

AMTD MPF SCHEME (the “Plan”)

NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

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 directors of AMTD Asset Management Limited (the “**Sponsor**”), and Bank Consortium Trust Company Limited (the “**Trustee**”), accept responsibility for the information contained in this document as being accurate as at the date of this document.

Unless otherwise defined herein, terms used in this document bear the same meaning as in the principal brochure of the Plan dated December 2016, as amended by the first addendum dated December 2016 (together, the “**Principal Brochure**”).

Dear Participating Employer / Member,

Thank you for your continued support of the Plan.

We are writing to inform you of the following changes to the Plan:

1. Changes relating to AMTD Allianz Choice Capital Stable Fund, AMTD Allianz Choice Stable Growth Fund, AMTD Allianz Choice Balanced Fund and AMTD Allianz Choice Growth Fund

AMTD Allianz Choice Capital Stable Fund, AMTD Allianz Choice Stable Growth Fund, AMTD Allianz Choice Balanced Fund and AMTD Allianz Choice Growth Fund (collectively, the “**Constituent Funds**”) invest into Allianz Global Investors Choice Fund - Allianz Choice Capital Stable Fund, Allianz Global Investors Choice Fund - Allianz Choice Stable Growth Fund, Allianz Global Investors Choice Fund - Allianz Choice Balanced Fund and Allianz Global Investors Choice Fund - Allianz Choice Growth Fund (collectively, the “**Underlying APIFs**”) respectively. The Underlying APIFs are sub-funds of Allianz Global Investors Choice Fund (“**AGI Fund**”) and are managed by Allianz Global Investors Asia Pacific Limited (“**Manager**”).

We have received a notice (“**Allianz Notice**”) in respect of the AGI Fund regarding the following changes in the investment objectives and policies of the Underlying APIFs which took effect from 1 November 2016 (“**Effective Date**”):

According to the Allianz Notice, the Underlying APIFs became managed as fund of funds (instead of direct investments funds) with substantially all of their assets invested in other sub-funds of the AGI Fund (“**Change in Investment Approach**”). Specifically, to achieve the respective investment objectives and desired assets allocations, the Underlying APIFs’ investment will be investing in Allianz Choice “Best Styles” US Fund, Allianz Choice “Best Styles” Europe Fund, Allianz Choice Japan Fund, Allianz Choice Global Fixed Income Fund, Allianz Choice Asian Fund, Allianz Choice Hong Kong Fund and Allianz Choice HK\$ Cash Fund or such other sub-funds of Allianz Global Investors Choice Fund as determined by the Manager from time to time to be appropriate to provide the desired investment exposure and expected risk level for the Underlying APIFs based on their respective investment objectives and policies (“**Other APIFs**”). The Other APIFs are managed by the managers within the Allianz Global Investors group that are specialist in the particular asset class/regions for that particular Other APIFs. Through investing in the Other APIFs, the specialist managers will give the Underlying APIFs an additional layer of expertise as well as exposure to a wider selection of underlying holdings at no additional fees, thus achieving the desired investment exposure in the most efficient manner, reducing risk on specific securities and with less volatility, which would be in the best interest of the investors of the Underlying APIFs.

The investment objectives and policies of the Underlying APIFs as set out in the Principal Brochure will be amended by way of a second addendum to reflect the Change in Investment Approach and enhanced for disclosures on the underlying investments of the Underlying APIFs as follows (new insertions are underlined and deletions are shown with strike-through text). Unless otherwise defined below, capitalised terms used in items (i), (ii) (iii) and (iv) below shall have the same meaning as those defined in the Principal Brochure.

(i) **AMTD Allianz Choice Capital Stable Fund**

Objectives

“To achieve capital preservation combined with steady capital appreciation over the long term by investing solely in the Allianz Choice Capital Stable Fund which is an APIF and in turn invests in a diversified portfolio of global equities and fixed-interest securities.”

