

Dated: 7 December 2015

Dear Valued Participating Employers and Members

**Important Notice: This document requires your immediate attention. It contains information regarding changes which will be made by way of the eleventh addendum dated 7 December 2015 to the Explanatory Memorandum dated August 2007, as amended by an addendum dated 24 September 2009, a second addendum dated 11 November 2010, a third addendum dated 12 November 2010, a fourth addendum dated 29 November 2011, a fifth addendum dated 8 May 2012, a sixth addendum dated 19 September 2012, a seventh addendum dated 5 August 2013, an eighth addendum dated 9 December 2013, a ninth addendum dated 2 January 2014 and a tenth addendum dated 1 December 2015 (the "EM") of Haitong MPF Retirement Fund (the "Retirement Fund").**

**If you are in any doubt about the contents of this document, you should seek independent professional advice. Haitong International Investment Managers Limited, the sponsor of the Retirement Fund (the "Sponsor"), accepts responsibility for the information contained in this document as being accurate as at the date of publication.**

## **1 Payments of benefits by instalments**

In response to certain changes to be effected under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (the "Amendment Ordinance"), with effect from 1 February 2016, the Explanatory Memorandum is amended to reflect that where a member retires at age 65 or permanently ceases employment or self-employment after reaching age 60, he/she may elect to have his/her benefits paid in a lump sum, or by instalments by specifying the exact instalment amount. Please note that certain bank charges may apply should a member choose to be paid directly to his/her bank account. Members may access claim forms for payments of benefits by contacting the Sponsor or via the Sponsor's interactive website: <http://www.htisec.com/asm>.

For the first 4 payments by instalments in a calendar year, only necessary transaction costs (as described below) will be charged. Each subsequent payment by instalment during the same calendar year will be subject to necessary transaction costs plus an additional charge of HK\$100 (such charge being payable separately by cheque to the Trustee). Necessary transaction costs shall include (i) an amount that is incurred or reasonably likely to be incurred by the Trustee in selling or purchasing investments in order to give effect to the payment; and (ii) an amount payable to a party other than the Trustee. Such necessary transaction costs may be deducted from the proceeds of realisation of the Units realised to give effect to the payment of the Member's benefits.

Payments by instalments shall be paid as soon as reasonably practicable and in any event not later than 30 days after the date on which the Member instructs the payment of that instalment, unless otherwise agreed between the Trustee and the Member.

## 2 Trust Deed

In light of the Amendment Ordinance, amendments are made to the trust deed of the Retirement Fund (the "Trust Deed") and the key amendments include the following:

- (1) Changes to reflect that, with effect from 1 February 2016, benefits may be paid in lump sum or by instalments in respect of members who retire at age 65 or early retire at age 60.
- (2) Changes to reflect that, with effect from 1 February 2016, no fees or financial penalties may be charged or imposed on the relevant member or deducted from the relevant member's account other than an amount representing the necessary transaction costs (within the meaning of section 35A or 35B of the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A), as applicable) for the payment of the member's benefits:
  - (a) in a lump sum; or
  - (b) by instalments in any year for the first 4 instalments of that year, and that each subsequent payment by instalment after the first 4 instalments in the same calendar year will be subject to necessary transaction costs (within the meaning of section 35A(2) or 35B(4) of the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A), as applicable), plus an additional charge as specified in the explanatory memorandum of the Plan payable to the Trustee).
- (3) Changes to reflect that, with effect from 1 February 2016, payments by instalments shall be paid as soon as reasonably practicable and in any event not later than 30 days after the date on which the member instructs the payment of that instalment, unless otherwise agreed between the Trustee and the member.

## 3 Severance Payment and Long Service Payment

With immediate effect, the Explanatory Memorandum is amended to include additional disclosure that benefits from employer contributions may be offset by a participating employer against any severance payment or long service payment which is due to a Member (other than a SVC member) by the participating employer in the following sequence; firstly from the vested portion of the benefits attributable to the participating employer's voluntary contributions and thereafter, the benefits attributable to participating employer's mandatory contributions.

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This document only describes major changes to the Retirement Fund. You are advised to refer to the Eleventh Addendum to the EM dated August 2007 and the Eleventh Supplemental Deed relating to the Retirement Fund for more updated information regarding other changes.

All the above changes are fully set out in the Eleventh Addendum and the Eleventh Supplemental Deed. Participating employers and members may access the latest EM of the Retirement Fund (together with the First to the Eleventh Addenda) via our Interactive Website <http://www.htisec.com/asm> after 7 December 2015 or request for a copy of the EM (as



amended) by contacting our Haitong MPF Employers Hotline at (852) 3663 7288, or for member, Haitong MPF 24 Hours Auto-Info-line at (852) 2500 1600.

A copy of the Trust Deed and any supplemental deeds or the offering document(s) of the relevant approved pooled investment funds will also be available for inspection at our office at 21/F - 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 6:00p.m.).

Should you have any enquiries in relation to the above changes, please do not hesitate to contact our Haitong MPF Employers Hotline at (852) 3663 7288, or for member, Haitong MPF 24 Hours Auto-Info-line at (852) 2500 1600.

Yours faithfully

**For and on behalf of  
Haitong International Investment Managers Limited**

A handwritten signature in black ink, appearing to be "Yang Jianxin", written over a horizontal line.

Yang Jianxin  
Chief Investment Officer and Managing Director – Asset Management