This Fifth Addendum should be read in conjunction with and forms part of the Explanatory Memorandum for the BEA (MPF) Master Trust Scheme (the “Master Trust”) dated January, 2012, as amended by a First Addendum dated 3rd July, 2012, a Second Addendum dated 1st November, 2012, a Third Addendum dated 1st August, 2013, and a Fourth Addendum dated 20th December, 2013 (collectively referred to as the “Explanatory Memorandum”). All capitalised terms herein contained shall have the same meaning in this Fifth Addendum as in the Explanatory Memorandum, unless otherwise stated. The Sponsor accepts responsibility for the information contained in this Fifth Addendum as being accurate as at the date of publication.

Pursuant to the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015, a new ground “Terminal Illness” shall be granted for claim for payment on 1st August, 2015. In this respect, “Terminal Illness” will be added as a new condition for “qualifying event” to the BEA (MPF) Long Term Guaranteed Fund under Master Trust with effect from 1st August, 2015.

Accordingly, the “IMPORTANT” note inside the front cover, the sections headed “Provision of guarantee” and “Guarantee Mechanism” in Appendix 1 of the Explanatory Memorandum shall be amended as follows:

1. Enhancement of disclosure

The following statement shall be inserted after the second bullet point in the upfront risk box inside the front cover of the Explanatory Memorandum:

“If you are currently investing in BEA (MPF) Long Term Guaranteed Fund, a withdrawal of the accrued benefits on ground of terminal illness may affect your entitlement to the guarantee and you may lose your guarantee. For details, please check the scheme offering document or consult your trustee before making any such withdrawal.”

2. Provision of guarantee

a) All references in the Explanatory Memorandum to “valid claim” shall be deleted in their entirety and replaced with “Valid Claim”.

b) Pages 46 and 47 – The paragraphs under the sub-sections headed Guarantee on occurrence of a “qualifying event” and Meaning of “valid claim” shall be deleted in their entirety and replaced with the following:

“Guarantee on occurrence of a “qualifying event”

The guarantee of capital and return will only be offered if the contributions invested in the Underlying Fund (through the BEA (MPF) Long Term Guaranteed Fund) are withdrawn upon the occurrence of a “qualifying event”, which is the receipt by the Guarantor of a Valid Claim (as defined below) of the accrued benefits of the Member in the Master Trust upon satisfying any of the following conditions:
(a) Attainment of the normal retirement age or retirement at or after the early retirement age but before the normal retirement age

(b) Total incapacity

(c) Death

(d) Permanent departure from Hong Kong

(e) Claim of “small balance”

(f) Termination of the Member’s employment and the continuous period for which the Member has been investing in the Underlying Fund (through the BEA (MPF) Long Term Guaranteed Fund) up to and including the last date of his employment ("qualifying period") is at least 36 complete months. (This only applies if the Member is employed in a company participating in the Master Trust). Such qualifying period is determined at the scheme account level (see the description of the guarantee mechanism below). The qualifying period may also be reset to zero if the Member (or his personal representative) effects a redemption, switching out or withdrawal of investments from the BEA (MPF) Long Term Guaranteed Fund other than upon the occurrence of a qualifying event. For the avoidance of doubt, condition (f) does not apply to self-employed persons, personal account holders or Special Voluntary Contribution Account Members.

(g) Terminal Illness

The conditions (a) to (e), and (g) apply to employee members, self-employed persons, personal account holders and Special Voluntary Contribution Account Members.

**Meaning of “Valid Claim”**

For this purpose, a “Valid Claim” means a claim of all the accrued benefits in the Master Trust (except for event (g) where the employee member is still under employment, the employee member would only be entitled to claim accrued benefits that have been paid as Mandatory Contribution and such claim would be considered as a Valid Claim) submitted by the Member (or his personal representative) pursuant to, and with all the necessary supporting documentation as prescribed by the applicable regulations and the Trust Deed. Such claim must be received by the Guarantor through the Trustee. For the avoidance of doubt, where a Member invests in the Underlying Fund (through the BEA (MPF) Long Term Guaranteed Fund) in his capacity of an employee of more than one employment, a “Valid Claim” made by the Member in respect of one employment shall mean a claim submitted by him of his accrued benefits in the Master Trust under that (but not any other) employment.”

