NOTICE TO PARTICIPANTS
BEA (MPF) VALUE 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) Value Scheme (the "**Value Scheme**") 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 Value Scheme. The latest MPF Scheme Brochure of the Value Scheme (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 Value 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 Growth Fund
- BEA Stable Fund
- BEA Asian Equity Fund
- BEA Global Bond Fund
- BEA Balanced Fund
- BEA Global Equity Fund
- BEA Greater China Equity Fund

(b) **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

(c) The Changes will not have any adverse impact on the participating employers and Members of the Value Scheme, and will not prejudice the rights or interests of the existing participating employers and Members of the Value Scheme.

(d) The Changes will not give rise to any increase to the management fees of the Affected CFs. The management fees of the Affected CFs will remain the same.

Actions required of participating employers and Members

(e) No action is required of the participating employers and Members to effect the Changes.

(f) However, Members investing in the Affected CFs 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.

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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 Value Scheme.

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/or 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 disclosure 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. Miscellaneous changes with respect to Tracker Fund of Hong Kong

2.1 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.

2.2 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 retiring trustee, State Street Bank and Trust Company.

3. Impact on the participating employers and Members

3.1 The Changes will not have any adverse impact on the participating employers and Members of the Value Scheme, and will not prejudice the rights or interests of the existing participating employers and Members of the Value Scheme.

3.2 The Changes will not give rise to any increase to the management fees of the Affected CFs. The management fees of these Constituent Funds will remain the same.

4. Actions required of participating employers and Members

4.1 No action is required of the participating employers and Members to effect the Changes.

4.2 However, Members investing in any of the Affected CFs 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 Value Scheme, 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.

4.3 For details of how the processes in section 4.2 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.

4.4 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 4. Members should review all terms and conditions under the Value Scheme and Constituent Funds before making any decision.

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This notice only summarizes the changes to the Value Scheme. Details of the Changes are set out in the Second Supplement to the MPF Scheme Brochure and the Key Scheme Information Document of the Value Scheme. 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