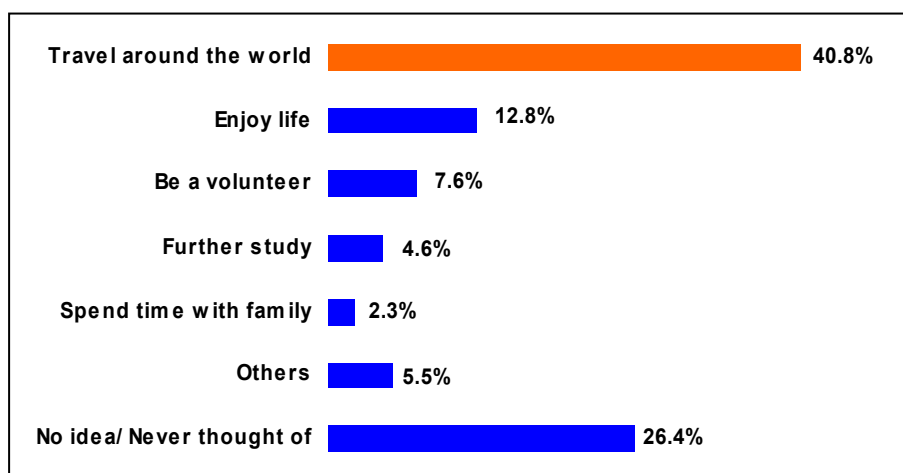


‘Voyage of Happiness’ 2008 Survey: Key Findings
Conducted by MassMutual Asia Ltd.

I. Hong Kong people dream of around-the-world travel and enjoying life, yet seriously underestimate retirement needs

- ✧ Some 40% of respondents dream of ‘traveling around the world’ after retirement and 13% of respondents hope to ‘enjoy life’. However, nearly 30% of respondents have no idea, or clear direction and objective about their retirement life (Chart 1).

Chart 1: Retirement goals



- ✧ Some 70% of male respondents expect to retire when they reach age 60 (Chart 2) while nearly 50% of females have the same expectation (Chart 3). However, the labor force participation rate is less than 50% and 15% for males and females respectively (Tables 1 & 2). Almost half the respondents expected to spend more than HK\$10,000 per month to maintain their existing standard of living. On the other hand, over 15% responded that they budgeted monthly retirement expenses of less than HK\$5,000 (Chart 4). On average, respondents’ budgeted monthly retirement expenses are HK\$10,813, with an increase of 14% compared with a 2005 survey findings (Chart 5).

Chart 2: Comparison of expected retirement age (males)

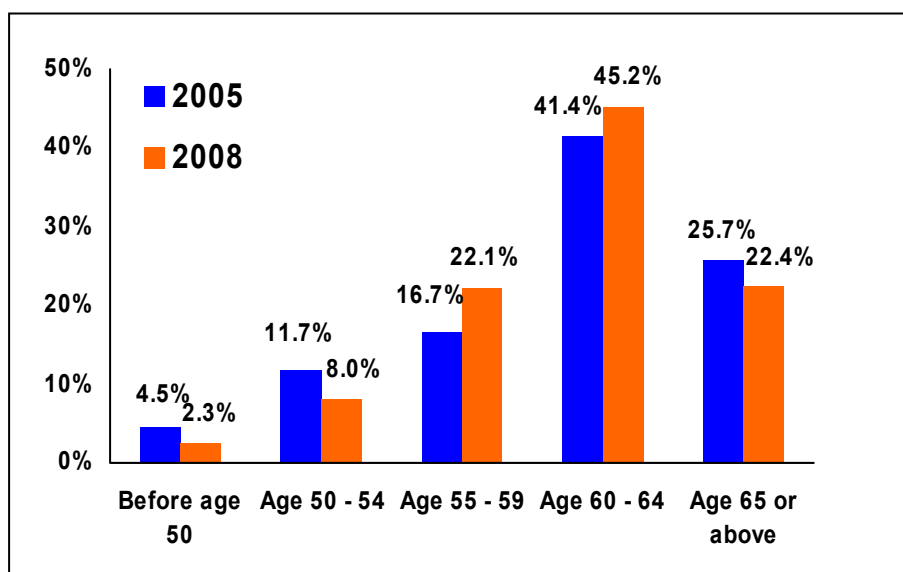


Table 1: Labor force participation rate (males)

