

Addendum to the Principal Brochure of The Bank Consortium Industry Plan

The current version of the Principal Brochure of the Bank Consortium Industry Plan (the “Plan”) contains information accurate to **27 October 2008**. To keep you informed, we have drawn this list of incremental changes to supplement the information contained in the Principal Brochure.

Unless the context otherwise requires and except as varied or otherwise specified in this Addendum, words and expressions contained herein shall bear the same meaning as in the Principal Brochure of the Plan.

The numbers on the left refer to the relevant pages of the current version of the Principal Brochure.

All references in the Principal Brochure to “BCT Capital Preservation Fund” should be deleted and replaced with “BCT MPF Conservative Fund”, and all references in the Principal Brochure to “Capital Preservation Fund” should be deleted and replaced with “MPF Conservative Fund”.

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| Introduction | <p>A text box containing the following bullet points should be inserted in the Introduction page of the Principal Brochure:</p> <ul style="list-style-type: none"> • Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members’ account by way of unit deduction. The BCT MPF Conservative Fund uses method (i) and, therefore, unit prices / NAV / fund performance quoted have incorporated the impact of fees and charges. • 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 objective), you should seek financial and / or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.” <p>In the fourth paragraph, the second sentence should be deleted in its entirety and replaced by “The aggregate of their assets and their shareholders’ fund were respectively in excess of HK\$791 billion and HK\$73 billion as at the end of December 2008.”</p> <p>The date “27 October 2008” of publication of this Principal Brochure should be replaced by “1 October 2009”.</p> |
| Page 1 | <p>In the first paragraph, delete the second sentence and replace it with “The trust deed was subsequently amended and ultimately superseded by Deed of Substitution and Adherence dated 1 October 2009 (the “Trust Deed”).</p> <p>In the third paragraph, the phrase “as amended from time to time ” should be inserted after “Mandatory Provident Fund Schemes (General) Regulation” in the fifth sentence.</p> <p>In the third paragraph, the last sentence should be deleted in its entirety and be replaced by “Subject to the approval of the Authority and the SFC, additional constituent funds can be established at any time by the Trustee.”</p> |
| Page 4 | <p>Under the heading “(i) MPF Conservative Fund”, the full stop at the end of each of subparagraphs (a) and (b) will be replaced with “; or”. And, the subparagraph (c) should be deleted in its entirety and replaced with the following:</p> <p>“ (c) debt securities, with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by a credit rating agency approved by the Authority.”</p> <p>In the last paragraph under the heading “(i) MPF Conservative Fund”, the following sentence should be added as the last sentence:</p> <p>“The MPF Conservative Fund does not guarantee capital repayment.”</p> |

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| Pages 8, 9 | <p>Under the heading “(ix) Absolute Return Fund”, the last paragraph should be deleted in its entirety and replaced with the following:</p> <p>“With respect to Absolute Return Fund, “Absolute Return” is the name of the fund only and refers to the investment objective – to achieve an absolute return performance target not related to an index. Such a description is a performance target only and absolute positive returns are not guaranteed.”</p> |
| Page 9 | <p>The first sentence in the fourth paragraph should be deleted in its entirety and replaced by “Subject to the prior approval of the Authority and the SFC, the Trustee may, by giving to the members and participating employers of the Plan not less than 3 months’ notice, or such shorter notice as the Authority and the SFC may agree / approve:”</p> <p>Under the heading “3.2 Risk Factors”, the second paragraph should be deleted in its entirety and replaced by the following:</p> <p>“The investments in the constituent funds are subject to market fluctuations and other risks inherent to investing in securities. As a result, the price of an unit of a constituent fund may go up as well as down.</p> <p>There is also a currency exchange risk which may affect the value of the constituent funds to the extent that the constituent funds (other than the MPF Conservative Fund) may make investments in currencies other than Hong Kong dollars.</p> <p>The value of the constituent funds’ assets may also be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the laws, regulations or market practices of the countries in which the constituent funds may invest.”</p> <p>The following additional risk factors should be inserted:</p> <p>“All constituent funds which invest in securities of issuers with exposure to or operations in the emerging markets (either directly or indirectly through investment in an APIF) are subject to the risk of investing in emerging markets generally. Emerging markets can be significantly more volatile than developed markets, and the value of investments therein may, therefore, be subject to large fluctuations. These markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. The overall economic conditions in emerging markets, which are susceptible to a higher risk of government intervention, may have an impact on the relevant constituent fund’s financial performance. Also, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally.</p> <p>The value of a constituent fund may be affected if any of the financial institutions with which the cash of the constituent fund is invested or deposited suffers insolvency or other financial difficulties. This risk is minimised to the extent that the exposure to any institution is limited to the maximum level of investment permitted under the Regulation.</p> <p>There is no certainty in the credit worthiness of issuers of debt securities in which any constituent funds (either directly or indirectly through investment in an APIF) invest. Unstable market conditions may mean there are increased instances of default amongst issuers. This risk is minimised to the extent that investment in debt securities of any one issuer by a constituent fund or its underlying APIF is subject to the investment restrictions set out in Schedule 1 of the Regulation.</p> <p>Investors should note that a constituent fund or its underlying APIF that invests in equities will be subject to market risks. The impact of these risks is minimised to the extent that investment in equities and other securities is subject to the diversification requirements of Schedule 1 of the Regulation.”</p> |

