

BCT (MPF) PRO CHOICE (the “Plan”)

NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice. Bank Consortium Trust Company Limited (the “Trustee”), being the trustee of the Plan accepts responsibility for the information contained in this document. This document is only a summary of the key changes relating to the Plan. Members should also carefully review the Principal Brochure. A copy of the Principal Brochure can be obtained free of charge by calling the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333 or accessing the website at www.bcthk.com.

Unless otherwise defined herein, terms used in this document bear the same meaning as in the principal brochure of the Plan dated 23 April 2018, as amended by the first addendum dated 16 August 2018 and the second addendum dated 18 January 2019 and the third addendum dated 1 April 2019 (together, the “**Principal Brochure**”).

13 November 2019

Dear Participating Employer / Member,

Thank you for your continued support of the Plan. We are writing to inform you of the following changes in respect of the Plan.

Summary of changes to the Plan:

The following changes are proposed to be made to Plan:

- With effect from 1 January 2020 (“**Effective Date**”), an employee member, a self-employed member or a personal account member who holds a special voluntary contribution sub-account in the Plan immediately before the Effective Date (“**Original Special Voluntary Contribution Sub-Account**”) will be automatically admitted to the Plan as a special voluntary contribution account member (hereafter “**SVC member**”) and assigned with a new participating plan number, subject to the completion of all the pending transactions in relation to the Original Special Voluntary Contribution Sub-Account(s) (including, but not limited to, making contributions, units redemption, fund switching, and de-risking in relation to the DIS Funds). The accrued benefits in the relevant Original Special Voluntary Contribution Sub-Account will be transferred to a special voluntary contribution account (“**SVC account**”) and held in the new special voluntary contribution sub-account thereunder (“**New Special Voluntary Contribution Sub-Account**”) by the member in his capacity as an SVC member.
- How will the proposed changes affect you?
 - (i) If you hold any Original Special Voluntary Contribution Sub-Account, you will be assigned a new participating plan number for each such sub-account.
 - (ii) There is no change to your current investment mandate and investment allocation applicable to each of your Original Special Voluntary Contribution Sub-Account(s).
 - (iii) If you hold more than one Original Special Voluntary Contribution Sub-Account immediately before the Effective Date, those sub-accounts will not be consolidated as the result of the proposed changes, but each of such sub-accounts will, instead, remain as a separate sub-account under a separate SVC account assigned with a separate participating plan number immediately after the Effective Date; and you will, accordingly, have more than one new SVC account immediately after the Effective Date, with the investment mandate of each of your Original Special Voluntary Contribution Sub-Accounts applying to the sub-account of each of such new SVC accounts correspondingly.
 - (iv) As an SVC member, you should use new administrative forms designed specifically for use by SVC members. As an SVC member, you will receive member communications in your capacity as an SVC member.

- (v) An SVC member who meets the specified withdrawal conditions may request to receive accrued benefits by instalment.
- (vi) Any transfer within the Plan or to another registered scheme in relation to accrued benefits derived from mandatory contributions and voluntary contributions will be treated separately from accrued benefits derived from special voluntary contributions.

For the avoidance of doubt, the above does NOT involve any extra fee, charge or expense to be levied on either the participating employers or members.

- Any action required?

The above changes do not and will not have any adverse impact on members of the Plan and no action is required to be taken by the members in connection with the changes. For further details, please refer to the Notice below.