Age Group	Year 1996	Year 2006
25 – 29	97.1 %	95.5 %
30 – 34	98.5 %	96.9 %
35 – 39	98.0 %	96.6 %
40 – 44	97.6 %	96.0 %
45 – 49	96.6 %	94.4 %
50 – 54	91.5 %	89.6 %
55 – 59	77.2 %	75.8 %
60 – 64	50.1 %	46.3 %
65 or above	13.5 %	10.2 %

Source: Hong Kong Annual Digest of Statistics 2007, Census and Statistics Department

Chart 3: Comparison of expected retirement age (females)

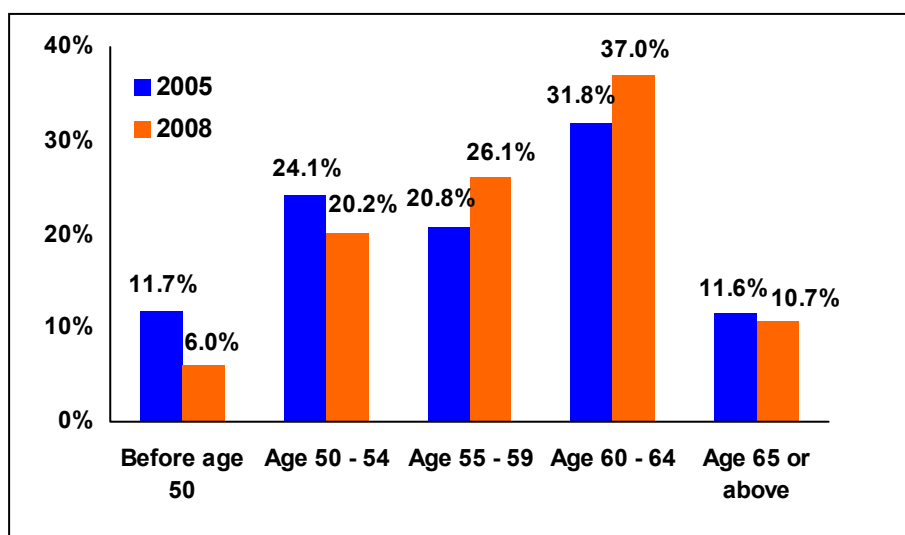


Table 2: Labor force participation rate (females)

Age Group	Year 1996	Year 2006
25 – 29	82.9 %	87.2 %
30 – 34	69.1 %	79.1 %
35 – 39	56.9 %	72.3 %
40 – 44	54.3 %	67.4 %
45 – 49	51.5 %	62.9 %
50 – 54	39.4 %	52.9 %
55 – 59	26.3 %	36.5 %
60 – 64	11.3 %	14.4 %
65 or above	2.7 %	1.8 %

Source: Hong Kong Annual Digest of Statistics 2007, Census and Statistics Department

