

NOTICE TO PARTICIPANTS

BEA (MPF) MASTER TRUST SCHEME

This notice is important and requires your immediate attention. If you are in any doubt about the contents of this notice, you should seek independent professional advice. Capitalised terms not defined in this notice have the same meaning as in the MPF Scheme Brochure (defined below).

The Bank of East Asia, Limited (the "**Sponsor**") and Bank of East Asia (Trustees) Limited (the "**Trustee**", "**we**", "**us**" or "**our**") of the BEA (MPF) Master Trust Scheme (the "**Master Trust**") accept responsibility for the information contained in this notice having made all reasonable enquiries that to the best of their knowledge and belief that there are no other facts the omission of which would make any statement herein misleading as at the date of issuance.

This notice only summarises the changes to the Master Trust. The latest MPF Scheme Brochure of the Master Trust (the "**MPF Scheme Brochure**") will be available on our website at www.hkbea.com or you may request copies of them by contacting our customer service hotline (operated by the Trustee) at +852 2211 1777.

This box summarises the key changes to the Master Trust Scheme (the "Changes"), which are elaborated in the main body of this notice:

KEY CHANGES

Overview

(a) Change regarding financial futures and options contracts in respect of the Affected CFs (as defined below)

Effective 8 December 2025, there will be changes to the disclosure in the MPF Scheme Brochure with respect to the use of financial futures and options contracts by the corresponding underlying approved pooled investment funds ("**APIFs**") of the following Constituent Funds (each, an "**Affected CF**", and collectively, the "**Affected CFs**") so that the APIFs may use financial futures and options contracts for non-hedging purposes to address any settlement mismatch:

- BEA (MPF) Growth Fund
- BEA (MPF) Stable Fund
- BEA (MPF) European Equity Fund
- BEA (MPF) Asian Equity Fund
- BEA (MPF) Japan Equity Fund
- BEA (MPF) Global Bond Fund
- BEA (MPF) Balanced Fund
- BEA (MPF) Global Equity Fund
- BEA (MPF) North American Equity Fund
- BEA (MPF) Greater China Equity Fund
- BEA (MPF) Hong Kong Equity Fund

(b) Change regarding securities lending transactions entered into by the HS ITCIS (as defined below) ("Change relating to securities lending")

The Hang Seng China Enterprises Index ETF (the "**HS ITCIS**") is the sole underlying ITCIS of BEA China Tracker Fund. Currently, the HS ITCIS does not enter into securities lending transactions. The HS ITCIS may enter into securities lending transactions to the extent as disclosed in its prospectus effective from 8 December 2025.

The disclosure of securities lending transactions in respect of the Affected CFs will be enhanced to clarify that the underlying approved ITCISs invested in by the Affected CFs may engage in securities lending transactions. A new risk factor, namely "risks relating to securities lending transactions", will also be added to the list of risk factors in respect of these Affected CFs.

(c) Miscellaneous changes with respect to Tracker Fund of Hong Kong

With effect from 19 September 2025, each of the management fee and the trustee fee of Tracker Fund of Hong Kong, the underlying ITCIS of BEA Hong Kong Tracker Fund, is subject to a fee cap of 0.019% per annum respectively, so that the tiered fee will be compared to the fee cap of 0.019% per annum at the end of each quarter and the lower will apply.

Also, effective 8 October 2025, HSBC Institutional Trust Services (Asia) Limited has been appointed as the new trustee of Tracker Fund of Hong Kong, the underlying ITCIS of BEA Hong Kong Tracker Fund to replace the retiring trustee, State Street Bank and Trust Company.

Impact

- (d) The Changes will not have any adverse impact on the participating employers and Members of the Master Trust, and will not prejudice the rights or interests of the existing participating employers and Members of the Master Trust.
- (e) The Changes will not give rise to any increase to the management fees of the Affected CFs and BEA China Tracker Fund. The management fees of the Affected CFs and BEA China Tracker Fund will remain the same.

Actions required of participating employers and Members

- (f) No action is required of the participating employers and Members to effect the Changes.
- (g) However, Members investing in the Affected CFs and BEA China Tracker Fund who do not wish to be involved with these Changes may (a) switch their existing investment in any one or more of these Constituent Funds to other Constituent Fund(s), and/or (b) change his/her investment mandate in respect of any new contributions and transfer-in benefits. No fees, penalties, bid/offer spread or other transaction costs will be charged or imposed on any switching between the Constituent Funds.

Contact details

If you have any enquiries relating to the Changes, please contact our BEA (MPF) Hotline (operated by the Trustee) on +852 2211 1777 or email to BEAMPF@hkbea.com.

Thank you for your continuous support to the Master Trust.

1. Change regarding financial futures and options contracts in respect of the Affected CFs

1.1 Settlement mismatch

Globally, a number of securities markets have implemented / will implement a shorter cycle for the settlement of trades in such markets. For example, settlement of trades in underlying US securities has changed from two business days after the trade date to one business day after the trade date with effect from 28 May 2024. Other securities markets will implement / are considering similar changes in the near future.

Where subscription orders are received for the underlying APIFs, it will take time for cleared subscription monies to be received. Accordingly, there is a settlement mismatch as proceeds required for settling the trades in the underlying securities of the relevant securities markets may not arrive in time.

