



BCT
銀聯集團



BCT (MPF) Industry Choice

2020

Reports and Financial Statements
(From 1 January to 31 December 2020)

BCT (MPF) INDUSTRY CHOICE

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BCT (MPF) INDUSTRY CHOICE

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BCT (MPF) INDUSTRY CHOICE

PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1. Overview

The BCT (MPF) Industry Choice (the “Plan”), an Industry Scheme, was established by Bank Consortium Trust Company Limited (the “Trustee” or “BCT”) with the contribution commencement date of 1 December 2000. The Plan was registered under the Mandatory Provident Fund Schemes Ordinance (“MPFSO”) with the Mandatory Provident Fund Schemes Authority (“MPFA”) and authorised by the Securities and Futures Commission (“SFC”) in April 2000*. It is constituted by a trust deed (the “Deed”) dated 12 April 2000 and is governed by the laws of the Hong Kong SAR. The Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 5 March 2018, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020.

The Plan is a defined contribution provident fund scheme that is open for participation by all employers, employees, self-employed persons in the catering and construction industries in Hong Kong and personal account members in Hong Kong. The Plan has introduced Default Investment Strategy under the MPFSO. As at 31 December 2020, the Plan offered twelve constituent funds, namely, BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund. Each of them, with a different investment objective and risk profile, is offered to Plan members exclusively. Plan members can choose to invest their accrued benefit balances in any combination of the above.

*[*Such registration and authorisation do not constitute official recommendation of the Plan by the MPFA and the SFC.]*

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

2. Financial Highlights

During the year ended 31 December 2020, the total contributions received and receivable including transfers in from participating employers and members of the Plan amounted to HK\$536 million, while the total benefits paid and payable including transfers out and forfeitures amounted to HK\$460 million. As at 31 December 2020, the market values of the Plan's constituent funds were as follows:

	<u>Market Value</u> (HK\$)
BCT (Industry) MPF Conservative Fund	1,491,348,993
BCT (Industry) E30 Mixed Asset Fund	647,038,723
BCT (Industry) E50 Mixed Asset Fund	512,713,690
BCT (Industry) E70 Mixed Asset Fund	698,742,449
BCT (Industry) Global Bond Fund	145,443,578
BCT (Industry) Global Equity Fund	254,398,278
BCT (Industry) Hong Kong Equity Fund	860,383,192
BCT (Industry) Asian Equity Fund	454,147,807
BCT (Industry) Flexi Mixed Asset Fund	172,639,789
BCT (Industry) RMB Bond Fund	121,603,567
BCT (Industry) Core Accumulation Fund	427,002,070
BCT (Industry) Age 65 Plus Fund	358,782,660
Total	<hr/> 6,144,244,796 <hr/>

After taking into account the operating expenses of HK\$59.0 million, the net income of the Plan during the year ended 31 December 2020 was HK\$506.8 million.

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3. Changes to the Governing Rules of the Plan

Set out below is a brief summary of the key amendments to the governing rules / MPF scheme brochure of the Plan in relation to:

- the restructuring of the special voluntary contribution account;
- changes relating to partial withdrawal of special voluntary contributions and tax deductible voluntary contributions;
- the removal of the reference of “Easy Gold Plan”;
- the compliance of Part G of the Code on Disclosure for MPF Investment Funds which sets out the requirements on the presentation of information and risk disclosure in the offering document of a registered scheme; and
- administrative changes arising from the implementation of Automatic Exchange of Financial Account Information.

For the details, please refer to the relevant parts of the MPF scheme brochure.

4. Client Services

BCT and/or BCT Financial Limited* (“BCTF”) provide(s) a wide range of client services to support employers and members in managing their MPF accounts. Key services provided through various channels include:

- 4.1 The branch network of the servicing banks (as set out below) where employers can make contribution payments through Direct Deposit (by cash, cheque or bank transfer) at the teller counter, Cheque Drop-in Box or Internet Banking of “Designated Banks”. The branches also help to refer clients to contact BCT directly for services that cannot render.

The “Designated Banks” are Chong Hing Bank Limited, Fubon Bank (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited, Public Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Bank Limited.

*(*Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)*

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- 4.2 The Customer Service Counter at the BCT office where employers and members can enjoy one-stop MPF services in relation to managing their MPF accounts, obtaining Plan information and other MPF related administrative information and support.
- 4.3 Direct Debit Authorization (DDA), Internet Banking Bill Payment Service and PPS where employers can make contribution payments.
- 4.4 The BCT client relationship teams which are dedicated to providing quality services and assistance to employers in matters relating to MPF management as well as latest information about their participating plans and MPF regulation.
- 4.5 Employer Hotline 2298 9388 and Member Hotline 2298 9333 where employers and members can enquire about their accounts, obtain Plan information, performance of investment funds and other related information.
- 4.6 A 24-hour interactive voice response system which members can access their accounts with their PINs to obtain administrative forms and fund information via fax-on-demand facility.
- 4.7 The BCT website (www.bcthk.com) where employers and members can manage their accounts online with their PINs, such as checking contribution history, download related statements / receipts, member can also check account balances as well as performing change of investment mandate and fund switching. They can also access comprehensive plan information, fund prices and investment knowledge, as well as download statements, MPF scheme brochure, administrative guides, forms, fund performance publications, newsletters and leaflets etc. BCT website also provides “Retirement Calculator” and “Risk Assessment” to help members understand their financial needs. The interactive Chatbot service, “BCT Smart Assistant – Macy” featuring Artificial Intelligence (AI) technology on BCT website and BCT MPF app to answer MPF enquiries in 24 x 7, alongside the customer hotline during business hours. On top of it, “Live Chat” function for customers to talk to on-duty customer service officer directly to cater some complicated enquiries.
- 4.8 Smart phone apps which allow members access their accounts with their PINs, for checking account balance and transaction history as well as performing change of investment mandate and fund switching. Monthly SMS service for account balance is available for members’ subscription.

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- 4.9 E-Alert service is offered to employers who subscribed the service. E-mail and SMS are sent to employers for reminding them to make timely contributions before the statutory due day in order to avoid late contribution surcharge. Employers could also make contribution payment conveniently via PPS/ Direct Debit Authorisation / Internet Banking Bill Payment Service/ Direct Deposit at branch of “Designated Banks” / E-Cheque / Post to BCT office etc.
- 4.10 E-news covering the latest corporate, MPF and fund performance information updated on participating plans services and MPF regulatory changes are regularly sent to employers and members who have registered their e-mail addresses with BCT.
- 4.11 Regular publications, member communications and investor education information are available for employers and members to better understand the features, fund performance, investment basics and latest financial market outlook and other relevant information of their participating plans. These include Monthly Fund Performance Table, Fund Performance Fact Sheet, BCT Express (employer news) and BCT Connect (member news), MPF service days, member briefings, seminars and investment forums.

5. Trustee, Administrator, Custodian, Sponsor, Auditor, Legal Adviser, Investment Managers, Sub-custodian and Banks

5.1 Trustee, Administrator and Custodian

Bank Consortium Trust Company Limited
18/F, Cosco Tower, 183 Queen’s Road Central, Hong Kong

5.2 Sponsor

BCT Financial Limited*
18/F, Cosco Tower, 183 Queen’s Road Central, Hong Kong

5.3 Auditor

PricewaterhouseCoopers
22/F, Prince’s Building, Central, Hong Kong

(Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)*

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

5.4 Legal Adviser

Deacons

5/F, Alexandra House, 18 Chater Road, Central, Hong Kong

5.5 Investment Managers

- ◆ Invesco Hong Kong Limited
41/F, Champion Tower, 3 Garden Road, Central, Hong Kong
- ◆ Franklin Templeton Investments (Asia) Limited
17/F, Chater House, 8 Connaught Road Central, Hong Kong
- ◆ FIL Investment Management (Hong Kong) Limited
Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- ◆ Schroder Investment Management (Hong Kong) Limited
Suites 3301, Level 33, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- ◆ Allianz Global Investors Asia Pacific Limited
27/F, ICBC Tower, 3 Garden Road, Central, Hong Kong

5.6 Sub-custodian

The following sub-custodian has been appointed by the Trustee:

- ◆ The Bank of New York Mellon Corporation
240 Greenwich Street, New York, NY 10286, United States of America

5.7 Banks

The following are the principal banks with which accounts have been maintained in connection with the operation of the Plan:

- ◆ Chong Hing Bank Limited
Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong
- ◆ Dah Sing Bank, Limited
26/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
(formerly: 36/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong)

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- ♦ Fubon Bank (Hong Kong) Limited
Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
- ♦ Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong
- ♦ Public Bank (Hong Kong) Limited
Public Bank Centre, 120 Des Voeux Road Central, Hong Kong
- ♦ Shanghai Commercial Bank Limited
Shanghai Commercial Bank Tower, 12 Queen's Road Central, Hong Kong
- ♦ OCBC Wing Hang Bank Limited*
161 Queen's Road Central, Hong Kong
- ♦ CMB Wing Lung Bank Limited
45 Des Voeux Road Central, Hong Kong

*(*Associate of the Trustee and wholly-owned subsidiary of OCBC Bank)*

6. Board of Directors of the Trustee

Mr. TAN Stephen	Executive Director Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong
Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)	Chief Operating Officer & Senior Executive Vice President Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong

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Mr. LAU Wai Man	Executive Director & Deputy Chief Executive Chong Hing Bank Limited 26/F, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong
Mr. WONG Hon Hing	Vice Chairman Dah Sing Bank, Limited 26/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong (formerly: 36/F, Everbright Centre 108 Gloucester Road, Wanchai Hong Kong)
Mr. WANG Pak Ling Gary (Alternate Director to Mr. WONG Hon Hing) (Appointed on 3 November 2020)	Executive Director, Deputy Chief Executive & Group Chief Financial and Operating Officer Dah Sing Bank, Limited 26/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong (formerly: 36/F, Everbright Centre 108 Gloucester Road, Wanchai Hong Kong)
Mr. KWOK Sek-chi, David	Deputy Chairman, Managing Director & Chief Executive Shanghai Commercial Bank Limited 7/F, Shanghai Commercial Bank Tower 12 Queen's Road Central Hong Kong
Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)	Head of MPF Service Centre Department Shanghai Commercial Bank Limited 28/F, Landmark East 100 How Ming Street, Kwun Tong, Kowloon Hong Kong

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Mr. WANG Frank John (Ceased/Resigned on 11 September 2020)	Authorised Representative OCBC Wing Hang Bank Limited 4/F, 161 Queen's Road Central Hong Kong
Ms. AU-YEUNG Lai Ling Ivy (Appointed on 11 September 2020)	Deputy Chief Executive OCBC Wing Hang Bank Limited 4/F, 161 Queen's Road Central Hong Kong
Mr. WOO Lap Hoi	Director & Chief Executive Officer CMB Wing Lung Insurance Brokers Limited 1/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
Mr. HUI Cheong Ming (Alternate Director to Mr. WOO Lap Hoi) (Appointed on 10 December 2020)	Head of Life Insurance and MPF CMB Wing Lung Bank Limited 1/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
Ms. LAU Ka Shi	Managing Director & CEO Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong
Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)	Chairman Stirling Finance Limited 2802 Tower 2, Lippo Centre, 89 Queensway Hong Kong
Mr. TAM Po Chiu (Independent Director)	c/o Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

7. Board of Directors of the Sponsor

Mr. TAN Stephen
Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)
Mr. LAU Wai Man
Mr. WONG Hon Hing
Mr. WANG Pak Ling Gary (Alternate Director to Mr. WONG Hon Hing)
(Appointed on 3 November 2020)
Mr. KWOK Sek-chi, David
Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)
Mr. WANG Frank John (Ceased/Resigned on 11 September 2020)
Ms. AU-YEUNG Lai Ling Ivy (Appointed on 11 September 2020)
Mr. WOO Lap Hoi
Mr. HUI Cheong Ming (Alternate Director to Mr. WOO Lap Hoi)
(Appointed on 10 December 2020)
Ms. LAU Ka Shi
Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)
Mr. TAM Po Chiu (Independent Director)

Please refer to the item 6 above for the business address of the directors.

8. Board of Directors of OCBC Wing Hang Bank Limited

Dr FUNG Yuk Bun Patrick JP
Mr NA Wu Beng
Mr Frank John WANG (Retired on 8 May 2019)
Ms KNG Hwee Tin (Resigned on 30 September 2019)
Mr SOON Tit Koon
Mr Samuel N TSIEN
Mr CHIM Wai Kin
Mr OOI Sang Kuang
Mr TSE Hau Yin Aloysius

The business address of the above directors in item 8 is 161 Queen's Road Central, Hong Kong.

BCT (MPF) INDUSTRY CHOICE
INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1. Overview

Constituent Funds

The Plan has introduced Default Investment Strategy under the MPFSO. During the reporting year, the Plan offered twelve constituent funds for the Plan members to choose from. Each member may invest his or her accrued benefit balance in one or more of the following twelve constituent funds:

1. BCT (Industry) MPF Conservative Fund (“MPF Conservative Fund”)
2. BCT (Industry) E30 Mixed Asset Fund (“E30 Mixed Asset Fund”)
3. BCT (Industry) E50 Mixed Asset Fund (“E50 Mixed Asset Fund”)
4. BCT (Industry) E70 Mixed Asset Fund (“E70 Mixed Asset Fund”)
5. BCT (Industry) Global Bond Fund (“Global Bond Fund”)
6. BCT (Industry) Global Equity Fund (“Global Equity Fund”)
7. BCT (Industry) Hong Kong Equity Fund (“Hong Kong Equity Fund”)
8. BCT (Industry) Asian Equity Fund (“Asian Equity Fund”)
9. BCT (Industry) Flexi Mixed Asset Fund (“Flexi Mixed Asset Fund”)
10. BCT (Industry) RMB Bond Fund (“RMB Bond Fund”)
11. BCT (Industry) Core Accumulation Fund (“Core Accumulation Fund”)
12. BCT (Industry) Age 65 Plus Fund (“Age 65 Plus Fund”)

The four constituent funds (1) to (4) were launched on 1 December 2000, three constituent funds (5) to (7) on 1 October 2002, constituent fund (8) on 1 May 2004, constituent fund (9) on 1 August 2005, one constituent fund (10) on 4 March 2013 and the remaining two constituent funds (11) and (12) on 1 April 2017.

The investment objective and other relevant information relating to each of the constituent funds have been set out in the MPF scheme brochure of the Plan. The operation of each of the constituent funds during the year is discussed in the following sections.

Investment Managers

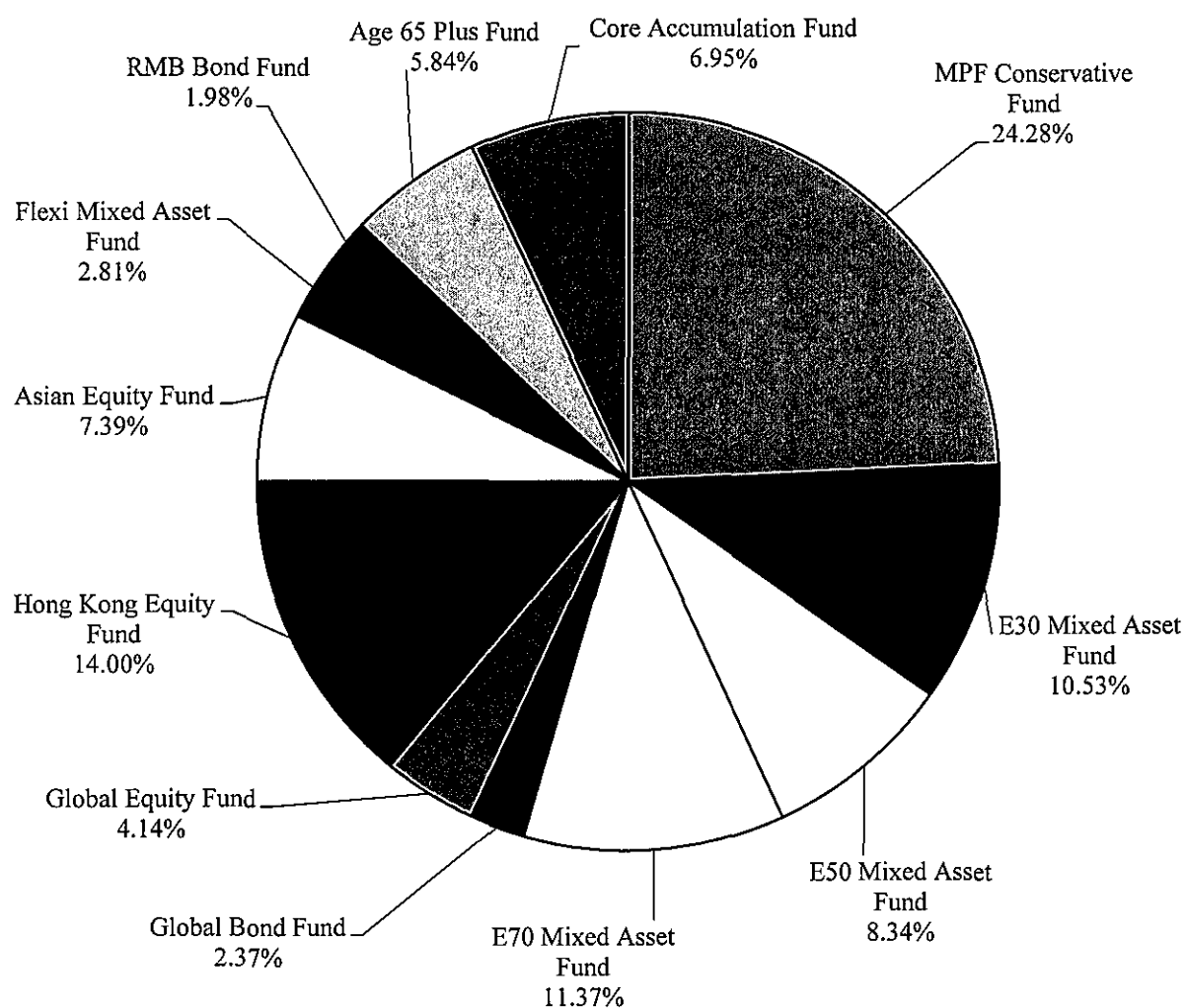
Invesco Hong Kong Limited has been appointed as the investment manager to carry out the investment management functions of the constituent funds (1) to (4) and (10) to (12). Franklin Templeton Investments (Asia) Limited has been appointed as the investment manager of the Global Bond Fund and Global Equity Fund, FIL Investment Management (Hong Kong) Limited has been appointed as the investment manager of the Hong Kong Equity Fund, Schroder Investment Management (Hong Kong) Limited has been appointed as the investment manager of the Asian Equity Fund and Allianz Global Investors Asia Pacific Limited has been appointed as the investment manager of the Flexi Mixed Asset Fund.