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c) Page 47 – The last sentence in the paragraph headed “1. Transfer to personal account on retirement or death” under the sub-section headed “Additional situations where guarantee will apply” shall be deleted in its entirety and replaced with the following:-
“When the Member (or his personal representative) subsequently files a Valid Claim from the personal account upon the occurrence of a qualifying event, the Member will be entitled to the guarantee under the new applicable rate in respect of his personal account balances.”

d) Page 47 – The last sentence in the paragraph headed “2. Transfer to personal account on termination of employment” under the sub-section headed “Additional situations where guarantee will apply” shall be deleted in its entirety and replaced with the following:-

“When the Member subsequently files a Valid Claim from the personal account upon the occurrence of a qualifying event, the Member will be entitled to the guarantee under the new applicable rate in respect of his personal account balances.”

e) Page 47 – The following sentence shall be inserted at the end of the second paragraph under the paragraph headed “2. Transfer to personal account on termination of employment” under the sub-section headed “Additional situations where guarantee will apply”:-

“When the Member subsequently files a Valid Claim from the personal account upon the occurrence of a qualifying event, the Member will be entitled to the guarantee under the new applicable rate in respect of his personal account balances.”

f) Page 48 – The second last sentence in the paragraph headed “3. Intra-group transfer of employment” under the sub-section headed “Additional situations where guarantee will apply” shall be deleted in its entirety and replaced with the following:-

“If the Member subsequently files a Valid Claim of his accrued benefits in the Master Trust from the new scheme accounts upon the occurrence of a qualifying event, the guarantee will be applied as at the date of withdrawal.”

3. Guarantee Mechanism

a) Page 49 – The first sentence in the first paragraph under the sub-section headed “Calculation of amount payable under guarantee” shall be deleted in its entirety and replaced with the following:-

“The guarantee will be offered to a Member when the Member files a Valid Claim upon the occurrence of a qualifying event, in which case, if the net asset value of the Units of the BEA (MPF) Long Term Guaranteed Fund (without the application of the guarantee and before the deduction of the applicable bid spread, if any, under the Master Trust) in any scheme account is smaller than the qualifying balance maintained for that scheme account, the qualifying balance of that scheme account will be paid and the “shortfall” will be made up by the Guarantor.”

b) Page 49 – The following paragraph shall be inserted after the second paragraph under the sub-section headed “Calculation of amount payable under guarantee”:-

“For the purpose of condition (g) of the qualifying event, if an employee member continues his employment and makes a claim for accrued benefits
on the ground of terminal illness, such member will only be entitled to claim his accrued benefits in respect of mandatory contributions. Following the claim, the qualifying period of the scheme account in respect of mandatory contribution will be reset to zero. For details, please refer to the sub-section headed "Operation of the Guarantee if the employee member makes a claim for terminal illness without termination of employment."

c) Page 50 – The following new sub-section headed “Operation of the Guarantee if the employee member makes a claim for terminal illness without termination of employment” shall be inserted immediately before the paragraph beginning with “Due to the nature of the guarantee…”:-

“Operation of the Guarantee if the employee member makes a claim for terminal illness without termination of employment

Generally, an employee member will only become entitled to claim his benefits in respect of voluntary contributions on leaving employment. If an employee member continues his employment and makes a claim for accrued benefits on the ground of terminal illness (i.e. under qualifying event (g)), such member will only be entitled to claim his accrued benefits in respect of mandatory contributions. Following the claim, the qualifying period of the scheme account in respect of mandatory contributions will be reset to zero. Accordingly, the qualifying period and the guaranteed rate of return, applicable to the Member’s voluntary contribution will not be adversely impacted by the member’s claim of benefits in respect of mandatory contributions.”

The Bank of East Asia, Limited
27th July, 2015