Under the heading “3.3 Investment Restrictions and Guidelines”, points “(a)” and “(b)” under subparagraph (ii) shall be deleted in its entirety and be replaced by the following paragraphs shall be inserted under subparagraph (ii):

- “ (a) the lending is in respect of fully paid up shares listed on an approved stock exchange as defined by the Regulation;
- (b) the agreement is entered into by the custodian of the constituent fund and the borrower of the securities;
- (c) the amount of the consideration (including any value of any collateral securities) given for the securities exceeds the value of those securities;
- (d) no more than 10% of the net asset value of the relevant constituent fund can be the subject of securities lending agreements at any one time; and
- (e) no more than 50% of the securities of the same issue, or of the same kind, held in respect of the relevant constituent fund can be the subject of securities lending agreement, at any one time.”

Under the heading “3.3 Investment Restrictions and Guidelines”, subparagraph (iii) should be deleted in its entirety and replaced by the following paragraphs:

- “ (iii) The assets of any constituent fund should not be applied for the purpose of entering into a Repurchase Agreement unless the agreement is entered into by the custodian of the constituent fund and only if:
 - (a) the amount of the consideration (including the value of any collateral securities) given for the relevant securities exceeds the value of the securities; and
 - (b) no more than 10% of the assets of the relevant constituent fund are the subject of Repurchase Agreements at any one time;
 - (c) no more than 50% of the securities of the same issue held among the assets of the relevant constituent fund are the subject of Repurchase Agreements at any one time; and

“Repurchase Agreement” means an agreement under which the Trustee agrees to sell debt securities to a person and to repurchase it from that person at a specified date in the future for an agreed price, subject to the amount of consideration (including the value of any collateral securities) provided by that person during the period of the agreement.”

Under the heading “3.3 Investment Restrictions and Guidelines”, the subparagraph (i) (c) should be deleted in its entirety and replaced by the following paragraph:

- “ (c) in debt securities with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by the following approved credit rating agencies or such other credit rating agency approved by the Authority:
 - (A) Fitch Ratings;
 - (B) Rating & Investment Information, Inc.;
 - (C) Moody’s Investors Service, Inc.; and
 - (D) Standard & Poor’s Corporation.”

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| Pages 11, 12 | <p>The paragraph under the heading “3.5 Borrowing Policy” should be deleted in its entirety and replaced by the following paragraph:</p> <p>“Subject to the provisions of the MPFS Ordinance and the Regulation (including section 4 of Schedule 1 of the Regulation) and any other statutory requirements and restrictions and to other terms and conditions contained in the Trust Deed, the Trustee may, for the account of a constituent fund, make and vary arrangements for the borrowing in any currency for the purpose of paying accrued benefits, settling a transaction relating to the acquisition of investments for the relevant constituent funds.”</p> |
| Pages 13, 14 | <p>In the second paragraph under the heading “4.1 Application for Membership”, the words “as a member” should be deleted from the second line.</p> <p>In the forth paragraph under the heading “4.1 Application for Membership”, the phrase “elects to or is taken to have elected to” should be inserted after “employment with such employer,” in the second line.</p> <p>In the sixth paragraph under the heading “4.1 Application for Membership”, the word “essential” should be deleted from the eleventh line.</p> <p>In the seventh paragraph under the heading “4.1 Application for Membership”, the phrase “and be subject to” should be inserted after “comply with” in the third line.</p> |
| Page 18 | <p>Under the heading “4.5 Transfer into the Plan”. The word “essential” should be deleted from the last sentence of the last paragraph.</p> |
| Page 19 | <p>Under the heading “4.7 Withdrawal of Benefits”, the second paragraph should be deleted in its entirety and replaced with the following:</p> <p>“Those employee members who have attained the normal retirement age of 65 or attained the retirement age of 60 and certify to the Trustee by statutory declaration that they have permanently ceased their respective employment or self-employment may also choose to remain in the Plan as preserved member and request that the whole or part of the lump sum accrued benefit (attributable to Voluntary Contributions) due on retirement is treated as a special voluntary contribution and the Trustee shall then redesignate that member’s holdings of units accordingly.”</p> <p>In the forth paragraph, subparagraph (i) should be deleted in its entirety and replaced by the following:</p> <p>“ (i) such benefits as at the date of the claim do not exceed HK\$5,000 or such amount as prescribed by the Regulation from time to time;”</p> <p>Subparagraph (ii) in the forth paragraph should be deleted in its entirety and replaced by the following:</p> <p>“ (ii) as at the date of the claim, at least 12 months have elapsed since the contribution day in respect of the latest contribution period for which a mandatory contribution is required to be made to the Plan, or to any other registered scheme by or in respect of the member; and”</p> |

