

Dated the 9th day of September 2022

THIRD DEED OF VARIATION

TO

THE CHINA LIFE MPF MASTER TRUST
SCHEME

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THIS THIRD DEED OF VARIATION is made the 9th day of September 2022

BY :-

CHINA LIFE TRUSTEES LIMITED whose registered office situates at 17/F, CLI Building, 313 Hennessy Road, Wanchai, Hong Kong (“Approved Trustee”).

WHEREAS :-

- (A) The Third Deed of Variation is supplemental to the Deed of Substitution dated 4 December 2020 whereby all amendments previously made by the deeds of variation to the China Life MPF Master Trust Scheme (“Scheme”) established on 26 January 2000 were consolidated into the trust deed attached thereto (“Trust Deed”) for the purpose of providing benefits subject to the terms and conditions therein on termination of service for whatever cause, including retirement, death, total incapacity, terminal illness or other causes as provided therein or in the event of winding up the Scheme, for Members who participate in the Scheme as employees of such employers, self-employed persons, personal account holders or individual relevant employees as the case may be as they may agree to participate in the Scheme from time to time, as further amended by the First Deed of Variation dated 12 November 2021 and the Second Deed of Variation dated 7 June 2022.
- (B) Pursuant to Clause 47 of the Trust Deed, the Approved Trustee may at any time and from time to time by deed amend, delete from and add to the constitutive document of the Scheme subject to the conditions mentioned therein.
- (C) The Approved Trustee intends to make certain changes to the Trust Deed and the Annexures of the Scheme effective from the date specified below.
- (D) The Approved Trustee certifies that the changes as set out herein do not materially prejudice the Members or Employers’ interest, do not to any extent release the parties from any liability to Members or Employers and do not increase the costs and charges payable under the Scheme.

NOW THIS DEED WITNESSES as follows:

- I. The Annexures of the Trust Deed shall be amended as follows with effect from 1 February 2023

("Effective Date"):

1. by substituting the paragraph under Clause 2 "Type of Fund" in Annexure K of the Trust Deed with the following:

"This is a portfolio management fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in two or more index-tracking collective investment schemes which are within the meaning of section 1 of Schedule 1 to the Regulation and are duly approved by the Authority for the purposes of section 6A of the foregoing Schedule 1."

- II. Words and expressions which are defined in the Trust Deed, Governing Rules and the Annexures shall have the same meaning when used in this Deed unless otherwise stated.
- III. Save as expressly modified by this Deed, the Trust Deed, Governing Rules and the Annexures shall remain in full force and effect.
- IV. With effect from the Effective Date, the Trust Deed, Governing Rules and the Annexures shall be read and construed as if the amendments set out herein were incorporated therein.

IN WITNESS whereof the Approved Trustee has set its hand and seal the day and year first above written.

SEALED with the COMMON SEAL of)
the Approved Trustee and SIGNED by)
Thomas TAM (its Director) and)
Aaron WU (its Secretary),)
in the presence of :-)

Dated the 7th day of June 2022

SECOND DEED OF VARIATION

TO

**THE CHINA LIFE MPF MASTER TRUST
SCHEME**

CHRISTINE M. KOO & IP,
Solicitors & Notaries LLP
Room 3507, 35/F,
Tower 1, Lippo Centre,
89 Queensway, Hong Kong
Tel: 2524 8996 Fax: 2523 6922
Ref: FL/29283/21

THIS SECOND DEED OF VARIATION is made the 7th day of June 2022

BY :-

CHINA LIFE TRUSTEES LIMITED whose registered office situates at 17/F, CLI Building, 313 Hennessy Road, Wanchai, Hong Kong (“Approved Trustee”).

WHEREAS :-

- (A) The Second Deed of Variation is supplemental to the Deed of Substitution dated 4 December 2020 whereby all amendments previously made by the deeds of variation to the China Life MPF Master Trust Scheme (“Scheme”) established on 26 January 2000 were consolidated into the trust deed attached thereto (“Trust Deed”) and the First Deed of Variation dated 12 November 2021 for the purpose of providing benefits subject to the terms and conditions therein on termination of service for whatever cause, including retirement, death, total incapacity, terminal illness or other causes as provided therein or in the event of winding up the Scheme, for Members who participate in the Scheme as employees of such employers, self-employed persons, personal account holders or individual relevant employees as the case may be as they may agree to participate in the Scheme from time to time.
- (B) Pursuant to Clause 47 of the Trust Deed, the Approved Trustee may at any time and from time to time by deed amend, delete from and add to the constitutive document of the Scheme subject to the conditions mentioned therein.
- (C) The Approved Trustee intends to make certain changes to the Trust Deed and the Annexures of the Scheme effective from the date specified below.
- (D) The Approved Trustee certifies that the changes as set out herein do not materially prejudice the Members or Employers’ interest, do not to any extent release the parties from any liability to Members or Employers and do not increase the costs and charges payable under the Scheme.

NOW THIS DEED WITNESSES as follows:

- I. The Annexures of the Trust Deed shall be amended as follows with effect from 26 September 2022 (“Effective Date”):
 - 1. by substituting the paragraph under Clause 2 “Type of Fund” in Annexure F of the Trust Deed with the following:

“This is a portfolio management fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in two or more index-tracking collective investment schemes which are within the meaning of section 1 of Schedule 1 to the Regulation and are duly approved by the Authority for the purposes of section 6A of the foregoing Schedule 1.”
- II. Words and expressions which are defined in the Trust Deed, Governing Rules and the Annexures shall have the same meaning when used in this Deed unless otherwise stated.
- III. Save as expressly modified by this Deed, the Trust Deed, Governing Rules and the Annexures shall remain in full force and effect.
- IV. With effect from the Effective Date, the Trust Deed, Governing Rules and the Annexures shall be read and construed as if the amendments set out herein were incorporated therein.

IN WITNESS whereof the Approved Trustee has set its hand and seal the day and year first above written.

SEALED with the COMMON SEAL of)
the Approved Trustee and SIGNED by)
Thomas TAM (its Director) and)
Aaron WU (its Secretary),)
in the presence of :-)

Dated the 12th day of November 2021

FIRST DEED OF VARIATION
TO
THE CHINA LIFE MPF MASTER TRUST
SCHEME

CHRISTINE M. KOO & IP
Solicitors & Notaries LLP
Room 3507, 35/F,
Tower 1, Lippo Centre
89 Queensway, Hong Kong
Tel: 2524 8996 Fax: 2523 6922
Ref: FL/28675/20

THIS FIRST DEED OF VARIATION is made the 12th day of November 2021

BY :-

CHINA LIFE TRUSTEES LIMITED whose registered office situates at 17/F, CLI Building, 313 Hennessy Road, Wanchai, Hong Kong (“Approved Trustee”).

WHEREAS :-

- (A) The China Life MPF Master Trust Scheme (“Scheme”) was established by a Deed of Trust dated 26 January 2000 (“Original Deed”) as amended by 24 Deeds of Variation (collectively referred to as “Deeds of Variation”) for the purpose of providing benefits subject to the terms and conditions therein on termination of service for whatever cause, including retirement, death, total incapacity, terminal illness or other causes as provided therein or in the event of winding up the Scheme, for Members who participate in the Scheme as employees of such employers, self-employed persons, personal account holders or individual relevant employees as the case may be as they may agree to participate in the Scheme from time to time.
- (B) By a Deed of Substitution dated 4 December 2020, all amendments previously made by the Deeds of Variation were consolidated into the trust deed attached thereto (“Trust Deed”) to substitute for the Original Deed.
- (C) Pursuant to Clause 47 of the Trust Deed, the Approved Trustee may at any time and from time to time by deed amend, delete from and add to the constitutive document of the Scheme subject to the conditions mentioned therein.
- (D) This Deed is supplemental to the Deed of Substitution and the Approved Trustee intends to make certain changes to the Trust Deed and the Annexures of the Scheme effective from the date specified below.

- (E) The Approved Trustee certifies that the changes as set out herein do not materially prejudice the Members or Employers' interest, do not to any extent release the parties from any liability to Members or Employers and do not increase the costs and charges payable under the Scheme.

