Manulife Provident Plan Explanatory Memorandum

1 December 2023

Manulife Provident Plan

Explanatory Memorandum

IMPORTANT

- **The Manulife Provident Plan allows employers to establish a Scheme. The Constituent Fund(s) of each Scheme will invest in Designated Fund(s) that primarily invests in equities, debt securities and/or money market securities, each with a different risk profile.**
- **Designated Funds which invest in debt securities rated below investment grade may be subject to higher credit and counterparty risks than funds investing in debt securities of higher credit ratings.**
- **Designated Funds which invest in emerging markets or in small capitalisation companies may be subject to higher liquidity and volatility risks and Designated Funds which invest in a particular market or sector may be subject to a higher concentration risk than funds following a more diversified policy.**
- **Investment involves risks. Past performance should not be taken as an indication of future performance.**
- **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 is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.**
- **Please be reminded that if a new Member with Member Choice fails to make any investment choices, the relevant investment amounts will be invested into the default fund, which is currently Schroder HK Money Market Fund (MPP) which may not necessarily be suitable for you. For an existing Member, if Member Choice becomes available, failing to make any investment choices will result in the relevant investment amounts being invested according to the existing investment mandate which may not necessarily be suitable for you.**

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3rd edition - September 1996
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12th edition - November 2016
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Important information

If you are in doubt about the meaning or effect of the contents of this Explanatory Memorandum, you should seek independent professional financial advice.

The Sponsor accepts responsibility for the accuracy of the information contained in this Explanatory Memorandum as at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. However, neither the delivery of this Explanatory Memorandum nor the offer of or agreement to participation in the Plan shall under any circumstances constitute a representation that the information contained in this Explanatory Memorandum is correct as of any time subsequent to such date. This Explanatory Memorandum may from time to time be updated. The latest Explanatory Memorandum, as amended or supplemented, will be available from the Sponsor.

The Plan has been authorised by the Securities and Futures Commission ("**Commission**" or "**SFC**") in Hong Kong. In granting such authorisation, the Commission does not take any responsibility for the financial soundness of the Plan or for the accuracy of any of the statements made or opinions expressed in this Explanatory Memorandum. SFC authorisation is not a recommendation or endorsement of the Plan nor does it guarantee the commercial merits of the Plan or its performance. It does not mean the Plan is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Where any collective investment scheme (including the Designated Funds) is described in this Explanatory Memorandum as having been authorised by the SFC or approved by the Mandatory Provident Fund Schemes Authority ("**MPFA**"), such SFC authorisation or MPFA approval does not imply official recommendation or endorsement of such collective investment scheme nor does it guarantee the commercial merits of the collective investment scheme or its performance. It does not mean the collective investment scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

No action has been taken to permit an offering of units in the Plan or the distribution of this Explanatory Memorandum in any jurisdiction where action would be required for such purpose other than Hong Kong. Accordingly, this Explanatory Memorandum may not be used in any jurisdiction where its distribution is not authorised.

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Important - If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional financial advice.

Directory of parties

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Definitions

“Administrator”	BOCI-Prudential Trustee Limited
“Authority”	the Mandatory Provident Fund Schemes Authority
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are open for normal banking business
“Code”	SFC’s Code on Pooled Retirement Funds
“Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Constituent Fund”	a separate pool of assets of the Plan, which is invested and administered separately from other assets of the Plan
“Deed of Attachment”	the deed by which an employer participates in the Plan
“Default Fund”	Schroder HK Money Market Fund (MPP) or such other Defined Contribution Fund as the Trustee may determine and notify the employers and Members from time to time
“Defined Benefit Fund”	a Constituent Fund established for investment by a Defined Benefit Scheme
“Defined Benefit Scheme”	a Scheme under which benefits are determined in accordance with the relevant Deed of Attachment
“Defined Contribution Fund”	a Constituent Fund established for investment by Defined Contribution Schemes
“Defined Contribution Scheme”	a Scheme under which benefits are determined by reference to the amount of contributions to the Scheme and the investment returns on those contributions
“Designated Fund”	an investment fund determined by the Trustee, with the consent of the Sponsor, in which Defined Benefit Funds and Defined Contribution Funds invest
“Employer’s Balance”	for a Member of a Defined Contribution Scheme, the amount of the Member’s credit balance in the Scheme attributable to the employer’s contributions
“HK$” and “HK dollars”	the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mandate”	an investment instruction from a Member entitled to exercise investment choice, relating to investment of the Member’s Balance and (if appropriate) Employer’s Balance of the Member and contributions by or (if appropriate) in respect of the Member
“Member”	a person who has been admitted as and remains as a member of a Scheme in accordance with the terms of the Trust Deed
“Member Choice”	the right of a Member given by its employer to determine his/her Mandate in respect of a Scheme
“Member’s Balance”	for a Member of a Defined Contribution Scheme, the amount of the Member’s credit balance in the Scheme attributable to the Member’s contributions
“ORS Ordinance” or “ORSO”	the Occupational Retirement Schemes Ordinance of Hong Kong
“Plan”	Manulife Provident Plan
“Scheme”	an occupational retirement scheme established by an employer by executing a Deed of Attachment to participate in the Plan
“Sponsor”	Manulife (International) Limited
“Trust Deed”	the trust deed establishing the Plan dated 31 May 1976, as amended, supplemented and restated from time to time
“Trustee”	Standard Chartered Trustee (Hong Kong) Limited in its capacity as trustee of the Plan
“Unit”	one undivided share in the Defined Contribution Fund to which the class of Units relates. A fraction of a Unit shall represent the corresponding fraction of an undivided share in the relevant Defined Contribution Fund
“UT Code”	SFC’s Code on Unit Trusts and Mutual Funds
“Valuation Date”	every Business Day or such other day or days as the Trustee and the Sponsor may agree from time to time either generally or in relation to a particular Constituent Fund or, at the request of the relevant employer, a particular Scheme

About Manulife Provident Plan

The Manulife Provident Plan is governed by the laws of Hong Kong and offers the combined expertise of Manulife (International) Limited, Standard Chartered Trustee (Hong Kong) Limited and BOCI-Prudential Trustee Limited to offer the highest level of service and flexibility to large and small companies alike.

The structure of the Plan is likely to be suitable for all Hong Kong employers including those looking for a wide range of investment choices.

How to Join

The Plan is established under the Trust Deed which provides rules that meet the requirements of the ORS Ordinance and the Code.

Employers join the Plan by executing a Deed of Attachment.

Employers execute their own individual Deed of Attachment which also specifies variations to the rules for the purposes of their Scheme. These rules may be tailor-made to particular requirements.

Contributions and Benefits

Employers may choose to establish their Scheme in the Plan with one of two structures:

1. **Defined Contribution Schemes**

   In these Schemes, the level of contribution is fixed either as a monetary amount or a percentage of the employee's salary. The Trustee will apply contributions made by or on behalf of a Member to acquire Units in the Defined Contribution Funds for the account of such Member. The benefits payable to a Member on retirement are dependent on the contributions paid during the Member's period of membership of the Plan and the investment return achieved on those contributions during the period.

2. **Defined Benefit Schemes**

   These Schemes offer benefits which are determined in accordance with the relevant Deed of Attachment. The level of benefits may be related to a proportion of the employee's final salary according to his/her years of service, for which contributions will be actuarially calculated accordingly.

Constituent Funds

The assets of the Plan are divided into separate Constituent Funds. Each Constituent Fund has a separate investment objective and policy and is invested separately from the other Constituent Funds.

For Defined Benefit Schemes

The Trustee may establish a separate Constituent Fund for each Defined Benefit Scheme participating in the Plan (each such Constituent Fund being referred to as a "**Defined Benefit Fund**"). A Defined Benefit Fund may be invested in any of the Designated Funds as the employer may agree with the Trustee. Only contributions relating to the Defined Benefit Scheme for which the Defined Benefit Fund was established will be credited to such Defined Benefit Fund.

The Defined Benefit Funds are not unitised.

For Defined Contribution Schemes

A range of Constituent Funds is currently available for investment by Defined Contribution Schemes (each such Constituent Fund being referred to as a "**Defined Contribution Fund**"). These Defined Contribution Funds, each of which is invested wholly in a particular Designated Fund, offer investment choices covering a broad range of asset allocation choices. A list of the Defined Contribution Funds and an overview of each of the Designated Funds are set out in Appendix 1.

Each of the Defined Contribution Funds is unitised in the books of the Plan. Unitisation means that investment in each Defined Contribution Fund is represented by a holding of Units in that Defined Contribution Fund (each Unit representing an equal undivided share in the relevant Defined Contribution Fund).

The Trustee, with the consent of the Sponsor (and the approval of the Commission), may change the investment objectives and/or policies of a Defined Contribution Fund. The Trustee will give notice of any change in the investment objectives and policies of a Defined Contribution Fund to employers and to Members entitled to exercise investment choice in accordance with the relevant regulatory requirements and the Trust Deed.

The Trustee, with the consent of the Sponsor, may change the Designated Fund in which a Defined Contribution Fund invests by giving notice to employers and to Members entitled to exercise investment choice in accordance with the relevant regulatory requirements and the Trust Deed.

Risk Factors

Members should carefully read this Explanatory Memorandum in full before making any investment. Each Designated Fund in which a Constituent Fund invests has different investment objectives and is thus, subject to different types of risks.

Some of the risks to which Designated Funds and hence the Constituent Funds may be exposed are discussed below.

1. **Investment Risk**

   There can be no assurance that a Constituent Fund and the underlying Designated Fund in which it invests will achieve their investment objectives. Past performance is no guarantee of future results. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, and by changes to economic or monetary policies, or economic or political conditions. There is no guarantee of the repayment of principal.

   Investments by a Constituent Fund in its underlying Designated Fund are subject to market fluctuations, liquidity risk and other risks inherent to investing in securities. As a result, the value of investments in the Designated Funds, and hence the Constituent Funds, may go down as well as up and a Member may not get back the amount he/she invests.

2. **Liquidity risk**

   Some of the markets in which the Designated Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of securities traded on such markets. Certain securities may be difficult or impossible to sell, and this would affect the relevant Designated Fund's ability to acquire or dispose of such securities at their intrinsic value. As a result, this may have adverse impact on the relevant Designated Fund and the Constituent Fund.

   Investments held by a Designated Fund may need to be sold if insufficient cash is available to finance redemption by its investors. If the size of the disposals is sufficiently large, or the market is illiquid or volatile, then there is a risk that the realisation of assets may be restricted or delayed, resulting in a delay in the realisation of interests in the Designated Fund by the relevant Constituent Fund, and where applicable, a delay in the payment of benefits.

3. **Risks associated with investment in fixed income instruments**

   Some of the Designated Funds may invest in bonds and other fixed income instruments and the value of such instruments will fluctuate depending on factors including but not limited to the following:

   Interest rate risk: Interest rates may be subject to fluctuations. Generally, the market value of debt securities decreases when interest rates rise and increases when interest rates fall. Designated Funds that invest in debt securities and fixed income instruments are particularly susceptible to interest rate changes and may experience significant price volatility. Any fluctuation in interest rates may affect the income received by the Constituent Funds directly or via their Designated Funds. In addition, the value of certain debt securities may fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. As a result, the performance of the Constituent Funds investing in such Designated Funds may be adversely affected.

   Credit/Default risk: Investments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. In both cases, the entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. Consequently, this would have adverse impact on the Designated Fund and the Constituent Fund investing in such Designated Fund.

   Downgrading risk: The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the affected Designated Fund (where applicable, through its investments in underlying funds investing into bonds) may be adversely affected. The investment manager of the affected Designated Fund may or may not be able to dispose of the debt instruments that are being downgraded and this may have an adverse impact on the Designated Fund's performance, and consequently the performance of the Constituent Fund investing in such Designated Fund.

   Credit rating risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

   Sovereign debt risk: Some of the Designated Funds which may invest in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the affected Designated Funds to participate in restructuring such debts. The affected Designated Funds may suffer significant losses when there is a default of sovereign debt issuers and this may have an adverse impact on the affected Designated Funds' performance, and consequently the performance of the Constituent Fund investing in such Designated Fund.

   Valuation Risk: Valuation of some of the Designated Funds' investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of such Designated Funds and the corresponding Constituent Funds.

   Constituent Funds which invest in such Designated Funds will also be subject to the above risks associated with bonds and other debt instruments and as a result, their performance may be adversely impacted.

4. **Emerging markets risk**

Some countries in which some of the Designated Funds may invest are considered as emerging markets. As emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of market risk. The securities markets of some of the emerging countries are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. Accounting, auditing and financial reporting standards in some of the emerging markets may be less vigorous than international standards. As a result, certain material disclosures may not be made by some companies. In many cases, governments of emerging markets retain a high degree of direct control over the economy and may take actions having sudden and widespread effects such as suspension of trade and moratorium which may affect the valuation of assets. Investments in products of emerging markets may also become illiquid which may constrain the investment manager's ability to realise some or all of the portfolio and thus affect the repatriation of capital. Further, the interpretation or application of current laws or regulations in emerging markets may have adverse effects on the relevant Designated Fund's investments and the Constituent Fund investing in such Designated Fund.

5. **Concentration risk**

Country / Geographical area: Designated Funds (or another fund which a Designated Fund invests) which focus on investing in a single geographical area or country or a single sector may be subject to greater degree of volatility than a more diversified fund. As a result, this may have adverse impact on the return of the Constituent Funds investing in such Designated Funds.

Stock / Issuer: At times, some of the Designated Funds may invest in a relatively small number of investments, stocks or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments, stocks or issuers. As a result, this may have adverse impact on the return of the Constituent Funds investing in such Designated Funds.

6. **Risks associated with investing in small and/or mid-sized capitalisation companies**

The securities of companies with a relatively small or mid-sized share capital (a small or mid-sized capitalisation company) may be subject to higher volatility than companies with larger share capital. Broadly speaking, this increased volatility may first be due to small or mid-sized capitalisation companies having limited financial resources, which makes such companies less able to withstand changes in the business environment. Secondly, small or mid-sized capitalisation companies' shares may be traded less frequently and in a more limited volume and may therefore be subject to more abrupt or erratic price movements than larger capitalisation companies. Thirdly, the market for securities of small or mid-sized capitalisation companies in which a Designated Fund may invest may be relatively illiquid as compared with that for securities of large capitalisation companies. This may have adverse impact on the return of the Constituent Fund investing in such Designated Fund.

7. **Risks associated with investing in financial derivative instruments**

Some of the Designated Funds may use financial derivative instruments such as futures and options contracts. The value or return of these types of instruments is based on the performance of an underlying asset. These instruments may be volatile and involve various risks, including market risk, the risk of lack of correlation or leverage effect, liquidity risk and the risk of non-performance or default by the counterparty. Consequently, this may have adverse impact on the performance of the Constituent Funds investing in such Designated Funds.

8. **Risk of investing in unrated / low-rated debt securities and high yielding / defaulted debt securities**

Some of the Designated Funds may invest in unrated / low-rated or below investment grade debt securities. In addition to higher credit and counterparty risks, these debt securities are generally subject to greater price volatility when compared to debt securities of higher rating / lower yielding. In addition, some of the Designated Funds may invest in debt securities on which the issuer is no longer making interest payments (i.e. defaulted debt securities). The risk of loss due to default of this type of securities may be considerably greater, as they are generally unsecured and are often subordinated to other creditors of the issuer. These securities are generally illiquid and tend to lose much of their value before issuer default.