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Distribution of Constituent Funds

As at 31 December 2020, the proportion of each constituent fund in compared with the total constituent funds is as follows:



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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

2. Investment Income and Performance

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	17,430,299	22,520,823	17,091,649	441	389	156
Dividend income	-	-	-	-	-	-
Other income	-	-	-	-	5,597	126,628
Total income	<u>17,430,299</u>	<u>22,520,823</u>	<u>17,091,649</u>	<u>441</u>	<u>5,986</u>	<u>126,784</u>
Net income/(loss) – excluding capital appreciation and depreciation	3,836,187	7,798,506	3,198,490	(9,294,425)	(9,819,682)	(9,733,502)
Net investment appreciation/(depreciation) – realised and unrealised	5,707,600	7,029,032	5,769,394	64,345,484	59,921,488	(31,192,404)

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	330	298	111	424	365	138
Dividend income	-	-	-	-	-	-
Other income	-	4,283	98,215	-	5,653	132,483
Total income	<u>330</u>	<u>4,581</u>	<u>98,326</u>	<u>424</u>	<u>6,018</u>	<u>132,621</u>
Net income/(loss) – excluding capital appreciation and depreciation	(7,141,694)	(7,599,587)	(7,552,689)	(9,518,113)	(10,156,844)	(10,182,158)
Net investment appreciation/(depreciation) – realised and unrealised	50,961,752	56,745,108	(34,741,394)	68,831,836	89,808,202	(60,088,707)

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	429	351	119	638	314	99
Dividend income	-	-	-	-	-	-
Other income	339,645	318,096	309,758	519,206	483,502	689,422
Total income	<u>340,074</u>	<u>318,447</u>	<u>309,877</u>	<u>519,844</u>	<u>483,816</u>	<u>689,521</u>
Net income/(loss) – excluding capital appreciation and depreciation	(854,883)	(895,348)	(769,068)	(1,297,835)	(1,352,663)	(1,207,044)
Net investment appreciation/ (depreciation) – realised and unrealised	2,289,129	3,163,543	(983,270)	23,588,280	31,416,801	(29,071,251)
	<u>Hong Kong Equity Fund</u>			<u>Asian Equity Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	4,456	3,297	1,239	409	234	90
Dividend income	-	-	-	-	-	-
Other income	59,660	130,880	1,991,435	-	3,575	83,414
Total income	<u>64,116</u>	<u>134,177</u>	<u>1,992,674</u>	<u>409</u>	<u>3,809</u>	<u>83,504</u>
Net income/(loss) – excluding capital appreciation and depreciation	(5,527,065)	(5,607,323)	(5,265,717)	(3,414,010)	(3,439,482)	(3,290,647)
Net investment appreciation/ (depreciation) – realised and unrealised	135,885,964	98,187,285	(84,307,106)	90,862,460	42,666,691	(48,381,537)

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	<u>Flexi Mixed Asset Fund</u>			<u>RMB Bond Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	166	113	47	177	142	124
Dividend income	-	-	-	-	-	-
Other income	-	-	-	-	14,773	290,836
Total income	<u>166</u>	<u>113</u>	<u>47</u>	<u>177</u>	<u>14,915</u>	<u>290,960</u>
Net income/(loss) – excluding capital appreciation and depreciation	(1,754,675)	(1,795,865)	(1,586,238)	(1,195,249)	(1,029,652)	(910,889)
Net investment appreciation/ (depreciation) – realised and unrealised	14,156,979	13,830,097	(6,045,669)	8,044,273	2,222,644	345,684
	<u>Core Accumulation Fund</u>			<u>Age 65 Plus Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	1,178	889	234	1,127	1,042	362
Dividend income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	<u>1,178</u>	<u>889</u>	<u>234</u>	<u>1,127</u>	<u>1,042</u>	<u>362</u>
Net income/(loss) – excluding capital appreciation and depreciation	(2,288,817)	(1,965,242)	(1,242,119)	(2,145,657)	(2,159,675)	(1,928,358)
Net investment appreciation/ (depreciation) – realised and unrealised	49,454,560	40,401,346	(13,296,755)	33,204,275	27,334,499	(3,131,357)

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

2020 was an unprecedented year in modern history, with the COVID-19 pandemic leading to the deepest global recession post World War II, which affected most countries simultaneously. Hopes for a fast vaccine distribution, monetary and fiscal stimulus, and decreasing geopolitical tensions drove to a strong recovery over the second half of the year. As a result, despite the recession, most markets closed the year with positive performances.

United States

The COVID-19 pandemic has severely hit the U.S. economy. The first part of the year's GDP was led by the pandemic and restrictions imposed by the authorities: we saw sharp declines in Q1 and Q2; -5% and -31.4% respectively, at an annualized rate. It was followed by a very strong rebound in Q3 (+ 33.4%), thanks to significant monetary easing and fiscal stimulus implemented by the Federal Reserve (Fed). The support plans were worth about 14% of GDP. Although services were more affected than manufacturing, the recovery was for the entire economy. After massive job destruction at the beginning of the year, the unemployment rate began to decline, from a peak of 14.7% in April to 6.7% in December. Inflation slowed down in the middle of the year, before picking up again but staying far from the 2% target. Joe Biden was elected the President of the U.S. in November, pushing U.S. equities to reach new highs.

Europe

In the Eurozone, GDP growth was already on a decelerating trend when the pandemic disrupted many sectors at the end of Q1. Affected by lockdowns and COVID-19 restrictions, the economic activity contracted by -3.7% in Q1 and -11.7% in Q2, and then rebounded by +12.5% in Q3. It was mainly driven by governments' massive fiscal measures and significant supports from the Support to mitigate Unemployment Risks in an Emergency (SURE) and Next Generation EU programs. The European Central Bank helped as well, with expansionary measures, notably a new asset purchase plan. The inflation progressively decreased and went into negative territory in the latest part of the year.

Japan

The COVID-19 pandemic hit Japanese economy very hard in 2020: the Government declared the state of emergency in April and GDP plunged 28.1% quarter-over-quarter in Q2, dragged down by both domestic and external demand. The fiscal package which the Government delivered was massive, above 10% of GDP and the Bank of Japan (BoJ) also adopted extra dovish monetary policy, introducing special loan programs to support financing and extending them into 2021. As overseas economies started to recover in the second part of the year, exports showed signs of rebound and Japanese economy resumed, although it remained in a severe situation. We expect negative GDP growth for 2020 to be in the range of -5.6% to -5% year-over-year. Inflation remained subdued, the BoJ has launched an overall review of its monetary policy expected for March 2021 in response to stagnant price dynamics. But there will be no change of the "Quantitative and Qualitative Monetary Easing with Yield curve control" framework.

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Asia ex Japan

In a year with an unprecedented pandemic and ongoing geopolitical tensions, Asia ex-Japan equities did surprisingly well. They returned almost +30% between April and September after a tough Q1. North Asia led the rally thanks to effective containments and faster economic recovery while the rest of Asia also rebounded despite still fighting the initial waves of the pandemic. Even though there are many uncertainties at this point, investors are looking at Asia to enjoy an improving economic prospect in 2021 as governments continue to balance between growth pressure and public health risk. In terms of sectors, Technology and Healthcare stood out in the region as the trend of digitalization and higher demand for health facilities, equipment and solutions emerged over the pandemic year. Meanwhile, Asian consumers are likely to take the lead in driving growth recovery on the back of cyclical and intact structural drivers.

China and Hong Kong

China and Hong Kong equities markets staged a strong run in 2020. “First in, first out” summed up the Chinese economy’s COVID-19 story. Having suffered its slump early in the year and avoided a significant second wave, China rebounded earlier and quicker than other major economies and staged a V-shaped recovery, led mainly by investment and exports. Despite the global pandemic, exports held up surprisingly well in 2020 due to strong global demand on healthcare products and China’s fast resumption of industrial activities. China’s solid economic recovery was also supported by the unprecedented levels of fiscal and monetary stimulus by the Government. This, in turn, dramatically reduced bankruptcy risks and allowed investors to look through the current slump in earnings towards a more normal operating environment into 2021.

Global Bond

2020 was an exceptional year in many ways. The whole world was marked by the COVID-19 pandemic. Containment measures to contain the virus severely impacted economic activity in manned proportions in peacetime. In addition, governments and central banks stood out for the speed, coordination and breadth of measures taken to deal with the crisis. Central banks put in place asset buyback programs on an unprecedented scale. Central bankers kept rates unchanged while modulating asset purchases to keep funding terms hosted. In the fixed income stance, the U.S. and German 10-year bond yields declined from 1.92% to 0.91% and -0.23% to -0.57% respectively. The sharp decrease in rate was explained by the global economic recession and the actions taken by central banks and governments.

Note: Index performance is expressed on a total return basis, in local currency terms for 2020 (from the closing price of the last trading day of December 2019 to the closing price of the last trading day of December 2020) unless otherwise stated.

[Note: The above market commentary was prepared by Bank Consortium Trust Company Limited and only reflects the situation as of the approval date of the financial statements. Please be reminded that past performance is not indicative of future performance.]

BCT (MPF) INDUSTRY CHOICE

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A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) MPF Conservative Fund <i>Launch date: 01/12/2000</i>	0.66	0.48	0.28	0.65
Performance Target <i>[MPF Prescribed Savings Rates]</i>	0.001	0.03	0.02	0.43
Deviation from the performance target	0.659	0.45	0.26	0.22
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the overweight positions in 3-6 months tenor of term deposits / certificates of deposit on the back of HIBOR curve steepening.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E30 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	9.27	4.69	3.25	3.99
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 20% -40%) (FER adjusted[^])]</i>	8.32	4.60	2.44	3.60
Deviation from the performance target	0.95	0.09	0.81	0.39
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the security selection under the fixed income sleeve of the fund, primarily from International Bond. It was partly offset by the unfavourable security selection in European and North American Equities.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E50 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	9.49	5.77	4.00	4.37
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 40% -60%) (FER adjusted[^])]</i>	9.96	6.17	3.59	4.38
Deviation from the performance target	-0.47	-0.40	0.41	-0.01
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the unfavourable security selection under the equity sleeve of the fund, primarily from Europe and North America. As of 31 December 2020, the fund's equity exposure through investment in underlying APIF to these markets amounted to about 22.3%.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E70 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	9.44	6.90	4.73	4.58
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 60% -80%) (FER adjusted[^])]</i>	10.96	7.44	4.54	4.84
Deviation from the performance target	-1.52	-0.54	0.19	-0.26
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the unfavourable security selection under the equity sleeve of the fund, primarily from Europe and North America. As of 31 December 2020, the fund's equity exposure through investment in underlying APIF to these markets amounted to about 30.9%.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Global Bond Fund <i>Launch date: 01/10/2002</i>	0.98	0.21	-0.29	2.25
Performance Target <i>[FTSE World Government Bond Index TR USD 35% Hedged HKD (FER adjusted^)]</i>	7.14	2.83	1.23	2.54
Deviation from the performance target	-6.16	-2.62	-1.52	-0.29
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the lack of exposure in the Euro and Eurozone bonds that detracted from the overall fund's return.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Global Equity Fund <i>Launch date: 01/10/2002</i>	8.82	6.13	5.81	6.30
Performance Target <i>[FTSE MPF All World Hedged TR (FER adjusted^)]</i>	13.86	10.49	7.92	7.74
Deviation from the performance target	-5.04	-4.36	-2.11	-1.44
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the weak security selection in Europe and United States, while the underweight position in United States also undermined the fund's return.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Hong Kong Equity Fund <i>Launch date: 01/10/2002</i>	17.33	10.72	5.27	9.49
Performance Target <i>[FTSE MPF Hong Kong TR (FER adjusted[^])]</i>	10.06	8.89	4.43	5.76
Deviation from the performance target	7.27	1.83	0.84	3.73
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to stock selection in the Consumer Goods, Healthcare and Consumer Services sectors and sector allocation with, relative to the benchmark, an overweight in the Consumer Goods and Healthcare sectors and an underweight in the Financials and Consumer Services sectors.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Asian Equity Fund <i>Launch date: 01/05/2004</i>	24.18	11.40	5.96	9.11
Performance Target <i>[FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR (FER adjusted[^])]</i>	19.71	10.99	4.44	8.70
Deviation from the performance target	4.47	0.41	1.52	0.41
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to positive security selection in China and Korea, which contributed to the overall fund's return.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Flexi Mixed Asset Fund <i>Launch date: 01/08/2005</i>	7.90	3.44	2.78	3.32
Performance Target <i>[Year End 5-Year Average Composite Consumer Price Index Hong Kong (FER adjusted[^])]</i>	1.27	1.46	1.64	1.61
Deviation from the performance target	6.63	1.98	1.14	1.71
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to outperformance of the global bonds, as well as Hong Kong/China, Asian, North American, and Japanese equity exposure over the period.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) RMB Bond Fund <i>Launch date: 04/03/2013</i>	6.31	2.04	n/a	0.56
Performance Target <i>[Markit iBoxx ALBI China Offshore Non-Government Investment Grade 30% Hedged HKD (FER adjusted[^])]</i>	5.85	2.67	n/a	0.95
Deviation from the performance target	0.46	-0.63	n/a	-0.39
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the positive contribution from credit selection primarily in the Real Estate and Diversified Financial Services sectors.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	12.47	n/a	n/a	7.56
Performance Target <i>[FTSE MPF Default Investment Strategy Core Accumulation Fund Reference Portfolio]</i>	12.06	n/a	n/a	8.46
Deviation from the performance target	0.41	n/a	n/a	-0.90
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the positive contribution from the overweight in equities, and underweight in fixed income and cash. However, security selection in the United States in terms of countries, and Industrials in terms of sectors partly offset the outperformance contributed by the allocation effects. As of 31 December 2020, the asset allocations between equities, and fixed income securities and cash were about 61.6% and 38.4% respectively.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	9.67	n/a	n/a	5.20
Performance Target <i>[FTSE MPF Default Investment Strategy Age 65 Plus Fund Reference Portfolio]</i>	8.21	n/a	n/a	5.24
Deviation from the performance target	1.46	n/a	n/a	-0.04
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2020 was mainly due to the positive contribution from the overweight in equities, and underweight in fixed income and cash. However, security selection in the United States in terms of countries, and Industrials in terms of sectors partly offset the outperformance contributed by the allocation effects. As of 31 December 2020, the asset allocations between equities, and fixed income securities and cash were about 22.1% and 77.9% respectively.				

^ FER adjustment was done by simple deduction of 2020 FER from the benchmark of the respective periods of the fund.

*The above one year annualized return is calculated with a simple return on a unit NAV-to-NAV basis based on the last dealing day of the relevant year while the net annualized investment return as shown in the performance table is calculated based on the last calendar day of the relevant year if the year-end day is not a dealing day.

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B. Supporting information in relation to trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concerns raised in its commentary in Section A

Fund performance is monitored by the Trustee on a regular basis and which involves a BCT's Board committee composed of members with experience in investment, including Board members. In the event of underperformance of fund(s), the Trustee would routinely (and with the involvement of the Board committee, as appropriate) follow up with relevant sponsor/fund manager(s) to ensure that appropriate action(s) are taken to enhance investment returns.

Our performance monitoring mechanism operates in such a way so that for any of the constituent funds, if its 1-year performance is below the benchmark/target and the market median, no immediate action would be required unless the underperformance persists.

We also monitor performance of appointed investment managers from perspectives other than fund performance. Other factors such as compliance cultures and experience/investment philosophy of the investment managers for delivering sustainable performance to scheme members on a long-term basis are also taken into account.

To seek to enhance fund performance, the following measures have been implemented.

For BCT (Industry) Global Equity Fund, BCT (Industry) Global Bond Fund, BCT (Industry) E70/E50 Mixed Asset Fund, continuous discussions/follow up actions with the investment managers were performed by the Trustee/Sponsor. Effective from 1 April 2021, two new principal investment advisers were appointed for the respective underlying funds (in which invested by Global Equity Fund and Global Bond Fund) in order to benefit from the newly integrated strategies of the relevant investment manager group.

The investment objective and policy (and/or investment adviser engagement) of certain underlying funds (in which E70/E50 Mixed Asset Fund invests) were also amended.

The investment objectives and policies of all the constituent funds have been complied with in all material respects and the general market climate which impacts the financial performance of the funds (as set out in this report) is true and accurate as of the reporting date.

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The following tables summarise the performance of the twelve constituent funds:

MPF Conservative Fund

(Date of launch: 1 December 2000)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	1,491.35	1,442.59	1,377.29	1,257.26	1,243.06	1,158.08	1,078.33	1,006.50	929.84	857.18
Net asset value per unit (HK\$)	1.1401	1.1326	1.1208	1.1134	1.1131	1.1131	1.1129	1.1108	1.1108	1.1082
Highest issue price (HK\$)	1.1402	1.1326	1.1208	1.1135	1.1132	1.1131	1.1130	1.1110	1.1108	1.1085
Lowest redemption price (HK\$)	1.1327	1.1209	1.1134	1.1131	1.1129	1.1129	1.1109	1.1108	1.1082	1.1082
Net annualised investment return	0.66%	1.05%	0.66%	0.03%	0.00%	0.02%	0.19%	0.00%	0.23%	0.00%

E30 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	647.04	624.61	595.98	656.41	792.80	715.20	668.75	603.23	538.39	460.03
Net asset value per unit (HK\$)	2.1958	2.0095	1.8521	1.9780	1.7583	1.7459	1.7895	1.7545	1.7030	1.5602
Highest issue price (HK\$)	2.1958	2.0108	2.0366	1.9782	1.8566	1.8688	1.8290	1.7595	1.7056	1.6619
Lowest redemption price (HK\$)	1.7820	1.8485	1.8342	0.9170	1.6844	1.7238	1.7356	1.6514	1.5628	1.5186
Net annualised investment return	9.27%	8.50%	-6.37%	12.50%	0.71%	-2.44%	1.99%	3.02%	9.15%	-2.16%

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E50 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	512.71	487.83	454.08	508.45	433.90	421.87	429.24	414.10	378.04	329.77
Net asset value per unit (HK\$)	2.3601	2.1556	1.9434	2.1240	1.8007	1.7825	1.8381	1.8054	1.6858	1.5038
Highest issue price (HK\$)	2.3601	2.1576	2.2194	2.1242	1.8862	1.9682	1.8947	1.8054	1.6898	1.6668
Lowest redemption price (HK\$)	1.7935	1.9312	1.9167	1.4154	1.6730	1.7349	1.7601	1.6479	1.5087	1.4368
Net annualised investment return	9.49%	10.92%	-8.50%	17.95%	1.02%	-3.02%	1.81%	7.09%	12.10%	-5.72%

E70 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	698.74	663.11	597.86	688.00	560.95	543.53	557.93	540.40	476.05	409.69
Net asset value per unit (HK\$)	2.4619	2.2495	1.9831	2.2157	1.7930	1.7637	1.8314	1.8021	1.6196	1.4068
Highest issue price (HK\$)	2.4619	2.2527	2.3470	2.2159	1.8636	2.0080	1.9026	1.8021	1.6249	1.6315
Lowest redemption price (HK\$)	1.7436	1.9620	1.9477	1.7879	1.6002	1.6906	1.7312	1.5958	1.3973	1.3181
Net annualised investment return	9.44%	13.43%	-10.50%	23.58%	1.66%	-3.70%	1.63%	11.27%	15.13%	-9.30%

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Global Bond Fund

(Date of launch: 1 October 2002)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	145.44	132.94	121.32	110.71	91.64	83.99	81.74	73.85	66.02	52.30
Net asset value per unit (HK\$)	1.5011	1.4866	1.4602	1.4818	1.4364	1.4856	1.5905	1.6301	1.6563	1.5401
Highest issue price (HK\$)	1.5011	1.4866	1.5034	1.5068	1.5040	1.5923	1.6635	1.6761	1.6566	1.6264
Lowest redemption price (HK\$)	1.4220	1.4594	1.4321	1.4327	1.4343	1.4802	1.5891	1.5935	1.5434	1.5205
Net annualised investment return	0.98%	1.81%	-1.46%	3.16%	-3.31%	-6.60%	-2.43%	-1.58%	7.54%	-0.38%

Global Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	254.40	222.09	168.84	186.57	145.65	120.15	113.64	100.20	70.64	53.33
Net asset value per unit (HK\$)	3.0549	2.8074	2.4009	2.8364	2.4348	2.2692	2.3738	2.3608	1.8896	1.6031
Highest issue price (HK\$)	3.0549	2.8180	3.0286	2.8401	2.4600	2.6125	2.5088	2.3608	1.9018	1.9009
Lowest redemption price (HK\$)	1.9223	2.3882	2.3406	1.8537	1.9245	2.1315	2.2220	1.9190	1.5367	1.4628
Net annualised investment return	8.82%	16.93%	-15.35%	16.49%	7.30%	-4.41%	0.55%	24.94%	17.87%	-7.70%

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Hong Kong Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	860.38	714.13	600.55	668.49	462.96	412.21	381.60	327.91	269.94	197.31
Net asset value per unit (HK\$)	5.2353	4.4619	3.8733	4.4675	3.1605	3.1462	3.3134	3.2191	2.9953	2.4888
Highest issue price (HK\$)	5.2353	4.5740	4.9506	4.4735	3.4821	4.0501	3.4610	3.2845	2.9963	3.3062
Lowest redemption price (HK\$)	3.4977	3.7548	3.7107	2.5453	2.5947	2.9259	2.9460	2.7069	2.4198	2.2410
Net annualised investment return	17.33%	15.20%	-13.30%	41.35%	0.45%	-5.05%	2.93%	7.47%	20.35%	-20.51%

Asian Equity Fund

(Date of launch: 1 May 2004)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	454.15	356.23	304.93	349.46	237.15	209.31	206.90	169.38	150.75	107.47
Net asset value per unit (HK\$)	4.2823	3.4484	3.0607	3.5888	2.5749	2.4961	2.7302	2.4880	2.5126	2.0399
Highest issue price (HK\$)	4.2823	3.4854	3.8529	3.6154	2.8340	3.0113	2.8293	2.6132	2.5156	2.5348
Lowest redemption price (HK\$)	2.4875	2.9855	2.9356	1.8686	2.2218	2.3861	2.3529	2.2664	2.0600	1.8698
Net annualised investment return	24.18%	12.67%	-14.72%	39.38%	3.16%	-8.57%	9.73%	-0.98%	23.17%	-15.04%