NOW THIS DEED WITNESSES as follows:

- I. The Trust Deed and the Annexures shall be amended as follows with effect from 13th December 2021 ("Effective Date"):
1. by adding the followings after Clause 18A(i) of the Trust Deed:
 - “(j) China Life Greater China Equity Fund
The detailed provisions of which are set out in the Annexure J.
 - (k) China Life US Equity Fund
The detailed provisions of which are set out in the Annexure K.”;
 2. by adding Annexure J “China Life Greater China Equity Fund” and Annexure K “China Life US Equity Fund” as attached in Schedule 1 to this Deed after Annexure I of the Trust Deed.
- II. Words and expressions which are defined in the Trust Deed, Governing Rules and the Annexures shall have the same meaning when used in this Deed unless otherwise stated.
- III. Save as expressly modified by this Deed, the Trust Deed, Governing Rules and the Annexures shall remain in full force and effect.
- IV. With effect from the Effective Date, the Trust Deed, Governing Rules and the Annexures shall be read and construed as if the amendments set out herein were incorporated therein.

IN WITNESS whereof the Approved Trustee has set its hand and seal the day and year first above written.

SEALED with the COMMON SEAL of)
the Approved Trustee and SIGNED by)
Thomas TAM (its Director) and)
Eric Do (its Secretary),)
in the presence of :-)

SCHEDULE 1

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

J. CHINA LIFE GREATER CHINA EQUITY FUND

Terms and Conditions

1. Name of the Fund

China Life Greater China Equity Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in Clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as

geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(d) Administrative Expenses

Administrative expenses referred to in Clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

K. CHINA LIFE US EQUITY FUND

Terms and Conditions

1. Name of the Fund

China Life US Equity Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in Clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. **Risk Inherent and Return Expected**

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. **Repurchase Agreements and Security Lending**

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. **Financial Futures and Option Contracts**

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. **Forbidden Investment Practices**

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. **Fees and Charges**

(a) **Offer Price**

Offer Price = Unit Price

(b) **Redemption Price**

Redemption Price = Unit Price

(d) **Administrative Expenses**

Administrative expenses referred to in Clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month.

(END)

Dated the 4th day of December 2020

DEED OF SUBSTITUTION

IN RESPECT OF

THE CHINA LIFE MPF MASTER TRUST SCHEME

CHRISTINE M. KOO & IP
Solicitors & Notaries LLP
Room 1101, 11/F, Tower 1
Admiralty Centre, 18 Harcourt Road
Admiralty, Hong Kong
Tel. No.: 2524 8996
Fax No.: 2523 6922
Ref: FL/28675/20

THIS DEED OF SUBSTITUTION is made the 4th day of December 2020

BY

CHINA LIFE TRUSTEES LIMITED whose registered office is situate at 17/F, CLI Building, 313 Hennessy Road, Wanchai, Hong Kong (“Approved Trustee”).

WHEREAS

- A. The China Life MPF Master Trust Scheme (“Scheme”) was established by a Deed of Trust dated 26 January 2000 as amended by the Deed of Variation dated 15 August 2002, the Second Deed of Variation dated 7 November 2002, the Third Deed of Variation dated 25 February 2003, the Fourth Deed of Variation dated 30 September 2004, the Fifth Deed of Variation dated 28 June 2007, the Sixth Deed of Variation dated 1 February 2010, the Seventh Deed of Variation dated 2 July 2010, the Eighth Deed of Variation dated 30 September 2011, the Ninth Deed of Variation dated 9 December 2011, the Tenth Deed of Variation dated 12 December 2011, the Eleventh Deed of Variation dated 10 September 2012, the Twelfth Deed of Variation dated 29 January 2013, the Thirteenth Deed of Variation dated 1 November 2013, the Fourteenth Deed of Variation dated 18 August 2014, the Fifteenth Deed of Variation dated 20 November 2015, the Sixteenth Deed of Variation dated 11 October 2016, the Seventeenth Deed of Variation dated 9 December 2016, the Eighteenth Deed of Variation dated 21 September 2017, the Nineteenth Deed of Variation dated 21 August 2018, the Twentieth Deed of Variation dated 29 March 2019, the Twenty-First Deed of Variation dated 5 June 2019, the Twenty-Second Deed of Variation dated 31 December 2019, the Twenty-Third Deed of Variation dated 25 March 2020 and the Twenty-Fourth Deed of Variation dated 28 August 2020 (collectively referred to as “Deeds of Variation” and the Deed of Trust (as amended) is referred to as the “Original Deed”).
- B. Pursuant to Clause 47 of the Original Deed, the Approved Trustee may at any time and from time to time by deed amend, delete from and add to the constitutive document of the Scheme subject to the conditions mentioned therein.
- C. Due to the substantial amount of amendments, the Approved Trustee desires to consolidate all amendments previously made by the Deeds of Variation into the

Annex of this Deed of Substitution and to substitute for the Original Deed.

- D. The Approved Trustee certifies that this Deed of Substitution does not materially prejudice the Members or Employers' interest, does not to any extent release the parties from any liability to Members or Employers and does not increase the costs and charges payable under the Scheme.

NOW THIS DEED WITNESSES as follows:

1. This Deed of Substitution shall take effect from 4 December 2020 ("Effective Date").
2. With effect from and including the Effective Date, the provisions of the Trust Deed, Governing Rules and Annexures set out in the Annex of this Deed of Substitution shall replace the terms of the Original Deed constituting the Scheme in its entirety.
3. For the avoidance of doubt, the trust of the Scheme shall continue in effect in the form and pursuant to the provisions set out in the Trust Deed, Governing Rules and Annexures set out in the Annex of this Deed of Substitution notwithstanding the substitution of the terms of the Original Deed.
4. This Deed of Substitution shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

IN WITNESS WHEREOF this Deed is executed the day and year herein before written.

SEALED with the COMMON SEAL of)
the Approved Trustee and SIGNED by)
its Director, Thomas Tam and its)
Secretary, Eric Do, in the presence of :-)

ANNEX

China Life Trustees Limited

Trust Deed

constituting the

China Life MPF Master Trust Scheme

中國人壽強積金集成信託計劃

TRUST DEED

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DEED OF TRUST

CHINA LIFE MPF MASTER TRUST SCHEME

DATED : 26th January, 2000

DECLARATION BY:

CHINA LIFE TRUSTEES LIMITED (“Approved Trustee”) a company established in Hong Kong with registered office situated at 20/F., CLI Building, 313 Hennessy Road, Wanchai, Hong Kong

RECITAL

The Approved Trustee upon request of China Life Insurance Co. Ltd. [now known as China Life Insurance (Overseas) Company Limited (incorporated in the People’s Republic of China with limited liability)] acting as a promoter decides to establish “China Life MPF Master Trust Scheme” (“Scheme”)(中國人壽強積金集成信託計劃) under the Mandatory Provident Fund Schemes Ordinance for the purpose of providing benefits subject to the terms and conditions herein on termination of service for whatever cause including retirement, death, total incapacity, terminal illness or other causes as provided herein or in the event of winding up of the Scheme, to employees of such employers and self-employed persons as the case may be as they may agree to participate in the Scheme from time to time.

PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 In this Deed including the Recital hereto, unless the context otherwise requires the following words have the following meaning: -

“**Accounting Date**” means the last calendar date of the financial period which shall be 31st December in each year commencing on the date hereof or such other date as decided by the Approved Trustee from time to time upon the advice of the Administrator (if any), subject to the prior approval of the Authority and provided that the Members, employers and service providers are all given one month prior written notice;

“**accrued benefits**” in relation to a registered scheme, means the amount of each Member’s beneficial interest in the registered scheme under the Ordinance at any time, including sums derived from the Contributions made by or in respect of that Member, together with the

income or profits arising from investments of the Contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;

“Accumulation” in relation to a Member Fund Account, means all sums of Contributions, plus investment returns less any costs and expense referred to in clause 11 and any amount payable by the Approved Trustee therefrom. For avoidance of doubt, Contributions due and unpaid shall not be credited. Accumulation when used in respect of more than one Member, means the aggregate of the same.