Chart 4: Comparison of budgeted monthly retirement expenses

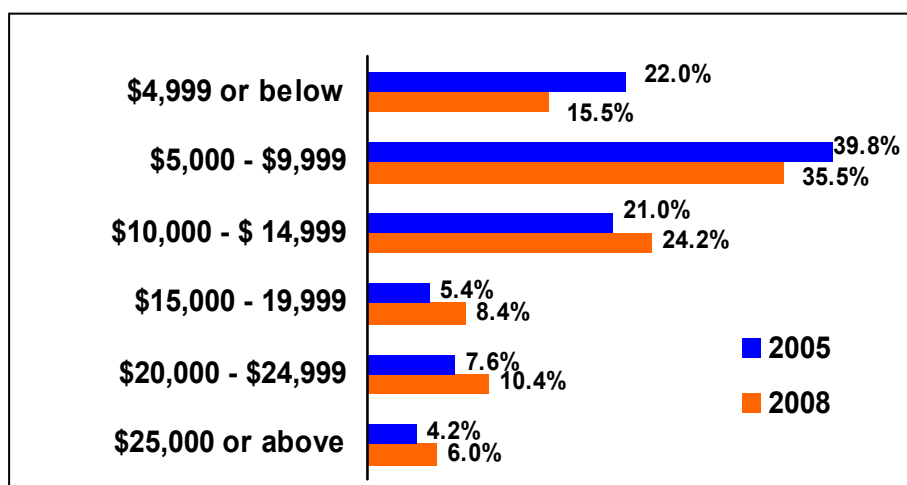
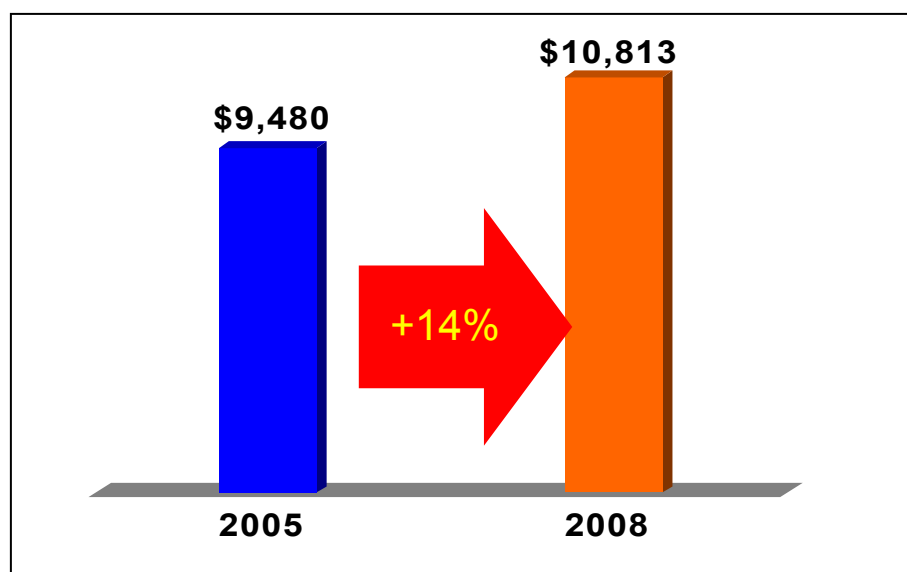


Chart 5: Comparison of the average budgeted monthly retirement expenses



- ✧ Up to 85% of respondents have underestimated the retirement funds they will need; and 60% of respondents have seriously underestimated this, their projected funds being 50% or more below the actual amount required (Chart 6). More than 80% of respondents reveal that a pension from their Mandatory Provident Fund contributions will not be enough to support their monthly retirement expenses (Chart 7).

