Tax Deductible
Voluntary Contribution
Helping you live your best life
Important Notes:

1. Principal MPF Scheme Series 800 ("Scheme") is an MPF Scheme.

2. Each of the Principal Capital Guaranteed Fund and the Principal Long Term Guaranteed Fund under this Scheme invests solely in an approved pooled investment fund in the form of an insurance policy issued by Principal Insurance Company (Hong Kong) Limited ("Principal"). The guarantee is also provided by Principal. Your investments in the Principal Capital Guaranteed Fund and Principal Long Term Guaranteed Fund, if any, are therefore subject to the credit risk of Principal. Please refer to the "Principal Capital Guaranteed Fund" and "Principal Long Term Guaranteed Fund" sections for details of the credit risk, guaranteed features and guarantee conditions.

3. Principal, the Guarantor of the Principal Long Term Guaranteed Fund under this Scheme, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please note that you may lose the guarantee entitlement if you have elected to transfer your accrued benefits in the Scheme (i) from an account within the Scheme to another account within the Scheme, (ii) from the Principal Long Term Guaranteed Fund to another constituent fund in the Scheme, or (iii) to another MPF scheme as described in the sub-section (B) “Transferring benefits from or within the Scheme” under the section “Employee’s Choice – Transferring accrued benefits to and from the Scheme” of the Principal Brochure. Please refer to the Principal Brochure of the Scheme under the section “Provision of Guarantee” for details of the guarantee conditions. Please also note that a partial withdrawal of accrued benefits may affect your guarantee entitlement under the Principal Long Term Guaranteed Fund. For details, please refer to the section “Provision of Guarantee” and the section "Guarantee entitlement in respect of partial withdrawal of accrued benefits upon retirement or early retirement" of the Principal Brochure of the Scheme.

4. If you are currently investing in Principal Long Term Guaranteed Fund, a withdrawal of the accrued benefits on ground of terminal illness may affect your entitlement to the guarantee and you may lose your guarantee. For details, please check the scheme offering document or consult your Trustee before making any such withdrawal.

5. Principal, the Guarantor of the Capital Guaranteed Fund under this Scheme, will provide a guarantee to ensure the unit value of the fund will never decrease. Prior to 30 December 2011, under the indirect charge option (i.e. the Class I Units after 30 December 2011), part of the management fee is asset based which is deducted from the net asset value of the fund, while the remaining part is payable by deducting units from member’s account. As such, capital may not be guaranteed in absolute term for scheme members under the indirect charge option before 30 December 2011. For details, please refer to the sections “How the guarantee works” and “Fees and Charges” of the Principal Brochure of the Scheme.

6. Investment in the Principal HK Dollar Savings Fund is different from placing deposits with a bank or deposit-taking company and is not protected by the Deposit Protection Scheme. Investment in this Fund will be subject to investment risks.

7. The Principal MPF Conservative Fund under this Scheme is not a guaranteed fund and do not guarantee the repayment of capital. Fees and charges of an MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members’ account by way of unit deduction. This Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.

8. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund or the Default Investment Strategy ("DIS") is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) or DIS most suitable for you, taking into account your own circumstances.

9. You should consider your own risk tolerance level and financial circumstances before investing in the DIS. You should note that the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund may not be suitable for you, and there may be a risk mismatch between the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.

10. You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. You should consult with the Trustee if you have doubts on how you are being affected.

11. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the DIS.

12. Investment involves risks. The value of the funds may go up or down. The past performance is not indicative of future performance. Your investment may suffer significant loss. There is no assurance on investment returns and you may not get back the amount originally invested. You should not invest in reliance on this marketing material alone. You should read the Principal Brochure of the Scheme for further details (including investment policy, risk factors, fee and charges of the constituent funds).
What is Tax Deductible Voluntary Contributions?

Tax Deductible Voluntary Contributions (TVC) is a new type of contributions under the MPF system. Members with contribution accounts or personal accounts of MPF schemes, or members of MPF Exempted ORSO schemes are all eligible to make TVC. Scheme members can open a TVC account under an MPF scheme of their own choice and make TVC directly to the account without going through the employers. Only contributions made to TVC accounts not exceeding the tax deduction cap are tax deductible. Other types of MPF voluntary contributions are not tax deductible.

Scheme members can enjoy the flexibility to make TVC to their TVC accounts at any time and in varying amounts. They can also increase or reduce the amount of contributions, or cease to make contributions, or resume the making of contributions at any time, having regard to their personal circumstances. However, same as the MPF mandatory contributions, subject to certain withdrawal condition as set out in the Principal Brochure of the Scheme, TVC has to be preserved until the age of 65.

The tax deductions, allowable under salaries tax or personal assessment, is subject to a cap of $60,000 per year. Depending on your TVC amount, based on the prevailing highest tax rate (i.e. 17%), the maximum tax savings can reach $10,200.

Source: Investor and Financial Education Council

Salary tax computation resulting from Mandatory Contribution (MC) and TVC

<table>
<thead>
<tr>
<th>Total income (HK$)</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single, monthly salary HK$30,000</td>
<td>Single, monthly salary HK$60,000</td>
<td>Married, 1 child (4 years old), monthly salary HK$60,000, spouse not working</td>
</tr>
<tr>
<td>Less: MC deduction (HK$)</td>
<td>18,000</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Less: TVC deduction (HK$)</td>
<td>-</td>
<td>18,000</td>
<td>-</td>
</tr>
<tr>
<td>Net income (HK$)</td>
<td>342,000</td>
<td>324,000</td>
<td>702,000</td>
</tr>
<tr>
<td>Less: allowance (HK$)</td>
<td>132,000</td>
<td>132,000</td>
<td>264,000</td>
</tr>
<tr>
<td>Net chargeable income (HK$)</td>
<td>210,000</td>
<td>192,000</td>
<td>570,000</td>
</tr>
<tr>
<td>Tax payable (HK$)</td>
<td>17,700</td>
<td>14,880</td>
<td>36,060</td>
</tr>
<tr>
<td>Tax savings from TVC (HK$)</td>
<td>-</td>
<td>2,820</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: The example is only for illustration and reference.
Why make TVC with us?