As a result, the return of the Designated Funds investing in such securities may be adversely impacted which in turn will adversely impact on the return of the Constituent Funds investing into such Designated Funds.

9. **Currency risk**

The base currency of a Constituent Fund may be different from the base currency of the Designated Fund in which it invests. In addition, some of the Designated Funds may invest in whole or in part in assets quoted in other currencies. Performance of the relevant Constituent Fund and its underlying Designated Fund may therefore be affected by movements in the exchange rate between the currencies in which the assets are held and their respective base currencies.

Some of the Designated Funds may engage in currency hedging to reduce exchange rate fluctuations. There is no assurance that the hedging objective will be achieved, and currency hedging may limit the benefit from any increase in value of the hedged currency, and expose a Designated Fund to any gains / losses on and the costs of the relevant financial instrument.

10. **Risks relating to investing in Chinese securities and/or China markets**

Some of the Designated Funds may invest in Chinese securities, including without limitation China A-Shares listed on Chinese stock exchanges, China market access products such as participation notes that provide access to Chinese securities, and fixed income instruments such as debt securities. These securities may be denominated in renminbi (RMB). These investments are subject to risks associated with investing in China markets, and where applicable, RMB currency risk, including:

- *China market risk*: China is a developing country, and investing in China securities is subject to risks of investing in emerging markets. Regulatory and legal framework may be subject to significant change as a result of changes in political, social or economic policies. Chinese accounting standards may deviate significantly from international accounting standards. Settlement and clearing systems may be prone to higher risk of error or inefficiency. Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the affected Designated Funds.

  Investors should also be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from investments. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

  The means of accessing Chinese securities may be restricted, e.g. investment through the Qualified Foreign Investor ("**QFI**") regime (including the qualified foreign institutional investors ("**QFII**") regime and the Renminbi qualified foreign institutional investors ("**RQFII**") regime) is indirectly exposed to the risks of suspension or revocation of the QFI, QFII and RQFII regimes as well as subject to restrictions on remittance and repatriation, which may impact investments unfavourably.

- *Liquidity risk*: The relevant Chinese securities may not be listed or there may not be an active secondary market, or access may be restricted, or in adverse circumstances, trading on an exchange could be suspended. Consequently, liquidity may be low and the bid and offer spread may be large, which may adversely affect the value of investment.

- *Renminbi currency risk*: RMB is not freely convertible and is subject to exchange control. In addition, if a Designated Fund is denominated in a currency other than RMB, a devaluation in RMB could adversely affect the value of investment.

- *Stock Connect risk*: The relevant rules and regulations on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (together "**Stock Connect**") are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, a Designated Fund's ability to invest in China A-shares or access the PRC market through the programme will be adversely affected. In such event, the Designated Fund's ability to achieve its investment objective could be negatively affected.

- *China Interbank Bond Market Risks*: The China interbank bond market ("**CIBM**") is an over-the-counter market. It is in a stage of development and internationalisation and is subject to regulatory risks. Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on the CIBM fluctuating significantly. The bid and offer spreads of the prices of onshore PRC bonds may be large resulting in significant trading and realisation costs. To the extent that a Designated Fund transacts in the CIBM, the Designated Fund may be exposed to risks associated with settlement procedures and default of counterparties.

- *Bond Connect and Foreign Access Regime*: The bond connect ("**Bond Connect**") and the foreign access regime ("**Foreign Access Regime**") are channels through which eligible foreign investors may invest in bonds circulated in the CIBM. Investing in the CIBM via the Bond Connect and the Foreign Access Regime is subject to regulatory risks and risks of default or errors on the part of onshore and offshore service providers. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, a fund's ability to invest in the CIBM will be adversely affected. Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market.

- *Risks related to investments in China market access products*: Where a Designated Fund uses China market access products (e.g. participatory notes) to gain exposure to China A-Shares indirectly, the Designated Fund will be subject to additional risks including lack of a secondary market in such instruments, illiquidity of the underlying securities, difficulty in selling these instruments at times when the underlying markets are closed and counterparty default risk.

- *Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (STAR Board)*: Some of the Designated Funds may invest directly or indirectly in the ChiNext market and/or STAR Board and as such are subject to the following risks:
  - Higher fluctuation on stock prices and liquidity risk: Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller

operating scale. Listed companies on the ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on the ChiNext market and STAR Board are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.

- Over-valuation risk: Stocks listed on the ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board.
- Delisting risk: It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. The ChiNext market and STAR Board have stricter criteria for delisting compared to the main board. This may have an adverse impact on a Designated Fund if the companies that it invests in are delisted.
- Concentration risk (applicable to the STAR Board): The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the Designated Funds to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the Designated Funds and their respective investors.

A Constituent Fund investing in a Designated Fund which invests in Chinese securities will also be subject to the risks associated with investing in China markets, and where applicable, RMB currency risk and this may have adverse impact on the return of the Constituent Fund.

11. **Risk of investing in convertible bonds and contingent convertible bonds**

Some of the Designated Funds may invest in convertible bonds and contingent convertible bonds. Convertible bonds have investment characteristics of both debt and equity securities. A convertible bond gives its holders the right to convert the bond into shares of the issuing company according to predetermined terms during a conversion period or at conversion dates. Investing in convertible bonds is normally associated with increased creditworthiness risk and downgrading risk, risk of default, risk of interest rate changes, prepayment risks, general market risk and liquidity risk. The value of convertible bonds may be affected by the price movement of the underlying securities (i.e. equities), among other things. Convertible bonds may also have call provisions and other features which give rise to the risk of a call. All these factors may adversely impact the net asset value of these Designated Funds and the Constituent Funds investing in such Designated Funds.

In addition, under the terms of a contingent convertible bond, certain triggering events could cause the permanent write-down to zero of principal investment and/or accrued interest or a conversion to equity. Investment in contingent convertible bonds may entail risks including, but not limited to, capital structure inversion risk, trigger level risk, conversion risk, coupon cancellation risk, call extension risk, industry concentration risk, yield/valuation risk, liquidity risk and unknown risk.

12. **Risk of investing in collective investment schemes**

Some of the Designated Funds may invest in other collective investment schemes and will be subject to the risks associated with the underlying collective investment schemes. The relevant Designated Fund does not have control of the investments of the underlying collective investment schemes and there is no assurance that the investment objective and strategy of the underlying collective investment schemes will be successfully achieved which may have a negative impact to the net asset value of the Designated Fund and the Constituent Fund investing in such Designated Fund.

Some of the underlying collective investment schemes in which the Designated Fund may invest may not be regulated by the Commission. There may be additional costs involved when investing into these underlying collective investment schemes. There is also no guarantee that the underlying collective investment schemes will always have sufficient liquidity to meet the Designated Fund's redemption requests as and when made. As a result, this may have an adverse impact on the Constituent Fund investing in such Designated Fund.

13. **Risks associated with investing in collateralised and/or securitised products (such as covered bonds, asset-backed securities and mortgage-backed securities)**

Some of the Designated Funds may invest directly or indirectly in collateralised and/or securitised products (such as covered bonds, asset-backed and mortgage-backed securities). Such products may be highly illiquid and prone to substantial price volatility, and may be subject to greater credit, liquidity and interest rate risks compared to other debt securities.

To the extent that collateralised and/or securitised products are not guaranteed, such products are also subject to credit risk.

The main factors for credit risk are the likelihood of the borrower paying the promised cash flows and the value of the collateral. If an underlying borrower becomes insolvent or the collateral loses in value, the collateralised and/or securitised products may become worthless. Collateralised and/or securitised products are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities. Consequently, this may adversely impact the returns of the Designated

Fund and the Constituent Fund investing in such Designated Fund.

14. **Risks associated with investing in debt instruments with loss-absorption features**

Some of the Designated Funds may invest directly or indirectly in debt instruments with loss-absorption features ("**LAPs**").

LAPs are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain trigger event(s) (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments. In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. LAPs may also be exposed to liquidity, valuation and sector concentration risks.

A Designated Fund may invest directly or indirectly in contingent convertible debt securities ("**CoCos**") which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

A Designated Fund may invest directly or indirectly in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested. As a result, the return of the Designated Fund and the Constituent Fund investing in such Designated Fund will be adversely impacted.

15. **Risks in relation to investments in index-tracking funds**

Members should note that the Constituent Funds or their underlying Designated Funds may invest in index-tracking funds which can be subject to the following risks:

(i) market risk of the sector or market tracked by the relevant index;
(ii) failure to fully replicate the performance of the index;
(iii) the index composition may change over time which may affect performance;
(iv) termination of the licence to use the relevant index; and
(v) an index-tracking fund may be traded at a market price, which may be different from its net asset value and may fluctuate.

In the event of the termination of the licence to use the relevant index, the relevant Constituent Fund or its underlying Designated Fund may be required to seek replacement of the index-tracking fund(s) or adopt other investment alternatives.

16. **Risks associated with investing in money market funds**

Some of the Designated Funds may invest directly or indirectly in money market funds, which are not risk-free. Investing in money market funds are not the same as placing funds on deposit with a bank or deposit-taking company. Such investments are not protected by any government, government agency or other guarantee schemes which may be available to protect the holder of a bank deposit account. The Designated Funds that invest in money market funds are not subject to the supervision of the Hong Kong Monetary Authority.

Some of the Designated Funds may invest significantly in money market instruments which typically have short maturities, which means that the turnover rates of such Designated Funds' investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term instruments may also increase which in turn may have a negative impact on the net asset value of such Designated Funds. This may in turn have an adverse impact on the return of the Constituent Funds investing in such Designated Funds.

17. **Company-specific risk**

Some of the Designated Funds may invest in equities which may be affected by company-specific factors, such as the issuer's business situation. If a company-specific factor deteriorates, the price of the respective asset may drop significantly and for an extended period of time, possibly even without regard to an otherwise generally positive market trend. All these factors may adversely impact the net asset value of the affected Designated Funds and the return of the Constituent Funds investing in such Designated Funds.

18. **Risk related to charges deducted from capital and distribution out of capital**

A Constituent Fund may invest in an underlying Designated Fund which makes distribution. The distributions of such Designated Fund may be paid out of the capital of the Designated Fund or out of gross income while charging all or part of the Designated Fund's fees and expenses to the capital of the Designated Fund, resulting in an increase in distributable income for the payment of dividends by the Designated Fund and therefore, the Designated Fund may effectively pay distributions out of capital.

The payment of distributions out of capital/distributions effectively out of capital represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. Any distributions involving payment of distributions out of the Designated Fund's capital/distributions effectively out of the Designated Fund's capital may result in an immediate decrease in the net asset value per share and may reduce the capital available for the Designated Fund for future investment and capital growth. This in turn may have adverse impact on the return of the Constituent Fund investing in such Designated Fund.

A Constituent Fund may invest in the hedge share class of its underlying Designated Fund. The distribution amount and net asset value of any such hedged share class of the Designated Fund may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the base currency of the Designated Fund, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes. Consequently, the return of the Constituent Fund investing in a hedge share class of its underlying Designated Fund may be adversely impacted.

19. **Risks associated with investing in Environmental, Social and Governance ("ESG") / Sustainable Investing**

A Constituent Fund which invests in a Designated Fund which is an ESG or sustainable fund will be subject to the following risks associated with investing in ESG / sustainable investing:

- The investment manager of such Designated Fund may integrate ESG information into the investment process. In addition to ESG integration, such Designated Fund also promotes ESG factors or characteristics within their investment policies. The use of ESG information may affect the Designated Fund's investment performance and, as such, may perform differently compared to similar collective investment schemes.

- The investment manager of such Designated Funds may use third-party resources that provide ESG information. In evaluating an investment, the investment manager is dependent upon such information and data, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the investment manager may incorrectly assess a security or issuer. There is no guarantee that such ESG information or the way in which it is implemented is fair, correct, accurate, reasonable or complete.

- Investor and societal sentiment towards ESG concepts and topics may change over time, which may affect the demand for ESG-based investments and may also affect their (and, in turn, such Designated Fund's) performance.

- The securities held by such Designated Fund may be subject to style drift which no longer meet such Designated Fund's ESG criteria after their investments. The investment manager may need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the value of such Designated Fund.

- The use of ESG criteria may also result in such Designated Fund being concentrated in companies with an ESG focus and their value may be more volatile than that of a fund having a more diverse portfolio of investments.

- There is a lack of standardised taxonomy of ESG evaluation methodology and the way in which different ESG / sustainable funds will apply ESG criteria may vary, as there are not yet commonly agreed principles and metrics for assessing the sustainable characteristics of investments of the ESG / sustainable funds.

- Evaluation of sustainable characteristics of the securities and selection of securities may involve the investment manager's subjective judgment. As a result, there is a risk that the relevant sustainable characteristics may not be applied correctly or that such Designated Fund could have indirect exposure to issuers who do not meet the relevant sustainable characteristics, and the sustainable characteristics of a security can change over time.

20. **Equity risk**

The values of equities fluctuate daily. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events. As a result, a Designated Fund investing in equities and a Constituent Fund investing in such Designated Fund could incur significant losses.

21. **Foreign investments restrictions risk**

Some countries prohibit or restrict investment, or the repatriation of income, capital or the proceeds from sale of securities. The affected Designated Funds may incur higher costs investing in these countries. Such restrictions may delay the investment or repatriation of capital of the affected Designated Funds. This may have adverse impact on the Constituent Funds investing in such Designated Funds.

22. **Asset allocation strategy risk**

The investments of some of the Designated Funds may be rebalanced periodically (or as and when market, political, structural, economic and other conditions changes that the investment manager considers it to be appropriate) and therefore the affected Designated Funds may incur greater transaction costs than a fund employing a buy-and-hold allocation strategy. As a result, the return of the Constituent Funds investing in such Designated Funds may be adversely impacted.

It is also possible that the affected Designated Funds may be more concentrated in certain asset class(es) from time to time, and therefore be more impacted by the risks of such asset class(es). This in turn may have adverse impact on the performance of the Constituent Funds investing in such Designated Funds.

23. **Europe and Eurozone risk**

Some of the Designated Funds may invest in the eurozone ("**Eurozone**"). Mounting sovereign debt burdens (e.g. any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the affected Designated Funds may be exposed to additional operational or performance risks. While the European governments, the European Central Bank, and other authorities are taking measures (e.g. undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may not have the desired effect and therefore the future stability and growth of Europe are uncertain. The performance and value of the affected Designated Funds (and hence, the Constituent Funds investing in such Designated Funds) may be adversely affected should there be any adverse credit events (e.g. downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

24. **Risk related to investment in exchange-traded funds and index-tracking funds**

Some of the Designated Funds and their underlying collective investment schemes (if any) may invest in exchange traded funds ("**ETFs**") and/or index-tracking funds ("**Index Funds**"). Index Funds generally are passively managed and may not be able to adapt to market changes. Index Funds may be subject to tracking error risk, which is the risk that its performance may not track that of the index exactly. The trading price of units of ETFs is driven by market factors such as demand and supply of the units, and units may trade at a substantial premium or discount to net asset value. Where the Designated Funds or their underlying collective investment schemes (if any) invest in synthetic ETFs, such investments are susceptible to more significant price fluctuations and higher volatility, and are exposed to risk of fall in collateral value and risk of default of counterparties. This may have adverse impact on the return of the Constituent Funds investing in such Designated Funds.

25. **Securities lending risk**

Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out, which may result in a substantial loss to the Designated Fund, which in turn would adversely impact the value of the Constituent Fund investing in such Designated Fund.