Chart 6: Comparison of projected and actual retirement funds required

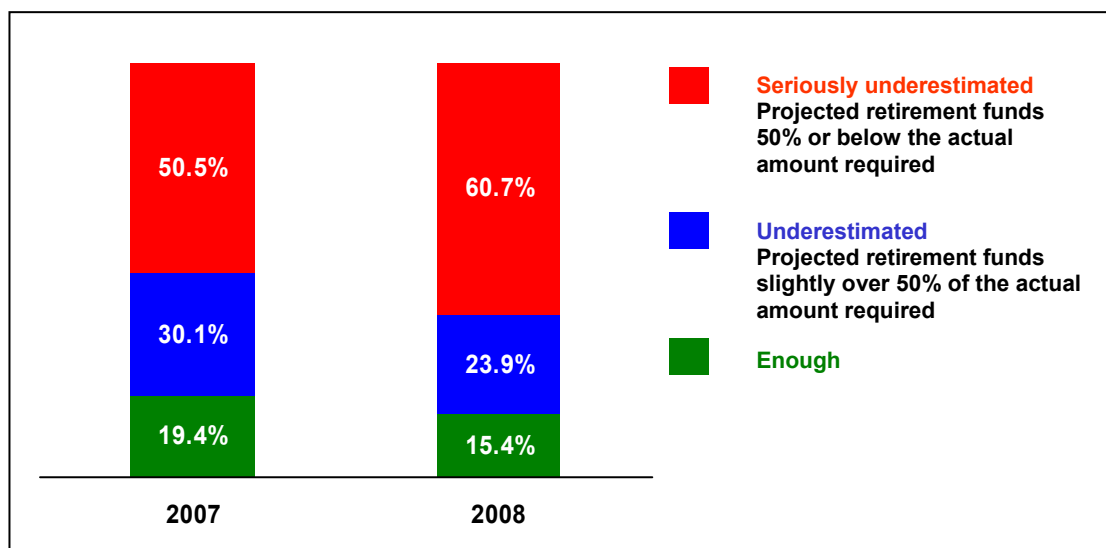
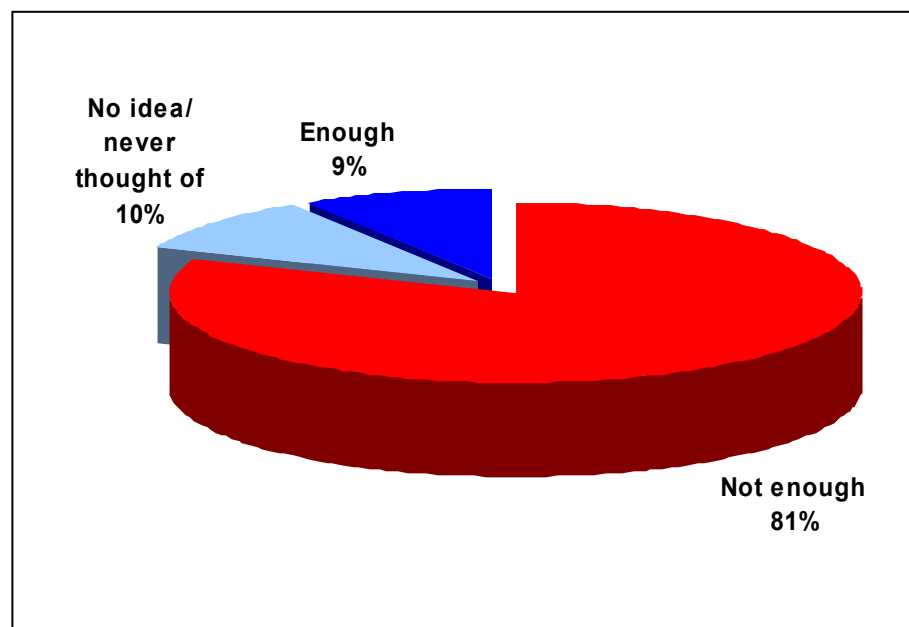


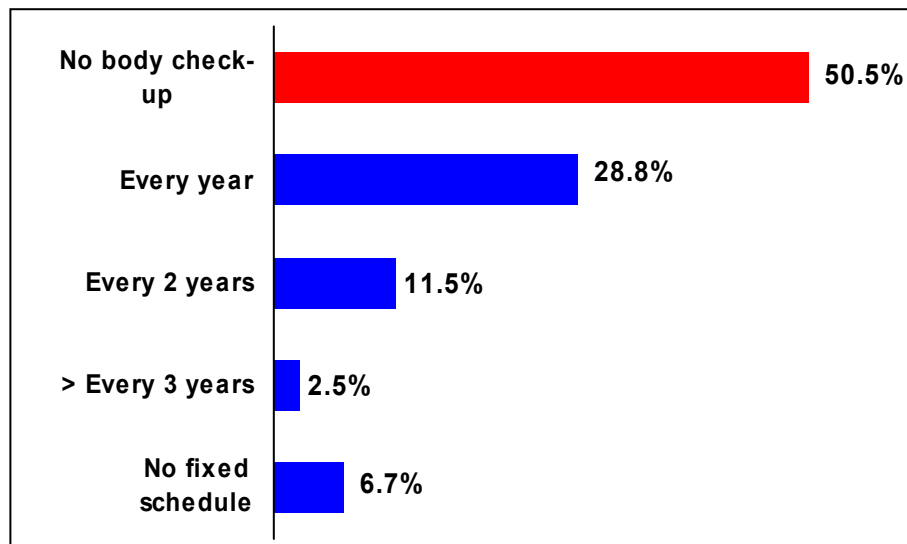
Chart 7: Sufficiency of Mandatory Provident Fund to support the monthly retirement expenses



II. Hong Kong people lack awareness of risk management

- ✧ Some 50% of respondents do not have a regular body check-up (Chart 8).