“Administration Fee” means the fee (if any) payable to the Administrator pursuant to an administration services agreement entered into between the Approved Trustee and the Administrator;

“Administrator” means the Approved Trustee or such person, company or companies appointed by the Approved Trustee from time to time exercising the functions of an Administrator of the Scheme pursuant to the provisions herein;

“Application of Participation” the application from time to time specified by the Approved Trustee and executed by the Employer, Employee, casual employee, self-employed person, Personal Account holder, Individual Relevant Employee or TVC Account holder which shall include a Member Enrollment Form;

“Annual Participation Fee” means an annual fee payable by the Employer initially upon the participation to this Scheme and thereafter annually in accordance with clause 10 herein;

“APIF” (“Approved Pooled Investment Fund”) shall have the meaning as defined in the Regulation;

“associate” should have the same meaning as used in the Schedule 8 of the Ordinance;

“arrears” means a Mandatory Contribution that is due for payment to the Authority under section 7AE or 18 of the Ordinance;

“Authority” means the Mandatory Provident Fund Schemes Authority established under the Mandatory Provident Fund Schemes Ordinance;

“Business Day” means a day on which licensed banks in Hong Kong generally are open for business, excluding Saturday and Sunday;

“casual employee” means employees who are: -

- (i) engaged in an industry for which a provident fund scheme is registered as an industry scheme; and

- (ii) employed in that industry by an employer on a day to day basis or for a fixed period of less than 60 days;

“Commencement Date” means the date of commencement of Contributions to the Scheme as specified under the Ordinance;

“Connected person” in relation to a company means: -

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or of any its connected persons as defined in (a), (b) or (c).

“Constituent Fund” means the fund that constitutes the Scheme or a fund that forms part of the Scheme;

“Contributions” means Contributions to the Scheme to be made by an Employer, self-employed person, Employee, casual employee or Personal Account holder in accordance with the Governing Rules (“Regular Contribution”), any special contributions and any sums received from the trustees or other administrators of any other registered scheme under the Ordinance or ORSO Ordinance which in accordance with the Governing Rules are to be treated as Contributions (“Lump Sum Contribution”). Unless otherwise designated as Mandatory Contributions, Voluntary Contributions or special contributions, “Contributions” mean Mandatory Contributions, Voluntary Contributions or special contributions or all of them, as the contexts dictate. Voluntary Contributions, Mandatory Contributions or special contributions, where contexts permit, shall respectively include the income or profits (gain or loss) derived from their investments;

“Contribution Account” in relation to a Member, means an account with the Scheme into which (a) Mandatory Contributions and Voluntary Contributions (if any) are paid in respect of any current employment or current self-employment of the Member; (b) special contributions (if any) are paid in respect of the Member prescribed in Part IIIA of the Ordinance and (c) Smart Easy Personal Contributions (if any) are paid in respect of the Member pursuant to Clause 29A;

“Custodian” means the Approved Trustee or such person, company or companies appointed by the Approved Trustee from time to time

exercising the functions of a Custodian of the Scheme pursuant to the provisions herein;

“Custodian Fee” means the fee (if any) payable to the Custodian pursuant to a custodian agreement entered into between the Approved Trustee and the Custodian;

“Dealing Day” in relation to a unitized Constituent Fund means each Business Day on which the banks are open for normal business in Hong Kong, excluding Saturday and Sunday and may be subject to change by the Approved Trustee by giving one month notice in writing to Employers and Members;

“Default Investment Strategy” means the default investment strategy available in the Scheme for investment referred to in Clause 18B;

“Employer” a person who is an Employer of the Employee from time to time participating in the Scheme;

“Employee” a person who is an employee of the Employer other than casual employee from time to time participating in the Scheme;

“financial period” means (a) the first financial period which is the period beginning with the date on which the Scheme was registered with the Authority and ending on a date determined by the Approved Trustee. The date so determined must be a date not more than 12 months from the date of registration of the Scheme or such later date as the Approved Trustee, with prior approval of the Authority so determines; and (b) every subsequent financial period which is to be the period ending on each anniversary of the last date of the first financial period determined by the Approved Trustee;

“Governing Rules” the rules of the Scheme contained in the Schedule of this Deed;

“Individual Relevant Employee” means any relevant employee as defined in section 2 of the Ordinance;

“Investment Management Fee” means the fee payable to the Investment Manager pursuant to an investment management agreement entered into between the Approved Trustee and Investment Manager;

“Investment Manager” such person, company or companies appointed by the Approved Trustee exercising the functions of an Investment Manager of the Scheme from time to time pursuant to the provisions herein;

“Mandatory Contribution” means (a) an amount that is required to be paid as a Contribution to the Scheme under section 7A or 7C of the Ordinance; (b) an amount that is required to be paid as a contribution

to the Authority under section 7AA of the Ordinance; or (c) an amount that is payable to the Authority under section 7AE of the Ordinance; or (d) minimum MPF benefits to which section 5(1) of Schedule 2 of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, that have been transferred to a registered scheme;

“Member” means a person admitted to and continuing in membership of the Scheme in accordance with the Governing Rules including Employee, casual employee, self-employed person, Personal Account holder, Individual Relevant Employee and TVC Account holder;

“Membership Fee” means the fee as defined in clause 11.1;

“Member Account” the account or accounts maintained in the books of the Approved Trustee in respect of a Member to which are credited all contributions held in respect of that Member including the Contribution Account, the TVC Account and the Personal Account;

“Member Fund Account” means an account of the Member kept by the Approved Trustee on his behalf in respect of each Constituent Fund;

“minimum MPF benefits” has the same meaning as in section 1(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.);

“Net Asset Value” means the value of the assets of a Constituent Fund after deduction of liabilities (excluding any Employer or Members’ accrued benefits) on the Dealing Day, the calculation of which is set out in Clause 21.6 herein;

“Notice of Redemption” means a properly completed notice of redemption of Units of any Constituent Fund given to the Approved Trustee pursuant to clause 21.3;

“Notice of Withdrawal” means a properly completed notice of withdrawal given to the Approved Trustee pursuant to clause 21.5(b);

“Notice of Switching” means a properly completed notice of switching given to the Approved Trustee pursuant to clause 24.1;

“Offer Price” in relation to a Unit, means the value of the Unit calculated in accordance with clause 21.2 herein;

“Ordinance” means the Mandatory Provident Fund Schemes Ordinance (Cap.485) and its subsidiary legislations as amended from time to time;

“ORSO exempted scheme” has the same meaning as in section 2(1) of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.);

“ORSO Ordinance” means the Occupational Retirement Schemes Ordinance (Cap.426) and its subsidiary legislations as amended from time to time;

“ORSO registered scheme” has the same meaning as in section 2(1) of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.);

“payment period” means the period specified in a notice under section 136(1)(a) of the Regulation;

“Personal Account” in relation to a Member of the Scheme, has the same meaning as in section 2 of the Regulation;

“Personal Account holder” means a Member with a Personal Account;

“practicable” means reasonably practicable;

“Prescribed percentage” is 5 percent or, if such other percentage is prescribed by section 7A(5) of the Ordinance, that other percentage;

“Redemption Date” means in relation to any Unit the date on which a redemption is to take effect.

“Redemption Price” means the price of a Unit of a Constituent Fund upon redemption on any Dealing Day calculated in accordance with clause 21.4 herein.

“registered scheme” means a provident fund scheme registered under section 21 of the Ordinance;

“Regulation” means the Mandatory Provident Fund Schemes (General) Regulation and any amendments made thereto from time to time;

“relevant income” has the same meaning as defined in section 2 of the Ordinance;

“SFC” means the Securities and Futures Commission;

“Smart Easy Personal Contribution” means a contribution paid to the Scheme as defined in Clause 29A;

“Smart Easy Personal Contribution Account holder” means a Member with a Smart Easy Personal Contribution Account;

“special contribution” means a contribution paid by the Authority under Part IIIA of the Ordinance;

“Tax Deductible Voluntary Contributions” means the contributions that are paid into a TVC Account under section 11A(2)(a) of the Ordinance;

“total incapacity” in relation to a Member, means permanent unfitness to perform the kind of work that the Member was last performing before becoming incapacitated;

“Trustee Fee” means the fee payable to the Approved Trustee referred to in clause 9 hereof;

“TVC Account” means the account opened by a Member into which Tax Deductible Voluntary Contributions are paid for the purpose of tax deduction under section 11A(1) of the Ordinance;

“TVC Account holder” means a Member with a TVC Account;

“Unit” means one equal undivided part or share of and in the unitized Constituent Fund including as the context may require, a fraction of a Unit;

“Unit Price” means the value of a Unit as determined on a Dealing Day in accordance with clause 21.1 hereof;

“Voluntary Contribution” means a Contribution paid to the Scheme in accordance with section 11 of the Ordinance;

“specified working day” means any day other than (a) a public holiday; (b) a Saturday; or (c) a gale warning day or black rainstorm warning day within the meaning of section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1).