26. **Other risk factors**

U.S. Foreign Account Tax Compliance Act: Under the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), a foreign financial institution ("**FFI**") is required to report to the U.S. Internal Revenue Service ("**IRS**") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS.

In general, an FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("**FFI Agreement**") in respect of FATCA and/or is not otherwise exempt from doing so may face a 30% withholding tax ("**FATCA Withholding Tax**") on all "withholdable payments" derived from U.S. sources, including U.S. sourced dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2019, gross proceeds such as sales proceeds and returns of principal derived from stocks, debt obligations and other assets generating U.S. source dividends or interest will be treated as "withholdable payments". It is expected that certain non-U.S. source payments attributable to amounts that would be subject to FATCA withholding (referred to as "foreign passthru payments") may also be subject to FATCA withholding starting no earlier than 1 January 2019, though the US tax rules on "foreign passthru payment" in U.S. Treasury Regulations are currently pending.

The Hong Kong government has entered into an intergovernmental agreement with the U.S. ("**IGA**") for the implementation of FATCA, adopting "Model 2" IGA arrangements. Under this "Model 2" IGA arrangements, FFIs in Hong Kong would be required to register with the U.S. IRS and comply with the terms of FFI Agreement. Otherwise, they will be subject to a 30% withholding tax on relevant U.S.-sourced payments made to them.

FATCA applies to the Plan. The Plan is obligated to comply with FATCA and is treated as a "sponsored investment entity" and hence a "deemed-compliant FFI" under the Hong Kong IGA. The Plan's "sponsoring entity" for FATCA purposes has agreed to cause the Plan to comply with FATCA (including with applicable terms, to which the Plan is subject, of an FFI Agreement).

The Plan will endeavour to satisfy the requirements imposed under FATCA and the terms of the FFI Agreement to avoid any FATCA Withholding Tax. To do so, the Trustee, the Sponsor and/or any of their Authorised Person(s), on behalf of the Plan, may require a Member to:

(i) provide to the Trustee, the Sponsor and/or any of their Authorised Person(s) certain information (e.g. the Member's status as a U.S. or non-U.S. person, the Member's name, address, U.S. federal taxpayer identification number (if any) etc.); and
(ii) consent to the Trustee, the Sponsor and/or any of their Authorised Person(s) reporting this information and the Member's account information (e.g. account balances and income) to the IRS.

If a Member fails to comply with these obligations, the Trustee, the Sponsor and/or any of their Authorised Person(s) shall be required to report, on behalf of the Plan, information relating to relevant aggregated account balances and the number of non-consenting U.S. accounts to the IRS.

In the event that the Plan were unable to comply with the requirements imposed by FATCA or the terms of an FFI Agreement, the net asset value of the Plan may be adversely affected and the Plan may suffer loss as a result.

Each Member and prospective Member should consult with his/her own tax advisor as to the potential impact of FATCA on its own tax situation.

Establishment and Termination of Constituent Funds

Creation of New Constituent Funds

The Trustee, with the consent of the Sponsor, may in the future create new Constituent Funds for investment by employers and Members.

Change in Designated Fund in which Defined Contribution Fund invests

Initially, each of the Defined Contribution Funds will invest in the Designated Fund noted in Appendix 1. The Trustee, with the consent of the Sponsor, may change the Designated Fund in which a Defined Contribution Fund invests by giving notice to employers and to Members entitled to exercise investment choice in accordance with the relevant regulatory requirements and the Trust Deed.

Closure of Defined Contribution Funds to Future Investment

The Trustee, with the consent of the Sponsor, may close a Defined Contribution Fund to future investment, either for employers and Members generally or for a particular group of employers and Members employed by such employers, e.g. a Defined Contribution Fund may be closed to investment by employers who join the Plan after a certain date.

Where the Trustee decides to close a Defined Contribution Fund to future investment by existing employers and Members, the Trustee will give notice to the relevant employers and Members entitled to exercise investment choice of such closure within such reasonable period as the Trustee and the Sponsor may agree subject to the approval of the Commission. Where the Trustee has made a determination to close a Defined Contribution Fund, any direction given by the employers or any Mandate given by the Members directing investment of contributions in the closed Defined Contribution Fund shall be of no effect in relation to such investment.

Employers and Members entitled to exercise investment choice will have the opportunity (so far as is practicable) to direct any future contribution to be invested in the closed Defined Contribution Fund to any of the other Defined Contribution Funds. Employers and Members entitled to exercise investment choice who fail to give such directions shall be deemed to have given directions to invest the relevant future contributions in a Defined Contribution Fund as specified by the Trustee in the said notice. The Trustee may, with the consent of the Sponsor, determine that a Defined Contribution Fund that has been closed to future investment will be re-opened. The Trustee will give relevant employers and Members entitled to exercise investment choice notice of the decision to re-open the Defined Contribution Fund to future investment.

Termination of Constituent Funds

Unless the Trustee exercises its power to change the Designated Fund for the relevant Defined Contribution Fund, a Defined Contribution Fund shall automatically terminate if the Designated Fund in which it invests is terminated. Employers and Members entitled to exercise investment choice will have the opportunity (so far as is practicable) to direct that amounts currently invested in the terminating Defined Contribution Fund and any future contribution to be invested in the terminating Defined Contribution Fund are transferred to any of the other Defined Contribution Funds. Employers and Members entitled to exercise investment choice who fail to give such directions shall be deemed to have given directions to switch the invested amounts into the Default Fund, and to invest the relevant future contributions in the Default Fund.

In addition, the Trustee may terminate a Constituent Fund with the consent of the Sponsor (and, for Defined Benefit Funds, the relevant employer). For Defined Contribution Funds, the Trustee will give notice of termination to employers and to Members entitled to exercise investment choice in accordance with the relevant regulatory requirements and the Trust Deed. Where the Trustee gives such notice, employers and Members entitled to exercise investment choice will have the opportunity to direct the transfer of amounts currently invested in the terminating Defined Contribution Fund and any future contribution amounts to be invested in the terminating Defined Contribution Fund to any of the other Defined Contribution Funds. Employers and Members entitled to exercise investment choice who fail to give such directions shall be deemed to have given directions to switch the invested amounts into the Default Fund, and to invest the relevant future contributions in the Default Fund.

Administration

Sponsor

The Sponsor of the Plan, Manulife (International) Limited is a member of the Manulife Financial group of companies ("**Manulife Financial**"). The Sponsor is the product provider of the Plan within the meaning of the Code.

Manulife Financial is a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. Manulife Financial has been in Hong Kong for over 110 years and our experience in managing pension schemes can be traced back to 1936. With its wealth of experience and financial strength, Manulife Financial provides provident funds services to both employers and the workforce of Hong Kong.

The Sponsor will set and monitor service standards for the service providers and establish performance benchmarks for the Constituent Funds. The Sponsor shall also perform such duties and obligations as set out in the Trust Deed and the Code.

Trustee

Standard Chartered Trustee (Hong Kong) Limited is trustee of the Plan. The Trustee is a registered trust company in Hong Kong under Part VIII of the Trustee Ordinance and has been approved by the Authority as an Approved Trustee to provide MPF trustee and custodian services.

The Trustee is an indirect subsidiary of Standard Chartered Plc, the holding company of Standard Chartered Group.

The Trustee is one of the leading providers of corporate trust and custody services to mutual funds, unit trusts and provident funds. The Trustee will also act as custodian of the assets of the Plan.

In accordance with the Trust Deed, the Trustee shall be responsible for the safe keeping of all trust monies, securities and other assets received by it in respect of the Plan and shall stand possessed of and shall take into custody or under its control all trust monies, investments, securities, cash and other assets received by it in respect of the Plan (or the relevant Constituent Funds) and hold them upon trust for the employers and Members and, to the extent permitted by law, shall register cash and registrable assets in the name of or to the order of the Trustee and such trust monies, securities and other assets of the Plan (or the relevant Constituent Funds) shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereto.

The Trustee may, from time to time appoint such person or persons (including a connected person) as custodian or co-custodians of the whole or any part of the investments comprised in any Constituent Fund and may empower any such custodian or co-custodian to appoint, with the prior consent in writing of the Trustee, sub-custodians, and the fees and expenses of such custodian, co-custodians and sub-custodians shall be paid out of the relevant Constituent Fund.

The Trustee shall (A) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of agent, nominee, custodian, co-custodian or sub-custodian which are appointed for the custody and/or safekeeping of any of the investments, cash, securities and other assets forming part of the property of the Plan or any Constituent Fund (each a "**Correspondent**"); and (B) be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Plan or any Constituent Fund. Provided that the Trustee has discharged its obligations set out in (A) and (B) the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent that is not a connected person of the Trustee. The Trustee shall remain liable for any act or omission of any Correspondent that is a connected person of the Trustee as if the same were the act or omission of the Trustee. The Trustee shall use reasonable endeavours to recover any loss of investments and other assets arising from any default of a Correspondent.

The Trustee shall not be responsible for any act or omission of Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or any other such central depositary or clearing and settlement system in relation to any investment deposited with such central depositary or clearing and settlement system.

Administrator

The Trustee has appointed BOCI-Prudential Trustee Limited ("**BOCPT**") as administrator of the Plan.

BOCPT is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited and affiliated to the Bank of China Group. Although BOCPT was incorporated in 1999, its origin and professional experience could be traced back to 1977 providing administration services for various retirement schemes in Hong Kong.

The Administrator is mainly responsible for the following:

- Maintenance of full accounting records relating to the allocation and current value of contributions paid.
- Calculating and arranging payments of any benefits due to Members, in accordance with the Trust Deed.

Contributions

Contributions should be made in accordance with the Trust Deed and the relevant Deed of Attachment. Contributions made by an employer in respect of a Member vest in that Member in accordance with the vesting scale as specified in the Trust Deed and the relevant Deed of Attachment.

Payment of Contributions

Contributions required to be made under the Trust Deed and the Deed of Attachment must be paid to the Trustee within such times as are required by the Trust Deed and the Deed of Attachment and otherwise as agreed between the Trustee and the relevant employer.

Contributions to the Plan should only be paid in HK dollars to the Trustee. Contributions can be made:

(1) by SCBHK Direct Debit Facility;
(2) by cheque drawn on a bank in Hong Kong; or
(3) in any other manner acceptable to the Trustee.

Investment of Contributions - Defined Benefit Schemes

Contributions will be invested in the Designated Funds according to prior instructions given by the employer to the Administrator or according to standing instructions given to the Administrator (which may be changed on payment of future contributions). Alternatively, the employer may agree a different method of investment with the Administrator. All proper instructions given to the Administrator will be processed within 5 Business Days upon receipt.

Switching of investment between the Designated Funds is unrestricted by giving a proper written request to the Administrator which will be processed within 5 Business Days upon receipt.

Investment of Contributions - Defined Contribution Schemes

Employers may either choose to retain control over the investment of contributions in the Defined Contribution Funds or may allow their employees to choose how such contributions are invested.

Investment Choice by Employers

Where the employer chooses to retain control over the investment of contributions, contributions will be invested in the Defined Contribution Funds according to the employer's prior instructions given to the Administrator. All proper instructions given to the Administrator will be processed within 5 Business Days upon receipt. Alternatively, the employer may give standing instructions to allocate new contributions in a certain proportion (for example, 50% to one of the Defined Contribution Funds in the money market range and 50% to one of the Defined Contribution Funds in the global equities range). This standing instruction should be sent to the Administrator which will be processed within 5 Business Days upon receipt.

A distinction can be made in the Defined Contribution Fund selected for allocation of contributions between employers and their employees. For example, an employee's contributions can be allocated in full to one of the Defined Contribution Funds in the money market range. This ensures their money is invested in a low risk investment. Then, the employer's contributions can be allocated to the other Defined Contribution Funds which have shown higher returns over the long-term, but with greater volatility.

Switching of investment between the Defined Contribution Funds is unrestricted by giving a proper written request to the Administrator which will be processed within 5 Business Days upon receipt provided that there are no multiple transactions for the account, including transactions not limiting to investment switching, during the period under which the switching transaction is to be processed.

Electing Member Choice for an Employer's Scheme

On establishing a Scheme, an employer can elect to give each Member the Member Choice in respect of the Scheme.

Alternatively, an employer can elect to adopt Member Choice at a later date. If an employer makes an election at a later date, it must give the Trustee not less than one month's prior written notice that it wishes to introduce Member Choice for its Scheme. The Trustee may agree to a shorter period of notice in any particular case but is not obliged to do so.

Employers must determine whether Members are entitled to direct the investment of both employer and employee contributions or only employee contributions.

If an employer decides to allow Members to direct the investment of employee contributions and their Member's Balance only then (a) the employer will cease to have the right to direct the investment of employee contributions and their Member's Balances, (b) the employer will continue to be entitled to direct the investment of its contributions and the Employer's Balance of its Members.

If an employer decides to allow Members to direct the investment of employee and employer contributions and their Member's Balance and Employer's Balance, the employer will cease to have the right to direct the investment of any such amounts.

Investment in Units

The Trustee will apply contributions made by or on behalf of a Member of a Defined Contribution Scheme to acquire Units in the Defined Contribution Funds in accordance with the instructions of the Member or the employer, as applicable. Where the Trustee receives contributions in cleared funds and has reconciled the money, the Trustee will apply the contributions to acquire Units as soon as practicable.

Issue price of Units: The method of deducting Units to pay operating fees and expenses (described below) will mean that the issue price of Units in a Defined Contribution Fund will be the issue price of units of the Designated Fund in which the Defined Contribution Fund invests on the relevant Valuation Date (for further details, see “Calculation of Unit Prices” below).

General: Fractions of a Unit may be issued to the same number of decimal places as units of the Designated Fund in which the Defined Contribution Fund invests. Contributions representing smaller fractions of a Unit will be accrued and the proceeds from realisation of such accrued Units will be used to meet expenses of the Plan. No Units of a Defined Contribution Fund will be issued where the determination of the net asset value of that Defined Contribution Fund is suspended (for further details see “Suspension of Calculation of Net Asset Value” below).

Mandates to Invest Contributions

With effect from the date Member Choice commences for the relevant Scheme, Members must choose to invest their Member’s Balance and, if appropriate, their Employer’s Balance in one or more of the Defined Contribution Funds.

The forms for Mandates and changes of Mandates are available from the Trustee, the Administrator and the Sponsor. Mandates may be given to the Administrator in writing, by facsimile or any other means acceptable to the Administrator. However, the Administrator will not be responsible to any Member for any loss resulting from the non-receipt of a Mandate sent by facsimile.

An existing Member who fails to give a Mandate will be deemed to have elected to invest amounts in the same manner as immediately prior to the date Member Choice commences for the relevant Scheme. A new Member who fails to give a Mandate will be deemed to have elected to invest amounts in the Default Fund.

Instructions to Change Investments

At any time during the year, Members can give a new Mandate electing:

(a) to change the Defined Contribution Funds in which future employee contributions and, if appropriate, employer contributions are invested; and/or
(b) subject to the restrictions noted below, to change the proportions in which the Member’s Balance and, if appropriate, the Employer’s Balance are invested in those Defined Contribution Funds.

Such Mandate should be sent to the Administrator which will be processed within 5 Business Days upon receipt provided that there are no multiple transactions for the account, including transactions not limiting to investment switching, during the period under which the switching transaction is to be processed.