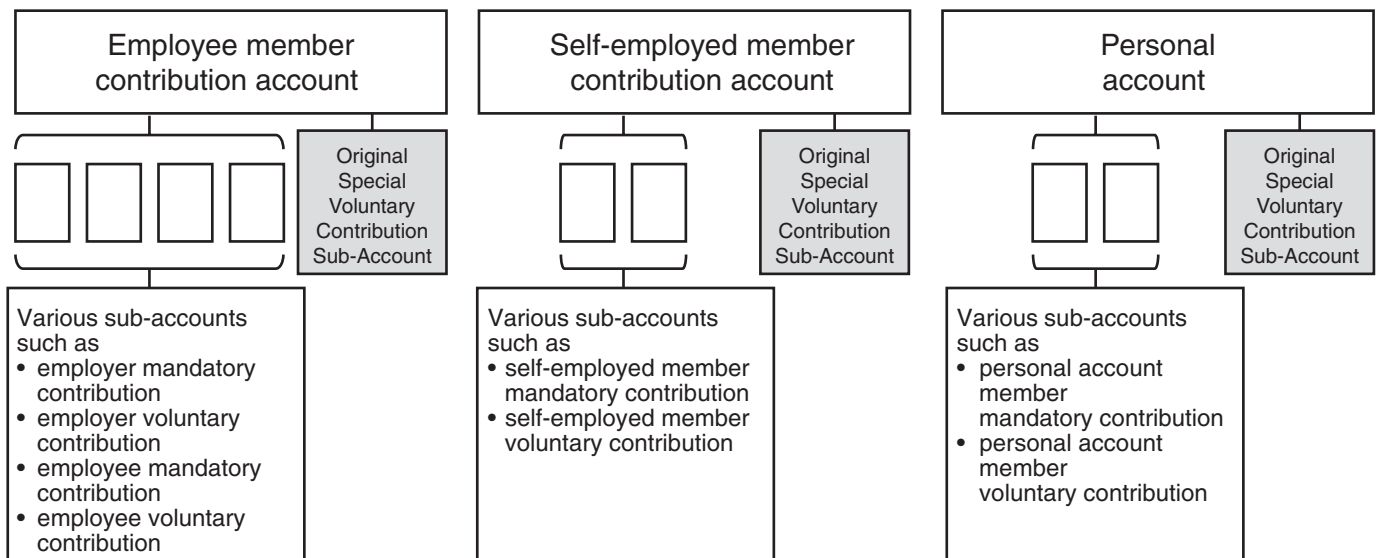
- Changes relating to partial withdrawal of special voluntary contributions and TVC
- Changes to the investment policy of the BCT (Pro) Global Bond Fund and enhancement of related risk factors
- Administrative changes to the Plan
 - (i) References to the special voluntary contribution arrangements of the Plan as “Easy Gold Plan” will be removed with effect from the Effective Date.
 - (ii) The Chinese translation of “Stock Connect” will be updated.
 - (iii) Method of payment of accrued benefits.

Should you have any enquiries regarding the changes, please contact the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333.

1. Introduction

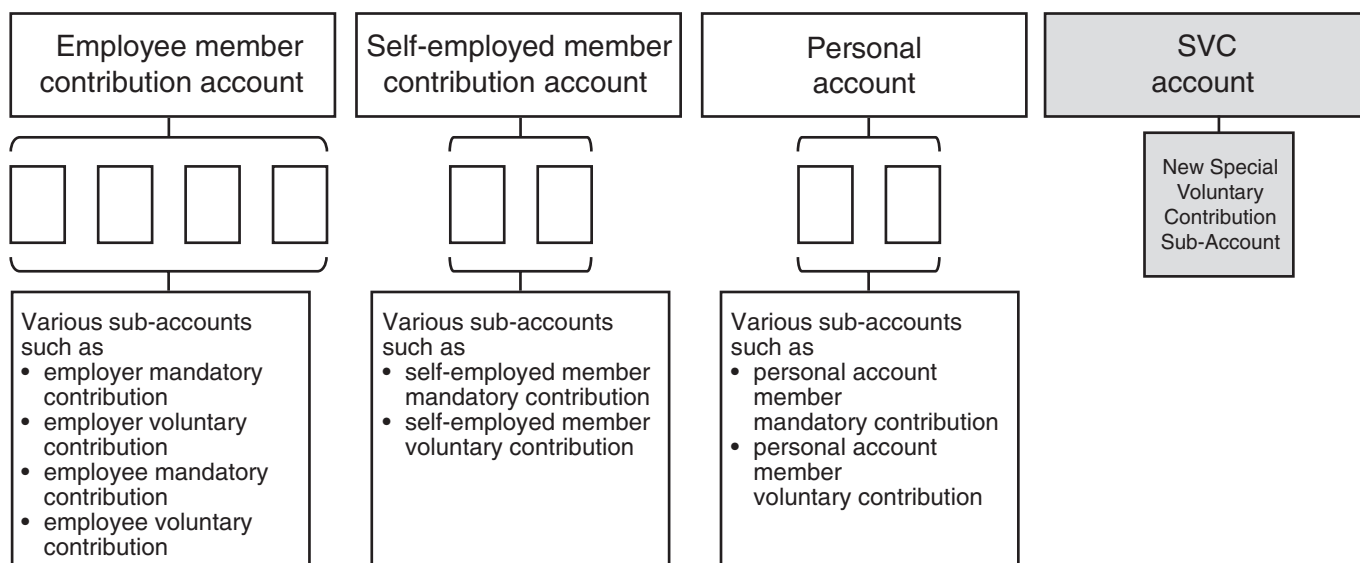
Currently, an employee member, self-employed member and personal account member may hold a special voluntary contribution sub-account in the member’s respective capacity as an employee member, a self-employed member and a personal account member.