Investment Policy

“The underlying APIF is expected to invest 30% of its assets in equities and 70% in fixed-interest securities. The fixed income portion will consist of a range of instruments issued in countries around the world. The equity portion of the underlying APIF will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the discretion of the manager of the underlying APIF, in other Asian countries and emerging markets.

The underlying APIF is a fund of funds investing substantially all its assets in other sub-funds of the Allianz Global Investors Choice Fund. Specifically, the underlying APIF will be investing in Allianz Choice “Best Styles” US Fund, Allianz Choice “Best Styles” Europe Fund, Allianz Choice Japan Fund, Allianz Choice Global Fixed Income Fund, Allianz Choice Asian Fund, Allianz Choice Hong Kong Fund and Allianz Choice HK\$ Cash Fund or such other sub-funds of Allianz Global Investors Choice Fund as determined by the manager of the underlying APIF from time to time to be appropriate to provide the desired investment exposure for the underlying APIF based on its investment objective and policy (“Other APIFs”). All Other APIFs are approved as APIFs by the Authority and authorised by the SFC. The underlying APIF may invest at least 20% and up to 40% of its assets in global equities and at least 60% and up to 80% of its assets in fixed-interest securities via Other APIFs. The underlying APIF will invest in 5 or more Other APIFs.

Other APIFs will be actively selected and the extent of the underlying APIF’s investment in such underlying funds will be allocated by the manager of the underlying APIF by reference to their underlying investments. In particular, the underlying APIF may invest up to 80% of its latest available net asset value in the Allianz Choice Global Fixed Income Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies.

Through Other APIFs, the underlying APIF will:

- invest in equities which are broadly diversified (in terms of industry sectors and / or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority and;
- primarily invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor’s) or Baa3 or above (as rated by Moody’s Investors Services Inc.) or which in the opinion of the manager of the underlying APIF would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers.

The underlying APIF may also hold cash for ancillary purposes. The underlying APIF will not enter into any financial futures contracts or financial option contracts other than for hedging purpose.

This constituent fund does not guarantee the repayment of capital.

This constituent fund is the Default Fund.”

(ii) **AMTD Allianz Choice Stable Growth Fund**

Objectives

“To achieve a stable overall return over the long term by investing solely in the Allianz Choice Stable Growth Fund which is an APIF and in turn invests in a diversified portfolio of global equities and fixed-interest securities.”

Investment Policy

“The underlying APIF is expected to invest 50% of its assets in equities and 50% in fixed-interest securities. The fixed income portion will consist of a range of instruments issued in countries around the world. The equity portion of the underlying APIF will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the discretion of the manager of the underlying APIF, in other Asian countries and emerging markets.

The underlying APIF is a fund of funds investing substantially all its assets in other sub-funds of the Allianz Global Investors Choice Fund. Specifically, the underlying APIF will be investing in Allianz Choice “Best Styles” US Fund, Allianz Choice “Best Styles” Europe Fund, Allianz Choice Japan Fund, Allianz Choice Global Fixed Income Fund, Allianz Choice Asian Fund, Allianz Choice Hong Kong Fund and Allianz Choice HK\$ Cash Fund or such other sub-funds of Allianz Global Investors Choice Fund as determined by the manager of the underlying APIF from time to time to be appropriate to provide the desired investment exposure for the underlying APIF based on its investment objective and policy (“Other APIFs”). All Other APIFs are approved as APIFs by the Authority and authorised by the SFC. The underlying APIF may invest at least 40% and up to 60% of its assets in global equities and at least 40% and up to 60% of its assets in fixed-interest securities via Other APIFs. The underlying APIF will invest in 5 or more Other APIFs.

Other APIFs will be actively selected and the extent of the underlying APIF’s investment in such underlying funds will be allocated by the manager of the underlying APIF by reference to their underlying investments. In particular, the underlying APIF may invest up to 60% of its latest available net asset value in the Allianz Choice Global Fixed Income Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies.