1.2 Unless otherwise specified herein, words used shall have the same meaning as that used under the Ordinance.

1.3 In this Deed, unless the contrary intention appears:

- (a) a reference to this Deed, its Schedule or another instrument includes any amendments, replacement or supplements of any of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements or any of them;
- (c) the singular includes the plural and vice versa; reference to one gender shall include the other gender;
- (d) the word “person” includes a firm, a body corporate, an unincorporated association or an authority;

- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including any persons taking by novation) and assigns;
 - (f) a reference to anything (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
 - (g) Headings are intended for convenience and do not affect the interpretation of this Deed;
 - (h) The attached Schedule, the Annexure, the Application of Participation and any other instrument from time to time attach hereto shall form part of this Deed.
- 1.4 In the event that there is any conflict between this Deed and the Ordinance and regulations, the Deed shall be interpreted according to the Ordinance and regulations.

2. ESTABLISHMENT OF THE SCHEME

- 2.1 The Approved Trustee hereby establishes a master trust scheme upon the trusts set out in this Deed and in the Governing Rules for the purpose of providing benefits on termination of service for whatever cause including retirement, death, total incapacity, terminal illness or other causes provided herein or in the event of winding up of the scheme for Members who participate in the Scheme either as an Employee, casual employee, self-employed person, Personal Account holder or Individual Relevant Employee.
- 2.2 The Scheme shall be known as the "CHINA LIFE MPF MASTER TRUST SCHEME" (hereinafter referred to as the "Scheme") and shall consist of a Mandatory Contribution Account, a Voluntary Contribution Account, a Smart Easy Retirement Contribution Account and a TVC Account to be known as:
- (a) China Life MPF Master Trust Scheme - Mandatory Contribution Account;
 - (b) China Life MPF Master Trust Scheme - Voluntary Contribution Account;
 - (c) China Life MPF Master Trust Scheme – Smart Easy Personal Contribution Account; and
 - (d) China Life MPF Master Trust Scheme – TVC Account.

- 2.3 The Scheme shall be constituted out of all contributions made to the Scheme and all accretions thereto and the Approved Trustee hereby declares that it shall stand possessed of the contributions in the form of Scheme assets upon trust to retain, invest and deal with the same in accordance with these presents.
- 2.4 This Deed shall have effect from the date hereof and the Scheme shall be deemed to have commenced on the Commencement Date.
- 2.5 Pursuant to section 47B of the Ordinance, the rules of law relating to perpetuities do not apply to the trusts relating to the Scheme or to the Approved Trustee.

3. APPROVAL OF AUTHORITY

The Approved Trustee shall use its best endeavors to ensure that the Scheme receives continual approval from the Authority by undertaking to the Authority that the Approved Trustee will ensure that, as far as reasonably practicable, the relevant requirements and standards prescribed in the Ordinance and Regulation including Part IV of the Regulation will be complied with in relation to the Scheme.

4. DEED BINDING ON ALL PARTICIPANTS

Each Employer, Employee, casual employee, self-employed person, Personal Account holder, Individual Relevant Employee and TVC Account holder shall by signing the Application of Participation or otherwise joining in the Scheme, covenant with the Approved Trustee:

-
- (a) to pay and cause to pay to the Approved Trustee the Contributions, Smart Easy Personal Contributions, Tax Deductible Voluntary Contributions and other sums of money now or hereafter due to be paid under the Ordinance and/or this Deed;
- (b) to comply with the provisions of the Ordinance including its subsidiary legislations and/or this Deed including the Governing Rules.

5. COVENANTS OF THE APPROVED TRUSTEE

The Approved Trustee hereby covenants:

- (a) to hold the Scheme assets upon trust and to cause to invest the Scheme assets in accordance with these presents;

- (b) to administer or cause to administer the Scheme in accordance with these presents;
- (c) to pay out of the Scheme assets, the accrued benefits that are derived from Mandatory Contribution, special contribution, Voluntary Contribution, Smart Easy Personal Contribution as well as Tax Deductible Voluntary Contribution, if any, in accordance with the Governing Rules; and
- (d) to comply with the provisions of these presents and the Ordinance including its subsidiary legislations regulations and to exercise its powers and duties with reasonable care in order not to prejudice the Authority's approval of the Scheme or of the Approved Trustee.

6. APPLICATION OF THE GOVERNING RULES

The Governing Rules are, in relation to each Employer and Member, set out in the Schedule which may be subject to any variations, modifications and amendments from time to time as hereinafter provided.

6.1 MANDATORY CONTRIBUTION

Employer, Employee, casual employee, and self-employed person who are making Mandatory Contributions are governed by the provisions herein and the Governing Rules specified in Part I of the Schedule.

6.2 VOLUNTARY CONTRIBUTION

Employer, Employee, casual employee or self-employed person who are making Voluntary Contributions are governed by provisions herein and the Governing Rules as specified in Part I (if they are not inconsistent with the Governing Rules contained in Part II of the Schedule) and Part II of the Schedule.

6.2a SMART EASY PERSONAL CONTRIBUTION

Smart Easy Personal Contributions (if any) are governed by the provisions herein (where applicable) and Part III of the Governing Rules of the First Schedule.

6.3 SPECIAL CONTRIBUTION

Special contributions are governed by the provisions herein and the Governing Rules specified in Part I of the Schedule. In case of any conflict or inconsistency between Part IIIA of the Ordinance, the provisions of the constitutive documents of the Scheme and any articles or memorandum within the meaning of the Companies Ordinance (Cap

622), the provisions of Part IIIA of the Ordinance shall prevail over these instruments to the extent of the conflict or inconsistency.

6.4 TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

Tax Deductible Voluntary Contributions (if any) are governed by the provisions herein (where applicable) and Part V of the Governing Rules.

7. APPOINTMENT AND REMOVAL OF AUDITOR

7.1 Within 3 months after the day on which the Scheme is registered under the Ordinance, or within such extended period as the Authority allows, the Approved Trustee of the Scheme must appoint at least 1 person as auditor of the Scheme.

7.2 An auditor of the Scheme under this section appointed holds office until: -

- (a) death (in the case of a natural person), dissolution (in the case of a firm that is not reconstituted) or commencement of winding up (in the case of a company); or
- (b) removal or resignation from office in accordance with provisions below; or
- (c) if the auditor was appointed for a specified period, the expiry of that period; or
- (d) the auditor ceases to be qualified to be auditor of the Scheme.

7.3 Within 30 days after a vacancy occurs in the office of auditor of the Scheme, or within such extended period as the Authority allows, the Approved Trustee must, if there is no surviving or continuing auditor of the Scheme, appoint another auditor to fill the vacancy.

7.4 While a vacancy in the office of auditor of the Scheme continues, the surviving or continuing auditor (if any) of the Scheme may act.

7.5 The Approved Trustee may appoint an auditor of the Scheme who: -

- (a) has consented to act as auditor of the Scheme by written notice given to the Approved Trustee before the appointment; and
- (b) has not withdrawn the consent by similar notice.

7.6 The Approved Trustee shall appoint a qualified person to be an auditor of the Schemes if the person is: -

- (a) an accounting practice unit; or

- (b) recognized by the Authority as having a qualification in accounting equivalent to that of a certified public accountant, or a public accountant, as defined by section 2 of the Professional Accountants Ordinance (Cap.50).
- 7.7 The person or persons so appointed shall be independent of the Approved Trustee, any Investment Manager or Custodian.
- 7.8 The Approved Trustee may, subject to the following, remove an auditor of the Scheme from office:
 - (a) The removal of an auditor of the Scheme by the Approved Trustee has effect only if the Approved Trustee, within 2 specified working days after the removal: -
 - (i) informs the Authority, by written notice, of the removal and the reasons;
 - (ii) serves a copy of the notice on the auditor; and
 - (iii) an auditor must, within 2 specified working days after receiving a copy of the notice, inform the Authority by written notice, of the reasons as to why, in the auditor's opinion, the auditor was removed from office.
 - (b) An auditor of the Scheme may, by written notice given to the Approved Trustee of the Scheme, resign as auditor of the Scheme.
 - (c) If an auditor of the Scheme who has been appointed for a specified period does not wish to seek reappointment for a further period, the auditor must, by 30 days' written notice given to the Approved Trustee, inform the Approved Trustee of the auditor's wish not to be reappointed.
 - (d) A notice given for the purposes of (b) or (c) above must include or be accompanied by: -
 - (i) a statement to the effect that, to the best of the auditor's knowledge and belief, there are no circumstances relating to the resignation or decision not to seek reappointment that would prejudicially affect the interests of Members to a material extent; or
 - (ii) if the notice does not include such a statement or if the notice includes a statement to the contrary effect, a statement specifying the circumstances that gave rise to the resignation or decision not to seek reappointment.