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Flexi Mixed Asset Fund

(Date of launch: 1 August 2005)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	172.64	161.18	142.07	136.09	114.99	98.59	85.09	67.79	51.30	36.44
Net asset value per unit (HK\$)	1.6555	1.5343	1.4171	1.4948	1.4075	1.3982	1.4165	1.3793	1.3501	1.2539
Highest issue price (HK\$)	1.6555	1.5353	1.5184	1.4949	1.4343	1.4654	1.4189	1.3924	1.3503	1.2942
Lowest redemption price (HK\$)	1.3575	1.4137	1.4086	1.4099	1.3752	1.3650	1.3632	1.3269	1.2554	1.2240
Net annualised investment return	7.90%	8.27%	-5.20%	6.20%	0.67%	-1.29%	2.70%	2.16%	7.67%	-0.33%

RMB Bond Fund

(Date of launch: 4 March 2013)

Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	121.60	99.57	83.36	64.10	41.33	29.07	16.34	6.85	-	-
Net asset value per unit (HK\$)	1.0445	0.9825	0.9685	0.9722	0.9171	0.9443	0.9926	1.0038	-	-
Highest issue price (HK\$)	1.0445	0.9981	1.0017	0.9747	0.9581	0.9999	1.0087	1.0066	-	-
Lowest redemption price (HK\$)	0.9725	0.9633	0.9571	0.9155	0.9171	0.9442	0.9863	0.9847	-	-
Net annualised investment return	6.31%	1.45%	-0.38%	6.01%	-2.88%	-4.87%	-1.12%	0.38%*	-	-

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<u>Core Accumulation Fund</u>										
(Date of launch: 1 April 2017)										
Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	427.00	329.14	215.43	156.00	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.3149	1.1691	1.0104	1.0823	-	-	-	-	-	-
Highest issue price (HK\$)	1.3149	1.1725	1.1285	1.1133	-	-	-	-	-	-
Lowest redemption price (HK\$)	0.9506	1.0025	0.9847	0.9989	-	-	-	-	-	-
Net annualised investment return	12.47%	15.71%	-6.64%	8.23%*	-	-	-	-	-	-

<u>Age 65 Plus Fund</u>										
(Date of launch: 1 April 2017)										
Financial year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net asset value (HK\$ million)	358.78	315.13	278.85	258.04	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.2096	1.1029	1.0120	1.0298	-	-	-	-	-	-
Highest issue price (HK\$)	1.2096	1.1063	1.0403	1.0318	-	-	-	-	-	-
Lowest redemption price (HK\$)	1.0501	1.0127	1.0022	0.9999	-	-	-	-	-	-
Net annualised investment return	9.67%	8.98%	-1.73%	2.98%*	-	-	-	-	-	-

*[Note: the net annualised investment return is based on the percentage change in net asset value per unit for the financial year. For the constituent fund launched in its first year (marked with an asterisk *), it is based on the percentage change in net asset value per unit from its launch date to the year-end date.]*

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The following table summarises the fund expense ratio ("FER") and transaction costs of the twelve constituent funds:

Financial year	<u>FER</u> <u>2020</u>	<u>Transaction costs</u> <u>2020</u> (HK\$)
MPF Conservative Fund	0.92%	-
E30 Mixed Asset Fund	1.69%	-
E50 Mixed Asset Fund	1.70%	-
E70 Mixed Asset Fund	1.70%	-
Global Bond Fund	1.66%	-
Global Equity Fund	1.79%	-
Hong Kong Equity Fund	1.63%	-
Asian Equity Fund	1.74%	-
Flexi Mixed Asset Fund	1.63%	-
RMB Bond Fund	1.24%	-
Core Accumulation Fund	0.84%	-
Age 65 Plus Fund	0.84%	-

Note: Pursuant to letter dated 1 November 2019 ("Issue Date of the Circular Letter") from the Mandatory Provident Fund Schemes Authority (the "MPFA") in relation to the calculation of fund expense ratio, an amendment was made on the treatment of listed real estate investment trusts (REITs) for the purposes of Fund Expense Ratio calculation. Further to the consideration of the views of the Hong Kong Trustees' Association (the "HKTA") and the MPFA, the fees and charges of a listed REIT need not be regarded as "underlying fund costs" of a constituent fund. The amendment was effective for the financial periods ending on or after the Issue Date of the Circular Letter.

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3. Investment Policies

MPF Conservative Fund

The objective of the MPF Conservative Fund is to provide members with a rate of return which matches or exceeds the Hong Kong dollar savings rate with a view to minimising the exposure of the principal amount invested to market fluctuation and volatility.

The fund seeks to achieve its investment objective by investing in a portfolio of Hong Kong dollar denominated bank deposits and short-term debt securities in conformity to the requirements set out in section 37(2) of the Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”). In summary, these include:

- (i) deposits, less than 12 months’ maturity with banks meeting specific requirements; or
- (ii) debt securities, with a remaining maturity of 2 years or less issued by or guaranteed by the Hong Kong Government; the Exchange Fund; a company wholly owned by the Hong Kong Government; or a government, the central bank of a country or a multilateral international agency (such as the World Bank) all with the highest credit rating determined by a credit rating agency approved by the Mandatory Provident Fund Schemes Authority (“the Authority”); or
- (iii) 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.

The average remaining maturity of all securities must not exceed 90 days. The direct holdings of the fund must be wholly in Hong Kong dollars.

The fund is designed as a low risk investment option with minimal exposure to market fluctuations or volatility. The return of the fund over the long term is expected to approximate the interest rate payable from time to time by major banks in Hong Kong on Hong Kong dollar savings accounts.

E30 Mixed Asset Fund

The objective of the E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view to minimizing the risk of capital loss by investing solely in “Invesco Pooled Investment Fund – Global Stable Fund” which is an APIF, the investment policy of which is consistent with that of the E30 Mixed Asset Fund. The underlying APIF will in turn invest in other APIFs or in fixed income securities and maintain a limited exposure to global equities.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

It is expected that the E30 Mixed Asset Fund will achieve a long term return in line with Hong Kong's price inflation. (Note: short term performance of the E30 Mixed Asset Fund may be higher or lower than the long term expected return.)

Investors should regard the E30 Mixed Asset Fund as a low to medium risk investment. As the majority of the underlying APIF will be invested in fixed income securities, the E30 Mixed Asset Fund is expected to exhibit a relatively lower level of risk in the investment in the short term.

E50 Mixed Asset Fund

The objective of the E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over the long term by investing solely in "Invesco Pooled Investment Fund – Global Stable Growth Fund" which is an APIF, the investment policy of which is consistent with that of the E50 Mixed Asset Fund. The underlying APIF may in turn invest in other APIFs or in bank deposits, global bonds and global equities.

It is expected that the E50 Mixed Asset Fund will achieve a long term return which exceeds Hong Kong's price inflation. (Note: short term performance of the E50 Mixed Asset Fund may be higher or lower than the long term expected return.)

As the underlying APIF will be invested equally in fixed income securities and equities, the E50 Mixed Asset Fund is suitable for investors who are willing to assume a moderate level of risk to achieve higher returns in the medium to long term.

E70 Mixed Asset Fund

The objective of the E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available by investing solely in "Invesco Pooled Investment Fund – Global Balanced Fund" which is an APIF, the investment policy of which is consistent with that of the E70 Mixed Asset Fund. The underlying APIF may in turn invest in other APIFs or in bank deposits, global bonds and global equities. In addition, the underlying APIF will also maintain a limited exposure to global fixed income securities.

It is expected that the E70 Mixed Asset Fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the E70 Mixed Asset Fund may be higher or lower than the long term expected return.)

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As a substantial portion of the underlying APIF will be invested in the equities market, the E70 Mixed Asset Fund is expected to be subject to the higher level of volatility of the equity markets in the short to medium term. Accordingly, the E70 Mixed Asset Fund is suitable for members who are willing to take a relatively longer term of investment and assume a higher level of risk to achieve potentially higher returns in the long term.

Global Bond Fund

The objective of the Global Bond Fund is to provide members with total investment return over the medium to longer term by investing solely in the Templeton MPF Global Bond Fund which is an APIF and in turn invests primarily into fixed income securities issued by governments and governmental agencies globally.

The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.

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.)

Global Equity Fund

The objective of the Global Equity Fund is to provide members with capital growth over the medium to longer term by investing solely in the Templeton MPF Global Equity Fund which is an APIF and in turn invests primarily in securities of companies listed on the global stock markets.

The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.

It is expected that the Global Equity Fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the Global Equity Fund may be higher or lower than the long term expected return.)

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Hong Kong Equity Fund

The objective of the Hong Kong Equity Fund is to provide members with long term capital appreciation by investing solely in “Fidelity Global Investment Fund – Hong Kong Equity Fund” which is an APIF and in turn invests in equity market of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong.

It is expected that the Hong Kong Equity Fund will achieve long term return which follows the major stock market indices of Hong Kong. (Note: short term performance of the Hong Kong Equity Fund may be higher or lower than the long term expected return.)

Asian Equity Fund

The objective of the Asian Equity Fund is to provide members with long term capital growth by investing solely in the Schroder MPF Asian Fund which is an APIF and in turn invests primarily in securities of companies in Asian equity markets (excluding Japan).

It is expected that the Asian Equity Fund will achieve a long-term capital growth which modestly exceeds Hong Kong price inflation (as measured by the Consumer Price Index Type A).

Flexi Mixed Asset Fund

The objective of the Flexi Mixed Asset Fund is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Flexi Balanced Fund which is an APIF which in turn invests primarily in a diversified portfolio of global equities and fixed-interest securities. The underlying APIF adopts a dynamic asset allocation strategy.

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RMB Bond Fund

The objective of the RMB Bond Fund, a bond fund, is to provide members with steady growth over the long term by investing solely in “Invesco Pooled Investment Fund – RMB Bond Fund”, an APIF (which is denominated in HKD and not in RMB) which in turn invests primarily into RMB denominated debt instruments and money market instruments (including but not limited to commercial papers, certificates of deposit and bank deposits) issued or distributed outside the mainland China.

It is expected that the RMB Bond Fund will achieve a long term return which exceeds Hong Kong inflation. (Note: short term performance of the RMB Bond Fund may be higher or lower than the long-term expected return).

Core Accumulation Fund

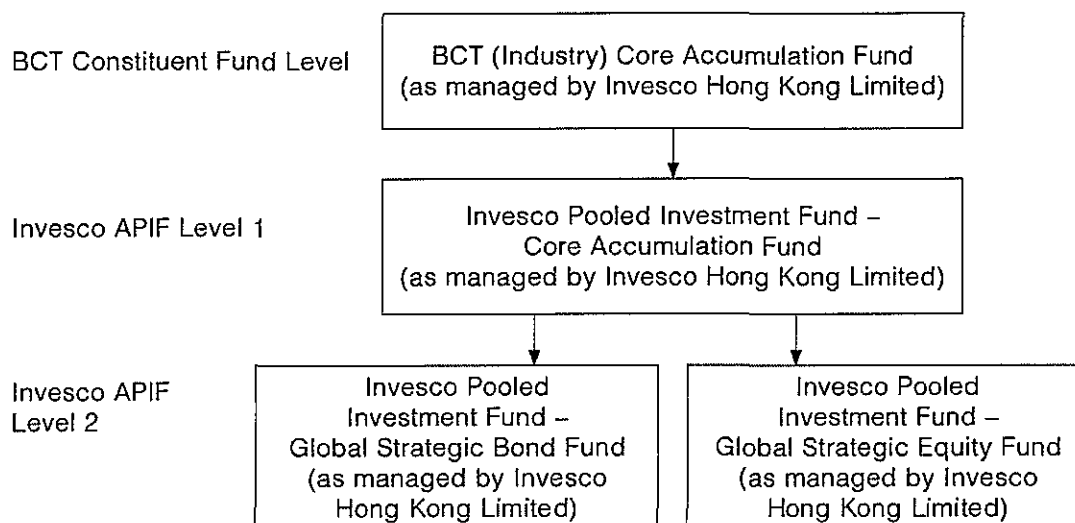
The objective of the Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner.

The Core Accumulation Fund will invest solely in “Invesco Pooled Investment Fund – Core Accumulation Fund” an underlying APIF which, in turn (through its investment in two other APIFs, namely Invesco Pooled Investment Fund – Global Strategic Equity Fund and Invesco Pooled Investment Fund – Global Strategic Bond Fund (the “DIS Underlying APIFs”, and each of them an “DIS Underlying APIF”)) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

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The investment structure of the Core Accumulation Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Core Accumulation Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

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Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Core Accumulation Fund.

The Core Accumulation Fund is designated as a medium risk investment option. It is expected that the return of the Core Accumulation Fund over the long term will be at least similar to the return of the Reference Portfolio of the Core Accumulation Fund.

The risk profile designated for the Core Accumulation Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

Age 65 Plus Fund

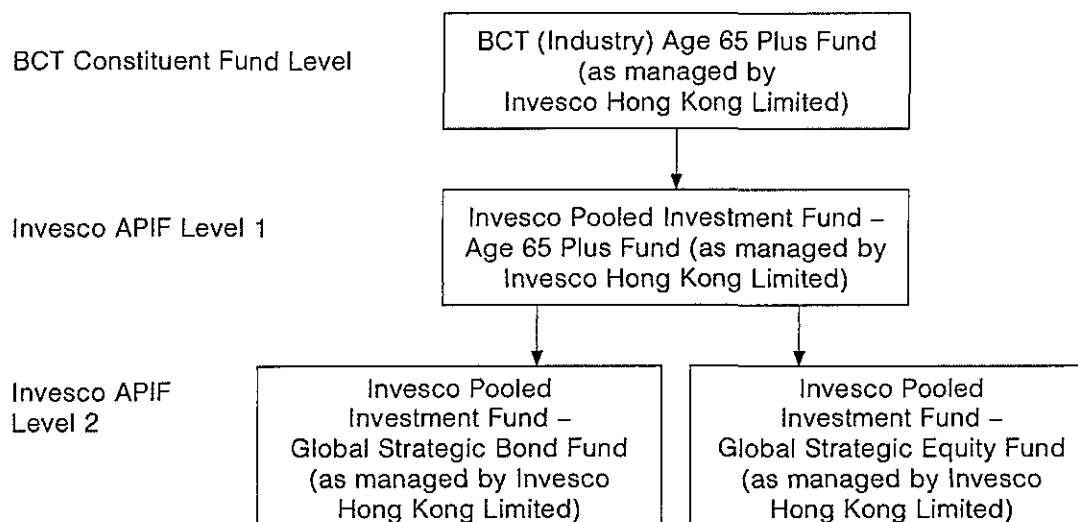
The objective of the Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner.

The Age 65 Plus Fund will invest solely in “Invesco Pooled Investment Fund – Age 65 Plus Fund” an underlying APIF which, in turn (through its investment in the DIS Underlying APIFs) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

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The investment structure of the Age 65 Plus Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Age 65 Plus Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and to seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Age 65 Plus Fund.

The Age 65 Plus Fund is designated as a low to medium risk investment option. It is expected that the return of the Age 65 Plus Fund over the long term will be at least similar to the return of the Reference Portfolio of the Age 65 Plus Fund.

The risk profile designated for the Age 65 Plus Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

The statement of movements in portfolio holdings for these twelve constituent funds during the year is included in Schedule 1 of this report.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

4. Investments Held

The net assets of the constituent funds as at 31 December 2020, 2019 and 2018 are summarised below:

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	1,473,934,944	1,425,975,790	1,357,180,599	648,205,863	625,895,189	597,103,786
Other net assets/(liabilities)	17,414,049	16,619,149	20,107,767	(1,167,140)	(1,281,098)	(1,122,502)
Total	<u>1,491,348,993</u>	<u>1,442,594,939</u>	<u>1,377,288,366</u>	<u>647,038,723</u>	<u>624,614,091</u>	<u>595,981,284</u>
Investments, at cost	<u>1,473,112,590</u>	<u>1,422,852,231</u>	<u>1,353,689,222</u>	<u>435,244,973</u>	<u>457,178,037</u>	<u>471,881,612</u>

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	513,791,553	489,036,779	454,845,995	700,407,911	664,292,636	598,832,480
Other net assets/(liabilities)	(1,077,863)	(1,209,511)	(766,784)	(1,665,462)	(1,186,275)	(973,839)
Total	<u>512,713,690</u>	<u>487,827,268</u>	<u>454,079,211</u>	<u>698,742,449</u>	<u>663,106,361</u>	<u>597,858,641</u>
Investments, at cost	<u>293,002,623</u>	<u>298,774,868</u>	<u>301,861,751</u>	<u>372,639,626</u>	<u>375,995,620</u>	<u>374,024,021</u>

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	144,600,770	132,984,667	121,265,177	254,199,276	221,074,412	168,643,487
Other net assets/(liabilities)	842,808	(40,082)	54,524	199,002	1,013,140	191,878
Total	<u>145,443,578</u>	<u>132,944,585</u>	<u>121,319,701</u>	<u>254,398,278</u>	<u>222,087,552</u>	<u>168,835,365</u>
Investments, at cost	<u>140,150,100</u>	<u>130,483,383</u>	<u>121,756,545</u>	<u>194,152,916</u>	<u>180,138,141</u>	<u>155,810,872</u>

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Hong Kong Equity Fund</u>			<u>Asian Equity Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	859,882,603	714,874,170	598,851,098	453,273,707	356,413,761	305,203,582
Other net assets/(liabilities)	500,589	(746,307)	1,696,128	874,100	(183,277)	(274,865)
Total	<u>860,383,192</u>	<u>714,127,863</u>	<u>600,547,226</u>	<u>454,147,807</u>	<u>356,230,484</u>	<u>304,928,717</u>
Investments, at cost	<u>619,696,568</u>	<u>577,988,504</u>	<u>537,333,577</u>	<u>284,392,951</u>	<u>266,340,929</u>	<u>249,705,904</u>

	<u>Flexi Mixed Asset Fund</u>			<u>RMB Bond Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	172,285,200	161,414,843	142,159,325	121,672,998	99,812,518	82,639,773
Other net assets/(liabilities)	354,589	(234,039)	(87,197)	(69,431)	(238,208)	716,285
Total	<u>172,639,789</u>	<u>161,180,804</u>	<u>142,072,128</u>	<u>121,603,567</u>	<u>99,574,310</u>	<u>83,356,058</u>
Investments, at cost	<u>141,117,358</u>	<u>141,518,048</u>	<u>134,414,633</u>	<u>108,992,237</u>	<u>97,061,782</u>	<u>81,171,069</u>

	<u>Core Accumulation Fund</u>			<u>Age 65 Plus Fund</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	425,551,027	326,192,507	213,807,037	357,129,911	313,803,440	278,064,713
Other net assets/(liabilities)	1,451,043	2,947,866	1,620,679	1,652,749	1,321,816	786,181
Total	<u>427,002,070</u>	<u>329,140,373</u>	<u>215,427,716</u>	<u>358,782,660</u>	<u>315,125,256</u>	<u>278,850,894</u>
Investments, at cost	<u>352,577,945</u>	<u>295,626,851</u>	<u>220,290,930</u>	<u>309,359,130</u>	<u>291,457,232</u>	<u>278,298,075</u>

The investment portfolio for these constituent funds as at 31 December 2020 is included in Schedule 2 of this report.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) MPF Conservative Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Debt Securities		
Hong Kong Dollar	0.47	0.69
Total Debt Securities	0.47	0.69
Certificates of Deposit		
Hong Kong Dollar	28.45	24.60
Total Certificates of Deposit	28.45	24.60
Fixed Deposits		
Hong Kong Dollar	69.91	73.56
Total Fixed Deposits	69.91	73.56
Total Investments	98.83	98.85

Statement of Movements in Portfolio Holdings - BCT (Industry) E30 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Stable Fund (Class B)	100.18	100.21
Total Investments	100.18	100.21

Statement of Movements in Portfolio Holdings - BCT (Industry) E50 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B)	100.21	100.25
Total Investments	100.21	100.25

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) E70 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Balanced Fund (Class B)	100.24	100.18
Total Investments	100.24	100.18

Statement of Movements in Portfolio Holdings - BCT (Industry) Global Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Templeton MPF Global Bond Fund (Class A)	99.42	100.03
Total Investments	99.42	100.03

Statement of Movements in Portfolio Holdings - BCT (Industry) Global Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Templeton MPF Global Equity Fund (Class A)	99.92	99.54
Total Investments	99.92	99.54

BCT (MPF) INDUSTRY CHOICE**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020****Schedule 1****Statement of Movements in Portfolio Holdings – BCT (Industry) Hong Kong Equity Fund**

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	99.94	100.10
Total Investments	99.94	100.10

Statement of Movements in Portfolio Holdings - BCT (Industry) Asian Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Schroder MPF Asian Fund (Class A)	99.81	100.05
Total Investments	99.81	100.05

Statement of Movements in Portfolio Holdings - BCT (Industry) Flexi Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Allianz Choice Flexi Balanced Fund (Class A)	99.79	100.15
Total Investments	99.79	100.15

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) RMB Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	100.06	100.24
Total Investments	100.06	100.24