Through Other APIFs, the underlying APIF will:

- invest in equities which are broadly diversified (in terms of industry sectors and / or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority and;
- invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor’s) or Baa3 or above (as rated by Moody’s Investors Services Inc.) or which in the opinion of the manager of the underlying APIF would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers.

The underlying APIF may also hold cash for ancillary purposes. The underlying APIF will not enter into any financial futures contracts or financial option contracts other than for hedging purpose.”

(iii) **AMTD Allianz Choice Balanced Fund**

Objectives

“To achieve a high level (above market) of overall return over the long term by investing solely in the Allianz Choice Balanced Fund which is an APIF and in turn invests in a diversified portfolio of global equities and fixed-interest securities.”

Investment Policy

“The underlying APIF is expected to invest 70% of its assets in equities and 30% in fixed-interest securities. The fixed income portion will consist of a range of instruments issued in countries around the world. The equity portion of the underlying APIF will be invested primarily in the Hong Kong, Japan,

North American and European markets with a smaller proportion being invested, at the discretion of the manager of the underlying APIF, in other Asian countries and emerging markets.

The underlying APIF is a fund of funds investing substantially all its assets in other sub-funds of the Allianz Global Investors Choice Fund. Specifically, the underlying APIF will be investing in Allianz Choice “Best Styles” US Fund, Allianz Choice “Best Styles” Europe Fund, Allianz Choice Japan Fund, Allianz Choice Global Fixed Income Fund, Allianz Choice Asian Fund, Allianz Choice Hong Kong Fund and Allianz Choice HK\$ Cash Fund or such other sub-funds of Allianz Global Investors Choice Fund as determined by the manager of the underlying APIF from time to time to be appropriate to provide the desired investment exposure for the underlying APIF based on its investment objective and policy (“Other APIFs”). All Other APIFs are approved as APIFs by the Authority and authorised by the SFC. The underlying APIF may invest at least 60% and up to 80% of its assets in global equities and at least 20% and up to 40% of its assets in fixed-interest securities via Other APIFs. The underlying APIF will invest in 5 or more Other APIFs.

Other APIFs will be actively selected and the extent of the underlying APIF’s investment in such underlying funds will be allocated by the manager of the underlying APIF by reference to their underlying investments. In particular, the underlying APIF may invest up to 40% of its latest available net asset value in the Allianz Choice Global Fixed Income Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long-term capital growth and income primarily through investment in a diversified portfolio of global fixed-income securities denominated in multiple currencies.

Through Other APIFs, the underlying APIF will:

- primarily invest in equities which are broadly diversified (in terms of industry sectors and / or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority and;
- invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor’s) or Baa3 or above (as rated by Moody’s Investors Services Inc.) or which in the opinion of the manager of the underlying APIF would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers.

The underlying APIF may also hold cash for ancillary purposes. The underlying APIF will not enter into any financial futures contracts or financial option contracts other than for hedging purpose.”

(iv) AMTD Allianz Choice Growth Fund

Objectives

“To maximize long term overall returns by investing solely in the Allianz Choice Growth Fund which is an APIF and in turn invests primarily in global equities.”

Investment Policy

“The underlying APIF may invest in the countries comprised in the MSCI World Index which covers all the major world stock markets including those in Japan, North America, Asia and Europe.

The underlying APIF is a fund of funds investing substantially all its assets in other sub-funds of the Allianz Global Investors Choice Fund. Specifically, the underlying APIF will be investing in Allianz Choice “Best Styles” US Fund, Allianz Choice “Best Styles” Europe Fund, Allianz Choice Japan Fund, Allianz Choice Global Fixed Income Fund, Allianz Choice Asian Fund, Allianz Choice Hong Kong Fund and Allianz Choice HK\$ Cash Fund or such other sub-funds of Allianz Global Investors Choice Fund as determined by the manager of the underlying APIF from time to time to be appropriate to provide the desired investment exposure for the underlying APIF based on its investment objective and policy (“Other APIFs”). All Other APIFs are approved as APIFs by the Authority and authorised by the SFC. The underlying APIF may invest at least 80% and up to 100% of its assets in global equities and up to 20% of its assets in fixed-interest securities via Other APIFs. Generally, the underlying APIF is expected

to invest 90% of its assets in global equities and 10% in fixed-interest securities via Other APIFs. The underlying APIF will invest in 5 or more Other APIFs.