- (e) If a notice given for the purposes of (b) or (c) above includes a statement of the kind referred to in (d)(i), the Approved Trustee must, within 7 specified working days after receiving the notice, give the Authority a copy of the notice.
- (f) If a notice given for the purposes of (b) or (c) above includes a statement of the kind referred to in (d)(ii), the auditor must, within 2 specified working days after giving the notice to the Approved Trustee, give the Authority a copy of the notice.
- (g) If a person who is the auditor of the Scheme knowingly disqualifies himself, herself or itself from acting as auditor of the Scheme while the appointment continues, that person must immediately resign from the office of auditor of the Scheme in accordance with (b) above. The notice must be given within 7 days after the disqualification.
- (h) If a partner of a firm that is appointed as the auditor of the Scheme knowingly disqualifies the firm from acting as auditor of the Scheme while the appointment continues, that partner must immediately cause the firm to resign from the office of auditor of the Scheme in accordance with (b) above. The notice must be given within 7 days after the disqualification.
- (i) If, on the retirement or withdrawal of a partner from the firm, the firm would no longer be capable of acting as auditor of the Scheme because of section 98(4) of the Regulation, the firm must resign from office by written notice given to the Approved Trustee of the scheme in accordance with that provision. The notice must be given within 7 days after the retirement or withdrawal of the partner from the firm.
- (j) If the Scheme is being wound up, the auditor of the Scheme ceases to hold office on the commencement of the winding up.

8. APPOINTMENT OF CUSTODIAN

8.1 THE APPROVED TRUSTEE MUST

- (a) appoint by way of a written custodial agreement incorporating Schedule 3 of the Regulation an eligible person who satisfies the eligibility requirements under Part VI of the Regulation to be the Custodian of the Scheme assets and
- (b) ensure that the Scheme assets are kept by or are under the control of such a person.

- (c) The Approved Trustee must ensure that: -
 - (i) if the Custodian of Scheme assets is appointed under Clause 8.1, the contract for the appointment prohibits the Custodian from delegating the Custodian's functions as a Custodian to a person who is not eligible under section 71(1) of the Ordinance to be a delegate of the Custodian;
 - (ii) if the Approved Trustee is the Custodian of the Scheme assets in accordance with Clause 8.2(a), the Approved Trustee does not delegate the Approved Trustee's function as a Custodian to a person who is not eligible under section 71(1) of the Ordinance to be a delegate of the Custodian.

8.2 (a) The Approved Trustee is not required to comply with the above clause if the Approved Trustee is an eligible person. In that case, the Approved Trustee may undertake the functions of Custodian of the Scheme assets itself.

(b) If the Approved Trustee does not appoint a Custodian to administer the Scheme assets, the Approved Trustee must give an undertaking to the Authority by deed, or by a document of like effect acceptable to the Authority. The undertaking must incorporate the terms of a custodial agreement that complies with Schedule 3 of the Regulation.

(c) If the Approved Trustee has appointed a Custodian of the Scheme assets, the Approved Trustee must take all reasonable steps to ensure that the Custodian complies with the terms of the relevant custodial agreement.

(d) TEMPORARY CUSTODIAN

The Approved Trustee may act as a temporary custodian of Scheme assets even though the Approved Trustee would not, apart from this part, be eligible to be a Custodian of Scheme assets, or has appointed an eligible person to be a Custodian of the Scheme assets, but only for the sole purpose of temporarily keeping -

(i) contributions and other payments received for the purposes of the Scheme; or

(ii) payments required or permitted to be made from the funds of the Scheme.

(e) When acting as a temporary Custodian of Scheme assets, an Approved Trustee must comply with section 70 of the Regulation.

- (f) Sub-custodial Agreement
 - (i) Any Agreement entered into between a Custodian of Scheme assets and another person providing for any of the Custodian's functions to be delegated to that other person must include the same requirements as those specified in Schedule 3 of the Regulation. For the purpose of applying Schedule 3 of the Regulation to the agreement, references to the Approved Trustee are to be construed as references to the Custodian and references to the Custodian are to be construed as to the delegate.
 - (ii) The Approved Trustee must ensure that: -
 - (A) if the Custodian of Scheme assets is appointed under Clause 8.1, the contract for the appointment prohibits the Custodian from entering into an agreement with a person providing for any of the Custodian's functions to be delegated to that person unless the agreement complies with section 72(1) of the Ordinance;
 - (B) if the Approved Trustee is the Custodian of the Scheme assets in accordance with Clause 8.2(a), the Approved Trustee does not enter into an agreement with a person providing for any of the Custodian's functions to be delegated to that person unless the agreement complies with section 72(1) of the Ordinance.

8.3 USE OF CENTRAL SECURITIES DEPOSITORY

- (a) An agreement entered into between the Approved Trustee and a Custodian or between the Custodian and a delegate of the Custodian may provide for scheme assets to be held in a central securities depository.
- (b) A central securities depository is not to be regarded as a custodian carrying on business in Hong Kong or its delegates for the purpose of this section.

8.4 If the Approved Trustee appoints a Custodian, it must enter into a custodial agreement with the Custodian setting out the functions of the Custodian with respect to the Scheme assets. The agreement must comply with the requirements with respect to custodial agreements set out in Part VI and Schedule 3 of the Regulation.

8.5 An agreement entered into between a Custodian and another person providing for any of the Custodian's functions to be delegated to that

other person must include the same requirements specified in Schedule 3 of the Regulation.

- 8.6 Subject to section 66A and Schedule 1 of the Regulation, cash forming part of the Scheme may be placed on deposit with any bank or other financial institution being an authorized institution under the Banking Ordinance of the laws of Hong Kong or an eligible overseas bank as defined in section 13 of the Regulation.
- 8.7 Subject as provided in this clause, all registrable assets comprised in the Scheme assets shall be registered in the name of or to the order of the Approved Trustee as soon as reasonably practicable and all securities and other assets forming part of the Scheme assets shall be dealt with as the Approved Trustee may think proper for the purpose of providing for the safekeeping thereof. The Approved Trustee shall be entitled for the purpose hereof to procure any securities that may be delivered to and retained and/or registered in the name of: -
- (a) the Approved Trustee (where eligible under the Regulation); or
 - (b) any Custodian, or sub-custodian appointed pursuant to the provisions of this clause; or
 - (c) any other central depository or clearing system.

9. THE APPROVED TRUSTEE AND ADMINISTRATIVE EXPENSES

- 9.1 The Approved Trustee shall be entitled to a fee for its own absolute use and benefit at such rate per annum on a pro-rata basis if less than 12 calendar months but not exceeding a maximum rate per annum of the Net Asset Value of the respective Constituent Funds as referred to in clause 21.6 (“Trustee Fee”) as specified in the Application of Participation. The Approved Trustee shall be entitled to deduct the Trustee Fee due hereunder by direct payment out of the assets of the relevant Constituent Fund. The Approved Trustee shall also be entitled to deduct Administration Fee, Custodian Fee, and Investment Management Fee, which together with the Trustee Fee shall be known as “administrative expenses” from the relevant Constituent Fund. The Approved Trustee has the right to waive part or all of the administrative expenses in respect of such Employee, casual employee, self-employed person, Personal Account holder or Smart Easy Personal Contribution Account holder as the Approved Trustee deems fit. In respect of any increase in the administrative expenses from the current level up to the maximum level as stated in the Application of Participation, at least three (3) months prior written notice to all Employees, casual employee, self-employed persons, Personal Account holder or Smart Easy Personal Contribution Account holder must be given.