An illustrative diagram is set out below:



As part of the Plan’s account restructuring, with effect from the Effective Date, special voluntary contribution sub-accounts will no longer be held in a member’s capacity as an employee member, a self-employed member and a personal account member (as the case may be). Instead, an employee member, a self-employed member or a personal account member who holds one or more Original Special Voluntary Contribution Sub-Account(s) in the Plan will be automatically admitted to the Plan as an SVC member, subject to the completion of all the pending transactions in relation to the Original Special Voluntary Contribution Sub-Account(s).

An illustrative diagram is set out below:



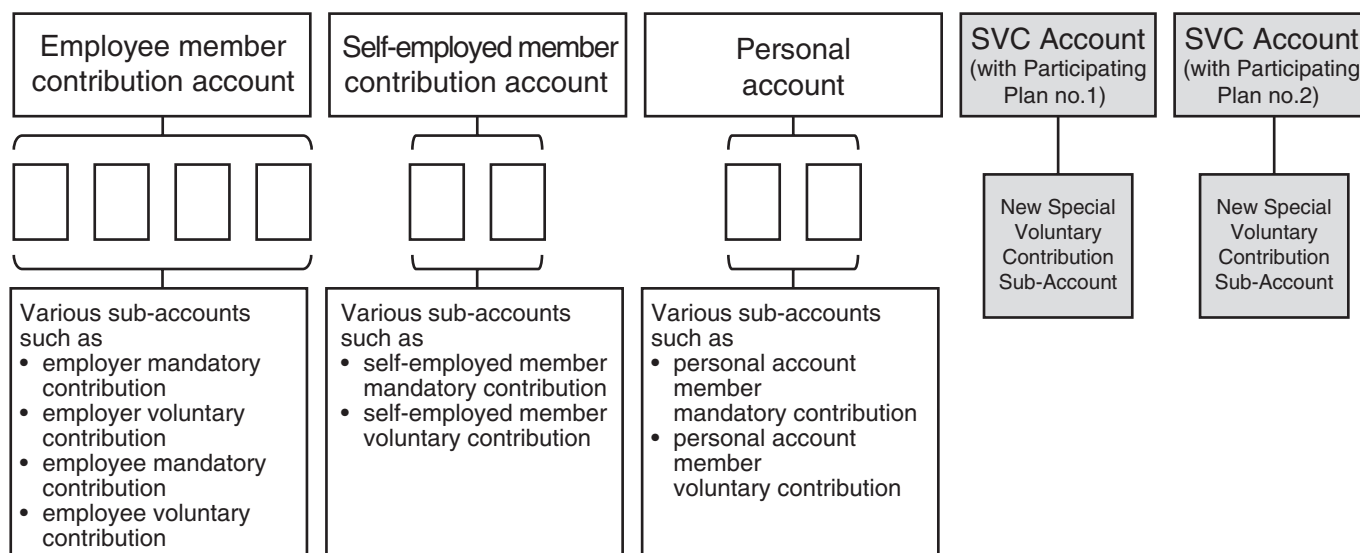
A new participating plan, with a new participating plan number, will be established and assigned to the relevant member for each special voluntary contribution sub-account held by him, and his accrued benefits in the relevant Original Special Voluntary Contribution Sub-Account will be transferred to an SVC account and held in the New Special Voluntary Contribution Sub-Account thereunder by such member in his capacity as an SVC member (“**SVC account restructuring**”).

