

NOTICE TO PARTICIPANTS

BEA (MPF) VALUE SCHEME

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional financial advice. The Bank of East Asia, Limited (the "**Sponsor**") and Bank of East Asia (Trustees) Limited (the "**Trustee**") of the BEA (MPF) Value Scheme (the "**Value Scheme**") accept responsibility for the information contained in this document. Capitalised terms not defined in this document have the same meaning as in the MPF Scheme Brochure.

Thank you for your continuous support to the Value Scheme.

This part summarises the changes to the Value Scheme and the implications which are elaborated in the main body of this notice.

- (a) In light of the recent designation of the Shanghai and Shenzhen stock exchanges as "approved stock exchanges" by the MPFA, with effect from 15th April, 2021 (the "**Effective Date**"), the investment policy of the underlying APIF in which the BEA Greater China Equity Fund (the "**Fund**") invests (the "**Underlying APIF**"), and correspondingly the Fund, will be amended to permit further investment in the Chinese listed shares.
- (b) With a view to broadening the universe of investible assets, the Fund's permitted investment, through the Underlying APIF, in China A-shares and B-shares listed on the Shanghai or Shenzhen stock exchanges will be amended to allow less than 30% of assets to be invested directly in China A-shares and/or China B-shares.
- (c) Although the Trustee believes that the above amendments will pose no adverse impact to Members, Members of the Fund who do not wish to be involved with these amendments may change their investment instructions in respect of new contributions and transfer-in monies and/or switch their holdings into other Constituent Fund(s).
- (d) No action is required of the Members to effect the above amendments.
- (e) 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.

1. Amendments

- 1.1. With effect from the Effective Date, the investment policy of the Underlying APIF in which the Fund invests will be amended to improve clarity in the permissible investments that are consistent with the existing investment objective and policy of the Underlying APIF. Correspondingly, changes will be made to the investment policy of the Fund as shown in bold and underlined/struck through as set out below.

Current investment policy	New investment policy
Normally not less than 70% of the assets of the underlying APIF will be invested directly in equities. Up to 10% of the assets of the underlying APIF may be invested in other securities (as permitted under Schedule 1 to the General Regulation), including other collective investment schemes, China A-shares and China B-shares.	Normally not less than 70% of the assets of the underlying APIF will be invested directly in equities, which may include less than 30% in China A-shares and/or China B-shares . Up to 10% of the assets of the underlying APIF may be invested in other securities (as permitted under Schedule 1 to the General Regulation), including other collective investment schemes, China A-shares and China B-shares.

- 1.2. New risk factors, namely "restricted markets risk" and "risk associated with small-capitalisation/mid-capitalisation companies" will also be introduced to certain Constituent Funds to reflect the anticipation of such Constituent Funds potentially having a greater exposure to listed securities in Mainland China, as a result of the Shanghai Stock Exchange and the Shenzhen Stock Exchange recently having become approved stock exchanges.

2. Impact on the Value Scheme and Members

The above amendments will not result in any material change to the investment objective and risk profile of the Underlying APIF, and therefore the Fund. There will be no increase in the fees payable out of the assets of either the Underlying APIF or the Fund as a result of the amendments. The amendments will also not result in a change in the manner in which the Underlying APIF and the Fund currently operate or are being managed. Also, the addition of the new risk factors to certain Constituent Funds will not result in any material change to the risk profile of the underlying APIF of such Constituent Funds and of such Constituent Funds themselves.

3. Actions required of Members

- 3.1 No action is required of Members to effect the changes.
- 3.2 However, Members of the Fund who do not wish to be involved in the amendments to its investment policies may: (i) switch their existing investment in the Fund to other Constituent Fund(s) under the Value Scheme, and/or (ii) change their contribution investment instructions in respect of any new contributions and transfer-in monies by submitting to the Trustee the validly completed forms.
- 3.3 For details on how the processes 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 Value Scheme's MPF Scheme Brochure.
- 3.4 There will be no fees or penalties, bid/offer spreads or transfer fees imposed on any transfer out, change of contribution investment instruction or switching.

The Trustee confirms that the amendments outlined above will not have any adverse impact on the Value Scheme or the interests of its Members. The Trustee also confirms that the amendments outlined above will be in the interests of the Members and the interests of the Members will be adequately protected and will not be prejudiced by such amendments.

This notice only gives a summary of the major changes to the Value Scheme. For details of the changes, please refer to the latest addendum to the MPF Scheme Brochure. A copy of the latest addendum to the MPF Scheme Brochure will be made available for inspection by the participating employers and Members at our offices during normal office hours. In addition, you may visit our website at <http://www.hkbea.com> for the MPF Scheme Brochure of the Value Scheme or obtain a copy of the MPF Scheme Brochure at the offices of the Trustee at 32nd Floor, BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

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

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

15th March, 2021