- 9.2 Subject to Clause 25.6, the administrative expenses shall be calculated on each Dealing Day at the applicable rate of the respective Constituent Fund. The aggregate sum of the administrative expenses shall be paid out of the assets of the relevant Member Fund Account on the last Business Day of each calendar month.
- 9.3 If the Approved Trustee or any of its Connected Person is the trustee of or otherwise participates in the management or administration of Constituent Fund or an APIF, nothing herein limits the fee of the Approved Trustee for such other responsibility or requires it to account therefor.
- 9.4 Subject to Clause 25.6, the administrative expenses shall be calculated on each Dealing Day and shall be accrued on a daily basis. The administrative expenses for the time being accrued but unpaid shall be credited to an account to be opened by the Approved Trustee for each Constituent Fund to be called the Management Account. Moneys standing to the credit of the Management Account shall not comprise part of the assets of the Fund and shall be paid out of the account on the last Business Day in each month.
- 9.5 Notwithstanding the above, the ability to charge administrative expenses for MPF conservative fund is subject to the provisions set out in the relevant Annexure on MPF conservative fund.

10. COSTS AND EXPENSES PAYABLE BY EMPLOYER

The Approved Trustee shall in addition to other fees chargeable or specified below be entitled to charge an Employer a fee of a specified sum of such rate as Annual Participation Fee from time to time which fee shall be specified in the Application of Participation and may vary for each Employer. The Annual Participation Fee if not waived, is payable by the Employer.

11. COSTS AND EXPENSES PAYABLE FROM THE SCHEME/ CONSTITUENT FUNDS

- 11.1 The Approved Trustee shall be entitled to receive for its own absolute use and benefit and in addition to the other fees due pursuant to these present a Membership Fee, the amount of which shall be specified in Application of Participation. Such fee shall be deductible from Member Fund Account on each Accounting Date and shall be pro-rated for any period of less than twelve (12) months. Notwithstanding anything herein, the Approved Trustee may waive the Membership Fee at his sole discretion as to part or whole.

11.2 Subject to section 34DD of the Ordinance and section 66 of the Regulation and the relevant guidelines, there may be payable out of the Scheme assets or where they relate to a particular Constituent Fund, out of that Constituent Fund, the following costs and expenses before calculating the Net Asset Value or declaring a rate of return of the Constituent Fund. The following costs and expenses are only deductible from the Scheme or the Constituent Fund if they are specified in the Application of Participation. The Approved Trustee may in its absolute discretion by giving three (3) months prior written notice to charge (if they are not already specified in the Application of Participation) or to waive any or all of the costs and expenses (if they are specified in the Application of Participation) by amending the Application of Participation.

(a) Costs and expenses incurred at Scheme level (They will be charged in proportion to the asset size of the Constituent Funds):

- (i) the reasonable fees and expenses of auditors;
- (ii) subject to section 34DD of the Ordinance and section 66 of the Regulation, all costs and expenses including legal fees of the Approved Trustee of and incidental to preparing any documents for obtaining registration with the Authority and/or for the purpose of securing that the Scheme conforms to any law ordinance legislation (except the levy payable to the Compensation Fund set up by the Authority), which costs and expenses shall be amortized over a period of five (5) years from the Commencement Date or such shorter period as the Approved Trustee in consultation with the auditor may determine;
- (iii) application fee of the Scheme and annual registration fee of the Scheme chargeable by the Authority;
- (iv) the premiums and all other costs and expenses of insurance effected for the Approved Trustee and/or the Scheme, such cover may be required by law or at the discretion of the Approved Trustee;
- (v) all costs and expenses including legal fees of the Approved Trustee of and incidental to the preparing of any amendment, variation or supplemental for the purpose of securing that the Scheme conforms to any law ordinance legislation or such part thereof as the Approved Trustee determines to be payable from the Scheme assets;

- (vi) costs and expenses of the Approved Trustee in giving notices to Employer, Member and Personal Account holder where required by any provision of these presents;
 - (vii) any legal or other fees or out of pocket expenses of the Approved Trustee relating to the transfer of accrued benefits of any Member to other registered schemes, as is permitted by law;
 - (viii) any costs and expenses properly payable on and in connection with the winding up, merger or division of the Scheme; and
 - (ix) any other costs and expenses incurred by the Approved Trustee wholly and exclusively for the benefit of the Scheme.
- (b) Costs and expenses incurred at Constituent Fund level:
- (i) the reasonable fees and charges of auditors
 - (ii) all costs and expenses including legal fees in connection with establishing the Constituent Funds and all costs and expenses incurred by the Approved Trustee in seeking and obtaining authorisation of the Constituent Funds from the relevant authorities which costs and expenses shall be amortized over a period of five (5) years from the Commencement Date or such shorter period as the Insurer in consultation with the auditors may determine;
 - (iii) all stamp duty and other fiscal charges payable from time to time on or in respect of these present;
 - (iv) all taxes, governmental charges, (except the levy payable to the Compensation Fund set up by the Authority) brokerage in relation to acquisition or disposal of securities, bank charges, transfer fees, registration fees and other duties; and charges arising on any purchase or sale of investments or deposits;
 - (v) all expenses including postage and telex and telephone costs incurred in the acquisition or disposal of any investment or deposit or the placing or uplifting of any deposit;
 - (vi) all postage, telex and telephone costs incurred by the Approved Trustee in obtaining investment advice;

- (vii) all interest paid on borrowings made on behalf of the Constituent Funds, if any;
 - (viii) the cost of printing any reports, accounts or notice and circulating the same, the postal charge incurred in communication with Employers and Members (if required) and advertising expenses relating thereto;
 - (ix) all foreign exchange costs and expenses incurred in connection with the investment of the Fund in cash or investments or deposits and the changing and realising thereof from time to time;
 - (x) for safe custody of assets of the Fund and such charges other than the custodian fees;
 - (xi) all legal fees and expenses properly incurred by the Approved Trustee wholly and exclusively in the performance of its duties under these presents and for the benefit of the Fund including those incurred in the interpretation or amendment of these presents or in connection with any endorsement made to alter, modify, or vary the provisions of these presents or in enabling the Fund to conform to legislation enacted after the date hereof;
 - (xii) the cost of arranging publication of Unit prices or rate of returns in such newspapers as is required by these presents and such other newspaper as the Approved Trustee may consider appropriate and of any notice required to be given by these presents.
- (c) (i) Notwithstanding Clauses 11.2(a) and (b), the total amount of all payments that are charged to or imposed on the Constituent Fund of the Default Investment Strategy, or a Member who invests in the Constituent Fund of the Default Investment Strategy, for out-of-pocket expenses incurred by the Approved Trustee on a recurrent basis in the discharge of the Approved Trustee's duties to provide services in relation to the Constituent Fund of the Default Investment Strategy, when it is expressed as a percentage of the net asset value of the Constituent Fund of the Default Investment Strategy shall not, in a single year, exceed the percentage specified in section 2 of Schedule 11 of the Ordinance.
- (ii) For the purpose of Clause 11.2(c) "out-of-pocket expenses" shall have the same meaning as defined in section 34DA of Division I of Part 4AA of the Ordinance.

- 11.3 Where any of the costs and expenses specified in the above relate to one or more Constituent Funds then all such costs and expenses shall be paid out of that part of the assets comprising the relevant Constituent Funds.
- 11.4 Subject to section 34DD of the Ordinance and section 66 of the Regulation and the relevant guidelines, all costs and expenses payable out of the Constituent Fund may be charged against the income of the Constituent Fund or the capital or partly one and partly the other as the Approved Trustee may from time to time determine.
- 11.5 The following must not be paid from the Scheme's assets: -
- (a) expenses arising out of any advertising or promotional activities in connection with the Scheme;
 - (b) expenses which are not ordinarily paid from the assets of Schemes authorized in Hong Kong; and
 - (c) expenses which have not been disclosed herein and the principal brochure of the Scheme.
- 11.6 The maximum fees that may be charged for the Constituent Fund and/or APIF will be disclosed in the principal brochure of the Scheme.

11A. NO FEES FOR TRANSFER OF ACCRUED BENEFITS

Section 34 of the Regulation will apply to the Scheme. Any necessary transaction costs imposed and received under section 34 of the Regulation must be used to reimburse the relevant Constituent Fund.

12. APPOINTMENT OF INVESTMENT MANAGER

- 12.1 Pursuant to Section 44(2) of the Regulation, the Approved Trustee does not have to appoint any Investment Manager to manage the Constituent Fund of the Scheme if-
- (a) the accrued benefits of the Constituent Fund are only invested in a single APIF, or in a single approved index-tracking collective investment scheme, that is specified in the principal brochure of the Scheme;
 - (b) or the Approved Trustee has obtained the prior approval of the Authority that compliance with section 44(1) of the Regulation is not required in relation to the Constituent Fund.

