

Prudential Hong Kong Limited

This statement provides you with key information about this product.

This statement is a part of the Offering Document.

You should not invest in this product based on this statement alone.

For those words which are capitalised and unless defined otherwise, please refer to the “Glossary” section on the last page of this document for explanation.

QUICK FACTS

Name of insurance company:	Prudential Hong Kong Limited (“Prudential”)	Death benefit:	105% of the value of policy account*
Policy currency:	US Dollar		* For the purpose of calculating the death benefit amount, the value of the policy account will be calculated at the unit redemption price of the Investment Choice(s) on the previous valuation date as at the date we receive the satisfactory Proof of Death Claim of the life assured.
Single or regular premium:	Single premium		
Regular premium frequency:	Not applicable		
Minimum premium payment term:	Not applicable		
Minimum investment:	USD 12,000		
Maximum investment:	Subject to Prudential's approval		
Period with surrender charge (“redemption charge”):	Up to the first 5 policy years. Surrender charge is equivalent to “redemption charge” as described in this Product Key Facts Statement and the Product Brochure		
Governing law of policy:	Laws of the Hong Kong Special Administrative Region		

IMPORTANT

- This investment-linked assurance scheme (“ILAS policy”) is a long-term investment-cum-life insurance product. It is only suitable for investors who:
 - understand the principal will be at risk;
 - are committed to hold the investment for the long term; and
 - have both investment and estate planning objectives as it is a packaged product that includes both investment and insurance elements with death benefits payable to third party beneficiaries.
- This ILAS policy is **not** suitable for investors with short- or medium-term liquidity needs.

- **Fees and Charges**

17.2% of your single premium, after taking into account all applicable non-discretionary bonuses, will be paid to Prudential to cover all the fees and charges at the ILAS policy level, of which 0.3% is the cost of life protection, and this will reduce the amount available for investment.

Please note that the above figures are calculated based on the following assumptions: (a) the life assured is a non-smoking 40 year-old (age next birthday) male; (b) the payment of single premium of USD 125,000 (equivalent to HKD 1,000,000 at an exchange rate of USD 1 to HKD 8); (c) you hold your ILAS policy for 20 years; (d) an assumed rate of return of 3% per annum throughout 20 years; and (e) there is no early withdrawal/termination of your ILAS policy.

You must understand that these ILAS level charges are on top of, and in addition to, the reference funds level charges. The above figures do not take into account any early surrender/withdrawal charges.

The above percentage(s) of your single premium for covering the total fees and charges is calculated based on the assumptions above for illustration purposes. The actual percentage(s) may change depending on individual circumstances of each case, and will be higher if the premium amount is lower.

- **Long-term Features**

Early surrender/withdrawal charges:

(a) There will be a redemption charge of up to 8% of the value of the policy account in case of policy surrender or 8% of the partial withdrawal amount in case of partial withdrawal, within the first 5 policy years. You may also lose your entitlement to the loyalty bonus.

Loyalty Bonus:

(b) You will be entitled to a loyalty bonus of up to 1% of the Average Monthly Policy Account Value on each policy anniversary starting from the 6th policy anniversary as long as your ILAS policy is still in force by the time of payment and the Average Monthly Policy Account Value on the relevant policy anniversary is at least USD 12,000.

- **Intermediaries' remuneration**

Although you may pay nothing directly to the intermediary who sells/distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration. The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early policy years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

WHAT IS THIS PRODUCT AND HOW DOES IT WORK?