2. How will SVC account restructuring impact you?

(i) SVC membership, new participating plan number and new SVC account

If immediately before the Effective Date, you hold one or more Original Special Voluntary Contribution Sub-Accounts in the Plan (whether in your capacity as an employee member, a self-employed member or a personal account member), you will become an SVC member and be assigned with a new participating plan number for each Original Special Voluntary Contribution Sub-Account held immediately before the Effective Date. Benefits held in each existing special voluntary contribution sub-account will be transferred to an SVC account and held in the New Special Voluntary Contribution Sub-Account thereunder with effect from the Effective Date, subject to the completion of all the pending transactions in relation to the Original Special Voluntary Contribution Sub-Account(s). Such SVC account will be established under your new participating plan in respect of your membership as an SVC member. For the avoidance of doubt, a separate SVC account (together with a New Special Voluntary Contribution Sub-Account thereunder) shall be established for each of your Original Special Voluntary Contribution Sub-Account. If you hold more than one Original Special Voluntary Contribution Sub-Account, those sub-accounts will not be consolidated.

An illustrative diagram is set out below:



You will receive (a) a confirmation statement regarding the completion of transfer of accrued benefits to your new SVC account(s) showing the information such as the “Summary of Transferred Account Balances”, the “Summary of Transferred Account Balances By Fund”, the “Summary of Transferred in Balances by Fund”, the “Transfer In Details” and the “Contribution Received during the Plan Year” and (b) a notice of participation which will include information on the participating plan number assigned to you as an SVC member and the SVC account under such participating plan, on or around 10 January 2020. If you become an SVC member under the SVC account restructuring, the Trustee will waive all joining fee and membership fee payable by you as an SVC member.

For the avoidance of doubt, your capacity as an employee member, self-employed member or personal account member and your accounts (other than any special voluntary contribution sub-accounts) held in such capacity will not be affected by the SVC account restructuring.

The Trustee may reject an application to become an SVC member received after the Effective Date or, with a prior notice in writing, refuse to accept a transfer or payment of special voluntary contributions to the Plan in the event of (a) having reason to know that information and documents provided to the Trustee are incorrect or incomplete; (b) failure of an applicant or an SVC member to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering / tax reporting; and / or (c) other circumstances which the Trustee and the Sponsor may consider appropriate.

(ii) No change to investment mandate and investment allocation

There will be no change to the investment mandate and investment allocation applicable to each of your Original Special Voluntary Contribution Sub-Account(s) as a result of the SVC account restructuring.

The investment mandate applicable to each of your Original Special Voluntary Contribution Sub-Account immediately before the Effective Date will continue to apply to the New Special Voluntary Contribution Sub-Account to which accrued benefits have been transferred, immediately after the Effective Date.

The accrued benefits in the Original Special Voluntary Contribution Sub-Account transferred to the New Special Voluntary Contribution Sub-Account will continue to be invested immediately after the Effective Date in the same manner as such accrued benefits were invested immediately before the Effective Date.

For the avoidance of doubt, if you hold more than one Original Special Voluntary Contribution Sub-Account, those sub-accounts will not be consolidated, but each of such sub-accounts will, instead, remain as a separate sub-account under a separate SVC account assigned with a separate participating plan number immediately after the Effective Date.