The Approved Trustee however reserves the right to appoint Investment Manager from time to time as and when the situation requires by way of a written investment management contract incorporating Schedule 2

of the Regulation and in which event, the Approved Trustee will ensure that the Investment Manager is independent of the Approved Trustee and the Custodian and of any delegates of the Custodian and the Investment Manager meets the requirement of sections 44(3) and 45 of the Regulation.

For the purpose of this clause, “approved index-tracking collective investment scheme” means an index-tracking collective investment scheme within the meaning of section 1 of Schedule 1 to the Regulation that is approved by the Authority for the purposes of section 6A of that schedule.

12.2 INVESTMENT MANAGEMENT FEE

- (a) The Investment Manager shall subject to the consent of the Approved Trustee be entitled to charge a fee upon the making of any Contributions or any purchase of Units of an amount as specified in the provisions governing the Constituent Funds as contained in the Annexure (“Investment Management Fee”).
- (b) The Investment Manager shall be entitled to receive for its own absolute use and benefit the Investment Management Fee out of the assets of the Constituent Fund provided that it may be waived as to part or all of it as specified in the Application of Participation.
- (c) The Investment Manager may differentiate between Employers and Members as to the rate or scale of rates of the Investment Management Fee to be made which shall be as specified in the Application of Participation provided that such rate shall not exceed the maximum rate specified above.
- (d) The Investment Manager may, subject to the consent of the Approved Trustee increase the rate of the Investment Management Fee by giving not less than three (3) month's written notice to the Employer and Members affected thereby and decrease the same by notice given to the Employers and Members affected thereby.

13. INVESTMENT POWER

13.1 The Approved Trustee and the Investment Manager if any, may only invest the funds of the Scheme: -

- (a) in the investments permitted under Part V and Schedule 1 of the Regulation; and
- (b) in accordance with that Part and that Schedule.

13.2 The Approved Trustee and the Investment Manager, if any, may invest the Contributions in restricted investments: -

- (a) only in so far as the Approved Trustee is not prohibited by the Regulation from investing those benefits in those investments; or
- (b) if the Approved Trustee is not so prohibited, only in accordance with such limitations and conditions as are prescribed by the Regulation.

13.3 For the purpose of this clause “restricted investments” means any investments in respect of an Employer (or an associate of an Employer) who is employing Members, comprising: -

- (a) loans to that Employer or associate, as the case may be, other than loans made by way of deposits with authorized institutions within the meaning of the Banking Ordinance (Cap.155);
- (b) shares or other securities of, or issued by, that Employer or associate, as the case may be.

14. INVESTMENT RESTRICTIONS

14.1 RESTRICTIONS ON ENTERING INTO REPURCHASE AGREEMENTS

- (a) The funds of the Scheme are not to be applied for the purpose of entering into a repurchase agreement unless the agreement is entered into by the Custodian.
- (b) For avoidance of doubt, the authority to enter into repurchase agreements in respect of the Scheme is delegated to the Custodian and is included in the custodial agreement entered into with the Custodian.
- (c) In relation to any Constituent Fund of the Scheme-
 - (i) a repurchase agreement relating to assets of the Constituent Fund is entered into only if the amount of the consideration (including the value of any collateral security) given for the relevant security exceeds the value of the security; and
 - (ii) no more than 10 per cent of the assets of the Constituent Fund are the subject of repurchase agreements at any one time; and

- (iii) no more than 50 per cent of the securities of the same issue held among the assets of the Constituent Fund are the subject of repurchase agreements at any one time.
- (d) The Approved Trustee must ensure that the Scheme assets are not the subject of a reverse repurchase agreement.
- (e) For the purposes of this clause:
 - (i) a repurchase agreement, in relation to the Approved Trustee is an agreement under which the Approved Trustee agrees to sell a debt security to a person and to repurchase it from that person at a specified date in the future for an agreed price, subject to the amount of consideration (including the value of any collateral security) provided by that person during the period of the agreement; and
 - (ii) a reverse repurchase agreement, in relation to the Approved Trustee, is an agreement under which the Approved Trustee agrees to buy a debt security from a person and to resell it to that person at a specified date in the future for an agreed price.

14.2 RESTRICTIONS ON LENDING OF SCHEME SECURITIES

- (a) No securities held in respect of the Scheme are to be lent (whether with or without consideration) except in accordance with an agreement entered into by the Custodian and borrower of the securities.
- (b) For avoidance of doubt, the authority to enter into security lending agreements in respect of the Scheme is to be delegated to a Custodian and is included in the custodial agreement entered into with the Custodian.
- (c) In relation to any Constituent Fund of the Scheme
 - (i) a security lending agreement relating to securities held in respect of the Constituent Fund is entered into only if the amount of the consideration (including the value of any collateral security) given for the securities exceeds the value of those securities; and
 - (ii) no more than 10 per cent of the assets of the Constituent Fund are the subject of security lending agreements at any one time; and

- (iii) no more than 50 per cent of the same issue, or of the same kind, held in respect of the Constituent Fund are the subject of security lending agreements at any one time.
- (d) For the purposes of this clause, a security lending agreement is an agreement under which one party to the agreement agrees to lend a security to another party to the agreement in consideration for the payment of a fee and a collateral security.

14.3 FINANCIAL FUTURES CONTRACTS AND FINANCIAL OPTION CONTRACTS

- (a) The Approved Trustee must ensure that the funds of the Scheme are not applied for the acquisition of financial futures contracts or financial option contracts, unless there is established and maintained in respect of the Scheme an effective system for monitoring the risks inherent in dealing in contracts of those kinds.
- (b) If financial futures contracts or financial option contracts are acquired for the purposes of the Scheme and the Investment Manager has been appointed in respect of the Scheme, the Approved Trustee will ensure that the Investment Manager, and where the Investment Manager has delegated any of its functions, the delegate, provide written reports to the Approved Trustee at regular intervals with respect to the performance of those contracts. Those reports must include particulars as to the extent to which the funds of the Scheme are exposed to the risk of incurring losses because of the holding of those contracts.
- (c) In the case of a Constituent Fund acquiring financial futures and option contracts for purposes other than hedging, the Approved Trustee will ensure that itself and the Investment Manager have the relevant experience in administering and managing futures and options funds recognized by the SFC.

15. STATEMENT OF INVESTMENT POLICY

The investment policy of the Scheme is collectively reflected by the investment objectives of each of the Constituent Funds which the Approved Trustee may change from time to time provided that the Employer and Member are given not less than one (1) month's notice (or such period of notice as the Authority and/or the SFC may require) of any change of the respective investment policy of the respective Constituent Funds if such change is in the opinion of the Approved Trustee material.

16. CONTROL OBJECTIVES AND INTERNAL CONTROL PROCEDURES

- 16.1 The Approved Trustee shall ensure that control objectives that comply with section 39 of the Regulation are established for the Scheme and be maintained at all times while the Scheme is registered.
- 16.2 Internal control measures for achieving the control objectives of the Scheme are established and are maintained and complied with at all times while the Scheme is registered.
- 16.3 The control objectives and internal control measures established and maintained for the Scheme may be amended, and fresh control objectives or internal control measures may be substituted, as and when deemed necessary by the Approved Trustee.

17. CONSTITUENT FUNDS

17.1 CREATION OF CONSTITUENT FUND

The Approved Trustee hereby creates and establishes the following Constituent Funds. Subject to obtaining the necessary prior approval from the Authority and SFC, the Approved Trustee may with or without the advice of the Investment Manager create and establish such further Constituent Funds as it may deem fit from time to time. The Approved Trustee shall give such notice or marketing materials containing such information (including but not limited to the following) relating to the Constituent Fund to all Employers and Members as required by law or otherwise as the Approved Trustee deems appropriate:

- (a) the name or any change of name of the Constituent Fund;
- (b) the investment objective and policy of the Constituent Fund as determined by the Investment Manager;
- (c) other such matters that are required to be disclosed under any law or regulation.

17.2 CHOICE OF CONSTITUENT FUNDS

- (a) All Constituent Funds herein shall be denominated in Hong Kong Dollars and each of the Constituent Fund may maintain an internal portfolio by investing in permissible investment in accordance with section 2-5 and 7-16 of Schedule 1 to the Regulation or may invest in one or more APIFs;
- (b) All Constituent Funds and the Default Investment Strategy of the Scheme shall be made available to all Members. The

Approved Trustee and any Employer of the Scheme are not allowed to restrict the Member to only some of the Constituent Funds.