- **PRULink Empower Investment Plan** (the “Plan” or your “Plan”) is an investment-linked assurance scheme. It is a life insurance policy issued by Prudential. It is not a fund authorised by the Securities and Futures Commission (“SFC”) pursuant to the Code on Unit Trust and Mutual Funds (“UT Code”).
- Your Plan’s policy value will be calculated by Prudential based on the performance of the reference funds of your selected Investment Choices from time to time and the ongoing fees and charges which will continue to be deducted from the policy value of your Plan.
- Note, however, that all premiums you pay towards your Plan, and any investments made by Prudential in the reference funds of the Investment Choices you selected or any other investment Prudential may consider appropriate or retained by Prudential, will become and remain the assets of Prudential. You do not have any rights or ownership over any of these assets. Your recourse is against Prudential only.
- Due to the various fees and charges levied by Prudential on your Plan, the return on your Plan as a whole may be lower than the return of the reference funds of the Investment Choices you selected. Please refer to “What are the fees and charges” section on page 5 to 6 of this statement for details of the fees and charges payable by you.
- Reference funds (linked to the Investment Choices) available for selection are the funds listed in the Summary Information for Investment Choices. These funds are authorised by the SFC pursuant to the UT Code.
- Although your Plan is a life insurance policy, because your death benefit is linked to the performance of the reference funds of the Investment Choices you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your premiums paid and may not be sufficient for your individual needs.
- More importantly, you should be aware of the following regarding your death benefit and the cost of insurance/insurance charges (“Assurance Charge”):
 - Part of the fees and charges you pay that will be deducted from the value of your Plan will be used to cover the Assurance Charge for the life coverage.
 - The Assurance Charge will reduce the amount that may be applied towards investment in the Investment Choices you selected.
 - The Assurance Charge may increase significantly during the term of your Plan due to age.
 - You should consult your intermediary for details, such as how the charges may increase and could impact the value of your Plan.
- Please refer to the section “Other features” for further details of this Plan.

WHAT ARE THE KEY RISKS?

Investment involves risks. Please refer to the Principal Brochure for details including the risk factors.

- **Credit and insolvency risks** – This product is an insurance policy issued by Prudential. Your investments are subject to the credit risks of Prudential.
- The Investment Choices available under the Plan can have very different features and risk profiles. Some may even be of high risk. Please read the Principal Brochure and the offering documents of the reference funds involved for details.
- **Early surrender/withdrawal penalty** – This Plan is designed to be held for a long term period. Early surrender or partial withdrawal of the policy may result in a significant loss of principal and bonuses awarded. Poor performance of reference funds of the Investment Choices you selected may further magnify your investment losses, while all charges are still deductible.
- **Market risks** – Return of this Plan is contingent upon the performance of the reference funds of the Investment Choices you selected and therefore there is a risk of capital loss.
- **Foreign exchange risks** – The investment returns of your Plan may be subject to foreign exchange risks as some of the reference funds of the Investment Choices you selected may be denominated in a currency which is different from that of your Plan.

IS THERE ANY GUARANTEE?

- This product does not have any guarantee of the repayment of principal. You may not get back the full amount of premium you pay and may suffer investment losses.

OTHER FEATURES

- The following will be paid to you at specific times in the form of an extra allocation of notional units of the Investment Choices you selected to your policy account:
 - a) **Extra Allocation** – The amount of extra allocation is determined by the amount of single premium you paid and is payable upon confirmed receipt of your single premium of USD 25,000 or above.
 - b) **Loyalty Bonus** – The bonus, which is calculated by a bonus percentage determined by the year of your policy anniversary times the Average Monthly Policy Account Value, is payable on each policy anniversary starting from the 6th policy anniversary provided that the Average Monthly Policy Account Value on the relevant policy anniversary is at least USD 12,000 and the policy is still in force by the time when the bonus is payable.

The above-mentioned bonuses will then form part of the value of the policy account and will also be subject to the relevant charges applicable to the policy account.

- Please refer to the Product Brochure for details of the extra allocation and loyalty bonus.

WHAT ARE THE FEES AND CHARGES?