With effect from the date to which the new Mandate has been processed by the Administrator, future employee contributions and, if appropriate, employer contributions will be invested in accordance with the Member’s new Mandate until such time as the Member gives a further Mandate.

Notifying Investment Choices to the Administrator

A Member’s Mandate:

(a) must be in writing addressed to the Administrator; and
(b) must specify the percentages in which amounts are to be invested in each Defined Contribution Fund in multiples of 5%.

The Administrator will process the Mandate within 5 Business Days upon receipt provided that there are no multiple transactions for the account, including transactions not limiting to investment switching, during the period under which the switching transaction is to be processed.

Benefits

Entitlement to Benefits

A Member will become entitled to benefits in respect of contributions to the Plan in the circumstances set out in the Trust Deed and the relevant Deed of Attachment. Unless the Deed of Attachment states otherwise, these circumstances include (i) retirement and (ii) leaving employment of the relevant employer.

Minimum MPF Benefits

Pursuant to the Mandatory Provident Fund Schemes (Exemption) Regulation (the “Regulation”), the member’s benefits accrued under an MPF exempted ORSO registered scheme (the “Exempted Scheme”) of a member who joined the Exempted Scheme after 1 December 2000 and is defined as a new member under the Regulation will be subject to the preservation, portability and withdrawal requirements up to an amount equivalent to the “Minimum MPF Benefits”.

Realisation of Investments of Defined Benefit Schemes

Where a Member of a Defined Benefit Scheme becomes entitled to benefits, the Trustee will realise assets of the Defined Benefit Scheme sufficient to pay such benefits to the Member.

Realisation of Investments of Defined Contribution Schemes

Where a Member of a Defined Contribution Scheme becomes entitled to benefits, the Trustee will realise all the Units held to the account of the Member. Subject as noted below, Units will be realised as soon as practicable after the date the entitlement arises and the date the Trustee is notified of such entitlement, whichever is the later.

Units will be realised at a price based on the realisation price of the Units in the Designated Fund in which the relevant Defined Contribution Fund invests on the relevant Valuation Date.

Realisation of Units will be suspended and payment of benefits will be delayed where the determination of the net asset value of the relevant Defined Contribution Fund is suspended (for further details see “Suspension of Calculation of Net Asset Value” below).

Payment of Benefits

Subject as noted below, benefits will be paid as soon as reasonably practicable and in any event within 30 days after the Trustee receives a duly completed claim for payment of such benefits or if later, the date upon which the entitlement arises, unless the market(s) in which a substantial portion of investments of the relevant Constituent Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of benefits within the aforesaid time period not practicable. In such case, the extended time frame for the payment of benefits shall reflect the additional time needed in light of the specific circumstances in the relevant market(s). Payment may be delayed where contributions in respect of the relevant Member remain outstanding or if the claimant fails to satisfy the Trustee that he/she is entitled to the benefits. No interest will be paid in respect of the period from the date the entitlement to benefits arises to the payment of those benefits.

Benefits will be paid in HK dollars to the relevant recipient at the recipient’s risk by cheque unless otherwise agreed between the Trustee and the relevant recipient. Bank charges (if any) incurred in making payment will be borne by the relevant recipient and accordingly, will be deducted from the amount of the benefit.

Transfers to and from other schemes

The Trust Deed permits the Trustee to accept transfers from other schemes in respect of a Member, subject to the consent of the employer of the relevant Member and compliance with the requirements under the ORS Ordinance relating to the transfer of benefits.

The Trust Deed also contains provisions for the transfer of amounts held to the credit of a particular Member or Members and for the transfer of all the assets of a particular Scheme to another scheme in which such Members participate.

Liquidity Risk Management

The Trustee has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of each Constituent Fund and to ensure that the liquidity profile of the investments of each Constituent Fund will facilitate compliance with the Constituent Fund's obligation to pay benefits to Members when they become entitled.

The oversight of the liquidity risk management function will be performed by a risk management committee, or equivalent committee, consisting of senior staff of the Trustee such as the head of compliance and risk officer. The committee generally meets on a monthly basis. The liquidity of each Constituent Fund will be monitored regularly commensurate to the Constituent Fund's liquidity profiles, obligations as well as market conditions. Exceptions on liquidity risk related issues will be escalated to the risk management committee, or equivalent committee.

The Trustee would regularly assess and/or obtain report on the assessment of the liquidity of each Constituent Fund's assets under the current and likely future market conditions.

The Trustee may also be in regular communication with the investment manager(s) of underlying Designated Funds in order to receive updates on the liquidity profile and their historical and expected redemption patterns.

In normal market conditions, the assets of a Designated Fund in which a Constituent Fund invests, comprise mainly realisable investments which can be readily sold. In general, the investment manager of a Designated Fund would establish, implement and maintain appropriate and effective liquidity management policies and procedures to monitor the liquidity risk of the Designated Fund, taking into account the investment strategy, liquidity profile, underlying assets and obligations, and redemption policy of the Designated Fund, such that the Designated Fund can meet its liabilities in meeting realisation requests from investors. For further details about the liquidity risk management policies adopted by the investment manager of the relevant Designated Fund, please refer to the latest offering document of each Designated Fund (save for the Designated Funds of Manulife Balanced Fund (MPP), Manulife Growth Fund (MPP) and Manulife Stable Fund (MPP), which are not available to retail investors in Hong Kong).

The following tools may be employed by the Trustee to manage liquidity risks of the Plan:

- Suspension of determination of net asset value of a Constituent Fund pursuant to the Trust Deed (for details, please refer to "Valuation of Constituent Funds - Suspension of Calculation of Net Asset Value" below). If such suspension is imposed, it would restrict a Member's ability to redeem his/her benefits held in the relevant Constituent Fund in full within the designated time;
- Borrowing up to 10% of the net asset value of the relevant Constituent Fund to meet payments from such Constituent Fund;

Members should note that there is a risk that the abovementioned tools may be ineffective to manage liquidity risks.

Valuation of Constituent Funds

Except as noted below, the Trustee will value each Constituent Fund on each Valuation Date, being each Business Day.

The Trustee may with the consent of the Sponsor and by prior notice to employers determine that any other day or days shall be a Valuation Date for the purposes of the relevant Constituent Fund. The Trustee may at the request of an employer determine that any other day or days shall be a Valuation Date for the purposes of the employer's Scheme.

Calculation of Net Asset Value

The net asset value of each Defined Contribution Fund as at a Valuation Date will be determined based on the unit price for the Designated Fund in which the relevant Defined Contribution Fund invests.

The net asset value of each Defined Benefit Fund as at a Valuation Date will be determined in such manner as the Trustee, after consulting the relevant employer, may determine.

Calculation of Unit Prices for Defined Contribution Funds

On each Valuation Date, the Trustee will calculate a new Unit price for each Defined Contribution Fund. The Plan will be administered so that the Unit price for a Defined Contribution Fund will be the same as the unit price for the Designated Fund in which it invests.

Publication of Unit Prices for Defined Contribution Funds

The Unit prices of each Defined Contribution Fund will be published daily in The Standard and Hong Kong Economic Times and/or such other appropriate means as the Trustee and Sponsor may agree from time to time (if any).

Suspension of Calculation of Net Asset Value

The Trustee may, after giving notice to the Sponsor, having regards to the best interest of employers and Members, declare a suspension of the determination of the net asset value of any Constituent Fund for the whole or any part of any period during which:

(a) there is a restriction of trading on any securities market on which a substantial part of the investments of that Constituent Fund is normally traded or a breakdown in any of the means normally employed in ascertaining the prices of investments, the net asset value or the price of units; or

(b) for any other reason the prices of investments of that Constituent Fund cannot, in the opinion of the Trustee, reasonably, promptly and fairly be ascertained; or

(c) circumstances exist as a result of which, in the opinion of the Trustee, it is not reasonably practicable to realise any investments of that Constituent Fund; or it is not reasonably practicable to do so without seriously prejudicing the interests of Members (including where subscription or redemption of investments in the Designated Fund for such Constituent Fund are suspended); or

(d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of that Constituent Fund or the issue or redemption of units is delayed or cannot, in the opinion of the Trustee, be carried out promptly at normal rates of exchange.

The first Business Day following the cessation of a suspension shall be a Valuation Date for the relevant Constituent Fund.

Whenever the Trustee declares such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish a notice in The Standard and Hong Kong Economic Times and/or cause a notice to be given to the relevant employer (in the case of a Defined Benefit Fund) or to employers and Members of Defined Contribution Schemes (in the case of a Defined Contribution Fund) stating that such declaration has been made.

Charges and Expenses

Trustee and Management Fees

The Trust Deed provides for payment of a trustee fee to the Trustee (which includes the fees payable to the Administrator) and a management fee to any investment managers appointed for the Constituent Funds. Such fees are calculated as a percentage of the net asset value of the relevant Constituent Fund as at each month end.

The percentage levels of these fees for each Constituent Fund are as set out in Appendix 2. In addition, other expenses may be charged to the relevant Constituent Fund and/or the Plan in accordance with the Trust Deed.

Payment Mechanism for Charges and Expenses

The trustee and management fees are paid as follows:

- for Defined Benefit Funds, out of the assets of the relevant Defined Benefit Fund;
- for the Defined Contribution Funds, by redeeming Units of the Defined Contribution Fund at the last Valuation Date in each month (and as at the leaving date on a pro rata basis for Members leaving during a month) and using the redemption proceeds to pay the above fees. The total Units redeemed will be allocated on a pro rata basis amongst Members in proportion to their holding in the relevant Defined Contribution Fund so that there will be a corresponding reduction in the number of Units credited to the accounts of Members. Member statements will show the number of Units realised to meet fees. Members should note that performance of a Designated Fund will only represent the gross return of the respective Defined Contribution Fund. The net return of the Defined Contribution Fund in percentage terms will be the gross return (as a percentage) reported for the underlying Designated Fund less the fees and expenses ratio applicable to the Defined Contribution Fund. The gross and net returns for the Defined Contribution Funds will be shown in the annual benefit statement provided to Members.

The operating expenses of the Plan will be charged to the Constituent Funds at a predetermined percentage rate based on the projected net asset values of the Constituent Funds. This predetermined percentage rate will be reviewed and adjusted from time to time as necessary (at least annually) to reflect actual expenses. Other fees, such as the annual registration fee for an employer's Scheme, will be payable by the relevant employer.

Where a Constituent Fund invests in a Designated Fund, it will also indirectly bear a proportionate share of the fees and charges of that Designated Fund.

Where the fees (e.g. management fee and/or the trustee fee) of a Designated Fund are increased, the Trustee will give notice of such increase to employers and to Members entitled to exercise investment choice in accordance with the applicable regulatory requirements and the Trust Deed.

The Sponsor does not charge any fees in its capacity as sponsor of the Plan but may share in fees received by the managers of the Designated Funds in return for the services provided by the Sponsor as the product provider of the Plan and is entitled to retain any amounts so received for its own absolute use and benefit. For the avoidance of doubt, such fees are not equivalent to a rebate to the Sponsor. The Sponsor has in place a process for selection of a Designated Fund which is independent of the amount of fees that may be shared by the managers of the Designated Fund.

The fees and charges payable out of the Plan and the Designated Funds are summarised in Appendix 2.

Fees Payable By Employers

The following fees are payable by the employer:

(a) **Registration Fee**

A fee of HK$1,800 is payable to the Registrar of Occupational Retirement Schemes upon the submission of an application for registration under the ORS Ordinance. Thereafter a periodic fee is payable by the employer to the Registrar of Occupational Retirement Schemes commencing from the first anniversary date of the date of registration. There is also a one-time application fee of HK$1,800 for MPF exemption certificate (if applicable) to be paid to the MPFA.

(b) **Deed of Attachment Fee**

There is a one-time cost for preparing the Deed of Attachment subject to the final quotation provided by the legal counsel appointed by the Trustee.

(c) **Solicitor's Statement Fee**

There is a one-time cost for preparing the Solicitor's Statement to the Registrar of Occupational Retirement Schemes subject to the final quotation provided by the legal counsel appointed by the Trustee.

(d) **Auditor's Statement Fee**

There is a one-time cost for preparing the Auditor's Statement to the Registrar of Occupational Retirement Schemes subject to the final quotation provided by the auditor appointed by the Trustee.

(e) **Switching Fee**

There is no extra administration fee for switching between the Defined Contribution Funds (or Designated Funds in the case of Defined Benefit Schemes).

(f) **Termination Fee**

There is no restriction and penalty on termination of our services provided that prior notice is given in accordance with the relevant regulatory requirements and the Trust Deed. However, a nominal fee for executing the Deed of Release and Discharge will be charged. The fee is HK$1,500 (plus disbursements) for Schemes with 10 Members or less or HK$2,500 (plus disbursements) for Schemes with over 10 Members.

Taxation

The following statements regarding taxation are based on the law and practice in force in Hong Kong at the date of this Explanatory Memorandum and are subject to changes in such law and practice from time to time.

Employers and prospective Members should appreciate that as a result of changing law or practice, the taxation consequences of participating in the Plan may be otherwise than as stated below. This summary is not intended to be comprehensive and should not be relied upon as a substitute for detailed and specific advice. Employers and prospective Members should seek professional advice regarding their particular tax circumstances.

For Employers

Initial and special lump sum contributions are allowable for profits tax purposes in five equal instalments over five years. Annual contributions made by the employer in respect of an employee of up to 15% of the total emoluments of such employee are allowable as a deduction for profits tax purposes. Excess contributions are not deductible.

Refunds of contributions to the employer are normally not permitted. Where permitted, they will be treated as taxable receipts in the hands of the employer for profits tax purposes. Forfeited contributions are permitted to revert to the Plan to be used to reduce contributions by the employer or, alternatively, to increase the benefits available to employees.

For Employees

Lump sum benefits on retirement, incapacity, death or terminal illness are not subject to salaries tax in the hands of the employees. "Retirement" is defined as meaning:

- retirement after a period of service with the employer at a specified age of not less than 45 years;
- retirement after a period of service with the employer of not less than 10 years; or
- attainment of a specified age of retirement or 60 years, whichever is later (whether or not the employee has in fact retired from his/her employment at such age).

If an employee leaves service otherwise than on retirement, death, incapacity or terminal illness, a proportion of the employee's accrued benefit paid may be subject to salaries tax.

The employer's contributions are not taxable on the employee. For salaries tax purposes, where an employee is a member of an Exempted Scheme, a deduction from salary is allowed for an amount equivalent to the amount the employee would otherwise be required to contribute as mandatory contributions to an MPF scheme. However, employees remain liable to salaries tax on any additional contributions they make to the Plan.

For the Plan

The Plan is not expected to be subject to Hong Kong tax in respect of any of its authorised activities.

General Information

Accounts, Reports and Statements

The year end of the Plan is 30 September in each year.

As soon as practicable after each financial year, the Trustee will prepare for each Scheme a financial report and an annual return for submission to the Registrar of Occupational Retirement Schemes.

The Trustee will send each Member an annual benefit statement within three months of the end of each financial year and a semi-annual statement within three months of the half-year end. These statements will include details of the contributions to the Plan in respect of the Member during the relevant period, the value of the accrued benefits of the Member under the Plan as at the start and end of the relevant financial year or half-year, as applicable, and, for Members of Defined Contribution Schemes, the Units held for the account of the Member in each Defined Contribution Fund. Members may request additional statements from time to time on payment of a reasonable charge to the Trustee.