**Diversified Investment Options**
With solid experience in investment management, we offer diversified investment options, providing different characteristics and risk levels to meet different investment objectives and retirement needs of members.

**Retirement Services Specialists**
Our experienced retirement services specialists possess technical know-how in managing/administering pension schemes, and are committed to delivering professional advices and services to help you achieve your retirement goals.

**Reliable Administration and Quality Customer Services**
Our sophisticated administrative and advanced I.T. systems are designed to accommodate your unique personal requirements, while providing flexibility for change. Besides, we also provide quality customer services to members and they can take advantage of them to manage their MPF account efficiently.

**Convenient Information Access**
Members can obtain their individual account information conveniently through the round-the-clock Principal TeleTouch© interactive voice response system or internet-based Principal Retirement Services Centre (www.principal.com.hk). With these, members can access their account balances, daily fund prices, investment performance and even switch funds anytime and anywhere. The cut-off time of processing the change of investment choice is 4pm on any Hong Kong business working day.
In addition, members may also obtain their account balances, daily fund prices and investment performance via the Principal Mobile App. Both members and non-members can take advantage of the budget planning tool, where this Mobile App also offers “Fund Price Alert” function. Lastly, by registering the Principal e-Communication Service, members will enjoy a wide array of free services including regular updates on pension account balance, updated information on our products and services promotional program as well as exclusive member benefits via e-mail and SMS.

How To Open TVC Account with us?
The minimum TVC contribution with the Scheme is HK$300 per month or a lump sum of HK$3,000. You may open your TVC account by completing and returning the TVC application form to us. The form can be downloaded at www.principal.com.hk.
(For details of our TVC Account, please call our Customer Service Hotline: (852) 2827 1233 or visit our website www.principal.com.hk)
**Reward Program**

During the promotional period, customers who have submitted TVC application form on or before 31 March 2020 and have made contribution listed in the table below during each of the promotional periods, would have an opportunity to receive one-off bonus units worth up to HK$500 twice. The value of bonus units that the member is entitled to receive will be invested according to the member’s investment instruction and if no investment instruction is specified, it will be invested into the DIS, within one month of the respective Specific Cut-Off Date*, subject to the other qualifying terms and conditions set out in this flyer.

Please refer to the following table for details of the requisite contribution amount and the value of bonus units:

<table>
<thead>
<tr>
<th>Reward Program Promotional Period</th>
<th>First promotional period</th>
<th>Second promotional period*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From 1 April 2019 to 31 March 2020</td>
<td>From 1 April 2020 to 31 March 2021</td>
</tr>
<tr>
<td>Total TVC Contribution*(HK$)</td>
<td>HK$60,000 or above</td>
<td>HK$60,000 or above</td>
</tr>
<tr>
<td>Value of Bonus Units Entitlement (HK$)</td>
<td>HK $500</td>
<td>HK $500</td>
</tr>
<tr>
<td></td>
<td>HK$30,000 to $59,999</td>
<td>HK$30,000 to $59,999</td>
</tr>
<tr>
<td></td>
<td>HK $250</td>
<td>HK $250</td>
</tr>
</tbody>
</table>

* “Specific Cut-Off Date” means 31 March 2020 and 31 March 2021 respectively. For details, please see paragraph 3 of the below terms and conditions.

* “Total TVC Contribution” means the TVC contributions received on or before the respective Specific Cut-Off Dates mentioned above. This may be in the form of monthly contribution or lump sum contribution. For the avoidance of doubt, “Total TVC Contribution” does not include any transfer-in benefits from the TVC account of the member in another MPF scheme for the purpose of this reward program.

* Reward for the second promotional period will only be applicable for clients who fulfill the contribution requirements under each of the first and second promotional periods.
Terms and Conditions:

1. This reward program is offered by Principal Trust Company (Asia) Limited (“Trustee”).

2. Subject to paragraph 5 below, this reward program is applicable to new/existing MPF members whose TVC application form is received by the Trustee on or before 31 March 2020.

3. Bonus units will be credited to the member’s TVC account within one month from each of 31 March 2020 and 31 March 2021. Member’s TVC account must be active at the time when bonus units are credited to the account.

4. For the avoidance of doubt, if a Member has submitted a written request to Trustee to transfer or withdraw his/her credit balance on or before the relevant Specific Cut-Off Date, the Member shall NOT be entitled to bonus units under this reward program even though he/she has the Total TVC Contribution as at the relevant Specific Cut-Off Date.

5. This reward program is not applicable to new/existing MPF or TVC members who are entitled to the preferential management fee.

6. This reward program may be withdrawn or the details of which may be changed by Trustee at its sole and absolute discretion without prior notice.

7. In case of any disputes, the decision of Trustee shall be final.

According to the Personal Data (Privacy) Ordinance, you may, at any time and without charge, request to have your personal data ceased to be used for direct marketing purposes. Such request can be made in writing to Data Protection Officer, Principal Trust Company (Asia) Limited, 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

Issuer of this material: Principal Trust Company (Asia) Limited