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| Page 22 | <p>Under the heading "4.10 Portability of Benefits"</p> <p>The following words are added at the end of the seventh paragraph:</p> <p>"For the purposes of such a transfer, the Trustee shall have the absolute discretion to effect such transfer in such manner as the Trustee think fit including, but not limited to, transferring any units in specie from one contribution account concerned directly to the relevant preserved account (which, in turn, includes the transfer of any units in the Employee's Special Voluntary Sub-Account of the contribution account in specie to the Preserved Member's Special Voluntary Sub-Account of the relevant preserved account."</p> |
| Page 23 | <p>Under the heading "4.11 Termination of Participating Plan",</p> <p>The last sentence in the fourth paragraph should be deleted in its entirety and replaced with the following:</p> <p style="padding-left: 40px;">"In respect of any employee member who has made special voluntary contribution and if his employer ceases to participate in the Plan, unless otherwise instructed by that employee member, the employee member shall be deemed to have made an election to treat the benefits accrued in the special voluntary account separately from the other accrued benefits and such accrued benefits derived from the special voluntary contributions will be retained in the Preserved Member's Special Voluntary Sub-Account of a Preserved Account of the Plan in the name of the relevant employee member(s)."</p> |
| Page 25 | <p>Under the heading "5.5. Suspension of Valuation and Pricing", in the last paragraph, the phrase "the Trust" should be deleted and replaced by "any constituent fund" in the second line.</p> |
| Page 26 | <p>Under the heading "6.1 Subscription and Subscription Price", in the last paragraph, the words "the SFC and" should be inserted after "Subject to the approval of" in the first line, and the words "and participating employers" should be inserted after "to the members" in the last line.</p> |
| Page 27 | <p>Under the heading "6.2 Redemption of Units and Redemption Price", in the last paragraph, the words "the SFC and" should be inserted after "Subject to the approval of" in the first line, and the words "and participating employers" should be inserted after "to the members" in the last line.</p> |
| Page 31 | <p>Under the Part(C) of the fee table and heading "Definitions", the reference to APIF and the definition of APIF should be deleted in their entirety.</p> |
| Page 33 | <p>As regards the first and second paragraph, the phrases "(or such shorter period notice as the SFC may approve)" is replaced with "(or such shorter period of notice as the Authority and SFC may approve / agree)".</p> |
| Page 35 | <p>Under the section "Plan", the wording "other marketing materials" in the fifth line of the last paragraph should be deleted in its entirety.</p> |

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| Page 38 | <p>Under the heading “8.1 Reports and Accounts”, delete the word “and” at the end of subparagraph (vi) and the following should be inserted after subparagraph (vii):</p> <p>“ ; and</p> <p>(viii) such other information as may be specified by the Authority.</p> <p>If special voluntary contributions are made by the members, an annual benefit statement will be provided in respect of the special voluntary contributions made within 3 months of the end of the financial period of the Plan.”</p> |
| Page 39 | <p>The paragraph under the heading “8.5 Responsibility of the Trustee” should be deleted in its entirety and replaced by the following paragraph:</p> <p>“The Trust Deed contains provisions governing the responsibilities and obligations of the Trustee and providing for its indemnification in certain circumstances. With the prior approval of the Authority and the SFC (where necessary) and subject to other conditions contained in the Trust Deed, the Trustee may retire voluntarily upon the appointment of a successor. If the Trustee proposes to retire, the Trustee should notify the members and participating employers of its retirement by giving not less than 1 month’s written notice.”</p> |

The Directors of Bank Consortium Trust Company Limited accept responsibility for the information contained in this Addendum as being accurate at the date hereof.

Date: 1 October 2009