Investment and Borrowing Restrictions

The Constituent Funds shall comply with the Trust Deed, the applicable investment requirements under the Code (as summarised in Appendix 3), the ORSO and the Mandatory Provident Fund Schemes (Exemption) Regulation.

Currently each of the Defined Contribution Funds is a feeder fund and invests in a single Designated Fund. An overview of each of the Designated Funds is set out in Appendix 1.

Amounts may be borrowed for a Constituent Fund (up to 10% of the value of the net asset value of the Constituent Fund) for purpose of redeeming Units, to meet payments of benefits or to pay expenses of such Constituent Fund. The assets of the relevant Constituent Fund may be charged or pledged as security for any such borrowings. Each Constituent Fund will not engage in securities lending and will not enter into repurchase agreements.

Cash Rebates and Soft Commissions

Neither an investment manager of a Constituent Fund (if any) or of a Designated Fund nor any of its connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions to them.

The investment manager of a Constituent Fund (if any) or of a Designated Fund and any of its connected persons (each a “relevant person”) may effect transactions by or through the agency of another person (a “broker” or “dealer”) with whom a relevant person has an arrangement (called a “soft dollar” arrangement) under which the broker agrees to provide or procure “soft dollar” benefits for one or more relevant persons in return for relevant persons undertaking to place business with the broker. Relevant persons will only enter into “soft dollar” arrangements in respect of a Constituent Fund or Designated Fund where (i) the nature of the “soft dollar” benefits is such that their provision can reasonably be expected to benefit the Constituent Fund or the Designated Fund as a whole and may contribute to an improvement in the Constituent Fund’s or the Designated Fund’s performance and that of a relevant person in providing services to the Constituent Fund or the Designated Fund and (ii) transaction execution is consistent with best execution standards and (iii) brokerage rates are not in excess of customary institutional full-service brokerage rates and (iv) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. “Soft dollar” benefits include research and advisory services, economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services, computer hardware and software incidental to the aforementioned goods and services, clearing and custodian services and investment related publication. “Soft dollar” benefits do not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant accounts.

Trust Deed

The Plan was established under Hong Kong law by a trust deed dated 31 May 1976, as amended from time to time. All Members and employers are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed.

The Trust Deed contains provisions for the indemnification of the Trustee and its relief from liability in certain circumstances. Members, employers and intending applicants are advised to consult the terms of the Trust Deed. Without prejudice to the foregoing, the Trustee and the Sponsor shall not be exempted from any liability to employers and Members imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified against such liability at the employers or Members’ expense.

The Plan shall continue until the expiration of the period of 80 years from 31 May 1976 or such longer period as may be allowed by law.

Any unclaimed proceeds or other cash held by the Trustee during the dissolution process of the Plan, may at any time after the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

In the event of any conflict between any of the provisions of this Explanatory Memorandum and the Trust Deed, the provisions of the Trust Deed prevail.

Modification of Trust Deed and Deeds of Attachment

The Trustee and the Sponsor may agree to modify the Trust Deed by supplemental deed either generally so as to apply to all Members and employers or so as to apply specifically to a particular employer or employers and Members employed by such employer or employers.

The Trust Deed and the rules may be varied by the Trustee and the Sponsor without the consent of the employers or the Members if the Trustee certifies in writing that in its opinion, the proposed alteration, amendment, extension or modification: (a) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (b) does not materially prejudice employers' or Members' interests, does not to any extent release the Trustee or the Sponsor from any liability to employers or Members and does not increase the costs and charges payable under the Plan and/or Constituent Fund; or (c) is necessary to correct a manifest error. In all other cases involving any material changes, no alteration to the Trust Deed may be made except with the approval of the Commission or in accordance with the Trust Deed.

The Trustee, the Sponsor and the relevant employer may agree to modify the Deed of Attachment applicable to that employer by executing a deed of variation.

Governing Law

The governing law of the Plan is the laws of Hong Kong with non-exclusive jurisdiction of the Hong Kong courts.

Certificate for Compliance with FATCA or Other Applicable Laws and Power to Disclose Information to Tax Authorities

Each Member (i) will be required to, upon demand by the Trustee or the Sponsor or any of their authorised person(s) (as permissible under applicable law or regulation) ("**Authorised Person(s)**"), provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Sponsor or any of their Authorised Person(s) that is necessary for the Plan (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Plan or the relevant Constituent Fund receives payments and/or (B) to satisfy reporting or other obligations under the U.S. Internal Revenue Code of 1986, as amended ("**U.S. Code**") and the United States Treasury Regulations promulgated under the U.S. Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

Subject to applicable laws and regulations in Hong Kong, the Plan, the Trustee or the Sponsor or any of their Authorised Person(s) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS), certain information in relation to a Member, including but not limited to the Member's name, address, U.S. federal tax identification number (if any) and certain information relating to the Member's benefits, to enable the Plan to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA).

Automatic Exchange of Financial Account Information

The Inland Revenue Ordinance ("**IRO**") provides the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information in tax matters (also referred to as the Common Reporting Standard ("**CRS**")) in Hong Kong. The CRS requires financial institutions ("**FI**") in Hong Kong to collect information relating to account holders, and report such information as relates to reportable account holders who are tax resident in Reportable Jurisdictions (as defined below) to the Inland Revenue Department of Hong Kong ("**IRD**"). The information will be further exchanged with the competent authorities of jurisdiction(s) in which such account holders are tax resident under the Automatic Exchange of Financial Account Information ("**AEOI**") regime. For those purposes, account holders include Members and employers participating in the Plan.

Pursuant to the enactment of the Inland Revenue (Amendment) (No. 2) Ordinance 2019, and with effect from 1 January 2020 ("**CRS Effective Date**"), the Plan will be required to comply with the requirements of CRS as implemented by Hong Kong, which means that the CRS Obligator (as defined below) will be required to collect information, relevantly including information relating to tax residency, relating to participants and prospective participants of the Plan, and to provide such information to the IRD on an annual basis.

The CRS rules as enacted in Hong Kong require the person who acts for the Plan to maintain financial accounts, such as the Trustee ("**CRS Obligator**") to, amongst other things: (i) register the Plan's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on accounts held in respect of Plan participants to identify whether any such accounts are "Reportable Accounts" for CRS purposes; and (iii) report certain information relating to such Reportable Accounts to the IRD. The IRD will transmit such information reported to it to the competent authority of the jurisdictions with which Hong Kong has activated exchange relationships under AEOI (the "**Reportable Jurisdictions**"). Broadly, CRS contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a Reportable Jurisdiction; and (ii) certain individuals who are tax resident in a Reportable Jurisdiction and who participate in the Plan through interposed entities (i.e. Controlling Persons as defined in section 50A of the IRO). Under the IRO, details of Plan participants, or where such Plan participants are not natural persons, details of the Controlling Persons of such Plan participants, including but not limited to their name, date of birth, address, jurisdiction of tax residence, tax identification number, account details, account balance/value, and certain income or sale or redemption proceeds, may be reported to the IRD, and by extension exchanged with the competent authority of the relevant Reportable Jurisdiction(s).

If a Plan participant does not provide the required documentation or information or fails to take action as is required by the CRS Obligator within the time period specified, the CRS Obligator may report the relevant account information based on indicia identified pursuant to the due diligence it has conducted in accordance with the requirements of the CRS regime or take such other action as permitted under applicable laws and/or the governing rules of the Plan.

From the CRS Effective Date, each applicant applying to become a Plan participant and each current Plan participant will be required to, as and when requested by the CRS Obligator, provide in a format acceptable to the CRS Obligator any such documentation or other information as is reasonably requested by the CRS Obligator and as is necessary for the CRS Obligator to discharge its/their due diligence, reporting or other obligations under any law or regulation applicable to the Plan in any jurisdiction (including but not limited to any law or regulation relating to AEOI). Failure to do so by an applicant applying to become a Plan participant may result in the processing of the application being delayed and/or even rejection of the application. Further, each Plan participant is under an obligation to: (i) update or re-submit any such documentation as aforesaid should there be any material change in that Plan participant's circumstances; and (ii) otherwise comply with any registration, due diligence and reporting obligations imposed from time to time by the laws of Hong Kong or any other jurisdiction (including but not limited to any law, rule and requirement relating to AEOI), including such obligations that may be imposed by future legislation.

In accordance with the applicable laws and regulations in Hong Kong, the CRS Obligator and/or its agents may report or disclose the Plan participant's information (and/or information pertaining to controlling person(s) of a Plan participant) to the IRD, which will as a matter of course exchange the same with the competent authority of the relevant reportable jurisdiction(s).

The information provided herein in relation to CRS is of a general nature only and is not intended to serve as a basis for decision making. It is for information purposes and does not constitute legal or tax advice. Each participant and prospective participant of the Plan should consult its own professional advisor(s) on the administrative and substantive implications of the CRS/AEOI on its current or proposed investment in the Plan and the relevant Constituent Funds or Designated Funds.

Provision of Information to Competent Authorities and Others

Under the Trust Deed, if the Trustee or the Sponsor complies with the request of any regulatory authority, body or any department of any government or administration (which may be located within or outside Hong Kong) or a court of competent jurisdiction, or is otherwise required under any legislation, regulations, rules, codes or guidance, to provide them with any information regarding the Plan, employers and/or Members, neither the Trustee nor the Sponsor shall incur any liability to employers or Members or any of them or to any other person as a result of such compliance or in connection with such compliance.

In accordance with the Trust Deed, the Trustee may report or disclose information relating to the Plan, employers and Members to competent authorities including but not limited to the Authority subject to such requirements as set out under the ORS Ordinance and such conditions as may be imposed by the Authority from time to time.

Conflict of Interest

The Sponsor or its connected persons may act as the product provider or investment manager of investment funds in which Constituent Funds invest and receive a management fee in respect thereof. Where a Constituent Fund invests in an investment fund managed or distributed by the Sponsor or its connected persons, all initial charges of the underlying investment fund must be waived but, recurrent management fees and charges may be levied proportionate to the amount invested by the Constituent Fund.

The Sponsor or its connected persons may also be acting in other capacities in respect of the investments of Constituent Funds directly invested, for example, it may make investments for other clients or as principal without making the same available to a Constituent Fund or transactions may be effected through a connected person which is acting as principal agent or broker and receiving separate compensation or profit provided that all transactions between the Plan and the Sponsor or any of its connected person as principal must be executed at arm's length on normal commercial terms and in best interests of the employers and Members.

Documents available for inspection

Copies of the Trust Deed and the material agreement(s) of the Plan are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Trustee or the Sponsor. Copies of the Trust Deed and the material agreement(s) of the Plan can be purchased from the Trustee on payment of a reasonable fee.

Offering Documents of Designated Funds

Copies of the offering documents of each Designated Fund (save for the Designated Funds invested by the Manulife Balanced Fund (MPP), Manulife Growth Fund (MPP) and Manulife Stable Fund (MPP), which details are mainly set out in Appendix 1) may be obtained free of charge by calling the Manulife Pension Services Hotline: 2929 3021.

Customer Feedback

If you wish to provide the Sponsor with your feedback on its retirement services, please visit www.manulife.com.hk.

Appendix 1
Defined Contribution Funds and Overview of Designated Funds

Defined Contribution Fund	Fund structure	Designated Fund	Categorisation	Date of establishment of Defined Contribution Fund
Money Market Range				
Schroder HK Money Market Fund (MPP)	Feeder Fund	Schroder Hong Kong Money Market Fund	Money market fund	1 July 2000
Schroder US Dollar Money Fund (MPP)	Feeder Fund	Schroder U.S. Dollar Money Fund	Money market fund	1 July 2000
Global Fixed Interest Range				
Baring International Bond Fund (MPP)	Feeder Fund	Barings Global Bond Fund	Bond fund	1 July 2000
Fidelity Global Bond Fund (MPP)	Feeder Fund	Fidelity Funds - Global Bond Fund	Bond fund	1 January 2004
JPMorgan SAR Global Bond Fund (MPP)	Feeder Fund	JPMorgan SAR Global Bond Fund	Bond fund	1 January 2004
Hong Kong Dollar Fixed Interest Range				
Schroder Hong Kong Dollar Bond Fund (MPP)	Feeder Fund	Schroder International Selection Fund - Hong Kong Dollar Bond	Bond fund	1 January 2004
Life Cycle Range				
Allianz Choice Balanced Fund (MPP)	Feeder Fund	Allianz Choice Balanced Fund	Mixed asset fund	1 July 2000
Barings Global Balanced Fund (MPP)	Feeder Fund	Barings Global Balanced Fund	Mixed asset fund	1 July 2000
HSBC Managed Growth Fund (MPP)	Feeder Fund	HSBC Managed Growth Fund	Mixed asset fund	1 July 2000
Manulife Balanced Fund (MPP)	Feeder Fund	Manulife Balanced Fund	Mixed asset fund	1 October 2001
Manulife Growth Fund (MPP)	Feeder Fund	Manulife Growth Fund	Mixed asset fund	1 October 2001
Manulife Stable Fund (MPP)	Feeder Fund	Manulife Stable Fund	Mixed asset fund	1 October 2001
Schroder Balanced Investment Fund (MPP)	Feeder Fund	Schroder Balanced Investment Fund	Mixed asset fund	1 July 2000
Schroder Stable Growth Fund (MPP)	Feeder Fund	Schroder Stable Growth Fund	Mixed asset fund	1 July 2000
Templeton Global Balanced Fund (MPP)	Feeder Fund	Franklin Templeton Investment Funds - Templeton Global Balanced Fund	Mixed asset fund	1 July 2000
Global Equities Range				
Allianz Choice Growth Fund (MPP)	Feeder Fund	Allianz Choice Growth Fund	Equity fund	1 July 2000
Asian Equities Range				
Allianz Little Dragons (MPP)	Feeder Fund	Allianz Little Dragons	Equity fund	1 July 2000

Defined Contribution Fund	Fund structure	Designated Fund	Categorisation	Date of establishment of Defined Contribution Fund
Schroder International Selection Fund - Asian Opportunities (MPP)	Feeder Fund	Schroder International Selection Fund - Asian Opportunities	Equity fund	29 July 2002
Country Funds Range				
Allianz Japan Equity (MPP)	Feeder Fund	Allianz Japan Equity	Equity fund	1 July 2000
BlackRock Global Funds - European Fund (MPP)	Feeder Fund	BlackRock Global Funds - European Fund	Equity fund	1 July 2000
HSBC Hong Kong Equity Fund (MPP)	Feeder Fund	HSBC Global Investment Funds - Hong Kong Equity	Equity fund	1 July 2000
Morgan Stanley Investment Funds US Growth Fund (MPP)	Feeder Fund	Morgan Stanley Investment Funds US Growth Fund	Equity fund	1 July 2000

Information regarding the above Defined Contribution Funds, together with an overview of their corresponding Designated Funds, is set out below. The Trustee will, where practicable, give reasonable notice to employers and Members entitled to exercise investment choice of any material change to this overview. For further details about the investment objectives and policies, asset allocation targets, risk factors, details of securities financing transactions (if any), collateral policy and criteria (if applicable) as well as other investment related information of the Designated Funds, please refer to the latest offering document of each Designated Fund (save for the Designated Funds invested by the Manulife Balanced Fund (MPP), Manulife Growth Fund (MPP) and Manulife Stable Fund (MPP), which details are mainly set out in this Appendix 1). Copies of the offering documents may be obtained free of charge by calling the Manulife Pension Services Hotline: 2929 3021.