If you submit a request (“**Request**”) before 4 p.m. on the business day immediately before the Effective Date (i.e. 31 December 2019) (“**Cut-off Time**”) to amend the investment mandate and / or to rebalance / switch units between constituent funds with respect to voluntary contributions to the Plan, the Request will be processed with respect to the voluntary contributions including any special voluntary contributions made by you, as soon as practicable before the Effective Date. If a Request is received at or after the Cut-off Time, the Request will only be processed with respect to your voluntary contributions but excluding any special voluntary contributions made by you, and we will notify you as soon as practicable by phone, SMS or letter, as necessary. In such case, if after the Effective Date you would still like to amend the investment mandate and / or to rebalance / switch units between constituent funds with respect to your special voluntary contributions, you need to submit a new Request using the prescribed form(s) on or after the Effective Date in your capacity as an SVC member, and a duly completed Request received by the Trustee will be processed as soon as practicable. (From the Effective Date, SVC members should use prescribed forms designed for use by SVC members. For details, please refer to sub-section 2(iii) below.)

(iii) New administrative forms and separate member communications

From the Effective Date, SVC members should use administrative forms designed specifically for use by SVC members. These forms include without limitation: application form, claim form for payment of accrued benefits, information update form, request for transfer form (“**SVC Forms**”). The current administrative forms for use by employee members, self-employed members and personal account members will be updated to remove references to special voluntary contribution sub-accounts. A copy of the relevant forms will be available at the following internet link: <https://www.bcthk.com/en/support/forms>.

From the Effective Date, the Trustee may at its discretion process the out-dated administrative forms. Except for the out-dated application form that the Trustee may at its discretion process in the first 3 months after the Effective Date, there is no transitional period for the other out-dated administrative forms.

In addition, from the Effective Date, SVC members will separately receive notifications and communications relating to the Plan including the member benefit statements, in their capacity as an SVC member.

(iv) Temporary suspension of IVRS and online platform

To give effect to the SVC account restructuring, system changes will take place and as a result, the services under interactive voice response system (i.e. IVRS) and online platform of the Plan will be suspended for approximately 4 hours from 2:00 am to 6:00 am on a day which is on or before the Effective Date ("**Temporary Suspension Period**"). Notification regarding the temporary suspension of service will be set up in the IVRS and on the online platform at least 3 business days before the Temporary Suspension Period.

(v) Direct Debit Authorisation

Any standing instructions given by a member in respect of his Original Special Voluntary Contribution Sub-Account which authorise the Trustee to directly debit contributions from the member's bank account will not be affected and will continue to apply following the SVC account restructuring.

(vi) Portability of benefits

Currently, an employee member, a self-employed member or a personal account member may elect to transfer his accrued benefits held in a contribution account (in the case of an employee member or a self-employed member) or a personal account (in the case of a personal account member) to another account within the Plan or to another registered scheme ("**recipient scheme**") in which he is eligible to participate, in accordance with the rules of the Trust Deed. If the governing rules of the recipient scheme do not have provisions equivalent to the Plan relating to the vesting and payment of accrued benefits derived from special voluntary contributions, such accrued benefits will not be transferred out of the Plan, and will be retained in a personal account in the Plan in the name of the relevant member.

In addition, where an employer ceases to participate in the Plan and elects to have the accrued benefits of its employee members held in the employee members' contribution account transferred to another registered scheme in which the employer is a participating employer, unless otherwise instructed by the relevant employee member, the employee member shall be deemed to have made an election to treat the benefits accrued in the special voluntary contribution account separately from the other accrued benefits and such accrued benefits derived from the special voluntary contributions will be retained in a special voluntary contribution sub-account of a personal account of the Plan in the name of the relevant employee member.

Following the SVC account restructuring, accrued benefits derived from special voluntary contributions will no longer be held in a sub-account of an employee member, a self-employed member or a personal account member. Instead, accrued benefits derived from special voluntary contributions will be held in a New Special Voluntary Contribution Sub-Account by a member separately in his capacity as an SVC member and accordingly will be treated separately in the event of a transfer to another registered scheme. After the Effective Date, an SVC member may by giving written notice to the Trustee and / or the trustee of another registered scheme (as applicable) in which the SVC member is entitled to participate, elect to have all the accrued benefits held in a special voluntary contribution sub-account in the Plan transferred to an account with that other registered scheme nominated by the SVC member, provided that if the governing rules of the recipient scheme do not have provisions equivalent to the Plan relating to the vesting and payment of accrued benefits derived from special voluntary contributions, such accrued benefits will not be transferred out of the Plan, and will be retained in the Plan in the name of the relevant member.