Statement of Movements in Portfolio Holdings – BCT (Industry) Core Accumulation Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	99.66	99.10
Total Investments	99.66	99.10

Statement of Movements in Portfolio Holdings - BCT (Industry) Age 65 Plus Fund

	% of Net Assets	
	Closing Balance 31/12/2020	Opening Balance 1/1/2020
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A)	99.54	99.58
Total Investments	99.54	99.58

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) MPF Conservative Fund

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Debt Securities			
Hong Kong Dollar			
HONG KONG MORTGAGE CORP 1.29% JUN 02 2021	7,000,000	7,078,246	0.47
Total Debt Securities		<u>7,078,246</u>	<u>0.47</u>
Certificates of Deposit			
Hong Kong Dollar			
AGRICULTURAL BANK CHINA/HK 0.45% MAY 24 2021	25,000,000	25,001,271	1.68
AGRICULTURAL BANK CHINA/HK 0.54% JUN 16 2021	12,000,000	11,995,826	0.80
AGRICULTURAL BANK CHINA/HK 0.56% JUN 03 2021	30,000,000	29,999,436	2.01
BANK OF CHINA/HONG KONG 0.5% FEB 08 2021	24,000,000	24,052,049	1.61
BANK OF CHINA/HONG KONG 0.68% MAR 29 2021	30,000,000	30,064,646	2.02
BANK OF CHINA/MACAU 0.5% MAR 03 2021	35,000,000	35,060,159	2.35
BANK OF CHINA/MACAU 0.64% MAY 04 2021	28,000,000	28,035,196	1.88
BANK OF COMMUNICATIONS/SYD 0% FEB 26 2021	30,000,000	29,983,950	2.01
BANK OF COMMUNICATIONS/SYD 0.6% MAR 04 2021	35,000,000	35,081,591	2.35
CHINA CONSTRUCT BANK/MACAU 0% MAY 13 2021	30,000,000	29,946,300	2.01
CHINA CONSTRUCT BANK/MACAU 0% MAY 18 2021	30,000,000	29,941,050	2.01
CHINA DEVELOPMENT BANK/HK 0% MAY 03 2021	28,000,000	27,950,860	1.87
CHINA DEVELOPMENT BANK/HK 0% MAY 25 2021	14,000,000	13,970,530	0.94
CHINA DEVELOPMENT BANK/HK 0.5% FEB 05 2021	30,000,000	30,066,033	2.02
CHINA DEVELOPMENT BANK/HK 0.6% MAR 16 2021	22,000,000	22,044,745	1.48
DAH SING BANK LTD 0.78% SEP 30 2021	21,000,000	21,067,985	1.41
Total Certificates of Deposit		<u>424,261,627</u>	<u>28.45</u>
Fixed Deposits			
Hong Kong Dollar			
BANK OF EAST ASIA LTD DEPOSIT 0.4% MAR 09 2021	2,040,945	2,040,945	0.14
BANK OF EAST ASIA LTD DEPOSIT 0.46% MAY 25 2021	15,811,107	15,811,107	1.06
BANK OF EAST ASIA LTD DEPOSIT 0.61% JAN 19 2021	15,745,887	15,745,887	1.06
BANK OF EAST ASIA LTD DEPOSIT 0.66% JAN 21 2021	26,295,161	26,295,161	1.76
BANK OF EAST ASIA LTD DEPOSIT 0.7% JAN 08 2021	21,006,688	21,006,688	1.41
BANK OF EAST ASIA LTD DEPOSIT 0.85% FEB 08 2021	15,409,482	15,409,482	1.03
BANK OF EAST ASIA LTD DEPOSIT 0.9% JAN 21 2021	31,816,683	31,816,683	2.13
BANK OF EAST ASIA LTD DEPOSIT 1% JAN 15 2021	10,197,560	10,197,560	0.68
CMB WING LUNG BANK DEPOSIT 0.51% JAN 28 2021	30,187,618	30,187,618	2.02
CMB WING LUNG BANK DEPOSIT 0.56% JAN 27 2021	22,138,576	22,138,576	1.48
DAH SING BANK DEPOSIT 0.15% FEB 01 2021	32,000,000	32,000,000	2.15
DAH SING BANK DEPOSIT 0.25% JAN 22 2021	10,268,778	10,268,778	0.69
FUBON BANK DEPOSIT 0.45% JAN 05 2021	55,128,725	55,128,725	3.70
FUBON BANK DEPOSIT 0.45% JAN 07 2021	78,995,194	78,995,194	5.29
ICBC (ASIA) DEPOSIT 0.5% MAR 04 2021	22,416,015	22,416,015	1.50
ICBC (ASIA) DEPOSIT 0.6% FEB 04 2021	20,591,788	20,591,788	1.38
ICBC (ASIA) DEPOSIT 0.65% JAN 14 2021	37,520,368	37,520,368	2.52
ICBC (ASIA) DEPOSIT 0.65% JAN 18 2021	8,068,124	8,068,124	0.54
ICBC (ASIA) DEPOSIT 0.65% JAN 27 2021	23,623,121	23,623,121	1.58
OCBC WING HANG BANK DEPOSIT 0.2% JAN 29 2021	30,000,000	30,000,000	2.01
OCBC WING HANG BANK DEPOSIT 0.3% MAR 08 2021	31,721,481	31,721,481	2.13
OCBC WING HANG BANK DEPOSIT 0.51% JAN 08 2021	25,216,534	25,216,534	1.69

[Note: Investments are accounted for on a trade date basis.]

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) MPF Conservative Fund (Continued)

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Fixed Deposits (Continued)			
Hong Kong Dollar (Continued)			
OCBC WING HANG BANK DEPOSIT 0.54% JAN 25 2021	30,349,337	30,349,337	2.04
PUBLIC BANK DEPOSIT 0.6% MAR 18 2021	19,695,269	19,695,269	1.32
PUBLIC BANK DEPOSIT 0.6% MAR 23 2021	14,075,673	14,075,673	0.94
PUBLIC BANK DEPOSIT 0.65% MAR 09 2021	43,751,799	43,751,799	2.93
PUBLIC BANK DEPOSIT 0.75% MAR 01 2021	20,090,862	20,090,862	1.35
PUBLIC BANK DEPOSIT 0.8% APR 07 2021	28,353,545	28,353,545	1.90
PUBLIC BANK DEPOSIT 0.8% FEB 08 2021	12,024,197	12,024,197	0.81
SHANGHAI COMMERCIAL BANK DEPOSIT 0.15% FEB 01 2021	21,290,546	21,290,546	1.43
SHANGHAI COMMERCIAL BANK DEPOSIT 0.4% MAY 26 2021	25,248,163	25,248,163	1.69
SHANGHAI COMMERCIAL BANK DEPOSIT 0.4% MAY 31 2021	14,249,051	14,249,051	0.96
SHANGHAI COMMERCIAL BANK DEPOSIT 0.7% FEB 17 2021	15,069,534	15,069,534	1.01
SHANGHAI COMMERCIAL BANK DEPOSIT 0.7% JAN 14 2021	15,290,087	15,290,087	1.03
SHANGHAI COMMERCIAL BANK DEPOSIT 0.7% JAN 18 2021	15,078,534	15,078,534	1.01
SHANGHAI COMMERCIAL BANK DEPOSIT 0.7% JAN 22 2021	13,071,304	13,071,304	0.88
SUMITOMO MITSUI DEPOSIT 0.25% JAN 21 2021	21,181,647	21,181,647	1.42
SUMITOMO MITSUI DEPOSIT 0.25% JAN 29 2021	21,143,758	21,143,758	1.42
SUMITOMO MITSUI DEPOSIT 0.33% FEB 18 2021	15,468,514	15,468,514	1.04
SUMITOMO MITSUI DEPOSIT 0.38% MAR 16 2021	10,270,513	10,270,513	0.69
SUMITOMO MITSUI DEPOSIT 0.38% MAR 22 2021	32,102,468	32,102,468	2.15
SUMITOMO MITSUI DEPOSIT 0.44% JUN 07 2021	37,220,767	37,220,767	2.50
UNITED OVERSEAS BANK DEPOSIT 0.14% FEB 01 2021	30,017,575	30,017,575	2.01
UNITED OVERSEAS BANK DEPOSIT 0.14% JAN 25 2021	21,352,093	21,352,093	1.43
Total Fixed Deposits		1,042,595,071	69.91
Total Investments		1,473,934,944	98.83
Total Investments, at cost		1,473,112,590	

[Note: Investments are accounted for on a trade date basis.]

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) E30 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Stable Fund (Class B)	21,842,396	648,205,863	100.18
Total Investments		648,205,863	100.18
Total Investments, at cost		435,244,973	

Investment Portfolio - BCT (Industry) E50 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B)	14,363,354	513,791,553	100.21
Total Investments		513,791,553	100.21
Total Investments, at cost		293,002,623	

Investment Portfolio - BCT (Industry) E70 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Balanced Fund (Class B)	21,109,277	700,407,911	100.24
Total Investments		700,407,911	100.24
Total Investments, at cost		372,639,626	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) Global Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Templeton MPF Global Bond Fund (Class A)	6,741,295	144,600,770	99.42
Total Investments		144,600,770	99.42
Total Investments, at cost		140,150,100	

Investment Portfolio - BCT (Industry) Global Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Templeton MPF Global Equity Fund (Class A)	9,407,819	254,199,276	99.92
Total Investments		254,199,276	99.92
Total Investments, at cost		194,152,916	

Investment Portfolio – BCT (Industry) Hong Kong Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	2,263,564	859,882,603	99.94
Total Investments		859,882,603	99.94
Total Investments, at cost		619,696,568	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) Asian Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Schroder MPF Asian Fund (Class A)	6,817,171	453,273,707	99.81
Total Investments		453,273,707	99.81
Total Investments, at cost		284,392,951	

Investment Portfolio - BCT (Industry) Flexi Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Allianz Choice Flexi Balanced Fund (Class A)	8,286,926	172,285,200	99.79
Total Investments		172,285,200	99.79
Total Investments, at cost		141,117,358	

Investment Portfolio - BCT (Industry) RMB Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	9,689,038	121,672,998	100.06
Total Investments		121,672,998	100.06
Total Investments, at cost		108,992,237	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Schedule 2

Investment Portfolio - BCT (Industry) Core Accumulation Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of Net</u> <u>Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	31,136,437	425,551,027	99.66
Total Investments		425,551,027	99.66
Total Investments, at cost		352,577,945	

Investment Portfolio - BCT (Industry) Age 65 Plus Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of Net</u> <u>Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A)	28,630,632	357,129,911	99.54
Total Investments		357,129,911	99.54
Total Investments, at cost		309,359,130	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of BCT (MPF) Industry Choice (the "Plan") set out on pages 57 to 140, which comprise:

- the statement of net assets available for benefits of the Plan and statement of net assets of each of its constituent funds as at 31 December 2020;
- the statement of comprehensive income of each of the constituent funds for the year then ended;
- the statement of changes in net assets available for benefits of the Plan and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended;
- the statement of cash flows of the Plan for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Plan as at 31 December 2020, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Plan in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Other Information

The Trustee is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.

In addition, the Trustee is required to ensure that the financial statements of the Plan have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Report on Matters under the General Regulation

- (a) In our opinion, the financial statements of the Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- (b) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



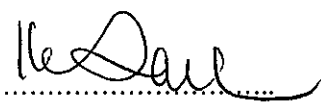
PricewaterhouseCoopers
Certified Public Accountants

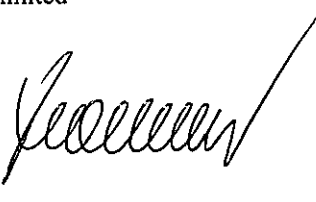
Hong Kong, 15 June 2021

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Assets			
Current assets			
Financial assets at fair value through profit or loss	8, 11	6,124,935,763	5,531,770,712
Amounts receivable on sale of financial assets at fair value through profit or loss		11,152,435	10,766,418
Interest receivable	11	908,033	4,156,875
Contributions receivable			
From employers		19,027,330	20,012,078
From members		18,773,533	19,799,079
Other receivables		365	316
Bank balances	11	46,401,991	27,517,489
Total assets		<u>6,221,199,450</u>	<u>5,614,022,967</u>
Liabilities			
Current liabilities			
Derivative financial instruments	12	(286,409)	(203,035)
Benefits and forfeitures payable	6	(40,834,935)	(23,518,552)
Amounts received not yet recognised as contributions		(12,408,901)	(2,123,806)
Accruals and other payables		(8,715,788)	(11,709,357)
Total liabilities		<u>(62,246,033)</u>	<u>(37,554,750)</u>
Net assets available for benefits attributable to members		<u>6,158,953,417</u>	<u>5,576,468,217</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


.....
Director


.....
Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Investment income			
Bank interest	11	17,482,453	22,558,582
Other income	11	918,517	966,359
Net realised gain on financial assets at fair value through profit or loss and derivative financial instruments		143,274,306	115,690,602
Change in unrealised gain on financial assets at fair value through profit or loss and derivative financial instruments		404,058,286	357,036,134
Total investment income		<u>565,733,562</u>	<u>496,251,677</u>
Expenses			
Investment management fees	4(a)	(11,001,777)	(11,065,427)
Trustee, administration and custodian fees	4(b)	(38,685,607)	(37,766,234)
Sponsor fees	4(b)	(4,815,609)	(4,514,159)
Safe custody and bank charges		(140,928)	(133,841)
Legal and other professional fees		(161,146)	(164,894)
Auditor's remuneration		(573,389)	(688,495)
Professional indemnity insurance		(42,357)	(39,107)
Miscellaneous expenses		(3,559,168)	(7,149,644)
Total operating expenses		<u>(58,979,981)</u>	<u>(61,521,801)</u>
Net income		<u>506,753,581</u>	<u>434,729,876</u>
Contributions received and receivable	5		
From employers			
Mandatory		245,084,720	265,141,555
Additional voluntary		832,893	717,948
From members			
Mandatory		244,122,797	263,621,633
Additional voluntary		664,534	636,484
Tax deductible voluntary		535,134	307,406
		<u>491,240,078</u>	<u>530,425,026</u>
Transfers in			
Group transfers in from other schemes		421,011	1,037,567
Individual transfers in from other schemes		43,281,868	41,489,617
		<u>43,702,879</u>	<u>42,527,184</u>
Contribution surcharge received and receivable		836,502	904,567
		<u>535,779,459</u>	<u>573,856,777</u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Benefits paid and payable	6		
Retirement		(123,302,041)	(118,559,185)
Early retirement		(36,932,207)	(33,970,534)
Death		(7,252,986)	(7,543,487)
Permanent departure		(8,092,796)	(18,097,394)
Total incapacity		(2,281,416)	(4,890,612)
Small balance		(9,303)	(13,979)
Refund of additional voluntary contributions		(571,509)	(1,578,121)
Terminal illness		(2,177,415)	(2,329,326)
Long service payment		(12,060,214)	(22,667,619)
		<u>(192,679,887)</u>	<u>(209,650,257)</u>
Transfers out			
Group transfers out to other schemes		(14,839,169)	(10,290,841)
Individual transfers out to other schemes		(252,528,784)	(185,902,424)
		<u>(267,367,953)</u>	<u>(196,193,265)</u>
Forfeitures		-	-
		<u>(460,047,840)</u>	<u>(405,843,522)</u>
Movement during the year		75,731,619	168,013,255
Net income for the year		506,753,581	434,729,876
Change in net assets available for benefits attributable to members		582,485,200	602,743,131
Net assets available for benefits attributable to members at the beginning of the year – members' accounts		<u>5,576,468,217</u>	<u>4,973,725,086</u>
Net assets available for benefits attributable to members at the end of the year – members' accounts		<u><u>6,158,953,417</u></u>	<u><u>5,576,468,217</u></u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CASH FLOWS - PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Cash flows from operating activities		
Net income	506,753,581	434,729,876
Adjustment for		
-Bank interest	(17,482,453)	(22,558,582)
Operating profit before working capital changes	489,271,128	412,171,294
Net increase in financial assets at fair value through profit or loss – with original maturity of more than 3 months	(337,271,927)	(923,461,777)
Increase in amounts receivable on sale of financial assets at fair value through profit or loss	(386,017)	(3,964,532)
Net change in derivative financial instruments	83,374	960,110
(Increase)/decrease in other receivables	(49)	236,841
Decrease in accruals and other payables	(2,993,569)	(406,539)
Increase in amounts received not yet recognised as contributions	10,285,095	2,123,806
Cash generated from/(used in) operating activities	158,988,035	(512,340,797)
Interest received	20,731,295	20,721,264
Net cash generated from/(used in) operating activities	179,719,330	(491,619,533)
Cash flows from financing activities		
Contributions received and transfers in	537,789,753	574,636,858
Benefits paid, transfers out and forfeitures	(442,731,457)	(399,538,743)
Net cash generated from financing activities	95,058,296	175,098,115
Net increase/(decrease) in cash and cash equivalents	274,777,626	(316,521,418)
Cash and cash equivalents at the beginning of the year	237,355,364	553,876,782
Cash and cash equivalents at the end of the year	512,132,990	237,355,364
Analysis of balances of cash and cash equivalents:		
Financial assets at fair value through profit or loss	6,124,935,763	5,531,770,712
Less: Financial assets at fair value through profit or loss – with original maturity of more than 3 months	(5,659,204,764)	(5,321,932,837)
Financial assets at fair value through profit or loss – with original maturity of less than or equal to 3 months	465,730,999	209,837,875
Bank balances	46,401,991	27,517,489
	512,132,990	237,355,364

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,473,934,944	1,425,975,790	648,205,863	625,895,189
Amounts receivable on sale of financial assets at fair value through profit or loss		-	-	1,431,991	417,485
Interest receivable	11	908,033	4,156,875	-	-
Amounts receivable on subscription		56,223	138,991	13,487	17,906
Amounts receivable on funds switching		1,728,703	2,911,608	5,585	65,879
Bank balances	11	24,180,007	16,479,470	169,763	186,348
Total assets		1,500,807,910	1,449,662,734	649,826,689	626,582,807
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(5,097,113)	(3,527,736)	(1,325,030)	(484,267)
Amounts payable on funds switching		(2,183,875)	(1,056,542)	(309,237)	(48,513)
Accruals and other payables		(2,177,929)	(2,483,517)	(1,153,699)	(1,435,936)
Total liabilities		(9,458,917)	(7,067,795)	(2,787,966)	(1,968,716)
Net assets attributable to members		1,491,348,993	1,442,594,939	647,038,723	624,614,091
Units in issue		1,308,122,273	1,273,678,316	294,666,660	310,837,477
Net asset value per unit		1.1401	1.1326	2.1958	2.0095

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director



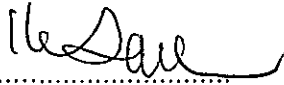
Director

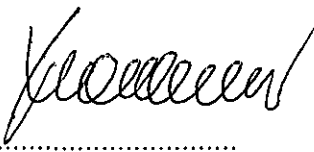
The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) E50 Mixed Asset Fund		BCT (Industry) E70 Mixed Asset Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	513,791,553	489,036,779	700,407,911	664,292,636
Amounts receivable on sale of financial assets at fair value through profit or loss		423,820	1,219,659	1,177,472	509,812
Interest receivable	11	-	-	-	-
Amounts receivable on subscription		9,266	12,393	38,589	21,824
Amounts receivable on funds switching		5,730	22,431	48,013	236,569
Bank balances	11	160,545	120,744	143,859	128,306
Total assets		514,390,914	490,412,006	701,815,844	665,189,147
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(771,089)	(1,380,158)	(1,611,670)	(567,247)
Amounts payable on funds switching		(15,329)	(92,486)	(260,389)	(13,634)
Accruals and other payables		(890,806)	(1,112,094)	(1,201,336)	(1,501,905)
Total liabilities		(1,677,224)	(2,584,738)	(3,073,395)	(2,082,786)
Net assets attributable to members		512,713,690	487,827,268	698,742,449	663,106,361
Units in issue		217,244,323	226,304,683	283,818,318	294,777,364
Net asset value per unit		2.3601	2.1556	2.4619	2.2495

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

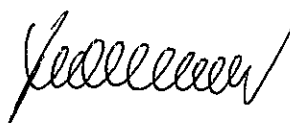
BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	144,600,770	132,984,667	254,199,276	221,074,412
Amounts receivable on sale of financial assets at fair value through profit or loss		847,126	466,836	704,173	340,590
Interest receivable	11	-	-	-	-
Amounts receivable on subscription		4,929	12,929	13,232	25,799
Amounts receivable on funds switching		812,256	59,842	170,621	1,118,646
Bank balances	11	186,244	135,343	320,094	185,822
Total assets		146,451,325	133,659,617	255,407,396	222,745,269
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(282,763)	(86,578)	(531,212)	(158,001)
Amounts payable on funds switching		(577,208)	(424,918)	(252,136)	(178,768)
Accruals and other payables		(147,776)	(203,536)	(225,770)	(320,948)
Total liabilities		(1,007,747)	(715,032)	(1,009,118)	(657,717)
Net assets attributable to members		145,443,578	132,944,585	254,398,278	222,087,552
Units in issue		96,890,305	89,429,957	83,275,227	79,107,805
Net asset value per unit		1.5011	1.4866	3.0549	2.8074