Money Market Range

Schroder HK Money Market Fund (MPP)

This Defined Contribution Fund invests solely in the Schroder Hong Kong Money Market Fund (the "**Designated Fund**"). The Designated Fund aims to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a high degree of security and ready availability of monies.

The manager's policy will be to invest at least 70% of the Designated Fund's net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for example, government bills, certificates of deposits, commercial papers, short-term notes and bankers' acceptance etc.

Investments of the Designated Fund will be limited to Hong Kong dollar short-term deposits and Hong Kong dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a stand-alone fund. Schroder Investment Management (Hong Kong) Limited and Schroder Investment Management (Singapore) Ltd are, respectively, the manager and sub-manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risks associated with investing in money market funds, risks associated with investment in fixed income instruments, concentration risk.

Schroder US Dollar Money Fund (MPP)

This Defined Contribution Fund invests solely in the Schroder U.S. Dollar Money Fund (the "**Designated Fund**"). The Designated Fund's investment objective is to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a degree of security and ready availability of monies.

The Designated Fund invests at least 70% of its net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for example, government bills, certificates of deposits, commercial papers, short-term notes and bankers' acceptance etc.

Investments of the Designated Fund will be limited to US dollar short-term deposits and US dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a stand-alone fund. Schroder Investment Management (Hong Kong) Limited and Schroder Investment Management (Singapore) Ltd are, respectively, the manager and sub-manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risks associated with investing in money market funds, risks associated with investment in fixed income instruments, concentration risk.

Global Fixed Interest Range

Baring International Bond Fund (MPP)

This Defined Contribution Fund invests solely in the Barings Global Bond Fund (the "**Designated Fund**"). The investment objective of the Designated Fund is to seek a maximum total return, through current income generation and capital appreciation.

The Designated Fund will seek to achieve its investment objective by investing primarily in an actively managed globally diversified portfolio which at least 80% of its net asset value is invested in fixed income instruments. The fixed income instruments in which the Designated Fund invests may include government bonds, covered bonds, global corporate bonds, notes, debentures, government obligations and sovereign issues, commercial paper, asset-backed securities ("**ABS**"), commercial and residential-mortgage backed securities ("**CMBS**" and "**RMBS**") and contingent convertible bonds ("**CoCos**"), up to 25% of its net asset value in collateralised and/or securitised products such as covered bonds, ABS, CMBS and RMBS and up to 10% of its net asset value in securities issued and/or guaranteed by a single sovereign (including its government, a public or local government of that country) which is rated sub-investment grade. The Designated Fund may invest in investment grade and up to 20% of the Designated Fund's net asset value in sub-investment grade fixed income instruments.

The Designated Fund will invest less than 30% of its net asset value in debt instruments with loss-absorption features, out of which no more than 10% of the Designated Fund's net asset value may be invested in contingent convertible bonds. The Designated Fund's weighted-average portfolio duration is expected to be greater than one year at all times.

The Designated Fund will invest at least 50% of its total assets in fixed income instruments of countries that exhibit positive or improving environmental, social and governance ("**ESG**") characteristics. The Designated Fund will also invest at least 75% of its total assets in countries that exhibit strong or improving human development conditions, as measured by the United Nations Human Development Index (HDI) and calculated as the average of the five year period as of two years prior to the investment period.

Under exceptional circumstances, the Designated Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Barings International Umbrella Fund. Baring International Fund Managers (Ireland) Limited is the manager of Barings International Umbrella Fund and the Designated Fund. Baring Asset Management Limited is the investment manager of the Designated Fund. Barings LLC and Barings Japan Limited are the sub-investment managers of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risk of investing in unrated / low-rated debt securities and high yielding / defaulted debt securities, risks associated with investment in fixed income instruments, liquidity risk, concentration risk, risks associated with investing in ESG / sustainable investing, risks associated with investing in financial derivative instruments, currency risk, risks associated with investing in collateralised and/or securitised products (such as covered bonds, asset-backed securities and mortgage-backed securities), risk related to charges deducted from capital and distribution out of capital, risks associated with investing in debt instruments with loss-absorption features.

Fidelity Global Bond Fund (MPP)

This Defined Contribution Fund invests solely in the Fidelity Funds - Global Bond Fund (the "**Designated Fund**"). The Designated Fund aims to provide income with the possibility of capital gains, and invests in fixed income securities issued in global markets to maximise performance measured in US dollars. The Designated Fund will invest less than 30% of its net assets directly and/or indirectly in onshore China fixed income securities listed or traded on the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market. As the Designated Fund may invest globally, it may be exposed to countries considered to be emerging markets.

A minimum of 50% of the Designated Fund's net assets will be invested in securities deemed to maintain sustainable characteristics. The Designated Fund will consider a wide range of environmental and social characteristics on an ongoing basis. Environmental characteristics include carbon intensity, carbon emissions, energy efficiency, water and waste management, biodiversity, while social characteristics include product safety, supply chain, health and safety and human rights. Environmental and social characteristics are analysed by Fidelity's fundamental analysts and rated through Fidelity Sustainability Ratings. (For further details, please refer to the Designated Fund's offering document.)

The Designated Fund is actively managed. The investment manager will, when selecting investments for the Designated Fund and for the purposes of monitoring risk, reference Bloomberg Global Aggregate Bond Index (the "**Index**") as the Index constituents best represent the characteristics the Designated Fund is seeking to gain exposure to. The Designated Fund's performance can be assessed against its Index.

The investment manager has a wide range of discretion relative to the Index. While the Designated Fund will hold assets that are components of the Index, it may also invest in issuers, sectors, countries and security types that are not included in, and that have different weightings from, the Index in order to take advantage of investment opportunities. It is expected that over long time periods, the Designated Fund's performance will differ from the Index. However, over short time periods, the Designated Fund's performance may be close to the Index, depending on market conditions. Investors' attention is drawn to the fact that the Index is not an index which integrates environmental and social considerations. Instead, the Designated Fund promotes environmental and social characteristics by adhering to the Fidelity Sustainable Investing Framework, as described in the Designated Fund's offering document.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Fidelity Funds. FIL Investment Management (Luxembourg) S.A. is the management company of Fidelity Funds. FIL Fund Management Limited is the investment manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to “Risk Factors” section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risks associated with investment in fixed income instruments, risk of investing in convertible bonds and contingent convertible bonds, risks associated with investing in debt instruments with loss-absorption features, risks associated with investing in ESG / sustainable investing, currency risk, concentration risk, risks associated with investing in financial derivative instruments.

JPMorgan SAR Global Bond Fund (MPP)

This Defined Contribution Fund invests solely in the JPMorgan SAR Global Bond Fund (the “**Designated Fund**”). The Designated Fund aims to provide investors with long term capital growth in US dollar terms through a portfolio consisting primarily of international bonds of developed markets.

The proposed asset allocation of the Designated Fund shall be as follows:

70-100%	net asset value in international bonds of developed markets
0-30%	net asset value in international bonds of developing markets as permitted under the Mandatory Provident Fund Schemes (General) Regulation

The Designated Fund’s net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a stand-alone fund. JPMorgan Asset Management (Asia Pacific) Limited is the manager of the Designated Fund. The sub-managers of the Designated Fund are JPMorgan Asset Management (UK) Limited and J.P. Morgan Investment Management Inc.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to “Risk Factors” section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risks associated with investment in fixed income instruments, risk of investing in unrated / low-rated debt securities and high yielding / defaulted debt securities, emerging markets risk, currency risk, risks associated with investing in financial derivative instruments, liquidity risk, Europe and Eurozone risk.

Hong Kong Dollar Fixed Interest Range

Schroder Hong Kong Dollar Bond Fund (MPP)

This Defined Contribution Fund invests solely in Schroder International Selection Fund - Hong Kong Dollar Bond (the “**Designated Fund**”). The Designated Fund aims to provide capital growth and income in excess of 50% 3 month HIBOR + 50% iBoxx ALBI Hong Kong index after fees have been deducted over a three to five year period, by investing at least two-thirds of its assets in fixed and floating rate securities denominated in HK dollars issued by governments, government agencies, supra-nationals and companies worldwide and derivatives related to the above instruments.

The Designated Fund may invest less than 30% of its net asset value in the People’s Republic of China onshore investments through the foreign access regime and bond connect.

The Designated Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash.

The Designated Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1 and Tier 2 capital notes, senior and senior non-preferred notes, bail-in bonds, capital security bonds, subordinated Tier 2 capital notes, subordinated Additional Tier 1 capital notes and subordinated Lower Tier 2 capital notes).

Under exceptional circumstances (e.g. market crash or major crisis), the Designated Fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

The Designated Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the fund more efficiently.

The Designated Fund’s net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Schroder International Selection Fund. Schroder Investment Management (Europe) S.A. is the management company of the Schroder International Selection Fund and the Designated Fund and Schroder Investment Management (Hong Kong) Limited is the investment manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to “Risk Factors” section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, risks associated with investment in fixed income instruments, emerging markets risk, concentration risk, risks associated with investing in financial derivative instruments, risk related to charges deducted from capital and distribution out of capital.

Life Cycle Range

Allianz Choice Balanced Fund (MPP)

This Defined Contribution Fund invests solely in the Allianz Choice Balanced Fund (the "**Designated Fund**"). The Designated Fund aims to achieve a high level (above market) of overall return over the long term by investing in a diversified portfolio of global equities and fixed-interest securities. The Designated Fund is expected to invest 70% of its assets in equities and 30% in fixed-interest securities. The fixed income portion will consist of a range of instruments issued in countries around the world. The equity portion of the Designated Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the manager, in other Asian countries and emerging markets. Such smaller proportion of the equity portion of the Designated Fund may be invested in China A-Shares, in which the Designated Fund may invest less than 30% of its equity portion. For the avoidance of doubt, the limit of the Designated Fund's investment in China A-Shares is calculated based on the Designated Fund's equity portion (instead of the Designated Fund's net asset value).

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund, a sub-fund of Allianz Global Investor Choice Fund, is a fund of funds investing substantially all its assets in (i) other sub-funds of the Allianz Global Investors Choice Fund ("**Underlying Funds**") and/or (ii) index-tracking collective investment schemes ("**Underlying ITCIS**") as determined by the manager from time to time to be appropriate to provide the desired investment exposure for the Designated Fund based on its investment objective and policy. All Underlying Funds are approved as approved pooled investment funds by the Authority and authorised by the Commission and all Underlying ITCIS are approved by the Authority. The Designated Fund may invest at least 60% and up to 80% of its assets in global equities (out of which less than 30% of such equity portion of the Designated Fund may be invested in China A-Shares) and at least 20% and up to 40% of its assets in fixed-interest securities via the Underlying Funds and/or the Underlying ITCIS. The Designated Fund will invest in 5 or more Underlying Funds and/or the Underlying ITCIS.

It is expected that the Designated Fund will invest 70% to 100% of its net asset value in the Underlying Funds and not more than 30% of its net asset value in the Underlying ITCIS.

The Underlying Funds and the Underlying ITCIS will be actively selected and the extent of the Designated Fund's investment in such underlying funds will be allocated by the manager by reference to their underlying investments. In particular, the Designated Fund may invest up to 40% of its latest available net asset value in the Allianz Choice Global Fixed Income Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies.

Through the Underlying Funds and the Underlying ITCIS, the Designated Fund will:

- primarily invest in equities which are broadly diversified (in terms of industry sectors and/or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority; and
- invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor's) or Baa3 or above (as rated by Moody's Investors Services Inc.) or which in the opinion of the manager would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers. Where the Underlying ITCIS in which the Designated Fund invests tracks a bond index, such bond index will not have a significant portion of the constituent securities that do not satisfy the minimum credit rating requirements set out by the Authority.

The Designated Fund may also hold cash for ancillary purposes. The Designated Fund will not enter into any financial futures contracts or financial option contracts other than for hedging purpose.

Allianz Global Investors Asia Pacific Limited is the manager of Allianz Global Investor Choice Fund and the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, risks associated with investment in fixed income instruments, company-specific risk, concentration risk, risk of investing in collective investment schemes, currency risk, asset allocation strategy risk, risks associated with investing in financial derivative instruments.

Barings Global Balanced Fund (MPP)

This Defined Contribution Fund invests solely in the Barings Global Balanced Fund (the "**Designated Fund**"). The objective of the Designated Fund is to achieve long-term capital growth.

The Designated Fund invests in a diversified range of international equities and debt securities (including, without limit, in emerging markets), generally with a focus on Asian equities. Under normal market circumstances, the Designated Fund intends to allocate around 60% of its net asset value in equities and around 40% of its net asset value in debt securities.

Asset class	Indicative percentage of the Designated Fund's net asset value
Equities and equity-related instruments	35-75%
Debt securities (excluding contingent convertible bonds)	25-65%

Instruments with loss-absorption features	0 - less than 30%
Cash, cash equivalents and money market instruments	0-10% (up to 100% in exceptional circumstances as disclosed below)

Under exceptional circumstances (e.g. economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions), the Designated Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

The Designated Fund will invest less than 30% of its net asset value in debt instruments with loss absorption features (“**LAP**”).

The Designated Fund’s net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Barings International Umbrella Fund. Baring International Fund Managers (Ireland) Limited is the manager of Barings International Umbrella Fund and the Designated Fund. Baring Asset Management Limited is the investment manager of the Designated Fund, and Baring Asset Management (Asia) Limited is the sub-investment manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to “Risk Factors” section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, emerging markets risk, concentration risk, risk of investing in convertible bonds and contingent convertible bonds, risks associated with investing in small and/or mid-sized capitalisation companies, risks associated with investment in fixed income instruments, risks relating to investing in Chinese securities and/or China markets, risks associated with investing in financial derivative instruments, currency risk, risk related to charges deducted from capital and distribution out of capital, asset allocation strategy risk, risks associated with investing in debt instruments with loss-absorption features.

HSBC Managed Growth Fund (MPP)

This Defined Contribution Fund invests solely in the HSBC Managed Growth Fund (the “**Designated Fund**”). The objective of the Designated Fund is to achieve long-term capital growth by investing in a diversified portfolio with a bias towards global equities through direct investment and/or other collective investment schemes that the Designated Fund may invest in. The Designated Fund may normally invest a minimum of 90% of its net asset value in equities and equity-related investments. The remainder of the assets may invest in global debt securities, bonds, money market instruments, cash instruments and cash. The above intended asset allocation is for indication only and may be changed as and when the investment manager of the Designated Fund considers appropriate. The Designated Fund may invest in aggregate up to 100% of its net asset value in units or shares of collective investment schemes. The Designated Fund may invest up to 50% of its net asset value in the equities or equity related securities of companies which are domiciled in, based in, carry out the larger part of their business activities, or are listed on the stock exchange, in Hong Kong.

The Designated Fund may invest less than 30% of its net asset value in onshore mainland China securities and less than 40% of its net asset value in offshore mainland China securities via direct investment and/or other collective investment schemes, provided that the Designated Fund’s aggregate investment in onshore and offshore mainland China securities is up to 40% of its net asset value. For onshore mainland China equities and bonds, the Designated Fund may invest via Stock Connect, China interbank bond market initiative, Bond Connect (as the case may be) and/or other means as may be permitted by the relevant regulations from time to time.

The Designated Fund may invest in financial derivative instruments (including embedded financial derivatives) for investment and hedging purposes. While the collective investment schemes in which the Designated Fund invests may have exposure to derivatives, such schemes will not use derivatives extensively for investment purposes.

The Designated Fund’s net derivative exposure may be up to 50% of its net asset value.

