,652	157,365		
2	7	237,950	475,900	475,900	483,546	493,504	0	0	0	0	0	0	0	349,380	349,380	358,935	361,160		
3	8	237,950	713,850	713,850	734,057	755,131	0	0	0	0	0	0	0	564,210	564,210	584,025	588,672		
4	9	0	713,850	713,850	751,683	785,092	0	0	0	0	0	0	0	581,090	581,090	611,944	619,252		
5	10	0	713,850	713,850	769,560	815,447	0	0	0	0	0	0	0	598,480	598,480	655,121	709,502		
6	11	0	713,850	713,850	787,707	846,206	0	0	0	0	0	0	0	616,400	616,400	688,570	754,968		
7	12	0	713,850	713,850	806,113	877,367	0	0	0	0	0	0	0	634,870	634,870	723,503	802,207		
8	13	0	713,850	713,850	824,797	908,949	0	0	0	0	0	0	0	653,890	653,890	759,964	851,295		
9	14	0	713,850	713,850	843,750	940,959	0	0	0	0	0	0	0	673,490	673,490	798,049	902,341		
10	15	0	713,850	713,850	862,989	973,406	0	0	0	0	0	0	0	693,680	693,680	837,827	955,439		
11	16	0	713,850	714,490	883,153	1,006,938	0	0	0	0	0	0	0	714,490	714,490	879,385	1,010,707		
12	17	0	713,850	735,930	924,402	1,061,724	0	0	0	0	0	0	0	735,930	735,930	922,810	1,068,247		
13	18	0	713,850	758,000	966,584	1,117,601	0	0	0	0	0	0	0	758,000	758,000	968,161	1,128,168		
14	19	0	713,850	669,100	872,841	1,031,180	120,000	120,000	147,545	154,699	120,000	120,000	120,000	659,100	659,100	863,404	1,030,443		
15	20	0	713,850	567,230	759,233	923,044	120,000	120,000	150,107	158,008	240,000	240,000	240,000	557,230	557,230	750,852	923,602		
20	25	0	713,850	240,000	296,507	465,319	120,000	120,000	219,256	407,937	840,000	840,000	840,000	0	0	0	0		
total							840,000	840,000	1,143,856	1,387,193									

Notes:

- The age listed in above table means the reached age of the Insured at end of each corresponding policy year. Death payment includes death benefit plus reversionary bonus and terminal bonus. Death benefit is year-end value of the current policy year. Reversionary Bonus and Terminal Bonus are both year-end values of the previous policy year.
- Survival payment of the year equals to the sum total of monthly-paid Cash Coupon and Reversionary Bonus. Upon expiration of the plan term, it also includes Terminal Bonus.
- The cash value of Basic Sum Insured are policy-year-end values.
- Accumulated Cash Coupon refers to the sum total of all the “Cash Coupon of the year” payable in all above “policy years.”
- In above example and benefit illustration table, Reversionary Bonus will be paid each month as an additional part to Cash Coupon, since from the First Cash Coupon Payment Day or paid as additional part of death payment; Terminal bonus is paid in a lump sum upon expiration of the policy term, or upon death of the insured after the first anniversary of the policy or upon surrender of the insurance after the fifth anniversary of the policy.
- The illustration of Reversionary Bonus and Terminal Bonus presented above are descriptive and may be different from actual ones. Such values are calculated based on actuarial results and other assumptions instead of our track records. They do also not represent a projection into the future results. The bonus distribution are indeterminate.**
- The above Demonstration Numbers are rounded, so the single digit error is not ruled out.

Company Introduction

Headquartered in Shanghai, HSBC Life Insurance Company Limited is a 50-50 joint venture between HSBC Insurance (Asia) Limited and The National Trust Ltd. with a registered capital of RMB 1025 million. HSBC Life offers a comprehensive range of insurance solutions to our customers covering protection, retirement, children's education, wealth growth and management and legacy planning.

HSBC life Insurance Company Limited offers comprehensive and professional protection solutions and service to both individual and corporate customers.

HSBC Life Insurance is a customer-focused company, dedicated to developing and providing innovative and unique products based on our understanding of the market and the needs of our customers.

We recognize that insurance is as much about your feelings as your finances and possessions.

Notes

1. **From the date of signing receipt of the policy, you will have 15 calendar days cooling off period.** If for any reason you are not happy with the plan, you can cancel your Policy within the cooling off period. Upon the cancellation, you will receive a full refund of all paid premiums.
2. This product introduction is for reference only. For detailed clauses, please refer to the policy contract which shall prevail in case of discrepancy.
3. In the event of difference arising between the Chinese version and the English version of this product introduction, the Chinese version shall prevail.

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