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director



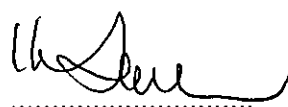
Director

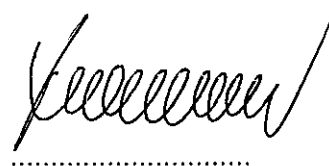
The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	859,882,603	714,874,170	453,273,707	356,413,761
Amounts receivable on sale of financial assets at fair value through profit or loss		1,796,695	2,478,294	1,137,236	505,265
Interest receivable	11	-	-	-	-
Amounts receivable on subscription		66,169	67,321	32,756	22,770
Amounts receivable on funds switching		604,065	323,305	1,243,863	246,616
Bank balances	11	1,695,494	1,225,454	170,521	86,243
Total assets		<u>864,045,026</u>	<u>718,968,544</u>	<u>455,858,083</u>	<u>357,274,655</u>
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(1,260,045)	(836,238)	(1,006,993)	(379,383)
Amounts payable on funds switching		(1,692,418)	(3,036,768)	(274,067)	(122,283)
Accruals and other payables		(709,371)	(967,675)	(429,216)	(542,505)
Total liabilities		<u>(3,661,834)</u>	<u>(4,840,681)</u>	<u>(1,710,276)</u>	<u>(1,044,171)</u>
Net assets attributable to members		<u>860,383,192</u>	<u>714,127,863</u>	<u>454,147,807</u>	<u>356,230,484</u>
Units in issue		<u>164,342,491</u>	<u>160,048,708</u>	<u>106,052,094</u>	<u>103,303,582</u>
Net asset value per unit		<u>5.2353</u>	<u>4.4619</u>	<u>4.2823</u>	<u>3.4484</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) Flexi Mixed Asset Fund		BCT (Industry) RMB Bond Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	172,285,200	161,414,843	121,672,998	99,812,518
Amounts receivable on sale of financial assets at fair value through profit or loss		398,452	136,350	114,279	220,756
Interest receivable	11	-	-	-	-
Amounts receivable on subscription		45,560	21,760	3,724	14,002
Amounts receivable on funds switching		540,263	174	258,053	-
Bank balances	11	40,983	38,560	107,390	60,471
Total assets		173,310,458	161,611,687	122,156,444	100,107,747
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	(286,409)	(203,035)
Amounts payable on redemption		(401,635)	(148,742)	(130,792)	(53,648)
Amounts payable on funds switching		(73,950)	(17,988)	(7,729)	(170,286)
Accruals and other payables		(195,084)	(264,153)	(127,947)	(106,468)
Total liabilities		(670,669)	(430,883)	(552,877)	(533,437)
Net assets attributable to members		172,639,789	161,180,804	121,603,567	99,574,310
Units in issue		104,283,545	105,053,661	116,423,676	101,345,702
Net asset value per unit		1.6555	1.5343	1.0445	0.9825

On behalf of the Trustee
Bank Consortium Trust Company Limited



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Director



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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

		BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	<u>Note</u>	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)	<u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	425,551,027	326,192,507	357,129,911	313,803,440
Amounts receivable on sale of financial assets at fair value through profit or loss		1,785,505	1,879,816	1,335,686	2,591,555
Interest receivable	11	-	-	-	-
Amounts receivable on subscription		48,343	73,358	16,484	30,130
Amounts receivable on funds switching		1,454,560	2,904,105	1,738,689	1,618,517
Bank balances	11	578,430	419,083	481,589	407,859
Total assets		<u>429,417,865</u>	<u>331,468,869</u>	<u>360,702,359</u>	<u>318,451,501</u>
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(611,078)	(287,209)	(163,108)	(210,552)
Amounts payable on funds switching		(1,513,102)	(1,667,421)	(1,450,960)	(2,678,085)
Accruals and other payables		(291,615)	(373,866)	(305,631)	(437,608)
Total liabilities		<u>(2,415,795)</u>	<u>(2,328,496)</u>	<u>(1,919,699)</u>	<u>(3,326,245)</u>
Net assets attributable to members		<u>427,002,070</u>	<u>329,140,373</u>	<u>358,782,660</u>	<u>315,125,256</u>
Units in issue		<u>324,750,540</u>	<u>281,538,298</u>	<u>296,614,448</u>	<u>285,711,410</u>
Net asset value per unit		<u>1.3149</u>	<u>1.1691</u>	<u>1.2096</u>	<u>1.1029</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited



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Director




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Director

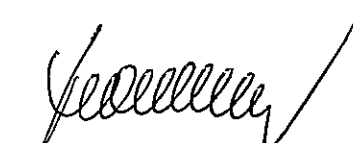
The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2020

	<u>Note</u>	2020 (HK\$)	Total 2019 (HK\$)
Assets			
Current assets			
Financial assets at fair value through profit or loss	8, 11	6,124,935,763	5,531,770,712
Amounts receivable on sale of financial assets at fair value through profit or loss		11,152,435	10,766,418
Interest receivable	11	908,033	4,156,875
Amounts receivable on subscription		348,762	459,183
Amounts receivable on funds switching		8,610,401	9,507,692
Bank balances	11	28,234,919	19,473,703
Total assets		<u>6,174,190,313</u>	<u>5,576,134,583</u>
Liabilities			
Current liabilities			
Derivative financial instruments	12	(286,409)	(203,035)
Amounts payable on redemption		(13,192,528)	(8,119,759)
Amounts payable on funds switching		(8,610,400)	(9,507,692)
Accruals and other payables		(7,856,180)	(9,750,211)
Total liabilities		<u>(29,945,517)</u>	<u>(27,580,697)</u>
Net assets attributable to members		<u>6,144,244,796</u>	<u>5,548,553,886</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


.....
Director


.....
Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

		BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund		BCT (Industry) E50 Mixed Asset Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Investment income							
Bank interest	11	17,430,299	22,520,823	441	389	330	298
Other income	11	-	-	-	5,597	-	4,283
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		8,008,805	7,396,851	20,101,746	16,426,510	20,434,733	19,467,441
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(2,301,205)	(367,819)	44,243,738	43,494,978	30,527,019	37,277,667
Total investment income		23,137,899	29,549,855	64,345,925	59,927,474	50,962,082	56,749,689
Expenses							
Investment management fees	4(a)	(2,793,977)	(2,829,285)	(2,763,530)	(2,784,278)	(2,124,895)	(2,153,932)
Trustee, administration and custodian fees	4(b)	(8,102,533)	(8,269,202)	(5,404,237)	(5,478,394)	(4,155,350)	(4,237,827)
Sponsor fees	4(b)	(1,396,988)	(1,350,367)	(614,118)	(590,741)	(472,199)	(457,240)
Safe custody and bank charges		(65,080)	(63,076)	(5,324)	(5,831)	(4,934)	(5,375)
Legal and other professional fees		(42,747)	(44,323)	(18,144)	(19,500)	(13,975)	(15,064)
Auditor's remuneration		(176,257)	(193,863)	(73,645)	(84,708)	(56,726)	(65,545)
Professional indemnity insurance		(11,156)	(10,448)	(4,658)	(4,569)	(3,582)	(3,534)
Miscellaneous expenses		(1,005,374)	(1,961,753)	(411,210)	(857,647)	(310,363)	(665,651)
Total operating expenses		(13,594,112)	(14,722,317)	(9,294,866)	(9,825,668)	(7,142,024)	(7,604,168)
Total comprehensive income		9,543,787	14,827,538	55,051,059	50,101,806	43,820,058	49,145,521

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

		BCT (Industry) E70 Mixed Asset Fund		BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Investment income							
Bank interest	11	424	365	429	351	638	314
Other income	11	-	5,653	339,645	318,096	519,206	483,502
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		29,360,567	26,319,645	339,743	170,891	4,478,191	3,313,145
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		39,471,269	63,488,557	1,949,386	2,992,652	19,110,089	28,103,656
Total investment income		68,832,260	89,814,220	2,629,203	3,481,990	24,108,124	31,900,617
Expenses							
Investment management fees	4(a)	(2,834,765)	(2,879,659)	-	-	-	-
Trustee, administration and custodian fees	4(b)	(5,543,539)	(5,665,249)	(932,595)	(877,433)	(1,432,688)	(1,332,870)
Sponsor fees	4(b)	(629,948)	(611,660)	(137,146)	(122,325)	(210,690)	(185,211)
Safe custody and bank charges		(5,355)	(5,890)	(5,680)	(5,882)	(5,871)	(6,082)
Legal and other professional fees		(18,744)	(20,134)	(3,975)	(3,959)	(6,218)	(5,912)
Auditor's remuneration		(75,745)	(87,659)	(16,518)	(17,545)	(25,568)	(26,591)
Professional indemnity insurance		(4,778)	(4,724)	(1,041)	(945)	(1,599)	(1,427)
Miscellaneous expenses		(405,663)	(887,887)	(98,002)	(185,706)	(135,045)	(278,386)
Total operating expenses		(9,518,537)	(10,162,862)	(1,194,957)	(1,213,795)	(1,817,679)	(1,836,479)
Total comprehensive income		59,313,723	79,651,358	1,434,246	2,268,195	22,290,445	30,064,138

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

		BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund		BCT (Industry) Flexi Mixed Asset Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Investment income							
Bank interest	11	4,456	3,297	409	234	166	113
Other income	11	59,660	130,880	-	3,575	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		32,585,595	22,819,140	12,054,536	8,091,537	2,885,932	1,677,994
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		103,300,369	75,368,145	78,807,924	34,575,154	11,271,047	12,152,103
Total investment income		135,950,080	98,321,462	90,862,869	42,670,500	14,157,145	13,830,210
Expenses							
Investment management fees	4(a)	-	-	-	-	-	-
Trustee, administration and custodian fees	4(b)	(4,261,735)	(4,042,118)	(2,770,743)	(2,591,865)	(1,447,304)	(1,389,532)
Sponsor fees	4(b)	(728,502)	(642,781)	(357,515)	(317,827)	(160,812)	(146,997)
Safe custody and bank charges		(9,708)	(10,076)	(8,723)	(8,996)	(8,224)	(8,424)
Legal and other professional fees		(20,258)	(20,920)	(10,038)	(10,476)	(4,696)	(4,731)
Auditor's remuneration		(88,290)	(91,783)	(43,642)	(45,559)	(19,341)	(21,057)
Professional indemnity insurance		(5,527)	(4,943)	(2,714)	(2,452)	(1,220)	(1,134)
Miscellaneous expenses		(477,161)	(928,879)	(221,044)	(466,116)	(113,244)	(224,103)
Total operating expenses		(5,591,181)	(5,741,500)	(3,414,419)	(3,443,291)	(1,754,841)	(1,795,978)
Total comprehensive income		130,358,899	92,579,962	87,448,450	39,227,209	12,402,304	12,034,232

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

		BCT (Industry) RMB Bond Fund		BCT(Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	Note	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Investment income							
Bank interest	11	177	142	1,178	889	1,127	1,042
Other income	11	-	14,773	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		(1,802,378)	1,900,722	7,047,134	3,351,797	7,779,702	4,754,929
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		9,846,651	321,922	42,407,426	37,049,549	25,424,573	22,579,570
Total investment income		8,044,450	2,237,559	49,455,738	40,402,235	33,205,402	27,335,541
Expenses							
Investment management fees	4(a)	(484,610)	(418,273)	-	-	-	-
Trustee, administration and custodian fees	4(b)	(565,379)	(506,698)	(2,109,058)	(1,621,811)	(1,960,446)	(1,753,235)
Sponsor fees	4(b)	(107,691)	(89,010)	-	-	-	-
Safe custody and bank charges		(4,098)	(4,734)	(4,599)	(4,689)	(4,552)	(4,786)
Legal and other professional fees		(2,997)	(2,818)	(9,854)	(7,878)	(9,500)	(9,179)
Auditor's remuneration		-	(12,749)	-	(447)	-	(40,989)
Professional indemnity insurance		(818)	(686)	(2,728)	(2,038)	(2,536)	(2,207)
Miscellaneous expenses		(29,833)	(9,599)	(163,756)	(329,268)	(169,750)	(350,321)
Total operating expenses		(1,195,426)	(1,044,567)	(2,289,995)	(1,966,131)	(2,146,784)	(2,160,717)
Total comprehensive income		6,849,024	1,192,992	47,165,743	38,436,104	31,058,618	25,174,824

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	Total <u>2020</u> (HK\$)	<u>2019</u> (HK\$)
Investment income			
Bank interest	11	17,440,074	22,528,257
Other income	11	918,511	966,359
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		143,274,306	115,690,602
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		404,058,286	357,036,134
Total investment income		<u>565,691,177</u>	<u>496,221,352</u>
Expenses			
Investment management fees	4(a)	(11,001,777)	(11,065,427)
Trustee, administration and custodian fees	4(b)	(38,685,607)	(37,766,234)
Sponsor fees	4(b)	(4,815,609)	(4,514,159)
Safe custody and bank charges		(132,148)	(133,841)
Legal and other professional fees		(161,146)	(164,894)
Auditor's remuneration		(575,732)	(688,495)
Professional indemnity insurance		(42,357)	(39,107)
Miscellaneous expenses		(3,540,445)	(7,145,316)
Total operating expenses		<u>(58,954,821)</u>	<u>(61,517,473)</u>
Total comprehensive income		<u>506,736,356</u>	<u>434,703,879</u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund		BCT (Industry) E50 Mixed Asset Fund	
	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)	2020 (HK\$)	2019 (HK\$)
Balance at the beginning of the year	1,442,594,939	1,377,288,366	624,614,091	595,981,284	487,827,268	454,079,211
Proceeds on units issued	339,066,403	264,480,686	31,652,861	34,803,592	28,553,155	29,771,139
Payments on units redeemed	(299,856,136)	(214,001,651)	(64,279,288)	(56,272,591)	(47,486,791)	(45,168,603)
	39,210,267	50,479,035	(32,626,427)	(21,468,999)	(18,933,636)	(15,397,464)
Total comprehensive income	9,543,787	14,827,538	55,051,059	50,101,806	43,820,058	49,145,521
Balance at the end of the year	1,491,348,993	1,442,594,939	647,038,723	624,614,091	512,713,690	487,827,268
Units outstanding at the beginning of the year	1,273,678,316	1,228,829,541	310,837,477	321,791,434	226,304,683	233,653,116
Units issued	297,877,127	234,789,267	15,659,250	17,860,355	13,363,914	14,404,594
Units redeemed	(263,433,170)	(189,940,492)	(31,830,067)	(28,814,312)	(22,424,274)	(21,753,027)
Units outstanding at the end of the year	1,308,122,273	1,273,678,316	294,666,660	310,837,477	217,244,323	226,304,683

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	BCT (Industry) E70 Mixed Asset Fund		BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
	2020	2019	2020	2019	2020	2019
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	663,106,361	597,858,641	132,944,585	121,319,701	222,087,552	168,835,365
Proceeds on units issued	39,880,957	39,423,515	38,058,999	27,055,692	57,556,276	45,583,620
Payments on units redeemed	(63,558,592)	(53,827,153)	(26,994,252)	(17,699,003)	(47,535,995)	(22,395,571)
	(23,677,635)	(14,403,638)	11,064,747	9,356,689	10,020,281	23,188,049
Total comprehensive income	59,313,723	79,651,358	1,434,246	2,268,195	22,290,445	30,064,138
Balance at the end of the year	698,742,449	663,106,361	145,443,578	132,944,585	254,398,278	222,087,552
Units outstanding at the beginning of the year	294,777,364	301,479,409	89,429,957	83,084,605	79,107,805	70,320,784
Units issued	18,456,542	18,434,637	25,777,151	18,339,149	22,940,225	17,351,468
Units redeemed	(29,415,588)	(25,136,682)	(18,316,803)	(11,993,797)	(18,772,803)	(8,564,447)
Units outstanding at the end of the year	283,818,318	294,777,364	96,890,305	89,429,957	83,275,227	79,107,805

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund		BCT (Industry) Flexi Mixed Asset Fund	
	2020	2019	2020	2019	2020	2019
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	714,127,863	600,547,226	356,230,484	304,928,717	161,180,804	142,072,128
Proceeds on units issued	208,071,966	157,876,419	60,694,864	45,338,184	21,549,621	22,327,356
Payments on units redeemed	(192,175,536)	(136,875,744)	(50,225,991)	(33,263,626)	(22,492,940)	(15,252,912)
	15,896,430	21,000,675	10,468,873	12,074,558	(943,319)	7,074,444
Total comprehensive income	130,358,899	92,579,962	87,448,450	39,227,209	12,402,304	12,034,232
Balance at the end of the year	860,383,192	714,127,863	454,147,807	356,230,484	172,639,789	161,180,804
Units outstanding at the beginning of the year	160,048,708	155,049,021	103,303,582	99,626,932	105,053,661	100,258,310
Units issued	48,086,643	37,399,720	17,676,574	13,871,161	13,935,681	15,033,709
Units redeemed	(43,792,860)	(32,400,033)	(14,928,062)	(10,194,511)	(14,705,797)	(10,238,358)
Units outstanding at the end of the year	164,342,491	160,048,708	106,052,094	103,303,582	104,283,545	105,053,661

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	BCT (Industry) RMB Bond Fund		BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	99,574,310	83,356,058	329,140,373	215,427,716	315,125,256	278,850,894
Proceeds on units issued	36,115,618	28,479,833	123,670,930	133,535,172	86,911,053	100,727,545
Payments on units redeemed	(20,935,385)	(13,454,573)	(72,974,976)	(58,258,619)	(74,312,267)	(89,628,007)
	15,180,233	15,025,260	50,695,954	75,276,553	12,598,786	11,099,538
Total comprehensive income	6,849,024	1,192,992	47,165,743	38,436,104	31,058,618	25,174,824
Balance at the end of the year	<u>121,603,567</u>	<u>99,574,310</u>	<u>427,002,070</u>	<u>329,140,373</u>	<u>358,782,660</u>	<u>315,125,256</u>
Units outstanding at the beginning of the year	101,345,702	86,062,808	281,538,298	213,214,564	285,711,410	275,539,816
Units issued	36,047,722	29,004,112	105,015,829	120,869,234	75,606,099	93,903,636
Units redeemed	(20,969,748)	(13,721,218)	(61,803,587)	(52,545,500)	(64,703,061)	(83,732,042)
Units outstanding at the end of the year	<u>116,423,676</u>	<u>101,345,702</u>	<u>324,750,540</u>	<u>281,538,298</u>	<u>296,614,448</u>	<u>285,711,410</u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Total 2020 (HK\$)	2019 (HK\$)
Balance at the beginning of the year	5,548,553,886	4,940,545,307
Proceeds on units issued	1,071,782,703	929,402,753
Payments on units redeemed	(982,828,149)	(756,098,053)
	88,954,554	173,304,700
Total comprehensive income	506,736,356	434,703,879
Balance at the end of the year	6,144,244,796	5,548,553,886

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

1. The Plan

BCT (MPF) Industry Choice (the “Plan”) was established on 13 April 2000 and is governed by its Trust Deed dated 12 April 2000. The Trust Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 5 March 2018, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020. The Plan is registered under Section 21A of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance” or “MPFSO”) and is required to comply with the Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority.

The financial information of the Plan comprises (i) the statement of net assets available for benefits as at 31 December 2020, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2020 of the Plan on a standalone basis; and (ii) the statement of net assets as at 31 December 2020, and the statement of comprehensive income and statement of changes in net assets attributable to members for the year ended 31 December 2020 of each of its constituent funds.

The Plan has introduced Default Investment Strategy under the MPFSO. As at 31 December 2020, the Plan offered twelve constituent funds (2019 : twelve), namely, BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgment in the process of applying the Plan's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All references to net assets throughout the financial statements refer to net assets attributable to members unless otherwise stated.

Amendments to existing standards effective for the financial year beginning on 1 January 2020

The following amendments to standards or interpretations that are effective for the financial period beginning on 1 January 2020 have been adopted by the Plan and its constituent funds and do not have a material effect on the financial statements of the Plan and its constituent funds.

- Definition of Material – amendments to HKAS 1 and HKAS 8
- Revised conceptual Framework for Financial Reporting

The Trustee has assessed and considered that these standards, amendments to standards and interpretations have no material impact to the financial statements of the Plan and its constituent funds.