HSBC Investment Funds (Hong Kong) Limited is the manager of the Designated Fund. HSBC Global Asset Management (Hong Kong) Limited is the investment adviser of the Designated Fund and has appointed HSBC Global Asset Management (UK) Limited as the investment sub-adviser.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to “Risk Factors” section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, currency risk, equity risk, emerging markets risk, risks relating to investing in Chinese securities and/or China markets, risks associated with investing in financial derivative instruments, risk of investing in collective investment schemes, asset allocation strategy risk.

Manulife Balanced Fund (MPP)

This Defined Contribution Fund invests solely in the underlying Manulife Balanced Fund (the “**Designated Fund**”), which is not separately available to retail investors in Hong Kong. The Designated Fund seeks to take a more balanced approach by aiming to achieve good capital growth in the long term with moderate volatility. The manager will select approved pooled investment funds and/or approved index-tracking funds and construct a moderate asset allocation strategy to achieve the investment objective.

The Designated Fund will normally invest between 60% to 80% in international equity funds and 20% to 40% in international bond funds and/or money market funds. Investments will be mainly made in the US, Europe, Hong Kong and other Asian markets. However, the actual allocation may vary as market and other conditions change.

The Designated Fund will not use futures and options and will not engage in securities lending. The Designated Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

The Designated Fund is an approved pooled investment fund within the meaning of the Mandatory Provident Fund Schemes Ordinance ("**MPFSO**"), and is subject to the investment restrictions applicable to approved pooled investment funds pursuant to Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation ("**MPF Regulation**") and the MPFA's Code on MPF Investment Funds and other investment restrictions as set out in the trust deed of the Designated Fund.

The Designated Fund is a sub-fund of Manulife Asset Allocation Fund. Manulife Investment Management (Hong Kong) Limited is the manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, currency risk, emerging markets risk, risks associated with investment in fixed income instruments, risk of investing in collective investment schemes, risk related to investment in exchange-traded funds and index-tracking funds.

Manulife Growth Fund (MPP)

This Defined Contribution Fund invests solely in the underlying Manulife Growth Fund (the "**Designated Fund**"), which is not separately available to retail investors in Hong Kong. The Designated Fund seeks to maximise long term capital growth by investing in equity markets. The manager will select approved pooled investment funds and/or approved index-tracking funds and construct an aggressive asset allocation strategy to achieve the investment objective.

The Designated Fund will normally invest between 80% to 100% assets in global equity funds of major markets and up to a maximum of 20% in bond funds and/or money market funds. Investments will be mainly made in the US, Europe, Hong Kong and other Asian markets. However, the actual allocation may vary as market and other conditions change.

The Designated Fund will not use futures and options and will not engage in securities lending. The Designated Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

The Designated Fund is an approved pooled investment fund within the meaning of the MPFSO, and is subject to the investment restrictions applicable to approved pooled investment funds pursuant to Schedule 1 of the MPF Regulation and the MPFA's Code on MPF Investment Funds and other investment restrictions as set out in the trust deed of the Designated Fund.

The Designated Fund is a sub-fund of Manulife Asset Allocation Fund. Manulife Investment Management (Hong Kong) Limited is the manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, currency risk, emerging markets risk, risks associated with investment in fixed income instruments, risk of investing in collective investment schemes, risk related to investment in exchange-traded funds and index-tracking funds.

Manulife Stable Fund (MPP)

This Defined Contribution Fund invests solely in the underlying Manulife Stable Fund (the "**Designated Fund**"), which is not separately available to retail investors in Hong Kong. The Designated Fund seeks to achieve steady investment returns in the long term through a conservative approach. The manager will select approved pooled investment funds and/or approved index-tracking funds and construct a conservative asset allocation strategy to achieve the investment objective.

The Designated Fund will normally invest between 40% to 60% in international equity funds and 40% to 60% in international bond funds and/or money market funds. Investment will be mainly made in the US, Europe, Hong Kong and other Asian markets. However, the actual allocation may vary as market and other conditions change.

The Designated Fund will not use futures and options and will not engage in securities lending. The Designated Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

The Designated Fund is an approved pooled investment fund within the meaning of the MPFSO, and is subject to the investment restrictions applicable to approved pooled investment funds pursuant to Schedule 1 of the MPF Regulation and the MPFA's Code on MPF Investment Funds and other investment restrictions as set out in the trust deed of the Designated Fund.

The Designated Fund is a sub-fund of Manulife Asset Allocation Fund. Manulife Investment Management (Hong Kong) Limited is the manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, currency risk, emerging markets risk, risks associated with investment in fixed income instruments, risk of investing in collective investment schemes, risk related to investment in exchange-traded funds and index-tracking funds.

Schroder Balanced Investment Fund (MPP)

This Defined Contribution Fund invests solely in the Schroder Balanced Investment Fund (the "**Designated Fund**"). The Designated Fund is a fund of funds. The Designated Fund's investment objective is capital growth in Hong Kong dollars through investing in quoted equities and fixed income securities, other asset classes and money market instruments and cash in any part of the world directly or through investment in funds (including qualified exchange traded funds) ("**Underlying Funds**") investing in the foregoing investments).

The Designated Fund may directly invest up to 90% of its net asset value in quoted equities and up to 50% of its net asset value in fixed income securities. The Designated Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment.

Up to 100% of the Designated Fund's net asset value may be invested in the Underlying Funds.

The Designated Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Funds, is expected to be the following:

Equities	50-90%
Fixed income	10-50%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Designated Fund may invest in Underlying Funds of which the net derivative exposure is more than 50% of the Underlying Fund's latest available net asset value.

The Designated Fund is a stand-alone fund and is managed by Schroder Investment Management (Hong Kong) Limited.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, risks associated with investment in fixed income instruments, currency risk, risk of investing in collective investment schemes, emerging markets risk, risks associated with investing in financial derivative instruments, risks associated with investing in small and/or mid-sized capitalisation companies, risk related to investment in exchange-traded funds and index-tracking funds.

Schroder Stable Growth Fund (MPP)

This Defined Contribution Fund invests solely in the Schroder Stable Growth Fund (the "**Designated Fund**"). The Designated Fund is a fund of funds. The Designated Fund's investment objective is capital appreciation in HK dollars through investing in quoted equities and fixed interest securities, other asset classes and money market instruments and cash in any part of the world directly or through investment in funds (including qualified exchange traded funds) ("**Underlying Funds**").

The Designated Fund may directly invest up to 70% of its net asset value in quoted equities and up to 70% of its net asset value in fixed income securities. The Designated Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment.

Up to 100% of the Designated Fund's net asset value may be invested in the Underlying Funds.

The Designated Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Funds, is expected to be the following:

Equities	30-70%
Fixed income	30-70%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Designated Fund's net derivative exposure may be up to 50% of its net asset value. The Designated Fund may invest in Underlying Funds of which the net derivative exposure is more than 50% of the Underlying Fund's latest available net asset value.

The Designated Fund is a stand-alone fund and is managed by Schroder Investment Management (Hong Kong) Limited.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, risks associated with investment in fixed income instruments, currency risk, risk of investing in collective investment schemes, emerging markets risk, risks associated with investing in financial derivative instruments, risks associated with investing in small and/or mid-sized capitalisation companies, risk related to investment in exchange-traded funds and index-tracking funds, risk related to charges deducted from capital and distribution out of capital.

Templeton Global Balanced Fund (MPP)

This Defined Contribution Fund invests solely in the Franklin Templeton Investment Funds - Templeton Global Balanced Fund (the "**Designated Fund**"). The Designated Fund's investment objective is to seek capital appreciation and current income, consistent with prudent investment management, by investing principally in equity securities and government debt securities issued by entities throughout the world, including emerging markets.

In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of the Designated Fund's net assets may be invested in liquid assets, with due regard to the principle of risk spreading.

At no time will the investment manager invest more than 40% of the Designated Fund's total net assets into fixed income securities.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Franklin Templeton Investment Funds. Franklin Templeton International Services S.à r.l. is the management company of Franklin Templeton Investment Funds and the Designated Fund. Franklin Advisers, Inc. and Templeton Investment Counsel, LLC are co-investment managers of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, risks associated with investment in fixed income instruments, emerging markets risk, Europe and Eurozone risk, liquidity risk, risk of investing in convertible bonds and contingent convertible bonds, risks relating to investing in Chinese securities and/or China markets, currency risk, risks associated with investing in financial derivative instruments, risk related to charges deducted from capital and distribution out of capital, securities lending risk.

Global Equities Range

Allianz Choice Growth Fund (MPP)

This Defined Contribution Fund invests solely in the Allianz Choice Growth Fund (the "**Designated Fund**"). The Designated Fund aims to maximise long term overall returns by investing primarily in global equities.

The Designated Fund, a sub-fund of Allianz Global Investor Choice Fund, is a fund of funds investing substantially all its assets in (i) other sub-funds of the Allianz Global Investors Choice Fund ("**Underlying Funds**") and/or (ii) index-tracking collective investment schemes ("**Underlying ITCIS**") as determined by the manager from time to time to be appropriate to provide the desired investment exposure for the Designated Fund based on its investment objective and policy. All Underlying Funds are approved as approved pooled investment funds by the Authority and authorised by the Commission and all Underlying ITCIS are approved by the Authority.

The Designated Fund may invest at least 80% and up to 100% of its assets in global equities and up to 20% of its assets in fixed-interest securities via the Underlying Funds and/or the Underlying ITCIS. Generally, the Designated Fund is expected to invest 90% of its assets in global equities and 10% in fixed-interest securities via the Underlying Funds and/or the Underlying ITCIS. The Designated Fund, via the Underlying Funds and/or Underlying ITCIS, aims to invest in the countries comprised in the MSCI World Index which covers all the major world stock markets including those in Japan, North America, Asia and Europe.

The Designated Fund will invest in 5 or more Underlying Funds and/or the Underlying ITCIS. Through its investment in the Underlying Funds and/or Underlying ITCIS, the Designated Fund may have an exposure of less than 30% of its net asset value to China A-Shares. It is expected that the Designated Fund will invest 70% to 100% of its net asset value in the Underlying Funds and not more than 30% of its net asset value in the Underlying ITCIS.

The Underlying Funds and the Underlying ITCIS will be actively selected and the extent of the Designated Fund's investment in such underlying funds will be allocated by the manager by reference to their underlying investments. In particular, the Designated Fund may invest up to 40% of its latest available net asset value in the Allianz Choice Hong Kong Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong.

Through the Underlying Funds and the Underlying ITCIS, the Designated Fund will:

- primarily invest in equities which are broadly diversified (in terms of industry sectors and/or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority; and
- invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor's) or Baa3 or above (as rated by Moody's Investors Services Inc.) or which in the opinion of the manager would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers. Where the Underlying ITCIS in which the Designated Fund invests tracks a bond index, such bond index will not have a significant portion of the constituent securities that do not satisfy the minimum credit rating requirements set out by the Authority.

The Designated Fund may also hold cash for ancillary purposes. The Designated Fund will not enter into any financial futures contracts or financial option contracts other than for hedging purpose.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

Allianz Global Investors Asia Pacific Limited is the manager of Allianz Global Investor Choice Fund and the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in HK dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, company-specific risk, concentration risk, risk of investing in collective investment schemes, currency risk, asset allocation strategy risk, risks associated with investing in financial derivative instruments.

Asian Equities Range

Allianz Little Dragons (MPP)

This Defined Contribution Fund invests solely in the Allianz Little Dragons (the "**Designated Fund**"). The investment objective of the Designated Fund is to provide long-term capital growth by investing in Asian equity markets excluding Japan with a focus on small-sized and mid-sized companies.

For the purposes of this Designated Fund, "small and mid-sized companies" mean companies whose market capitalisation are a maximum of 1.3 times of the market capitalisation of the largest security in terms of market capitalisation in the MSCI AC Asia Excl. Japan Mid Cap.

At least 70% of the Designated Fund's assets are invested in equities of companies which are exposed or connected to the Asian equity markets (e.g. companies with sales/profits predominantly in those markets) excluding Japan, with a focus on small-sized and mid-sized companies.

Up to 100% of the Designated Fund's assets may be invested in emerging markets. The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Allianz Global Investors Fund. The management company of Allianz Global Investors Fund and the Designated Fund is Allianz Global Investors GmbH and Allianz Global Investors Asia Pacific Limited is the investment manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, concentration risk, emerging markets risk, risks relating to investing in Chinese securities and/or China markets, risks associated with investing in financial derivative instruments, risks associated with investing in small and/or mid-sized capitalisation companies, company-specific risk, currency risk, risk related to charges deducted from capital and distribution out of capital.

Schroder International Selection Fund - Asian Opportunities (MPP)

This Defined Contribution Fund invests solely in the Schroder International Selection Fund - Asian Opportunities (the "**Designated Fund**"). The Designated Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan).

The Designated Fund may invest directly in China B-shares and China H-shares and may invest less than 30% of its assets (on a net basis) directly or indirectly through derivatives in China A-shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, Qualified Foreign Investor ("**QFI**") scheme and regulated markets.

The Designated Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash.

Under exceptional circumstances (e.g. market crash or major crisis), the Designated Fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

The Designated Fund may use derivatives with the aim of reducing risk or managing the fund more efficiently.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Schroder International Selection Fund. Schroder Investment Management (Europe) S.A. is the management company of the Schroder International Selection Fund and the Designated Fund and Schroder Investment Management (Singapore) Limited is the investment manager of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, concentration risk, emerging markets risk, risks relating to investing in Chinese securities and/or China markets, risk of investing in collective investment schemes, risks associated with investing in financial derivative instruments, risks associated with investing in small and/or mid-sized capitalisation companies, risk related to charges deducted from capital and distribution out of capital, currency risk.

Country Funds Range

Allianz Japan Equity (MPP)

This Defined Contribution Fund invests solely in the Allianz Japan Equity (the "**Designated Fund**"). The investment objective of the Designated Fund is to provide long-term capital growth by investing in Japanese equity markets.

At least 70% of the Designated Fund's assets are invested in equities of companies which are exposed or connected to Japan (e.g. companies with registered offices or sales/profits predominantly in Japan).

The Designated Fund is a sub-fund of Allianz Global Investors Fund. Allianz Global Investors GmbH is the management company of the Allianz Global Investors Fund and the Designated Fund. The investment manager of the Designated Fund, Allianz Global Investors Asia Pacific Limited, has delegated the investment management of the Designated Fund to Allianz Global Investors Japan Co. Ltd, the sub-investment manager.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, equity risk, concentration risk, emerging markets risk, risks associated with investing in financial derivative instruments, currency risk, company-specific risk, risk related to charges deducted from capital and distribution out of capital.

BlackRock Global Funds - European Fund (MPP)

This Defined Contribution Fund invests solely in the European Fund, a sub-fund of BlackRock Global Funds (the "**Designated Fund**"). The Designated Fund seeks to maximise total return and invest in a manner consistent with the principles of environmental, social and governance ("**ESG**") investing. The Designated Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe. The Designated Fund may also invest in emerging markets (such as Hungary, Poland and Russia).

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of BlackRock Global Funds. BlackRock Luxembourg S.A. is the management company of BlackRock Global Funds and the Designated Fund and has appointed BlackRock Investment Management (UK) Limited as the investment adviser of the Designated Fund.