Prudential reserves the right to vary the policy charges or to impose new charges with no less than 1 month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Scheme level

	Rate	Deduct from																													
Administration charge	<ul style="list-style-type: none"> From the 1st to 5th policy year: 0.175% per month (i.e. 2.1% per annum) of the value of the policy account on the Charge Deduction Day. From the 6th policy year onwards: 0.1% per month (i.e. 1.2% per annum) of the value of the policy account on the Charge Deduction Day. 	The value of the policy account on the Charge Deduction Day by redeeming notional units of Investment Choices in proportion to the respective values of notional units of the relevant Investment Choices allocated. The charges will be deducted on a monthly basis while the policy is in force.																													
Assurance Charge (Cost of insurance)	<p>The Assurance Charge is an amount payable for the death benefit provided by your Plan. Amount of Assurance Charge is calculated according to the net amount at risk and determined by reference to the sex and age next birthday of the life assured as of the beginning of each policy year.</p> <ul style="list-style-type: none"> Monthly Assurance Charge = (annual Assurance Charge rate per USD 1,000 net amount at risk ÷ 12) x (net amount at risk ÷ 1,000) Where <ul style="list-style-type: none"> Net amount at risk = 5% of the value of the policy account on the Charge Deduction Day. The Assurance Charge rate is determined by reference to the sex and age next birthday of the life assured as of the beginning of each policy year. The table below sets out some indicative annual Assurance Charge rates. These are for illustration purposes only and may vary according to the age next birthday of the life assured. You can refer to the illustration document for the details of your personalised Assurance Charge rates applicable to the policy. <table border="1" data-bbox="422 1377 1013 1892"> <thead> <tr> <th rowspan="2">Age next birthday of the life assured at the beginning of each policy year</th> <th colspan="2">Current annual Assurance Charge rate per USD 1,000 net amount at risk</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>30</td> <td>0.41</td> <td>0.30</td> </tr> <tr> <td>40</td> <td>0.87</td> <td>0.67</td> </tr> <tr> <td>50</td> <td>2.19</td> <td>1.60</td> </tr> <tr> <td>60</td> <td>6.09</td> <td>3.64</td> </tr> <tr> <td>70⁺</td> <td>16.61</td> <td>11.80</td> </tr> <tr> <td>80⁺</td> <td>60.62</td> <td>39.55</td> </tr> <tr> <td>90⁺</td> <td>198.99</td> <td>119.23</td> </tr> <tr> <td>100⁺</td> <td>357.44</td> <td>242.95</td> </tr> </tbody> </table>	Age next birthday of the life assured at the beginning of each policy year	Current annual Assurance Charge rate per USD 1,000 net amount at risk		Male	Female	30	0.41	0.30	40	0.87	0.67	50	2.19	1.60	60	6.09	3.64	70 ⁺	16.61	11.80	80 ⁺	60.62	39.55	90 ⁺	198.99	119.23	100 ⁺	357.44	242.95	The value of the policy account on the Charge Deduction Day by redeeming notional units of Investment Choices in proportion to the respective values of notional units of the relevant Investment Choices allocated. The charges will be deducted on a monthly basis while the policy is in force.
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	<p>+ Please note that the Assurance Charge may become significant as the age of the life assured increases. The applicable Assurance Charge rates will be made available to you upon your request.</p>																														

WHAT ARE THE FEES AND CHARGES? (CONT.)