New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for the financial period beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Plan and its constituent funds.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Plan and its constituent funds are measured using the currency of the primary economic environment in which they operate (the “functional currency”). The financial statements are presented in Hong Kong dollars, which is the functional and presentation currency of the Plan and its constituent funds.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

Foreign exchange gains and losses relating to bank balances are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on exchange”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments”.

(c) Financial assets at fair value through profit or loss

(i) Classification

The Plan and its constituent funds classify their investments based on both the Plan's and its constituent funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Plan and its constituent funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Plan and its constituent funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Plan's and its constituent funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's and its constituent funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

As such, the Plan and its constituent funds classify all of their investment portfolio as financial assets as fair value through profit or loss.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(i) Classification (continued)

The Plan's and its constituent funds' policy requires the investment managers and the Trustee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(ii) Recognition/derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Plan and its constituent funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Plan and its constituent funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and statement of comprehensive income for the constituent funds within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Debt securities are fair valued based on quoted market price inclusive of accrued interest. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

The Plan and its constituent funds utilise the last traded price for both financial assets and financial liabilities where the last traded price falls within the bid-offer spread. In circumstances where the last traded price is not within the bid-offer spread, investment managers of the constituent funds will determine the point within the bid-offer spread that is most representative of fair value.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(iii) Fair value estimation (continued)

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Plan and its constituent funds use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in approved pooled investment funds are valued at their respective closing net asset value per unit as provided by their respective fund administrators.

(iv) Transfer between levels

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(d) Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts. Derivatives are recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value.

Outstanding forward foreign exchange contracts are fair valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contract. Unrealised gains or losses on outstanding contracts and realised gains and losses on closed contracts are recognised as “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments” respectively in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits for the Plan and its constituent funds and statement of net assets for the constituent funds when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Income and expenses

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Other income and expenses accounted for on an accrual basis.

(g) Subscription and redemption of units

The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the constituent funds.

(h) Cash and cash equivalents

Cash comprises bank balances. Cash equivalents comprise fixed deposits which were within three months of maturity at the time of placement, and short term, highly liquid investments which are readily converted into known amounts of cash without notice and which were within three months of maturity when acquired.

(i) Amounts receivable on sale/payable on purchase of financial assets at fair value through profit or loss

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Plan and its constituent funds shall measure the loss allowance on amounts due from counterparties at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Plan and its constituent funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A significant increase in credit risk is defined by the Trustee as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(i) Amounts receivable on sale/payable on purchase of financial assets at fair value through profit or loss (continued)

Amounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

Accounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss are classified as current assets or liabilities if the collection of receivable or payment is due within one year or less. If not, they are presented as non-current assets or liabilities.

(j) Contributions and benefits

Contributions and benefits are accounted for on an accrual basis.

The amounts received not yet recognised as contributions recognised in the statement of net assets available for benefits represent the receipts of contributions from the employers and employees of which the enrolment process for the employees has not been completed.

(k) Transfers in and transfers out

Transfers in amounts are accounted for when the right to receive payment is established.

Transfers out amounts are accounted for when the obligation to make payment is established.

(l) Forfeitures

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Plan may be applied in reducing the future contributions of the employer, or in such other manner as the Trustee may determine, having consulted the employers (including payment to the employers). Forfeitures arising from such cases which have not been designated for the benefit of existing members and which have not been returned to the employers would be treated as liabilities of the Plan.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(m) Redeemable units

The constituent funds issue redeemable units, which are redeemable at the members' option represents puttable financial instruments of the constituent funds. The puttable financial instruments are classified as equity in accordance with HKAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- (i) The puttable instruments entitle the holder to a pro-rata share of net assets
- (ii) The puttable instruments are the most subordinated unit in issue and unit features are identical
- (iii) There are no contractual obligations to deliver cash or another financial assets
- (iv) The total expected cash flows from the puttable instrument over its life are based substantially on the profit or loss of these constituent funds.

The BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund issue one class of redeemable units, which are redeemable at the member's option and are classified as equity.

Redeemable units can be put back to the constituent funds at any time for cash equal to a proportionate share of each constituent fund's net asset value attributable to members in accordance with the Trust Deed and MPF scheme brochure.

Redeemable units are issued or redeemed at the members' option at prices based on the respective constituent funds' net asset value per unit as at the close of business on the relevant dealing day. The net asset value per unit of the respective constituent funds is calculated by dividing the net assets attributable to members with the total number of outstanding units of the respective constituent funds.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Plan and its constituent funds consider all of their investments in Approved Pooled Investment Funds (“APIFs”) to be investments in unconsolidated structured entities. The Plan and its constituent funds invest in APIFs whose objectives are specified in Note 7. The APIFs are managed by unrelated investment managers and apply various investment strategies to accomplish their respective investment objectives. The APIFs finance their operations by issuing redeemable units which are puttable at the holder’s option and entitle the holder to a proportional stake in the respective fund’s net assets. The Plan and its constituent funds hold redeemable units in each of its APIFs.

The change in fair value of each APIF is recognised as “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

3. Critical accounting estimates and assumptions

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of unlisted / quoted investments

The Plan and its constituent funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Trustee exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the investments could actually be traded as of 31 December 2020 and 2019. Actual transacted prices may differ from the quotes provided by the brokers. The Trustee considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

4. Fees

(a) Investment management fees

The investment manager, Invesco Hong Kong Limited, is entitled to receive a fee calculated on the daily net asset value of the respective constituent funds other than the Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, Core Accumulation Fund and Age 65 Plus Fund (collectively, the “other constituent funds”) at an annual rate between 0.2% and 0.45% (2019: between 0.2% and 0.45%).

The investment management fees for other constituent funds, managed by Franklin Templeton Investments (Asia) Limited, FIL Investment Management (Hong Kong) Limited, Schroder Investment Management (Hong Kong) Limited, Allianz Global Investors Asia Pacific Limited and Invesco Hong Kong Limited, are charged at their respective underlying approved pooled investment funds.

BCT (MPF) INDUSTRY CHOICE
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The investment management fees payable as at year end were as follows:

	2020 HK\$	2019 HK\$
BCT (Industry) MPF Conservative Fund	325,238	244,839
BCT (Industry) E30 Mixed Asset Fund	244,083	237,848
BCT (Industry) E50 Mixed Asset Fund	192,384	185,504
BCT (Industry) E70 Mixed Asset Fund	261,406	250,782
BCT (Industry) Global Bond Fund	-	-
BCT (Industry) Global Equity Fund	-	-
BCT (Industry) Hong Kong Equity Fund	-	-
BCT (Industry) Asian Equity Fund	-	-
BCT (Industry) Flexi Mixed Asset Fund	-	-
BCT (Industry) RMB Bond Fund	45,984	37,991
BCT (Industry) Core Accumulation Fund	-	-
BCT (Industry) Age 65 Plus Fund	-	-

BCT (MPF) INDUSTRY CHOICE
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(b) Trustee, administration, custodian and sponsor fees

Prior to 18 January 2019

The Trustee, Administrator and Sponsor, Bank Consortium Trust Company Limited/BCT Financial Limited, is entitled to receive a total fee calculated between 0.59% to 1% per annum of the daily net asset value of the respective constituent funds.

With effect from 18 January 2019

A new breakdown of the trustee and administration fees has been introduced as follows:

- (i) The Trustee, Administrator and Custodian is entitled to receive a fee calculated between 0.525% to 0.90% per annum of the daily net asset value of the respective constituent funds.
- (ii) The Sponsor is entitled to receive a fee calculated between 0% to 0.10% per annum of the daily net asset value of the respective constituent funds.

Prior to 18 January 2019, the trustee and administration fees which were charged by the Trustee, Administrator and Custodian had included fees relating to the services of the Sponsor and Custodian. With effective from 18 January 2019, for enhancing the fees disclosures, the sponsor fees were separately presented from the trustee, administration and custodian fees on the constituent funds.

The fees rates for the relevant periods were as follows:

	From 18 January 2019			Prior to 18 January 2019
	Trustee, Administration and Custodian fees	Sponsor fees	Total fees	Trustee, Administration and Sponsor fees
BCT (Industry) MPF Conservative Fund	0.58%	0.10%	0.68%	0.68%
BCT (Industry) E30 Mixed Asset Fund	0.88%	0.10%	0.98%	1.00%*
BCT (Industry) E50 Mixed Asset Fund	0.88%	0.10%	0.98%	1.00%*

BCT (MPF) INDUSTRY CHOICE
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	From 18 January 2019			Prior to 18 January 2019
	Trustee, Administration and Custodian fees	Sponsor fees	Total fees	Trustee, Administration and Sponsor fees
BCT (Industry) E70 Mixed Asset Fund	<u>0.88%</u>	<u>0.10%</u>	<u>0.98%</u>	<u>1.00%*</u>
BCT (Industry) Global Bond Fund	<u>0.68%</u>	<u>0.10%</u>	<u>0.78%</u>	<u>0.80%*</u>
BCT (Industry) Global Equity Fund	<u>0.68%</u>	<u>0.10%</u>	<u>0.78%</u>	<u>0.90%*</u>
BCT (Industry) Hong Kong Equity Fund	<u>0.585%</u>	<u>0.10%</u>	<u>0.685%</u>	<u>1.00%*</u>
BCT (Industry) Asian Equity Fund	<u>0.775%</u>	<u>0.10%</u>	<u>0.875%</u>	<u>0.90%*</u>
BCT (Industry) Flexi Mixed Asset Fund	<u>0.90%</u>	<u>0.10%</u>	<u>1.00%</u>	<u>1.00%</u>
BCT (Industry) RMB Bond Fund	<u>0.525%</u>	<u>0.10%</u>	<u>0.625%</u>	<u>1.00%*</u>
BCT (Industry) Core Accumulation Fund	<u>0.59%</u>	<u>-</u>	<u>0.59%</u>	<u>0.59%</u>
BCT (Industry) Age 65 Plus Fund	<u>0.59%</u>	<u>-</u>	<u>0.59%</u>	<u>0.59%</u>

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* The Trustee/Sponsor may, by way of certain rebates credited to these constituent funds, maintain the current level of management fees in respect of BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund and BCT (Industry) RMB Bond Fund. As a result of these rebates, the actual trustee, administration and sponsor fees payable out of these constituent funds are lower than the levels of such fees as disclosed above for the relevant period.

The new fees breakdown clarified that there are no more rebates in respect of the abovementioned constituent funds with effect from 18 January 2019 for maintaining the current level of management fee in respect of these constituent funds.

The fees payable as at year end were as follows:

	Sponsor fees payable HK\$	2020 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$	Sponsor fees payable HK\$	2019 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$
BCT (Industry) MPF Conservative Fund	162,618	943,189	1,105,807	122,419	710,033	832,452
BCT (Industry) E30 Mixed Asset Fund	54,241	477,318	531,559	52,855	465,124	517,979
BCT (Industry) E50 Mixed Asset Fund	42,751	376,217	418,968	41,223	362,763	403,986
BCT (Industry) E70 Mixed Asset Fund	58,091	511,194	569,285	55,729	490,417	546,146
BCT (Industry) Global Bond Fund	12,243	83,256	95,499	11,255	76,537	87,792
BCT (Industry) Global Equity Fund	20,957	142,502	163,459	18,445	125,421	143,866
BCT (Industry) Hong Kong Equity Fund	69,285	405,320	474,605	58,992	345,100	404,092

BCT (MPF) INDUSTRY CHOICE
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	Sponsor fees payable HK\$	2020 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$	Sponsor fees payable HK\$	2019 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$
BCT (Industry) Asian Equity Fund	<u>36,877</u>	<u>285,793</u>	<u>322,670</u>	<u>29,546</u>	<u>228,982</u>	<u>258,528</u>
BCT (Industry) Flexi Mixed Asset Fund	<u>14,474</u>	<u>130,273</u>	<u>144,747</u>	<u>13,618</u>	<u>122,567</u>	<u>136,185</u>
BCT (Industry) RMB Bond Fund	<u>10,219</u>	<u>53,648</u>	<u>63,867</u>	<u>8,442</u>	<u>44,322</u>	<u>52,764</u>
BCT (Industry) Core Accumulation Fund	<u>-</u>	<u>176,605</u>	<u>176,605</u>	<u>-</u>	<u>161,487</u>	<u>161,487</u>
BCT (Industry) Age 65 Plus Fund	<u>-</u>	<u>208,988</u>	<u>208,988</u>	<u>-</u>	<u>156,809</u>	<u>156,809</u>

5. Contributions received and receivable

Mandatory contributions for both non-casual employees and their employers are calculated at 5% of the non-casual employees' relevant income up to HK\$30,000 per month (2019: HK\$30,000 per month) but in respect of non-casual employees earning less than HK\$7,100 per month (2019: HK\$7,100 per month), the employees' mandatory contribution is nil.

Casual employees and their employers are required to contribute to the Plan in accordance with the Schedule to the Hong Kong Mandatory Provident Fund Schemes (Contributions for Casual Employees) Order.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month (2019: HK\$1,500 per month) to the Plan unless their relevant income is less than HK\$7,100 per month (2019: HK\$7,100 per month).

Any contributions made to the Plan by the employers or members in excess of their mandatory contributions are additional voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2019 / 2020 is HK\$60,000.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

6. Benefits paid and payable

Members will become entitled to benefits in respect of mandatory contributions and tax deductible voluntary contribution (effective from 1 April 2019) to the Plan in the circumstances set out in the Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment after reaching the age of 60; (iii) become totally incapacitated; (iv) permanently depart from Hong Kong; (v) die; (vi) get terminal illness; or (vii) have the right to claim a small balance pursuant to the Ordinance.

Employers are permitted to offset the long service payment with the accrued benefits derived from the employer's contributions. However, the amount offset from the member's account in the Plan cannot exceed the amount of the long service payment payable to the member.

Members will become entitled to benefits in respect of additional voluntary contributions to the Plan in circumstances set out in the Trust Deed and the relevant participation agreement.

The following table shows the reconciliation of movement in benefits and forfeitures payable for the year ended 31 December 2020 and 2019:

	2020	2019
	HK\$	HK\$
Beginning balance as at 1 January	23,518,552	17,213,773
Charged to statement of changes in net asset available for benefits	460,047,840	405,843,522
Cash outflow	(442,731,457)	(399,538,743)
Ending balance as at 31 December	<u>40,834,935</u>	<u>23,518,552</u>

BCT (MPF) INDUSTRY CHOICE
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7. Financial risk management

I. Financial risk factors

The activities of the Plan and its constituent funds expose them to a variety of financial risks: market risk (including price risk, interest rate risk, and currency risk), credit risk and liquidity risk. The constituent funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the constituent funds' financial performance. The investment objectives of the constituent funds are as follows:

MPF Conservative Fund is to provide members with a rate of return which matches or exceeds Hong Kong dollar savings rate. It invests in Hong Kong dollar denominated bank deposits and short term debt securities. The remaining constituent funds invest in APIFs. The investments in APIFs are to accomplish the respective investment objectives of the constituent funds.

E30 Mixed Asset Fund is to provide members with capital growth over long term by investing indirectly in fixed income securities and maintaining a limited exposure to global equities. E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over long term. It indirectly invests in bank deposits, global bonds and global equities. E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversification and indirectly invests in global equities with higher rates of returns. The fund is subject to higher level of volatility of equity markets in short to medium term.

Global Bond Fund is to provide members with total investment return over the medium to longer term by indirectly investing primarily into fixed income securities issued by governments and governmental agencies globally.

The objective of Global Equity Fund is to provide members with capital growth over the medium to longer term by indirectly investing primarily in securities of companies listed on the global stock markets.

Hong Kong Equity Fund is to provide members with long term capital appreciation by indirectly investing in equity market of Hong Kong.

The objective of Asia Equity Fund is to provide members with long term capital growth by indirectly investing primarily in securities of companies in Asian equity markets (excluding Japan).

BCT (MPF) INDUSTRY CHOICE
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Flexi Mixed Asset Fund is to provide members with long term capital preservation not related to an index by indirectly investing primarily in diversified portfolio of global equities and fixed interest securities. RMB Bond Fund is to provide members with steady growth over the long term by indirectly investing primarily in RMB denominated debt instruments and money market instruments issued or distributed outside the mainland China.

Core Accumulation Fund and Age 65 Plus Fund are to provide members with capital growth and stable growth respectively by investing in a globally diversified manner.

The investments in APIFs are subject to the terms and conditions of the respective APIF's offering documents and are susceptible to market price risk arising from uncertainties about future values of those APIFs. The investment managers make investment decisions after extensive due diligence of the underlying APIFs and their strategy. All of the APIFs in the investment portfolio are managed by portfolio managers who are compensated by the respective APIFs or constituent funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the constituent funds' investment in each of the APIFs or valuation of the constituent funds.

The right of the Plan and its constituent funds to request redemption of their investments in APIFs is on a daily basis.

The exposure to investments in APIFs at fair value is disclosed in Note 7I(a)(i). These investments are included in financial assets at fair value through profit or loss in the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

(a) Market risk

Refer to Note 8 for the overall market exposures of the constituent funds.

(i) Price risk

The MPF Conservative Fund only invests in debt securities, certificates of deposit and fixed deposits with original maturity terms of not exceeding 12 months and the average portfolio remaining maturity period of not more than 90 days. The investment manager of the fund considers that the fund has no significant exposure to market price fluctuations due to short term in nature of the investments and therefore the price sensitivity analysis is not necessary. The fund is exposed to the interest rate risk and refers to Note 7I(a)(ii).

BCT (MPF) INDUSTRY CHOICE

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Other constituent funds of the Plan are subject to market price risk arising from uncertainties about future prices of the investments. All investments present a risk of loss of capital. The constituent funds' market price risk is managed through a careful selection of securities and diversification of the underlying investment portfolio of the APIFs held.

The overall market exposures for the constituent funds were as follows:

E30 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Fund (Class B)	648,206	100.18	Willis Towers Watson MPF Benchmark (Equity 20% - 40%)	5%	34,730
Total investments	<u>648,206</u>	<u>100.18</u>			<u>34,730</u>
<u>As at 31 December 2019</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Fund (Class B)	625,895	100.21	Willis Towers Watson MPF Benchmark (Equity 20% - 40%)	5%	31,938
Total investments	<u>625,895</u>	<u>100.21</u>			<u>31,938</u>

E30 Mixed Asset Fund invests in Invesco Pooled Investment Fund -- Global Stable Fund (Class B) (the "underlying APIF"). The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	32%	33%
Bonds	65%	63%
Cash and other net assets	3%	4%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	24%	24%
Japan	11%	12%
Asia Pacific ex Japan ex Hong Kong	15%	7%
North America	25%	30%
Europe	20%	22%
Other	2%	1%
Total investments	<u>97%</u>	<u>96%</u>
Cash and other net assets	<u>3%</u>	<u>4%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$1,374 million (2019: HK\$1,294 million).

BCT (MPF) INDUSTRY CHOICE
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E50 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Growth Fund (Class B)	513,792	100.21	Willis Towers Watson MPF Benchmark (Equity 40% - 60%)	5%	27,306
Total investments	<u>513,792</u>	<u>100.21</u>			<u>27,306</u>

<u>As at 31 December 2019</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Growth Fund (Class B)	489,037	100.25	Willis Towers Watson MPF Benchmark (Equity 40% - 60%)	5%	25,668
Total investments	<u>489,037</u>	<u>100.25</u>			<u>25,668</u>

E50 Mixed Asset Fund invests in Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B) (the “underlying APIF”). The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	52%	53%
Bonds	45%	44%
Cash and other net assets	3%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	26%	28%
Japan	11%	11%
Asia Pacific ex Japan ex Hong Kong	14%	9%
North America	25%	27%
Europe	20%	21%
Other	1%	1%
Total investments	<u>97%</u>	<u>97%</u>
Cash and other net assets	<u>3%</u>	<u>3%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$643 million (2019: HK\$606 million).

BCT (MPF) INDUSTRY CHOICE
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E70 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Balanced Fund (Class B)	700,408	100.24	Willis Towers Watson MPF Benchmark (Equity 60% - 80%)	5%	36,702
Total investments	<u>700,408</u>	<u>100.24</u>			<u>36,702</u>

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Global Balanced Fund (Class B)	664,293	100.18	Willis Towers Watson MPF Benchmark (Equity 60% - 80%)	5%	34,894
Total investments	<u>664,293</u>	<u>100.18</u>			<u>34,894</u>

E70 Mixed Asset Fund invests in Invesco Pooled Investment Fund – Global Balanced Fund (Class B) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	73%	73%
Bonds	25%	24%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	29%	30%
Japan	11%	11%
Asia Pacific ex Japan ex Hong Kong	14%	10%
North America	24%	25%
Europe	19%	21%
Other	1%	-
Total investments	<u>98%</u>	<u>97%</u>
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$700 million (2019: HK\$664 million).