(vii) *Costs and Expenses of SVC account restructuring*

The expenses, costs, fees and charges incurred in relation to the SVC account restructuring including the legal costs will be borne by the Sponsor except for the costs in connection with printing, letter shopping and mailing of the Notice which will be charged to the Plan.

Save as described in this Notice, there is no change to the terms and conditions applicable to a special voluntary contribution sub-account of the Plan, including the level of fees and charges payable by a member in respect of a special voluntary contribution sub-account.

For the avoidance of doubt, the above does NOT involve any extra fee, charge or expense to be levied on either the participating employers or members.

If you hold one or more Original Special Voluntary Contribution Sub-Account(s) in the Plan, in addition to this Notice, you will also receive a separate letter to provide further information regarding the SVC account restructuring that is relevant to you.

3. Any action required?

If you do not hold any special voluntary contribution sub-account in the Plan, the SVC account restructuring does not impact you and you are not required to take any action.

If you hold one or more Original Special Voluntary Contribution Sub-Account(s) in the Plan, you are not required to take any action. Nevertheless, you may request to (i) withdraw all or part of your accrued benefits in the relevant Original Special Voluntary Contribution Sub-Account(s) before the Cut-off Time free of any withdrawal charge, or (ii) transfer all or part of your accrued benefits in the relevant Original Special Voluntary Contribution Sub-Account(s) to another scheme which accepts special voluntary contributions free of any withdrawal charge if the duly completed request for transfer form is received by the Trustee on or before 17 December 2019.

4. Changes relating to partial withdrawal of special voluntary contributions and TVC

(i) *Partial withdrawal of special voluntary contributions*

Currently a member may redeem any or all units representing his special voluntary contributions made or transferred to the Plan at any time by giving to the Trustee prior written notice. Such redemption is free of charge (other than any necessary transaction costs within the meaning of the Regulation), except that a withdrawal fee ("**Withdrawal Fee**") may apply if the withdrawal amount is less than HK\$5,000 or the number of withdrawal exceeds 4 times in a financial year. (The Withdrawal Fee does not apply to the redemption of units in the DIS Funds. No apportionment will be made if only part of the redeemed units is in relation to any one of the DIS Funds.) The Withdrawal Fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.

With effect from the Effective Date, an SVC member may also give standing instructions to the Trustee to withdraw his accrued benefits derived from special voluntary contributions by instalments. The standing instructions must be given in a form acceptable to the Trustee and subject to the terms and conditions specified in the form.

Based on standing instructions from an SVC member, accrued benefits will generally be paid out once every calendar month (around the 15th day of each month) free of charge (other than any necessary transaction costs within the meaning of the Regulation) except that a Withdrawal Fee may apply if the amount per withdrawal pursuant to standing instructions is less than HK\$2,000.

An SVC member's standing instructions are deemed to be terminated if following a withdrawal pursuant to the standing instructions, his remaining account balance will become less than 130% of his monthly withdrawal amount (or other percentage or amount as may be determined by the Trustee from time to time). In such instance, the SVC member is required to submit a separate withdrawal request to withdraw his remaining account balance.

An illustrative example is set out below:

A member withdraws his benefits by instalment according to standing instructions of HK\$2,000 on the 15th day of every month. After several withdrawals, the total fund balance as at the 14th of June 2019 is as follows:

<i>Fund</i>	<i>Unit Holding</i>	<i>Latest Available Price</i>	<i>Price Date</i>	<i>Latest Balance</i>
<i>A Fund</i>	<i>800.0000</i>	<i>HK\$2.2000</i>	<i>14-06-2019</i>	<i>HK\$1,760</i>
<i>B Fund</i>	<i>300.0000</i>	<i>HK\$2.1000</i>	<i>14-06-2019</i>	<i>HK\$630</i>
			<i>Total</i>	<i>HK\$2,390</i>

As the latest fund balance is HK\$2,390 which is less than the buffer (i.e. 130% x HK\$2,000 = HK\$2,600), the member's standing instructions are deemed to be terminated.