Scheme level

	Rate	Deduct from														
Redemption charge	<p>The redemption charge is a specified percentage of the partial withdrawal amount upon partial withdrawal and the value of the policy account upon surrender within the first 5 policy years:</p> <ul style="list-style-type: none"> Redemption charge applicable to partial withdrawal: Partial withdrawal amount x applicable rate as shown below Redemption charge applicable to surrender: The value of the policy account x applicable rate as shown below The redemption charge rate will be determined by reference to the policy year during which the policy is surrendered or the partial withdrawal takes place: <table border="1"> <thead> <tr> <th>Policy year (before next policy anniversary)</th> <th>Redemption charge rate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>8%</td> </tr> <tr> <td>2</td> <td>6%</td> </tr> <tr> <td>3</td> <td>4.5%</td> </tr> <tr> <td>4</td> <td>3%</td> </tr> <tr> <td>5</td> <td>1%</td> </tr> <tr> <td>6 and thereafter</td> <td>0%</td> </tr> </tbody> </table> <p>For details of the specified percentages of the redemption charge, please refer to the “Summary of charges” section in the Product Brochure.</p>	Policy year (before next policy anniversary)	Redemption charge rate	1	8%	2	6%	3	4.5%	4	3%	5	1%	6 and thereafter	0%	<p>The amount of partial withdrawal upon partial withdrawal; or in case of surrender, from the value of the policy account before the surrender value is paid to you.</p>
Policy year (before next policy anniversary)	Redemption charge rate															
1	8%															
2	6%															
3	4.5%															
4	3%															
5	1%															
6 and thereafter	0%															
Switching charge	Currently nil															

Please refer to the “Summary of charges” section on page 14 to 16 of the Product Brochure of **PRULink Empower Investment Plan** for details of the charges.

Reference fund level

You should note that the reference funds of the Investment Choices you selected may have separate charges on management fee, performance fee, bid-offer spread, switching fee and/or other recurring fees. You do not pay these fees directly: the fees will be deducted and such reduction will be reflected in the unit price of the reference fund.

For details, please refer to the Product Brochure of **PRULink Empower Investment Plan**, the Summary Information for Investment Choices and the offering documents of the reference funds which are available from Prudential upon request.

WHAT IF YOU CHANGE YOUR MIND?

- **Cooling-off period**

- Cooling-off period is a period during which life insurance policyholders have a right to cancel their policies and obtain a refund of any premium(s) and insurance levy(ies) paid by you, less any market value adjustment, and any withdrawal amounts paid to you after deduction of redemption charges, within the earlier of 21 calendar days immediately following the day of delivery of the policy or the notice to you or to your nominated representative, provided that no claim has been made. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period.
- You have to tell Prudential by giving written notice within the cooling-off period. Such notice must be signed by you and received directly by Prudential Hong Kong Limited at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- You may get back the amount you paid, or less if the value of the Investment Choices chosen has gone down. The amount you may get back shall not include any extra allocation previously credited to your policy.

Prudential Hong Kong Limited

(A member of Prudential plc group)

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Corporate Website: www.prudential.com.hk

IMPORTANT

Prudential Hong Kong Limited is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including the **PRULink** Empower Investment Plan referred to in this statement.

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness or any liability for any loss arising from or in reliance upon the whole or any part of the contents of this statement.

This statement is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell, or a solicitation to buy, or a provision of any insurance product outside Hong Kong. Prudential Hong Kong Limited does not offer or sell any insurance product in any jurisdictions outside of Hong Kong in which such offering or sale of the insurance product is illegal under the laws of such jurisdictions.

GLOSSARY

- **Average Monthly Policy Account Value** – is equal to the sum of the values of the policy account as at each Charge Deduction Day over the past 60 months immediately prior to the relevant policy anniversary divided by 60. The value of the policy account is calculated based on the unit redemption price of the Investment Choice(s) on the previous valuation date as at the relevant Charge Deduction Day.
- **Charge Deduction Day** – means 3rd day of each calendar month or, if (i) that day falls on a public holiday or Sunday; (ii) there is any inevitable interruption of normal business on that day; or (iii) there is any circumstances, situations or events beyond our reasonable control that make it impracticable to carry out a charge deduction on that day, then it will fall on the next practicable business day.
- **Investment Choice(s)** – means the investment choice(s) available for your selection under the Plan and are set out in the Summary Information for Investment Choices.
- **Offering Document** – the combination of this Product Key Facts Statement, the Product Brochure and the Summary Information for Investment Choices.
- **Proof of Death Claim** – means a written notification of the insured's death using our prescribed claim form and other documents/evidences as listed in the policy provisions.
- **Principal Brochure** – the combination of the Product Brochure and the Summary Information for Investment Choices.