BCT (MPF) INDUSTRY CHOICE
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Global Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Templeton MPF Global Bond Fund (Class A)	144,601	99.42	Custom 65% FTSE World Government Bond Index + 35% HSBC HK Govt Bond Index	5%	2,877
Total investments	<u>144,601</u>	<u>99.42</u>			<u>2,877</u>

<u>As at 31 December 2019</u> (HK\$'000)					
Approved Pooled Investment Funds					
Templeton MPF Global Bond Fund (Class A)	132,985	100.03	Custom 65% FTSE World Government Bond Index + 35% HSBC HK Govt Bond Index	5%	2,728
Total investments	<u>132,985</u>	<u>100.03</u>			<u>2,728</u>

Global Bond Fund invests in Templeton MPF Global Bond Fund (Class A) (the "underlying APIF").
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Bonds	86%	92%
Cash and other net assets	14%	8%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	21%	27%
Japan	8%	8%
Asia Pacific ex Japan ex Hong Kong	20%	14%
North America	16%	21%
Europe	17%	18%
Other	4%	4%
Total investments	<u>86%</u>	<u>92%</u>
Cash and other net assets	<u>14%</u>	<u>8%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$286 million (2019: HK\$401 million).

BCT (MPF) INDUSTRY CHOICE
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Global Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Templeton MPF Global Equity Fund (Class A)	254,199	99.92	FTSE MPF All World Hedged TR	5%	13,435
Total investments	<u>254,199</u>	<u>99.92</u>			<u>13,435</u>

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Templeton MPF Global Equity Fund (Class A)	221,074	99.54	FTSE MPF All World Hedged TR	5%	12,232
Total investments	<u>221,074</u>	<u>99.54</u>			<u>12,232</u>

Global Equity Fund invests in Templeton MPF Global Equity Fund (Class A) (the "underlying APIF").
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	97%	95%
Cash and other net assets	3%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	2%	2%
Japan	22%	10%
Asia Pacific ex Japan ex Hong Kong	14%	10%
North America	42%	29%
Europe	17%	44%
Total investments	<u>97%</u>	<u>95%</u>
Cash and other net assets	3%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$479 million (2019: HK\$678 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	859,883	99.94	FTSE MPF Hong Kong TR	5%	42,446
Total investments	<u>859,883</u>	<u>99.94</u>			<u>42,446</u>

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	714,874	100.10	FTSE MPF Hong Kong TR	5%	35,749
Total investments	<u>714,874</u>	<u>100.10</u>			<u>35,749</u>

Hong Kong Equity Fund invests in Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	99%	95%
Cash and other net assets	1%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	87%	87%
China	7%	4%
Other	5%	4%
Total investments	<u>99%</u>	<u>95%</u>
Cash and other net assets	1%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$34,759 million (2019: HK\$30,747 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Asian Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Schroder MPF Asian Fund (Class A)	453,274	99.81	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR	5%	21,698
Total investments	<u>453,274</u>	<u>99.81</u>			<u>21,698</u>

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Schroder MPF Asian Fund (Class A)	356,414	100.05	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR	5%	17,068
Total investments	<u>356,414</u>	<u>100.05</u>			<u>17,068</u>

Asian Equity Fund invests in Schroder MPF Asian Fund (Class A) (the "underlying APIF").
The overall market exposures for this underlying APIF were as follows:

	% of net assets of underlying APIF	
	2020	2019
Listed equities	98%	97%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	% of net assets of underlying APIF	
	2020	2019
Hong Kong	46%	45%
Asia Pacific ex Japan ex Hong Kong	52%	52%
Total investments	<u>98%</u>	<u>97%</u>
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$1,224 million (2019: HK\$1,971 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A)	172,285	99.79	FTSE All World	5%	8,614
Total investments	<u>172,285</u>	<u>99.79</u>			<u>8,614</u>
<u>As at 31 December 2019</u> (HK\$'000)					
Approved Pooled Investment Funds					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A)	161,415	100.15	FTSE All World	5%	8,071
Total investments	<u>161,415</u>	<u>100.15</u>			<u>8,071</u>

Flexi Mixed Asset Fund invests in Allianz Choice Flexi Balanced Fund (Class A) (the “underlying APIF”).

The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	27%	20%
Bonds	66%	75%
Cash and other net assets	7%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	10%	8%
Japan	2%	2%
Asia Pacific ex Japan ex Hong Kong	4%	2%
North America	63%	76%
Europe	7%	6%
Other	7%	1%
Total investments	<u>93%</u>	<u>95%</u>
Cash and other net assets	<u>7%</u>	<u>5%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$2,407 million (2019: HK\$2,291 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

RMB Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	121,673	100.06	Markit iBoxx ALBI China Offshore Non-Gov't	5%	5,310
Total investments	<u>121,673</u>	<u>100.06</u>			<u>5,310</u>

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	99,813	100.24	Markit iBoxx ALBI China Offshore Non-Gov't	5%	4,356
Total investments	<u>99,813</u>	<u>100.24</u>			<u>4,356</u>

RMB Bond Fund invests in Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB) (the “underlying APIF”). The overall market exposures for this underlying APIF were as follows:

	% of net assets of underlying APIF	
	2020	2019
Bonds	99%	99%
Cash and other net assets	1%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	% of net assets of underlying APIF	
	2020	2019
China	99%	99%
Total investments	99%	99%
Cash and other net assets	1%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2020 is HK\$1,243 million (2019: HK\$1,015 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Core Accumulation Fund (Class A)	425,551	99.66	60% FTSE MPF All-World Index (Unhedged Total Return) + 37% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	21,017
Total investments	425,551	99.66			21,017

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Core Accumulation Fund (Class A)	326,193	99.10	60% FTSE MPF All-World Index (Unhedged Total Return) + 37% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	16,310
Total investments	326,193	99.10			16,310

Core Accumulation Fund invests in Invesco Pooled Investment Fund – Core Accumulation Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Listed equities	62%	62%
Bonds	37%	36%
Cash and other net assets	1%	2%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2020</u>	<u>2019</u>
Hong Kong	3%	2%
Japan	6%	7%
Asia Pacific ex Japan ex Hong Kong	7%	8%
North America	52%	51%
Europe	29%	27%
Other	2%	3%
Total investments	99%	98%
Cash and other net assets	1%	2%
Net assets attributable to unitholders	100%	100%

The net asset value of the underlying APIF as at 31 December 2020 is HK\$3,231 million (2019: HK\$2,170 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Age 65 Plus Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	357,130	99.54	20% FTSE MPF All-World Index (Unhedged Total Return) + 77% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	17,189
Total investments	357,130	99.54			17,189

As at 31 December 2019
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	313,803	99.58	20% FTSE MPF All-World Index (Unhedged Total Return) + 77% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	15,281
Total investments	313,803	99.58			15,281

Age 65 Plus Fund invests in Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The overall market exposures for this underlying APIF were as follows:

	% of net assets of underlying APIF	
	2020	2019
Listed equities	22%	19%
Bonds	76%	78%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying APIF:

	% of net assets of underlying APIF	
	2020	2019
Hong Kong	1%	1%
Japan	5%	5%
Asia Pacific ex Japan ex Hong Kong	8%	8%
North America	41%	41%
Europe	40%	37%
Other	3%	5%
Total investments	98%	97%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	100%	100%

The net asset value of the underlying APIF as at 31 December 2020 is HK\$1,603 million (2019: HK\$1,039 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Notes

- ¹ Relevant index for the investments represents the relevant market index which has similar investment portfolio composition as the underlying investments.
- ² The analysis is based on the assumption that the relevant index increased/decreased by 5% (2019: 5%), with all other variables held constant and that the fair value of the constituent funds' investments moved according to the historical correlation with the index. The investment managers have used their view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis. Changes in market index % are revised annually depending on investment managers' current view of market volatility and other relevant factors.
- ³ Change in net asset value of the constituent funds is calculated based on the fair value of investments multiplied by the estimated % of reasonable possible change of the relevant index and the historical correlation of the constituent funds' investments with the index. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

The constituent funds' maximum exposure to loss from their interests in APIFs is equal to the total fair value of their investments in the APIFs.

Once the constituent funds have disposed of their units in APIFs, the constituent funds cease to be exposed to any risk from the APIFs.

The constituent funds' investment strategies entail trading on other funds on a regular basis. As at 31 December 2020 and 2019 the constituent funds had no capital commitment obligations and no amounts due to APIFs for unsettled purchases.

The net gain/(loss) incurred on investments in APIFs during the year ended 31 December 2020 and 2019 are stated in the respective constituent funds' statement of comprehensive income.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(ii) Interest rate risk

The constituent funds of the Plan which invested in interest bearing financial assets are subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash of the constituent funds are invested in short-term commercial papers or deposits.

The majority of the financial assets and liabilities of E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund are non-interest bearing. Their interest bearing financial assets comprise bank balances. The investment managers consider these funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. As a result, no sensitivity analysis on interest rate movements is required.

The majority of the financial assets and liabilities of the Plan are non-interest bearing. The only interest bearing financial assets comprise bank balances. Any excess cash and cash equivalents of the Plan are invested at short-term market interest rates and have no significant exposure to interest rate risk. As such, no interest rate risk sensitivity is disclosed.

The table below summarised the exposure to bank balances of E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund as at 31 December 2020 and 2019:

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

	As at 31 December 2020		As at 31 December 2019	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
E30 Mixed Asset Fund - Bank balances	<u>169,763</u>	<u>0.03</u>	<u>186,348</u>	<u>0.03</u>
E50 Mixed Asset Fund - Bank balances	<u>160,545</u>	<u>0.03</u>	<u>120,744</u>	<u>0.02</u>
E70 Mixed Asset Fund - Bank balances	<u>143,859</u>	<u>0.02</u>	<u>128,306</u>	<u>0.02</u>
Global Bond Fund - Bank balances	<u>186,244</u>	<u>0.13</u>	<u>135,343</u>	<u>0.10</u>
Global Equity Fund - Bank balances	<u>320,094</u>	<u>0.13</u>	<u>185,822</u>	<u>0.08</u>
Hong Kong Equity Fund - Bank balances	<u>1,695,494</u>	<u>0.20</u>	<u>1,225,454</u>	<u>0.17</u>
Asian Equity Fund - Bank balances	<u>170,521</u>	<u>0.04</u>	<u>86,243</u>	<u>0.02</u>
Flexi Mixed Asset Fund - Bank balances	<u>40,983</u>	<u>0.02</u>	<u>38,560</u>	<u>0.02</u>
RMB Bond Fund - Bank balances	<u>107,390</u>	<u>0.09</u>	<u>60,471</u>	<u>0.06</u>
Core Accumulation Fund - Bank balances	<u>578,430</u>	<u>0.14</u>	<u>419,083</u>	<u>0.13</u>
Age 65 Plus Fund - Bank balances	<u>481,589</u>	<u>0.13</u>	<u>407,859</u>	<u>0.13</u>

BCT (MPF) INDUSTRY CHOICE
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The table below summarised the MPF Conservative Fund's exposure to interest rate risk, categorised by remaining maturity period:

MPF Conservative Fund

At 31 December 2020
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	24,180	-	-	-	24,180
Financial assets at fair value through profit or loss	1,128,066	345,869	-	-	1,473,935
Other assets	-	-	-	2,693	2,693
Total assets	1,152,246	345,869	-	2,693	1,500,808
Total liabilities	-	-	-	9,459	9,459
Total interest sensitivity gap	1,152,246	345,869	-		

At 31 December 2019
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	16,479	-	-	-	16,479
Financial assets at fair value through profit or loss	1,173,794	252,182	-	-	1,425,976
Other assets	-	-	-	7,208	7,208
Total assets	1,190,273	252,182	-	7,208	1,449,663
Total liabilities	-	-	-	7,068	7,068
Total interest sensitivity gap	1,190,273	252,182	-		

As at 31 December 2020, if interest rates have increased/decreased by 1% (2019: 1%), the net assets attributable to members of the MPF Conservative Fund would have been increased/decreased by HK\$14,981,000 (2019: HK\$14,425,000).

The investment managers monitor the constituent funds' overall interest sensitivity on a daily basis.

BCT (MPF) INDUSTRY CHOICE
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(iii) Currency risk

As at 31 December 2020 and 2019, the Plan and all of the constituent funds, except for the RMB Bond Fund, did not have any assets or liabilities denominated in currencies other than their functional currency, Hong Kong dollar. As a result, the Plan and all of the constituent funds, except for RMB Bond Fund, are not subject to significant currency risk.

The table below summarises the RMB Bond Fund's monetary and non-monetary exposures to currency risk and impact on net assets should the currencies have strengthened or weakened by 5% against the Hong Kong dollar, with all other variables remaining constant, as at 31 December 2020 and 2019.

RMB Bond Fund

At 31 December 2020

Original currencies	
Hong Kong dollar	
equivalent (HK\$'000)	CNY
Assets	
Monetary assets	-
Non-monetary assets	-
Liabilities	
Monetary liabilities	(286)
Non-monetary liabilities	-
Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar	±5%
Impact on net assets attributable to members	
Monetary	±14
Non-monetary	-

At 31 December 2019

Original currencies	
Hong Kong dollar	
equivalent (HK\$'000)	CNY
Assets	
Monetary assets	-
Non-monetary assets	-
Liabilities	
Monetary liabilities	(203)
Non-monetary liabilities	-
Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar	±5%
Impact on net assets attributable to members	
Monetary	±10
Non-monetary	-

BCT (MPF) INDUSTRY CHOICE
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(b) Credit risk

The Plan and its constituent funds are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Plan and its constituent funds are exposed arises from the investments in debt securities. The Plan and its constituent funds are also exposed to counterparty credit risk on trading derivative products, bank balances, amounts receivable on sale of financial assets at fair value through profit or loss, interest receivable, contributions receivable and other receivables.

The MPF Conservative Fund also invests in debt securities, certificates of deposit and fixed deposits and it therefore exposed to credit risk if the issuers default and will not repay the principal amount at maturity and interest as scheduled. Investment transactions are settled upon delivery using approved brokers. The credit risk of default is considered minimal, and the counterparty risk is mitigated as delivery of investments sold is only made to brokers against payment. In a purchase, payment is made when the securities have been received from the broker. The transaction will fail if either party fails to meet their respective obligations.

The credit risk is mitigated as the debt securities held are subject to the requirements of (i) minimum credit rating, and (ii) maximum holding of 10% of net asset value of any single issuer except for those issued or guaranteed by the government and other bodies permitted by the Mandatory Provident Fund Schemes Authority of Hong Kong.

As at 31 December 2020, MPF Conservative Fund's financial assets which were potentially subject to concentrations of credit risk consisted of investments held with the sub-custodian. As at 31 December 2020, the sub-custodian had a credit rating of Aa2 (2019: Aa1).

As at 31 December 2020 and 2019, the Plan and its constituent funds held debt securities, certificates of deposit, fixed deposits and bank balances with the following credit ratings, which are rated by well-known rating agencies and the table below sets out credit rating as a percentage of the respective asset balances of the Plan and each constituent fund respectively.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

	<u>The Plan</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	99%	97%
P-2/A-2/F2	1%	3%
	<u>100%</u>	<u>100%</u>

	<u>MPF Conservative Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
P-1/A-1+/F1+	100%	100%
	<u>100%</u>	<u>100%</u>
<u>Bank Balances and Fixed Deposits</u>		
P-1/A-1+/F1+	57%	67%
P-2/A-2/F2	43%	33%
	<u>100%</u>	<u>100%</u>

	<u>E30 Mixed Asset Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%

	<u>E50 Mixed Asset Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>E70 Mixed Asset Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Global Bond Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Global Equity Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Hong Kong Equity Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Asian Equity Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

BCT (MPF) INDUSTRY CHOICE
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	<u>Flexi Mixed Asset Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

	<u>RMB Bond Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

	<u>Core Accumulation Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

	<u>Age 65 Plus Fund</u>	
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)	2020	2019
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

The Plan and its constituent funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Trustee considers both historical analysis and forward looking information in determining any expected credit loss.

At 31 December 2020 and 31 December 2019, bank balances were held with counterparties with credit rating of A-2/P-2/F2 or higher and the remaining balance of receivables mainly comprised amounts

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

receivable on sale of financial assets at fair value through profit or loss, interest receivable, amounts receivable on subscription, contributions receivable, amounts receivable on funds switching and other receivables which were due to be settled within of 3-6 months. The Trustee considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Plan and its constituent funds.

(c) Liquidity risk

The constituent funds are exposed to daily cash redemptions of units. The constituent funds therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. All investments in APIFs permit redemptions on a daily basis and with a short settlement period. The investment managers consider the liquidity risk is low.

The table below analyses the Plan's and constituent funds' financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The Plan

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Derivative financial instruments	-	286,409	-
Benefits and forfeitures payable	40,834,935	-	-
Amounts received not yet recognised as contributions	12,408,901	-	-
Accruals and other payables	6,209,497	221,215	2,285,076
Total financial liabilities	<u>59,453,333</u>	<u>507,624</u>	<u>2,285,076</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Derivative financial instruments	-	203,035	-
Benefits and forfeitures payable	23,518,552	-	-
Amounts received not yet recognised as contributions	2,123,806	-	-
Accruals and other payables	6,621,688	2,078,209	3,009,460
Total financial liabilities	<u>32,264,046</u>	<u>2,281,244</u>	<u>3,009,460</u>

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MPF Conservative Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	1,432,218	84,868	660,843
Amounts payable on redemption	5,097,113	-	-
Amounts payable on funds switching	2,183,875	-	-
Total financial liabilities	8,713,206	84,868	660,843

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	1,078,208	595,624	809,685
Amounts payable on redemption	3,527,736	-	-
Amounts payable on funds switching	1,056,542	-	-
Total financial liabilities	5,662,486	595,624	809,685

E30 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	776,144	51,270	326,285
Amounts payable on redemption	1,325,030	-	-
Amounts payable on funds switching	309,237	-	-
Total financial liabilities	2,410,411	51,270	326,285

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	756,223	275,904	403,809
Amounts payable on redemption	484,267	-	-
Amounts payable on funds switching	48,513	-	-
Total financial liabilities	1,289,003	275,904	403,809

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E50 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	611,748	15,566	263,492
Amounts payable on redemption	771,089	-	-
Amounts payable on funds switching	15,329	-	-
Total financial liabilities	<u>1,398,166</u>	<u>15,566</u>	<u>263,492</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	589,798	192,792	329,504
Amounts payable on redemption	1,380,158	-	-
Amounts payable on funds switching	92,486	-	-
Total financial liabilities	<u>2,062,442</u>	<u>192,792</u>	<u>329,504</u>

E70 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	831,229	16,479	353,628
Amounts payable on redemption	1,611,670	-	-
Amounts payable on funds switching	260,389	-	-
Total financial liabilities	<u>2,703,288</u>	<u>16,479</u>	<u>353,628</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	797,345	255,253	449,307
Amounts payable on redemption	567,247	-	-
Amounts payable on funds switching	13,634	-	-
Total financial liabilities	<u>1,378,226</u>	<u>255,253</u>	<u>449,307</u>

BCT (MPF) INDUSTRY CHOICE

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Global Bond Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	95,612	4,759	47,405
Amounts payable on redemption	282,763	-	-
Amounts payable on funds switching	577,208	-	-
Total financial liabilities	<u>955,583</u>	<u>4,759</u>	<u>47,405</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	87,876	53,735	61,925
Amounts payable on redemption	86,578	-	-
Amounts payable on funds switching	424,918	-	-
Total financial liabilities	<u>599,372</u>	<u>53,735</u>	<u>61,925</u>

Global Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	163,653	2,882	59,235
Amounts payable on redemption	531,212	-	-
Amounts payable on funds switching	252,136	-	-
Total financial liabilities	<u>947,001</u>	<u>2,882</u>	<u>59,235</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	144,004	82,509	94,435
Amounts payable on redemption	158,001	-	-
Amounts payable on funds switching	178,768	-	-
Total financial liabilities	<u>480,773</u>	<u>82,509</u>	<u>94,435</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	475,245	14,513	219,613
Amounts payable on redemption	1,260,045	-	-
Amounts payable on funds switching	1,692,418	-	-
Total financial liabilities	3,427,708	14,513	219,613

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	404,532	248,591	314,552
Amounts payable on redemption	836,238	-	-
Amounts payable on funds switching	3,036,768	-	-
Total financial liabilities	4,277,538	248,591	314,552

Asian Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	323,011	7,776	98,429
Amounts payable on redemption	1,006,993	-	-
Amounts payable on funds switching	274,067	-	-
Total financial liabilities	1,604,071	7,776	98,429

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	258,749	127,407	156,349
Amounts payable on redemption	379,383	-	-
Amounts payable on funds switching	122,283	-	-
Total financial liabilities	760,415	127,407	156,349

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Flexi Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	144,881	5,135	45,068
Amounts payable on redemption	401,635	-	-
Amounts payable on funds switching	73,950	-	-
Total financial liabilities	<u>620,466</u>	<u>5,135</u>	<u>45,068</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	136,287	63,246	64,620
Amounts payable on redemption	148,742	-	-
Amounts payable on funds switching	17,988	-	-
Total financial liabilities	<u>303,017</u>	<u>63,246</u>	<u>64,620</u>

RMB Bond Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Derivative financial instruments	-	286,409	-
Accruals and other payables	109,946	341	17,660
Amounts payable on redemption	130,792	-	-
Amounts payable on funds switching	7,729	-	-
Total financial liabilities	<u>248,467</u>	<u>286,750</u>	<u>17,660</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Derivative financial instruments	-	203,035	-
Accruals and other payables	90,818	3,074	12,576
Amounts payable on redemption	53,648	-	-
Amounts payable on funds switching	170,286	-	-
Total financial liabilities	<u>314,752</u>	<u>206,109</u>	<u>12,576</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	209,318	8,056	74,241
Amounts payable on redemption	611,078	-	-
Amounts payable on funds switching	1,513,102	-	-
Total financial liabilities	<u>2,333,498</u>	<u>8,056</u>	<u>74,241</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	161,693	92,754	119,419
Amounts payable on redemption	287,209	-	-
Amounts payable on funds switching	1,667,421	-	-
Total financial liabilities	<u>2,116,323</u>	<u>92,754</u>	<u>119,419</u>

Age 65 Plus Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	176,884	9,570	119,177
Amounts payable on redemption	163,108	-	-
Amounts payable on funds switching	1,450,960	-	-
Total financial liabilities	<u>1,790,952</u>	<u>9,570</u>	<u>119,177</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2019			
Liabilities:			
Accruals and other payables	157,009	87,320	193,279
Amounts payable on redemption	210,552	-	-
Amounts payable on funds switching	2,678,085	-	-
Total financial liabilities	<u>3,045,646</u>	<u>87,320</u>	<u>193,279</u>

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The investment managers manage the liquidity risk of each constituent fund by investing predominantly in investments that they expect to be able to liquidate normally, within 7 days or less. The table below analyses the constituent funds' expected liquidity of financial assets held.