Other APIFs will be actively selected and the extent of the underlying APIF's investment in such underlying funds will be allocated by the manager of the underlying APIF by reference to their underlying investments. In particular, the underlying APIF may invest up to 40% of its latest available net asset value in the Allianz Choice Hong Kong Fund (a sub-fund of Allianz Global Investors Choice Fund) which aims to achieve long term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong.

Through Other APIFs, the underlying APIF will:

- primarily invest in equities which are broadly diversified (in terms of industry sectors and / or companies of a particular capital size) with a majority of which that are listed and traded on stock exchange approved by the Authority and;
- invest in fixed-interest securities which carry a rating of BBB- or above (as rated by Standard & Poor's) or Baa3 or above (as rated by Moody's Investors Services Inc.) or which in the opinion of the manager of the underlying APIF would be rated in the range of such rating and fulfill the minimum credit rating requirements set out by the Authority and broadly diversified, for example in terms of the number of issuers.

The underlying APIF may also hold cash for ancillary purposes. The underlying APIF will not enter into any financial futures contracts or financial option contracts other than for hedging purpose."

In connection with the above, the fund type description of the Constituent Funds in Appendix I to the Principal Brochure will, where applicable, be enhanced as follows (new insertions are underlined and deletions are shown with strike-through text):

Name of Constituent Fund	Investment Manager of Constituent Fund	Fund Type	Investment Structure
AMTD Allianz Choice Capital Stable Fund	Allianz Global Investors Asia Pacific Limited	Mixed Assets Fund - Global - Maximum equity <u>40%</u> around 30%	Investment in 1 APIF
AMTD Allianz Choice Stable Growth Fund	Allianz Global Investors Asia Pacific Limited	Mixed Assets Fund - Global - Maximum equity <u>60%</u> around 50%	Investment in 1 APIF
AMTD Allianz Choice Balanced Fund	Allianz Global Investors Asia Pacific Limited	Mixed Assets Fund - Global - Maximum equity <u>80%</u> around 70%	Investment in 1 APIF

For further information on the investment objectives and policies of the underlying APIFs of the Constituent Funds, as amended, please refer to the second addendum to the Principal Brochure (the "**Second Addendum**").

The Change in Investment Approach does not affect the investment of the Constituent Funds in the respective Underlying APIFs.

2. Fees and Charges

With effect from 5 February 2016, the level of management fees of the underlying fund (inclusive of the fees payable to the trustee, administrator and investment manager of the relevant underlying fund) of each of the AMTD Allianz Choice Dynamic Allocation Fund, AMTD Allianz Choice Capital Stable Fund, AMTD

Allianz Choice Stable Growth Fund, AMTD Allianz Choice Balanced Fund and AMTD Allianz Choice Growth Fund as disclosed in the Principal Brochure has been amended from “0.07%” per annum to “up to 0.07%” per annum of the net asset value of the relevant underlying fund.

3. Correspondence Address of the Sponsor

With effect from 11 October 2016, the correspondence address of the Sponsor has changed to: 23/F & 25/F Nexxus Building, 41 Connaught Road Central, Central, Hong Kong.

4. Documents Available

The Principal Brochure and the Second Addendum will be available during normal working hours at the offices of the Trustee and the Sponsor free of charge upon request. Further, a copy of the Principal Brochure including the Second Addendum can be obtained free of charge by calling the AMTD MPF Hotline at 3163 3260 or accessing the Website at www.amtd.com.hk.

5. For Further Information

Should you have any enquiries regarding the changes, please contact AMTD MPF Hotline at 3163 3260.

Yours faithfully,

AMTD Asset Management Limited
Bank Consortium Trust Company Limited

February 2017