

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 Financial Planning Limited (“**Sponsor**”), accepts 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 dated May 2010 (“**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. **Renaming of “preserved account” to “personal account” and “preserved member” to “personal account member”**

Pursuant to the Mandatory Provident Fund Schemes (Amendment) Ordinance 2009 (“**Amendment Ordinance 2009**”) which comes into operation on 1 November 2012, “preserved account” will be renamed as “personal account”.

Consequently, “preserved member” will be renamed as “personal account member”.

2. **Portability of Mandatory Benefits**

Pursuant to the Amendment Ordinance 2009, accrued benefits derived from mandatory contributions may be transferred in certain circumstances. In particular -

- (a) an employee member may at any time, but not more than [once] in each calendar year, make election to transfer all accrued benefits derived from the mandatory contributions made by the employee member under the Plan, in respect of his current employment with a participating employer, from a contribution account of the employee member to (i) his personal account within the Plan, or (ii) a personal account of the employee member within another registered scheme which is a master trust scheme or an industry scheme nominated by the employee member; and
- (b) an employee member may at any time, make election to transfer all accrued benefits derived from the mandatory contributions made by the employee member or any employer of the employee member, in respect of former employment or former self-employment of the employee member, from a contribution account of the employee member within the Plan to (i) another contribution account or a personal account of the employee member within the Plan; or (ii) a contribution account of the employee member within another registered scheme or a personal account of the employee member within another registered scheme which is a master trust scheme or an industry scheme, in each case as nominated by the employee member.

Currently, a member may elect to have the accrued benefits held in a preserved account (to be re-named as personal account) transferred to another registered scheme to which the member is eligible to belong. This right remains unchanged and the Amendment Ordinance 2009

provides that all accrued benefits held in a personal account of a member within the Plan may be transferred to (i) a contribution account or another personal account of such member within the Plan; or (ii) a contribution account of the employee member within another registered scheme or a personal account of such member within another registered scheme which is a master trust scheme or an industry scheme, in each case as nominated by the such member.

For the avoidance of doubt, a member may not elect to transfer accrued benefits derived from the mandatory contributions made by the participating employer of the employee member, in respect of his current employment with such participating employer.

The existing rights of a member to make election to transfer his accrued benefits in specified circumstances under the Trust Deed will remain unchanged.

Further, the Amendment Ordinance 2009 provides that the Trustee must effect an election to transfer accrued benefits within 30 days after being notified of an election, or if an election is made by an employee member who ceases to be employed by the relevant employer, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is the later.

3. **Portability of Voluntary Benefits**

In addition, with effect from [*], an employee member may at any time, transfer all accrued benefits derived from voluntary contributions attributable to the employee member's former employments or former self-employments, to another registered scheme nominated by the relevant Member.

4. **Transfer into the Plan**

In view of the portability changes, the following persons are also eligible to join the Plan as a personal account member (formerly known as "preserved member") by submitting a transfer notice to the Trustee:

- (a) any employee who transferred to the Plan, his accrued benefits attributable to (i) the mandatory contributions made by him in respect of his current employment; or (ii) the mandatory contributions paid by or in respect of such employee that are attributable to his former employments or former self-employments; or (iii) all or any one or more of his personal accounts with another registered scheme;
- (b) any person who has accrued benefits held in one or more than one personal account with another registered scheme and transferred such accrued benefits to the Plan.

An employee member who transfers his accrued benefits attributable to his mandatory contributions in respect of his current employment, from his contribution account within the Plan to his personal account within the Plan becomes a personal account member in respect of the accrued benefits so transferred.

For the avoidance of doubt, the existing requirements on transfer into the Plan as provided in the Trust Deed remain applicable.

5. **No Fees other than Necessary Transaction Costs**

Pursuant to the Amendment Ordinance 2009, no fees shall be charged and no financial penalties shall be imposed for switching from (i) a registered scheme to another registered scheme; (ii) from an account within the Plan to another account within the Plan; (iii) in the

same account within the Plan, from a constituent fund to another constituent fund, other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee. Such necessary transaction costs would include, but are not limited to brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses. Any amount of such necessary transaction costs imposed and received shall be used to reimburse the relevant constituent fund.

6. **Amendments to Principal Brochure and Trust Deed**

The Principal Brochure will be amended by way of a first addendum (“**First Addendum**”) to reflect *inter alia* the changes set out in paragraphs above. Please refer to the revised First Addendum for further details of the changes.

The Trust Deed will also be amended by way of a supplemental deed (“**First Supplemental Deed**”) to reflect the above changes. Please refer to the First Supplemental Deed for further details of the changes.

Copies of the Trust Deed and the First Supplemental Deed may be obtained from the Trustee at a reasonable cost or may be inspected free of charge at any time during normal working hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Trustee at 18/ F, Cosco Tower, 183 Queen’s Road Central, Hong Kong and the same are expected to be available from October 2012.

The Principal Brochure together with the First Addendum will be available from the Trustee free of charge upon request.

The First Addendum is expected to be available from October 2012.

7. **Consequences of Changes**

The above changes will not result in (i) any increment in the level of management fees payable by the Plan or any constituent fund; or (ii) any additional fee being payable by any Member; or (iii) any change in the dealings of any constituent fund.

Should you have any enquiries regarding the changes, please contact AMTD MPF Hotline at 3161 3688.

Yours faithfully
AMTD Financial Planning Limited

October 2012