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
MPF Conservative Fund	1,500,520,322	199,576	88,012
E30 Mixed Asset Fund	649,826,689	-	-
E50 Mixed Asset Fund	514,390,914	-	-
E70 Mixed Asset Fund	701,815,844	-	-
Global Bond Fund	146,451,325	-	-
Global Equity Fund	255,407,396	-	-
Hong Kong Equity Fund	864,045,026	-	-
Asian Equity Fund	455,858,083	-	-
Flexi Mixed Asset Fund	173,310,458	-	-
RMB Bond Fund	122,156,444	-	-
Core Accumulation Fund	429,417,865	-	-
Age 65 Plus Fund	360,702,359	-	-
At 31 December 2019			
MPF Conservative Fund	1,448,750,697	912,037	-
E30 Mixed Asset Fund	626,582,807	-	-
E50 Mixed Asset Fund	490,412,006	-	-
E70 Mixed Asset Fund	665,189,147	-	-
Global Bond Fund	133,659,617	-	-
Global Equity Fund	222,745,269	-	-
Hong Kong Equity Fund	718,968,544	-	-
Asian Equity Fund	357,274,655	-	-
Flexi Mixed Asset Fund	161,611,687	-	-
RMB Bond Fund	100,107,747	-	-
Core Accumulation Fund	331,468,869	-	-
Age 65 Plus Fund	318,451,501	-	-

At 31 December 2020 and 2019, no individual member held more than 10% of each constituent fund's units.

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II. Capital risk management

The capital of the constituent funds is represented by the net assets attributable to members. Subscriptions and redemptions during the year are shown in the statement of changes in net assets attributable to members of the respective constituent funds. The amount of net assets attributable to members can change significantly on a daily basis as the constituent funds are subject to daily subscriptions and redemptions at the discretion of members. The objective of the constituent funds when managing capital is to safeguard the constituent funds' ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the constituent funds.

In order to maintain or adjust the capital structure, the policy of the constituent funds is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the trust deed of the constituent funds.

The Trustee monitors capital on the basis of the value of net assets attributable to members.

III. Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Plan and its constituent funds utilise the last traded price for both financial assets and financial liabilities where the last traded price falls within the bid-offer spread. In circumstances where the last traded price is not within the bid-offer spread, investment managers of the constituent funds will determine the point within the bid-offer spread that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the constituent funds for similar financial instruments.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

HKFRS 13 requires the constituent funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the constituent funds. The constituent funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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The following tables analyse within the fair value hierarchy the constituent funds' investments (by class) measured at fair value at 31 December 2020 and 2019:

MPF Conservative Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Debt securities and certificates of deposit	-	431,339,873	431,339,873
- Fixed deposits	1,042,595,071	-	1,042,595,071
	<u>1,042,595,071</u>	<u>431,339,873</u>	<u>1,473,934,944</u>

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Debt securities and certificates of deposit	-	365,147,217	365,147,217
- Fixed deposits	1,060,828,573	-	1,060,828,573
	<u>1,060,828,573</u>	<u>365,147,217</u>	<u>1,425,975,790</u>

E30 Mixed Asset Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	648,205,863	-	648,205,863
	<u>648,205,863</u>	<u>-</u>	<u>648,205,863</u>

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	625,895,189	-	625,895,189
	<u>625,895,189</u>	<u>-</u>	<u>625,895,189</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	513,791,553	-	513,791,553
	<u>513,791,553</u>	<u>-</u>	<u>513,791,553</u>

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	489,036,779	-	489,036,779
	<u>489,036,779</u>	<u>-</u>	<u>489,036,779</u>

E70 Mixed Asset Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	700,407,911	-	700,407,911
	<u>700,407,911</u>	<u>-</u>	<u>700,407,911</u>

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	664,292,636	-	664,292,636
	<u>664,292,636</u>	<u>-</u>	<u>664,292,636</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	144,600,770	-	144,600,770

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	132,984,667	-	132,984,667

Global Equity Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	254,199,276	-	254,199,276

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	221,074,412	-	221,074,412

BCT (MPF) INDUSTRY CHOICE
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Hong Kong Equity Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	859,882,603	-	859,882,603

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	714,874,170	-	714,874,170

Asian Equity Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	453,273,707	-	453,273,707

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	356,413,761	-	356,413,761

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Flexi Mixed Asset Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	172,285,200	-	172,285,200

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	161,414,843	-	161,414,843

RMB Bond Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	121,672,998	-	121,672,998
Liabilities			
Financial liabilities held for trading			
- Derivative financial instruments	-	(286,409)	(286,409)

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	99,812,518	-	99,812,518
Liabilities			
Financial liabilities held for trading			
- Derivative financial instruments	-	(203,035)	(203,035)

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Core Accumulation Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	425,551,027	-	425,551,027

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	326,192,507	-	326,192,507

Age 65 Plus Fund

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	357,129,911	-	357,129,911

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	313,803,440	-	313,803,440

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Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. The constituent funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31 December 2020 and 2019, the constituent funds did not hold any investments classified in level 3.

There were no transfers between levels of investments held by the constituent funds for the years ended 31 December 2020 and 2019.

The assets and liabilities of the constituent funds in the statement of net assets excluding financial assets at fair value through profit or loss at 31 December 2020 and 2019 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other financial assets and liabilities not carrying at fair value but for which the fair value is disclosed.

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8. Financial assets at fair value through profit or loss

	<u>2020</u> HK\$	<u>2019</u> HK\$
BCT (Industry) MPF Conservative Fund		
Debt securities	7,078,246	9,975,050
Certificates of deposit	424,261,627	355,172,167
Fixed deposits	1,042,595,071	1,060,828,573
	<hr/>	<hr/>
Investments, at fair value (at cost: 2020: HK\$1,473,112,590; 2019: HK\$1,422,852,231)	1,473,934,944	1,425,975,790
	<hr/>	<hr/>
BCT (Industry) E30 Mixed Asset Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$435,244,973; 2019: HK\$457,178,037)	648,205,863	625,895,189
	<hr/>	<hr/>
BCT (Industry) E50 Mixed Asset Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$293,002,623; 2019: HK\$298,774,868)	513,791,553	489,036,779
	<hr/>	<hr/>
BCT (Industry) E70 Mixed Asset Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$372,639,626; 2019: HK\$375,995,620)	700,407,911	664,292,636
	<hr/>	<hr/>
BCT (Industry) Global Bond Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$140,150,100; 2019: HK\$130,483,383)	144,600,770	132,984,667
	<hr/>	<hr/>
BCT (Industry) Global Equity Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$194,152,916; 2019: HK\$180,138,141)	254,199,276	221,074,412
	<hr/>	<hr/>
BCT (Industry) Hong Kong Equity Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$619,696,568; 2019: HK\$577,988,504)	859,882,603	714,874,170
	<hr/>	<hr/>
BCT (Industry) Asian Equity Fund		
Approved pooled investment fund, at fair value (at cost: 2020: HK\$284,392,951; 2019: HK\$266,340,929)	453,273,707	356,413,761
	<hr/>	<hr/>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

	2020 HK\$	2019 HK\$
BCT (Industry) Flexi Mixed Asset Fund Approved pooled investment fund, at fair value (at cost: 2020: HK\$141,117,358; 2019: HK\$141,518,048)	172,285,200	161,414,843
BCT (Industry) RMB Bond Fund Approved pooled investment fund, at fair value (at cost: 2020: HK\$108,992,237; 2019: HK\$97,061,782) (Refer to Note 12 for the investment in derivative financial instruments)	121,672,998	99,812,518
BCT (Industry) Core Accumulation Fund Approved pooled investment fund, at fair value (at cost: 2020: HK\$352,577,945; 2019: HK\$295,626,851)	425,551,027	326,192,507
BCT (Industry) Age 65 Plus Fund Approved pooled investment fund, at fair value (at cost: 2020: HK\$309,359,130; 2019: HK\$291,457,232)	357,129,911	313,803,440
Total investments, at fair value	6,124,935,763	5,531,770,712
Total investments, at cost	4,724,439,017	4,535,415,626

9. Accrued benefits

The total accrued benefits vested in the members' accounts amounted to HK\$6,116,642,573 as at 31 December 2020 (2019: HK\$5,533,123,154).

10. Taxation

The Plan is not subject to Hong Kong profits tax as it is not considered to be carrying on a business in Hong Kong.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

11. Transactions with related parties/associates

Certain constituent funds invest directly in the units of other unit trusts managed by the investment managers as disclosed in Note 4. Connected persons of the investment managers are those as defined in the Code on Unit Trust and Mutual Funds established by the Securities & Futures Commission of Hong Kong.

Except as disclosed in Note 4 and below, the Plan and its constituent funds did not have any transactions with related parties including the Sponsor, Trustee, the investment managers and their associates or delegates of the investment managers during the years ended 31 December 2020 and 2019. All transactions were entered into in the ordinary course of business and on normal commercial terms.

At the year end date, the Plan and its constituent funds had bank balances with, and investments issued by the shareholders of the Trustee as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Bank balances	46,399,395	27,134,600
Certificates of deposit and fixed deposits	598,549,129	515,082,677

Income earned by the Plan and its constituent funds from the shareholders of the Trustee for the year ended 31 December 2020 and 2019 was as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Interest income	9,471,291	10,760,400

Interest receivable from the shareholders of the Trustee at the year end date was as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Interest receivable	480,924	1,973,246

For the years ended 31 December 2020 and 2019, the Plan and its constituent funds received rebate of fee expenses from the Trustee amounted to HK\$ Nil and HK\$120,072 respectively.

During the year, certain expenses of Core Accumulation Fund, Age 65 Plus Fund and RMB Bond Fund, three constituent funds of the Plan of which BCT Financial Limited acts as the sponsor, were borne by BCT Financial Limited amounted to HK\$89,013 (2019: HK\$75,434), HK\$51,599 (2019: HK\$76,322) and HK\$78,943 (2019: HK\$88,385) respectively.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

12. Derivative financial instruments

Outstanding forward foreign exchange contracts as at the year end were as follows:

RMB Bond Fund

Contract to deliver	In exchange for	Settlement date	Unrealised loss HK\$
<u>2020</u>			
Open contracts: CNY35,700,000	HK\$42,043,890	29 March 2021	(286,409)
		Total unrealised loss	(286,409)
			<u><u></u></u>
<u>2019</u>			
Open contracts: CNY29,000,000	HK\$32,101,840	27 March 2020	(203,035)
		Total unrealised loss	(203,035)
			<u><u></u></u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

13. Payments charged to default investments strategy (“DIS”) constituent funds or scheme or members who invest the constituent funds

In accordance with the Mandatory Provident Fund legislation, the aggregate of the payments for services of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund divided by the number of days in the year.

The above aggregate of the payments for services include, but are not limited to, the fees paid or payable for the services provided by the Trustee, the Administrator, the Investment Manager, the Custodian and the Sponsor and/or promoter (if any) of each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and its underlying investment fund(s), and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and its underlying investment fund(s), but do not include any out-of-pocket expenses incurred by each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and their underlying investment fund(s).

In accordance with the Mandatory Provident Fund legislation, the total amount of all payments that are charged to or imposed on a DIS constituent fund or members who invest in a DIS constituent fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS constituent fund, shall not in a single year exceed 0.2% per annum of the net asset value (the sum of net asset value of the relevant DIS constituent fund as at the last dealing day of each month of the relevant year divided by the number of months) of each of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund.

For this purpose, out-of-pocket expenses include; for example; annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of the net asset value and transaction costs incurred by a DIS constituent fund in connection with recurrent acquisition of investments for the DIS constituent fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS constituent fund.

Out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS constituent fund and such out-of-pocket expenses are not subject to the above statutory limit.

Payment for services, out-of-pocket expenses and other payment charged to the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

During the year ended 31 December 2020 and 2019

	BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$
Payment for services				
- Trustee, administration and custodian fees	2,109,058	1,621,811	1,960,446	1,753,235
Total payment for services of each DIS Fund	<u>2,109,058</u>	<u>1,621,811</u>	<u>1,960,446</u>	<u>1,753,235</u>
Total payment for services of each DIS Fund*	0.59%	0.59%	0.59%	0.59%
Proportionate of the underlying investment funds fee rate of the underlying investment funds of each DIS Fund**	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total Payment for Services expressed as a percentage of net asset value of the DIS Fund	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>
	HK\$	HK\$	HK\$	HK\$
Out-of-pocket expenses				
- Safe custody and bank charges	4,599	4,689	4,552	4,786
- Auditors' remuneration	-	447	-	40,989
- Professional indemnity insurance	2,728	2,038	2,536	2,207
- Miscellaneous expenses	163,756	329,268	169,750	350,321
Total payment for out-of-pocket expenses	<u>171,083</u>	<u>336,442</u>	<u>176,838</u>	<u>398,303</u>
Other payments				
- Legal and other professional fees (non-recurring)	9,854	7,878	9,500	9,179
Total payments on each DIS Fund	<u>2,289,995</u>	<u>1,966,131</u>	<u>2,146,784</u>	<u>2,160,717</u>
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the DIS Fund	<u>0.05%</u>	<u>0.12%</u>	<u>0.05%</u>	<u>0.13%</u>

*The payment for service fees of 0.59%, which represents daily payment for services of each DIS Fund as a percentage of daily NAV, is the maximum fee rate allowed to charge to each DIS Fund on a daily basis.

**The proportionate of the underlying investment fund fee rate paid to the specified person as disclosed in the prospectus of the underlying investment funds

During the year of 2020 and 2019, certain expenses of Core Accumulation Fund and Age 65 Plus Fund, two constituent funds of BCT (MPF) Industry Choice of which BCT Financial Limited acts as the sponsor, were borne by the BCT Financial Limited, see Note 11.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments by category

For the year ended 31 December 2020, apart from financial assets at fair value through profit or loss and derivative financial instruments as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets which are classified as "financial assets at fair value through profit or loss" (2019: financial assets at fair value through profit or loss"), all other financial assets as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including amounts receivable on sale of financial assets at fair value through profit or loss, interest receivable, contribution receivables, amounts receivable on subscription, amounts receivable on funds switching, other receivables and bank balances, are categorised as "financial assets at amortised cost" (2019: "financial assets at amortised cost").

In addition, all other financial liabilities as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including benefits and forfeitures payable, amounts payable on redemption, amounts payable on funds switching, accruals and other payables and amounts payable on purchase of financial assets at fair value through profit or loss, are categorised as "other financial liabilities" (2019: "other financial liabilities").

15. Deferred expenses

In accordance with section 37 of the General Regulation, administrative expenses for the MPF Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. As at 31 December 2020, the deferred administrative expenses of the MPF Conservative Fund amounted to HK\$640,880 (2019: Nil) was not recognised in the statement of comprehensive income.

16. Soft commission arrangements

During the year, certain investment managers had entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making were received. These investment managers did not make direct payments for these services but transacted an agreed amount of business with the brokers on behalf of the funds under their management including the Plan and its constituent funds and commissions were paid on these transactions.

The goods and services received 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 above goods and services, clearing and custodian services and investment-related publications.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

17. Security lending arrangements

The Plan and its constituent funds had no security lending arrangements as at 31 December 2020 (2019: Nil).

18. Bank loans and other borrowings

As at 31 December 2020, The Plan and its constituent funds had no bank loans or other borrowings (2019: Nil).

19. Negotiability of assets

As at 31 December 2020, there were no statutory or contractual requirements restricting the negotiability of the assets of the Plan and its constituent funds (2019: Nil).

20. Commitments

The Plan and its constituent funds had no commitments as at 31 December 2020 (2019: Nil).

21. Contingent liabilities

The Plan and its constituent funds had no contingent liabilities as at 31 December 2020 (2019: Nil).

22. Marketing expenses

There have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Plan or its constituent funds during the year ended 31 December 2020 (2019: Nil).

23. Approval of financial statements

The financial statements were approved for issue by the Trustee on 15 June 2021.

BCT (MPF) INDUSTRY CHOICE
INDEPENDENT AUDITOR'S ASSURANCE REPORT
FOR THE YEAR ENDED
31 DECEMBER 2020

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) INDUSTRY CHOICE (THE "PLAN")

We have audited the financial statements of the Plan for the year ended 31 December 2020 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised) "The Audit of Retirement Schemes" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have issued an unqualified auditor's report thereon dated 15 June 2021.

Pursuant to section 102 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), we are required to report whether the Plan complied with certain requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "Ordinance") and the General Regulation.

Trustee's Responsibility

The General Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the constituent funds of the Plan, the Plan assets and all financial transactions entered into in relation to the Plan;
- (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority (the "MPFA") under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- (c) the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the Ordinance are complied with; and
- (d) the Plan assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to report solely to the Trustee, in accordance with section 102 of the General Regulation, on the Plan's compliance with the above requirements based on the results of the procedures performed by us, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) INDUSTRY CHOICE ("THE PLAN") (CONTINUED)

Auditor's Responsibility (Continued)

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 860.1 (Revised) "The Audit of Retirement Schemes" issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Plan has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended in Practice Note 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Plan's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing:

- (a) in our opinion:
 - (i) proper accounting and other records have been kept during the year ended 31 December 2020 in respect of the constituent funds of the Plan, the Plan assets and all financial transactions entered into in relation to the Plan; and
 - (ii) the requirements specified in the guidelines made by the MPFA under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2020, 30 September 2020 and 29 April 2020; and
 - (iii) the requirements specified in the Ordinance under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2020, 30 September 2020 and 29 April 2020; and
 - (iv) the requirements specified in section 34DD(4)(b) of the Ordinance with respect to the controls of out-of-pocket expenses of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2020.
- (b) as at 31 December 2020, the Plan assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

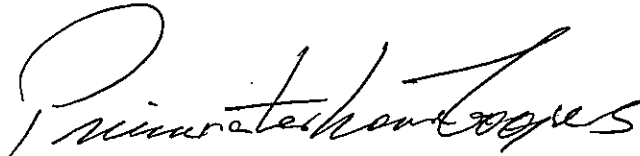
**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE
TRUSTEE OF BCT (MPF) INDUSTRY CHOICE ("THE PLAN")
(CONTINUED)**

Other Matter

The requirements specified in the Ordinance under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and sections 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund are not applicable to the Trustee for the year ended 31 December 2020 as the Trustee has completed the relevant transitional provisions during the year ended 31 December 2017. Accordingly, there is no reporting on these sections.

Intended Users and Purpose

This report is intended solely for submission by the Trustee to the MPFA pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purpose.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", is written over a faint, larger version of the same signature.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 June 2021