The base currency of the Defined Contribution Fund and the Designated Fund is Euro and the share class in dealing is in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, concentration risk, emerging markets risk, foreign investments restrictions risk, risks associated with investing in small and/or mid-sized capitalisation companies, risks associated with investing in financial derivative instruments, currency risk, risk of investing in convertible bonds and contingent convertible bonds.

HSBC Hong Kong Equity Fund (MPP)

This Defined Contribution Fund invests solely in the HSBC Global Investment Funds - Hong Kong Equity (the "**Designated Fund**"). The Designated Fund aims to provide long-term capital growth by investing in a portfolio of Hong Kong SAR equities, while promoting ESG characteristics within the meaning of Article 8 of Sustainable Finance Disclosure Regulation ("**SFDR**").

The Designated Fund invests in normal market conditions a minimum of 90% of its net assets in equities and equity equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities, or are listed on a regulated market, in Hong Kong SAR. The Designated Fund may also invest in eligible closed-ended real estate investment trusts.

The Designated Fund includes the identification and analysis of a company's ESG credentials ("**ESG Credentials**") as an integral part of the investment decision making process to reduce risk and enhance returns. The Designated Fund will not invest in equities issued by companies with specified involvement in specific excluded activities ("**Excluded Activities**").

ESG Credentials, Excluded Activities and the need for enhanced due diligence may be identified and analysed by using, but not exclusively, HSBC's proprietary ESG Materiality Framework and ratings, fundamental qualitative research and corporate engagement. The investment adviser of the Designated Fund may rely on expertise, research and information provided by financial and non-financial data providers.

Investments in Chinese equities include, but are not limited to, China A-shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the People's Republic of China. The Designated Fund may directly invest in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations. Furthermore, the Designated Fund may gain exposure to China A-shares indirectly through China A-shares Access Products ("**CAAP**") such as, but not limited to, participation notes linked to China A-shares.

The Designated Fund may invest up to 20% of its net assets in China A-shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and up to 10% of its net assets in CAAPs. The Designated Fund's maximum exposure to China A-shares and China B-shares is 20% of its net assets.

The Designated Fund normally invests across a range of market capitalisations without any capitalisation restriction.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of HSBC Global Investment Funds. HSBC Investment Funds (Luxembourg) S.A. is the manager of HSBC Global Investment Funds and the Designated Fund and has appointed HSBC Global Asset Management (Hong Kong) Limited as the investment adviser of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, concentration risk, risks associated with investing in small and/or mid-sized capitalisation companies, risks associated with investing in financial derivative instruments, currency risk.

Morgan Stanley Investment Funds US Growth Fund (MPP)

This Defined Contribution Fund invests solely in the Morgan Stanley Investment Funds US Growth Fund (the "**Designated Fund**"). The Designated Fund's investment objective is to seek long-term capital appreciation, measured in US dollars, by investing primarily in securities issued by US companies (based in or carrying out most of their business in the US) and on an ancillary basis in securities issued by companies that are not from the US.

The Designated Fund may make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes. The Designated Fund may also invest up to 30% of its value in other investments such as equities of companies not meeting the above requirements, in debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants, China A-Shares via Stock Connect and other equity linked securities. Investment in China A-Shares via Stock Connect may not exceed 10% of the Designated Fund's value.

The Designated Fund's net derivative exposure may be up to 50% of its net asset value.

The Designated Fund is a sub-fund of Morgan Stanley Investment Funds. MSIM Fund Management (Ireland) Limited is the management company of Morgan Stanley Investment Funds and its sub-funds (including the Designated Fund). It will in turn delegate the investment management functions in respect of the Designated Fund to Morgan Stanley Investment Management Limited, the investment adviser of the Designated Fund. Certain functions in respect of the Morgan Stanley Investment Funds are also delegated by the management company to other service providers. Morgan Stanley Investment Management Inc. is the sub-adviser of the Designated Fund.

This Defined Contribution Fund and the Designated Fund are denominated in US dollars.

Please refer to "Risk Factors" section above for the relevant investment risks associated with the Defined Contribution Fund, including: investment risk, liquidity risk, equity risk, risks associated with investing in financial derivative instruments, Europe and Eurozone risk.

Appendix 2
Summary of Fees and Charges

Fees and charges payable out of the Plan[Note]

Trustee Fee For Defined Benefit Funds, 0.10% p.a. or as otherwise agreed with the relevant employer For Defined Contribution Funds, 0.10% p.a.
Administrator Fee For Defined Benefit Funds, 0.50% p.a. or as otherwise agreed with the relevant employer For Defined Contribution Funds, 0.50% p.a.
Management Fee For Defined Benefit Funds, as agreed with the relevant employer For Defined Contribution Funds, nil
Operating expenses of the Plan

Note: The fees of the Trustee and the Administrator will be paid to the Trustee out of the Plan and will be shared between the Trustee and the Administrator as set out above. The fees of the Trustee and the Administrator in aggregate are subject to a maximum of 1.0% p.a. At least three months' prior notice will be given to the employers and Members of Defined Contribution Funds of any increase in the aggregate fees of the Trustee and the Administrator up to the permitted maximum level. The Management Fee, in the case of a Defined Contribution Fund which is a feeder fund, is currently capped at nil.

Fees payable by employers

Registration Fee	one-time fee of HK$1,800 plus an annual registration fee thereafter
MPF Exemption Application Fee (if applicable)	one-time fee of HK$1,800
Deed of Attachment Fee	one-time fee which is subject to the final quotation provided by the legal counsel
Solicitor's Statement Fee	one-time fee which is subject to the final quotation provided by the legal counsel
Auditor's Statement Fee	one-time fee which is subject to the final quotation provided by the auditor
Termination Fee	one-time fee of HK$1,500 or HK$2,500

Fees on Designated Funds

Management Fee	ranges from 0.25% p.a. - 2.75% p.a.
Trustee/Custodian Fee	ranges from 0.0015% p.a. - 0.60% p.a.
Others	please refer to the notes on P.43

Charges of the Designated Funds

In respect of the Allianz Japan Equity and Allianz Little Dragons, the management fee, administration fee and custodian fee payable are combined into a single all-in-fee, and the current level of which is as follows:

Designated Fund	All-in-fee#
Allianz Japan Equity[1] (sub-fund of Allianz Global Investors Fund)	1.80% p.a.
Allianz Little Dragons[2] (sub-fund of Allianz Global Investors Fund)	3.25% p.a.

In respect of other Designated Funds:

Designated Fund	**Management Fee#**		**Trustee / Custodian Fee#**	
	Current	**Maximum**	**Current**	**Maximum**
Allianz Choice Balanced Fund (sub-fund of Allianz Global Investor Choice Fund)	0.63% p.a.	2.00% p.a.	up to 0.07% p.a.	0.25% p.a.
Allianz Choice Growth Fund (sub-fund of Allianz Global Investor Choice Fund)	0.65% p.a.	2.00% p.a.	up to 0.07% p.a.	0.25% p.a.
Barings Global Balanced Fund (sub-fund of Barings International Umbrella Fund)	1.00% p.a.	1.00% p.a.#	0.45% p.a.[8]	No prescribed limit#
Barings Global Bond Fund (sub-fund of Barings International Umbrella Fund)	0.75% p.a.	0.75% p.a.	0.45% p.a.[9]	No prescribed limit#
BlackRock Global Funds - European Fund[3] (sub-fund of BlackRock Global Funds)	1.50% p.a.	2.25% p.a.	0.005% p.a. to 0.441% p.a.	No prescribed limit#
Fidelity Funds - Global Bond Fund (sub-fund of Fidelity Funds)	0.75% p.a.	2.00% p.a.	0.40% p.a.[4]	No prescribed limit#
HSBC Global Investment Funds - Hong Kong Equity (sub-fund of HSBC Global Investment Funds SICAV)	1.00% p.a.	No prescribed limit#	0.35% p.a.	1.00% p.a.
HSBC Managed Growth Fund	0.75% p.a.	2.50% p.a.	0.07% p.a.	0.25% p.a.
JPMorgan SAR Global Bond Fund	0.80% p.a.	3.00% p.a.	0.0295% p.a.	0.30% p.a.
Manulife Balanced Fund (sub-fund of Manulife Asset Allocation Fund)	0.80% p.a.	1.50% p.a.	0.10% p.a.	2.00% p.a.
Manulife Growth Fund (sub-fund of Manulife Asset Allocation Fund)	0.80% p.a.	1.50% p.a.	0.10% p.a.	2.00% p.a.
Manulife Stable Fund (sub-fund of Manulife Asset Allocation Fund)	0.80% p.a.	1.50% p.a.	0.10% p.a.	2.00% p.a.
Morgan Stanley Investment Funds US Growth Fund[5] (sub-fund of Morgan Stanley Investment Funds)	1.40% p.a.	No prescribed limit#	up to 0.25% p.a.	0.25% p.a.
Schroder Balanced Investment Fund	0.625% p.a.	1.50% p.a.	0.04% p.a.	0.25% p.a.
Schroder Hong Kong Money Market Fund[6]	0.25% p.a.	0.75% p.a.	0.05% p.a.	0.25% p.a.
Schroder International Selection Fund - Asian Opportunities (sub-fund of Schroder International Selection Fund)	1.50% p.a.	No prescribed limit#	up to 0.50% p.a.	0.50% p.a.
Schroder International Selection Fund - Hong Kong Dollar Bond (sub-fund of Schroder International Selection Fund)	0.75% p.a.	No prescribed limit#	up to 0.533% p.a.	No prescribed limit#
Schroder Stable Growth Fund	0.625% p.a.	1.50% p.a.	0.04% p.a.	0.50% p.a.

Designated Fund	Management Fee#		Trustee / Custodian Fee#	
	Current	**Maximum**	**Current**	**Maximum**
Schroder U.S. Dollar Money Fund[6]	0.25% p.a.	0.75% p.a.	0.05% p.a.	0.25% p.a.
Templeton Global Balanced Fund[7] (sub-fund of Franklin Templeton Investment Funds)	1.30% p.a.	No prescribed limit#	0.01% to 0.14% p.a.	No prescribed limit#

Notes:

1 In addition to the single all-in-fee, the Allianz Japan Equity is subject to the transaction costs incurred for securities transactions which are not included in this all-in-fee.

2 In addition to the single all-in-fee, the Allianz Little Dragons is subject to the transaction costs incurred for securities transactions which are not included in this all-in-fee.

3 The BlackRock Global Funds - European Fund is also subject to an administration fee of up to 0.25% per annum of its net asset value. In addition to the custody safekeeping fees, the custodian also receives transaction fees which are fixed fees chargeable on a per-transaction basis.

4 The fee is based on the financial year ended April 2009. The Fidelity Funds - Global Bond Fund pays a monthly custodian fee calculated by reference to the net asset value of the fund on the last Business Day of each month and paid monthly in the amount as the custodian and the fund shall determine from time to time in the light of market rates applicable in Luxembourg.

5 The Trustee/Custodian Fee of the Morgan Stanley Investment Funds US Growth Fund represents the monthly administration charge, which covers the fees of the management company, administrator, the registrar and transfer agent, the custodian and certain other expenses incurred in the operation of the fund (for instance, legal and audit fees). The actual custodian's fees payable by the Morgan Stanley Investment Funds US Growth Fund vary depending on the size of the Morgan Stanley Investment Funds US Growth Fund and the location where the investments are made. The Morgan Stanley Investment Funds US Growth Fund is also subject to specific additional costs including, without limitation, the Luxembourg subscription tax ("taxe d'abonnement"), additional custody fees applicable to investment in emerging markets, hedging expenses and the costs relating to the subsidiaries.

6 The Trustee/Custodian Fee of Schroder Hong Kong Money Market Fund and Schroder U.S. Dollar Money Fund is subject to an annual minimum fee of USD20,000.

7 The "Management Fee" corresponds to the "annual management charges" of the Templeton Global Balanced Fund, which is the sum of the investment management fees and maintenance charges. The registrar and transfer, corporate, domiciliary and administrative agent, receive as remuneration a maximum annual fee of 0.2% of the net asset value of the fund plus an additional fixed amount per shareholder account at the relevant class level over a one year period.

8 The Trustee/Custodian Fee represents the administration, depositary and operating fees payable by the relevant class of units in the Barings Global Balanced Fund invested by the Barings Global Balanced Fund (MPP) and such fees include the aggregate fees and expenses of the administrator and depositary and certain other fees and ongoing expenses of the Designated Fund.

9 The Trustee/Custodian Fee represents the administration, depositary and operating fees payable by the relevant class of units in the Barings Global Bond Fund invested by the Baring International Bond Fund (MPP) and such fees include the aggregate fees and expenses of the administrator and depositary and certain other fees and ongoing expenses of the Designated Fund.

Apart from the Management and Trustee/Custodian Fees, each Designated Fund will also bear other fees and expenses. The Trustee will, where practicable, give reasonable notice to employers and Members entitled to exercise investment choice of any material change to this summary of fees and charges. For details and the latest information (including any restrictions on increase in fees (if applicable)), please refer to the offering document of each Designated Fund. Copies of the offering documents may be obtained free of charge by calling the Manulife Pension Services Hotline: 2929 3021.

Appendix 3
Summary of Investment Restrictions under the Code

Investment of the Constituent Funds is required to comply with the Trust Deed, the applicable investment requirements under Chapters 8.10 and 8.11 of the Code, the ORS Ordinance and the Mandatory Provident Fund Schemes (Exemption) Regulation.

All of the Constituent Funds which are authorised pursuant to the Code are funds investing in SFC-authorised fund(s) and are therefore subject to the following investment restrictions under the Code.

(a) A Constituent Fund investing in SFC-authorised fund(s) may normally invest 90% or more of its total net asset value in one or more SFC-authorised fund(s) falling under Chapter 7 (plain vanilla funds), 8.2 (money market funds), 8.6 (unlisted index funds and index tracking exchange traded funds) or 8.10 (listed open-ended funds) of the UT Code, or approved pooled investment funds. The remaining assets shall be held in cash or cash equivalents. In addition, the name(s) of the underlying fund(s) and their respective investment allocation(s) must be disclosed in the offering document.

(b) Furthermore, any underlying fund must be a non-derivative fund ("**Non-Derivative Fund**"). (Note: A Non-Derivative Fund is one with a net derivative exposure of up to 50% of its net asset value, calculated in accordance with the UT Code and the requirements and guidance issued by the SFC which may be updated from time to time.)

(c) A Constituent Fund investing in SFC-authorised fund(s) may borrow up to 10% (by total net asset value) of its underlying assets but only on a temporary basis for the purpose of meeting redemptions or defraying operating expenses.

(d) Where a Constituent Fund investing in SFC-authorised fund(s) invests in any SFC-authorised fund(s) issued by the Sponsor (being the product provider of the Plan) or its connected person(s) or delegate(s), all initial charges and redemption charges on such underlying fund(s) must be waived.

(e) The Sponsor (being the product provider) or its delegate(s) may not obtain a rebate on any fees or charges levied by the underlying fund(s) (or their management companies), or any quantifiable monetary benefits in connection with investments in the underlying fund(s), of a fund investing in SFC-authorised fund(s).

In addition, no monies of a Constituent Fund may be invested in the securities of, or lent to, as applicable, the Sponsor, the investment managers, the guarantor, the Trustee, or any of their connected persons except where any of these parties is a substantial financial institution or an insurance company. For the purposes of this provision securities do not include interests in collective investment schemes, either authorised under section 104(1) of the Securities and Futures Ordinance ("**SFO**") or recognised jurisdiction schemes pursuant to 1.2 of the UT Code.