Use of financial futures and options contracts to address settlement mismatch

Currently, the APIFs invested in by the Affected CFs may only acquire financial futures and options contracts for hedging purposes. With effect from 8 December 2025, the manager of the underlying APIFs may acquire financial futures and options contracts for the APIFs not only for hedging purposes but also for other purposes. Where such instruments may be acquired for purposes other than hedging, it may only do so for addressing any settlement mismatch with the securities market of underlying investments, subject to the Mandatory Provident Fund Schemes (General) Regulation.

- 1.2 Consequential updates will also be made to the risk disclosures in relation to the use of financial futures and options contracts. The change regarding the use of financial futures and options contracts by the underlying APIFs will not result in changes to the overall risk level of the Affected CFs.

2. Change relating to securities lending

- 2.1 The HS ITCIS is the sole underlying ITCIS of BEA China Tracker Fund. Currently, the HS ITCIS does not enter into securities lending transactions. The HS ITCIS may enter into securities lending transactions to the extent as disclosed in its prospectus effective from 8 December 2025.
- 2.2 The aim to enter into securities lending transactions is to generate additional income for the HS ITCIS.

Under a securities lending transaction, the HS ITCIS lends its securities to a security- borrowing counterparty for an agreed fee subject to a commitment from that counterparty that it will return equivalent securities on a specified future date or when requested to do so by the HS ITCIS.

All the revenues arising from securities lending transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities lending transactions, will be returned to the HS ITCIS.

Please note that the level of securities lending transactions for the HS ITCIS will depend upon the assets held and the demand from counterparties. There is no guarantee that the HS ITCIS will engage in securities lending transactions, or to what extent if it does participate, subject to the maximum level as stated in the investment strategy of the HS ITCIS as disclosed in its prospectus.

- 2.3 As a result of the above change, a new risk factor “risks relating to securities lending transactions” will be added as the HS ITCIS and therefore BEA China Tracker Fund will be subject to risks associated with securities lending transactions. That said, the Change relating to securities lending will not result in changes to the overall risk level of the BEA China Tracker Fund.
- 2.4 The disclosure of securities lending transactions in respect of the Affected CFs will be enhanced to clarify that the underlying approved ITCISs invested in by the Affected CFs may engage in securities lending transactions. A new risk factor, namely “risks relating to securities lending transactions”, will also be added to the list of risk factors in respect of these Affected CFs. The overall risk level of the Affected CFs will not be changed following the enhancement of disclosure and the addition of this new risk factor.

3. Miscellaneous changes with respect to Tracker Fund of Hong Kong

- 3.1 With effect from 19 September 2025, each of the management fee and the trustee fee of Tracker Fund of Hong Kong, the underlying ITCIS of BEA Hong Kong Tracker Fund, is subject to a fee cap of 0.019% per annum respectively, so that the tiered fee will be compared to the fee cap of 0.019% per annum at the end of each quarter and the lower will apply.
- 3.2 Also, effective 8 October 2025, HSBC Institutional Trust Services (Asia) Limited has been appointed as the new trustee of Tracker Fund of Hong Kong, the underlying ITCIS of BEA Hong Kong Tracker Fund to replace the existing trustee, State Street Bank and Trust Company.

4. Impact on the participating employers and Members

- 4.1 The Changes will not have any adverse impact on the participating employers and Members of the Master Trust, and will not prejudice the rights or interests of the existing participating employers and Members of the Master Trust.
- 4.2 The Changes will not give rise to any increase to the management fees of the Affected CFs and BEA China Tracker Fund. The management fees of these Constituent Funds will remain the same.

5. Actions required of participating employers and Members

- 5.1 No action is required of the participating employers and Members to effect the Changes.
- 5.2 However, Members investing in any of the Affected CFs and BEA China Tracker Fund who do not wish to be involved in the relevant Changes may: (i) switch their existing investment in any one or more of these Constituent Fund(s) to other Constituent Fund(s) under the Master Trust, and/or (ii) change their investment mandate in respect of any new contributions and transfer-in benefits by submitting to the eMPF Platform the valid instructions.
- 5.3 For details of how the processes in section 5.2 above will be effected, please refer to sections “6.3.1 Mandate to invest contributions” and “6.3.2 Switching Instructions to change investment” of the MPF Scheme Brochure.
- 5.4 There will be no fees or penalty, bid/offer spread or transfer fee imposed on any switching/ change of investment mandate instruction described in this section 5. Members should review all terms and conditions under the Master Trust and Constituent Funds before making any decision.

This notice only summarizes the changes to the Master Trust. Details of the Changes are set out in the Second Supplement to the MPF Scheme Brochure and the Key Scheme Information Document of the Master Trust. The updated MPF Scheme Brochure and the Key Scheme Information Document will be available on our website at www.hkbea.com.

Should you have any enquiries relating to the contents of this notice, please contact our BEA (MPF) Hotline (operated by the Trustee) on +852 2211 1777 or email to BEAMPF@hkbea.com.

The Bank of East Asia, Limited and Bank of East Asia (Trustees) Limited

7 November 2025