(ii) *Partial withdrawal of TVC*

When a TVC member is eligible to withdraw his accrued benefits derived from TVC, he may elect to withdraw the same in one lump sum or by instalment upon request, free of charge (other than any necessary transaction costs permitted under the Regulation).

In addition to withdrawal in a lump sum or by instalments upon request, with effect from the Effective Date, a TVC member may also give standing instructions to the Trustee to withdraw his accrued benefits derived from TVC by instalments. The standing instructions must be given in a form acceptable to the Trustee and subject to the terms and conditions specified in the form.

Based on standing instructions from a TVC member, accrued benefits will generally be paid out once every calendar month (around the 15th day of each month) free of charge (other than any necessary transaction costs within the meaning of the Regulation).

A TVC member's standing instructions are deemed to be terminated if following a withdrawal pursuant to the standing instructions, his remaining account balance will become less than 130% of his monthly withdrawal amount (or other percentage or amount as may be determined by the Trustee from time to time). In such instance, the TVC member is required to submit a separate withdrawal request to withdraw his remaining account balance.

Please refer to the illustrative example as set out in (i) above.

5. Changes to the investment policy of the BCT (Pro) Global Bond Fund

The BCT (Pro) Global Bond Fund (“**Global Bond Fund**”) is a portfolio management fund which invests solely in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series. It has been clarified that one of the underlying APIFs’ investment into investment-grade global fixed income securities may include bonds traded on the China interbank bond market via the Bond Connect. In this connection, with effect from 1 January 2020, the investment policy of the Global Bond Fund in section 3.1 “Investment Policy” of the Principal Brochure is clarified by way of the following amendments as follows (addition is underlined, and deletion shown with strikethrough):

“The Global Bond Fund is a portfolio management fund. The objective of the Global Bond Fund is to provide members with total investment return over the medium to long term by investing primarily into investment-grade global fixed income securities (including bonds traded on the China interbank bond market via the Bond Connect) issued by governments, governmental agencies, local and public authorities as well as corporates, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which, in turn invests globally and may invest in emerging markets such as Thailand and Poland. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy (“Dynamic APIFs”) or a “Rule-based Investment Strategy” (“Smart APIFs”). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a “Rule-based Investment Strategy” makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

The fund has no prescribed allocations for investments in any specific countries or currencies. 70% to 100% of the underlying investments are expected to be fixed income securities and 0-30% will be held in cash and cash equivalents.

The Global Bond Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

The fund aims to achieve as high a return as possible through global fixed income investments that commensurate with the lower level of risk considered appropriate for retirement scheme investors.

The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.

It is expected that the Global Bond Fund will achieve a long term return in line with Hong Kong's price inflation. (Note: short term performance of the Global Bond Fund may be higher or lower than the long term expected return.)”

In connection therewith, the risk disclosures in section 3.2 “Risk Factors” of the Principal Brochure will be updated.

6. Administrative changes to the Plan

(i) Removal of references to “Easy Gold Plan”

Currently, the “Easy Gold Plan” refers to the Plan’s special voluntary contribution arrangements. To streamline disclosures, references to “Easy Gold Plan” will be removed with effect from the Effective Date.

(ii) Update to the Chinese translation of “Stock Connect”

The Chinese translation of “Stock Connect” will be updated to clarify that “Stock Connect” refers to “互聯互通機制”.

(iii) Method of Payment of Accrued Benefits

Currently accrued benefits may be paid by cheque or telegraphic transfer. It is proposed to enhance the disclosures in the Principal Brochure to permit payment by other means as determined by the Trustee from time to time, and that the cost of payment by telegraphic transfer, or by other means as determined by the Trustee at the election of the recipient, may be deducted from the sum payable.

7. General

The Principal Brochure and the trust deed of the Plan are revised to reflect the relevant changes set out above.

Should you have any enquiries regarding the changes, please contact the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333.

Yours faithfully,
Bank Consortium Trust Company Limited
銀聯信託有限公司

This is a computer-generated letter and no signature is required.