Chart 8: Frequency of body check-up by Hong Kong people



- ✧ Some 45% of respondents are not insured by medical benefits (Chart 9) and nearly 55% are not covered for critical illnesses (Chart 10). Over 50% of respondents reported their low coverage rate was because they do not need the cover or are not willing to pay for a critical illness benefit plan (Chart 11).

Chart 9: Percentage of Hong Kong people insured with medical benefit

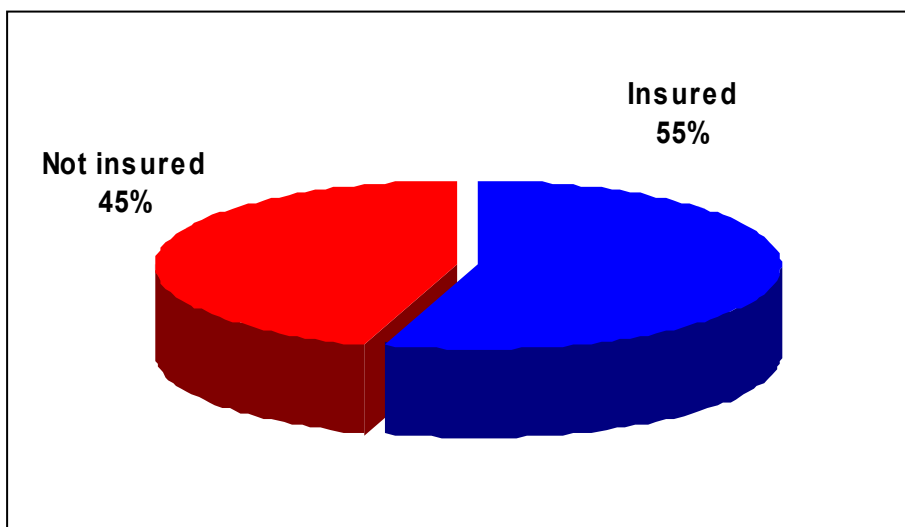


Chart 10: Percentage of Hong Kong people insured by critical illness benefit

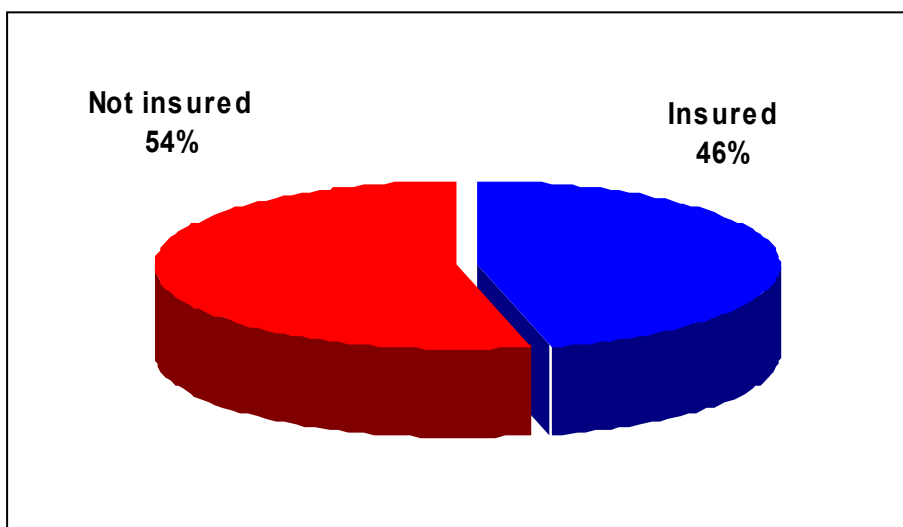
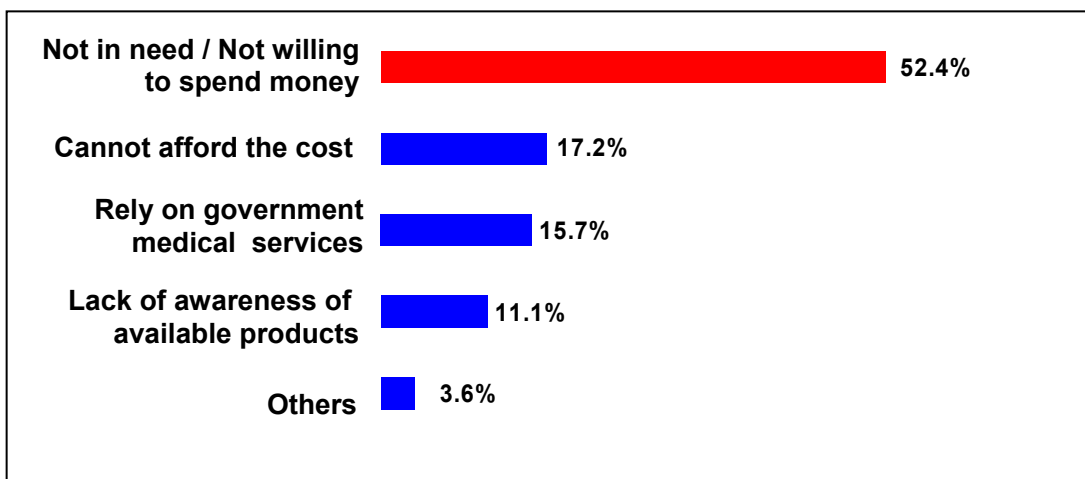
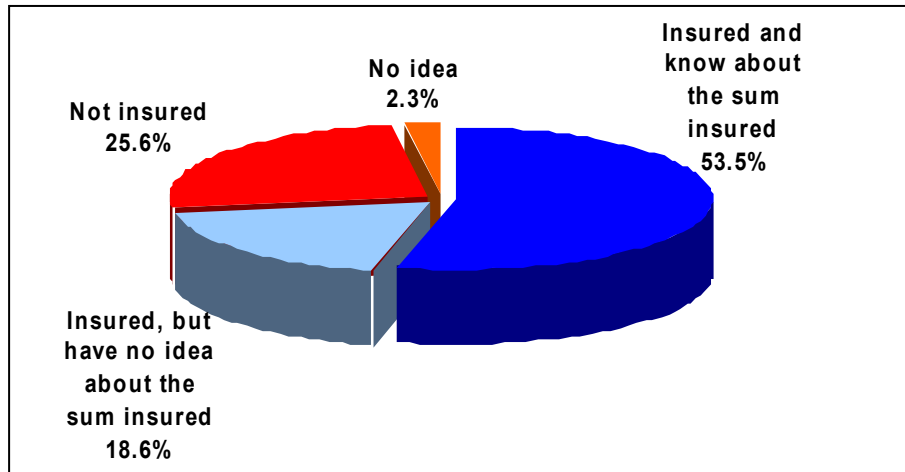


Chart 11: Reasons for no critical illness cover



- ✧ Some 70% of respondents have some type of life insurance. However, nearly 20% of respondents are not clearly aware of the amount of protection. As many as 25% of respondents are not covered by any life insurance plan (Chart 12).

Chart 12: Percentage of Hong Kong people with life insurance



Conclusion

Retirement Planning

Hong Kong people have high expectations towards the quality of their retirement life, expectations which are reflected in their dreams of traveling around the world after a long working life. However, due to fierce competition for jobs among the Hong Kong workers, Hong Kong people apparently finish their career lives much earlier than usual. Due to early retirement and longer life expectancy, Hong Kong people can now look forward to a retirement life averaging as long as 30 to 40 years, or even longer period. Since Hong Kong people rarely calculate their retirement needs and as life expectancy cannot be accurately estimated, an annuity plan is therefore the best safety net for coping with the financial needs of retirement.

Risk Management

The fact that “prevention is better than cure” is always overlooked by Hong Kong people. More importantly, most people tend not to see the likelihood of hospitalization and the trend towards younger people suffering from critical illnesses. Of course, government medical services provide a basic safety net, but the high usage rate leads to long waiting periods before treatment. Since it is important to receive prompt quality treatment to ensure a rapid recovery, some form of medical or critical illness insurance is the best possible provision for the protection of a family. And nowadays, professional financial planning advisors are available to conduct a proper personal financial analysis which calculates your protection needs and help project the best financial safety net.