- (c) (i) Members shall be given the right to place or transfer 100% of their accrued benefits of Mandatory Contributions, Voluntary Contributions and special contributions into any one of the Constituent Funds within the Scheme or the Default Investment Strategy of the Scheme.
- (ii) Members are entitled to place or transfer all their accrued benefits of Smart Easy Personal Contributions into any Constituent Funds within the Scheme or the Default Investment Strategy of the Scheme except the following Constituent Fund: China Life Joyful Retirement Guaranteed Fund in clause 18A(e) below. The conditions for investment of Smart Easy Personal Contributions into China Life Joyful Retirement Guaranteed Fund are specified in the principal brochure of the Scheme.
- (d) If the Constituent Funds herein take the form of internal portfolios, feeder funds and/or portfolio management funds, Member choice is not available at the APIF level.

17.3 RESTRUCTURING OR TERMINATION OF CONSTITUENT FUND

- 17.3.1(a) Subject to any applicable regulatory requirements and any necessary regulatory approvals, the Approved Trustee may from time to time determine that any Constituent Fund (“Terminating Fund”) shall cease to be such by giving not less than three (3) months’ notice to each Employer and each Member (or such other period of notice as the Authority and/or the SFC may require) that, on the date specified in such notice (“Fund Termination Date”), such Terminating Fund shall cease to be a Constituent Fund and no further Contributions, Smart Easy Personal Contributions or other moneys may be invested therein. .
- (b) Where the Approved Trustee makes a determination pursuant to this Clause, the followings shall apply:-
 - (i) where any Units relating to the Terminating Fund are credited to the account of any Member, the relevant Member shall be entitled to give a Notice of Switching prior to such date as the Approved Trustee may determine directing the Approved Trustee to realize such Units and invest the proceeds of realization into such other Constituent Fund(s) as the relevant Member may specify;
 - (ii) where a Member’s choice specified in the Application of Participation directs the investment of all or part of the

Contributions by or in respect of a Member in the Terminating Fund, the relevant Member shall be entitled to give a new Notice of Switching prior to such date as the Approved Trustee may determine directing the Approved Trustee to invest future Contributions in such other Constituent Fund or Constituent Funds as the relevant Member may specify;

- (iii) a relevant Member who fails to give a Notice of Switching in accordance with Clause 17.3.1(b)(i) above shall be deemed to have given a Notice of Switching to realize such Units and invest the proceeds of realization into
 - (1) a Constituent Fund comparable to the Terminating Fund as determined by the Approved Trustee. The Approved Trustee shall take into account the factors including but not limit to the investment policies and objectives, risk level and fund type etc. in determining a comparable Constituent Fund.
 - (2) The Default Investment Strategy in case there are no Constituent Funds comparable to the Terminating Fund.

Written notice of the above deemed instructions shall be given by the Approved Trustee to the relevant Member as soon as practicable;

- (iv) a relevant Member who fails to give a new Notice of Switching in accordance with Clause 17.3.1(b)(ii) above shall be deemed to have given a new Notice of Switching in the same terms as the previous Notice of Switching, except that references to investing in the Terminating Fund shall be construed as references to investing in
 - (1) a Constituent Fund comparable to the Terminating Fund as determined by the Approved Trustee. The Approved Trustee shall take into account the factors including but not limit to the investment policies and objectives, risk level and fund type etc. in determining a comparable Constituent Fund.
 - (2) The Default Investment Strategy in case there are no Constituent Funds comparable to the Terminating Fund.

Written notice of the above deemed instructions shall be given by the Approved Trustee to the relevant Member as soon as practicable;

- (c) The Approved Trustee shall in any event not later than 7 Business Days after receipt of Notice of Switching or in the case of deemed receipt of Notice of Switching on the effective date of termination of the Constituent Fund under Clause 17.3.1(b), update Member's choice or realize or redeem all the Units relating to the Terminating Fund in accordance with Clause 21.4 and invest the proceeds of realization or redemption as specified in the Notice of Switching in such other Constituent Fund or Constituent Funds within the time limit stipulated in the notice to the Employers and Members under Clause 17.3.1(a).
- (d) Subject to any applicable regulatory requirements and any necessary regulatory approvals, a Constituent Fund which is a feeder fund shall terminate on the restructuring or termination of the APIF in which such Constituent Fund invests unless the Approved Trustee determines that such Constituent Fund shall invest in some other APIF and the Approved Trustee has obtained the approval of the Authority and the SFC of such act. So far as is practicable, the provisions of this Clause 17.3 shall apply in respect of such termination.

17.3.2 Subject to any applicable regulatory requirements, any necessary regulatory approvals and proper arrangements are in place for the Employers and Members, the Approved Trustee may from time to time determine that any Constituent Fund shall be restructured by giving not less than three (3) months' notice to each Employer and each Member (or such other period of notice as the Authority and/or the SFC may require).

17.4 FINANCIAL PERIOD

The financial period of a Constituent Fund shall coincide with that of the Scheme.

18. AVAILABLE INVESTMENT ARRANGEMENT

18A. TYPES OF CONSTITUENT FUNDS

The Scheme consists of the following Constituent Funds available for investment by Members. The particulars of which are set out below.

- (a) China Life MPF Conservative Fund

The detailed provisions of the fund, subject to the provisions of section 37 of the Regulation are set out in the Annexure A.

- (b) [deleted]

- (c) China Life Balanced Fund

The detailed provisions of which are set out in the Annexure C.

(d) China Life Growth Fund

The detailed provisions of which are set out in the Annexure D.

Pursuant to clause 17.1, the followings have been established as further Constituent Funds of the Scheme:

(e) China Life Joyful Retirement Guaranteed Fund

The detailed provisions of which are set out in the Annexure E.

(f) China Life Retire-Easy Global Equity Fund

The detailed provisions of which are set out in the Annexure F.

(g) China Life Hong Kong Equity Fund

The detailed provisions of which are set out in the Annexure G.

(h) China Life Age 65 Plus Fund

The detailed provisions of which are set out in the Annexure H.

(i) China Life Core Accumulation Fund

The detailed provisions of which are set out in the Annexure I.

18B. DEFAULT INVESTMENT STRATEGY

The Default Investment Strategy of the Scheme are available to all Members for selection as an investment arrangement in addition to Clause 18A above. China Life Age 65 Plus Fund and China Life Core Accumulation Fund constitute the Default Investment Strategy of the Scheme and shall be invested in accordance with Part IV of the Governing Rules and other applicable statutory and regulatory codes and guidelines. Detailed provisions of the Default Investment Strategy are set out in Part IV of the Governing Rules, Annexure H, Annexure I and the principal brochure of the Scheme respectively.

19. ALLOCATION OF ASSET, INCOME AND COSTS TO CONSTITUENT FUNDS

19.1 CASH ACCOUNT

Subject to section 66A of the Regulation, contributions received at any time shall be deposited in an interest bearing cash account of the

Scheme opened at the sole discretion of the Approved Trustee with any licensed bank in Hong Kong Special Administrative Region pending investment into the Constituent Funds on their respective Dealing Days. The Contributions so deposited shall attract a saving interest which shall be used to defray costs and expenses payable under clause 11 hereof.

19.2 SEPARATION OF ASSETS

All Contributions or other monies or assets to be held as allocated to a Constituent Fund shall be transferred to and /or paid into and allocated thereto separately from the assets of any other Constituent Fund. All income or other monies attributable to the Constituent Fund shall be allocated to that Constituent Fund together with all costs, expenses and liabilities related thereto. The Approved Trustee shall ensure that records are kept such that the assets and liabilities of a Constituent Fund are distinguished from the other Constituent Funds.

19.3 COST ALLOCATION

Where a part of the Contributions is applied for the purchase of Units of a Constituent Fund, then such sum shall be applied to form part of the asset of a relevant Constituent Fund and thereafter all assets and liabilities and income and expenditure attributable thereto shall be applied to such Constituent Fund. Where a liability arises or any cost and expense is incurred in respect of the Constituent Funds, it shall be allocated to that Constituent Funds as in these presents expressly provided or if there is no such provision, as the Approved Trustee in its absolute discretion thinks fit in the circumstances with power for the Approved Trustee to vary such allocation from time to time.

20. EXPLANATORY DOCUMENT ON CONSTITUENT FUND

- 20.1 The Approved Trustee shall provide or cause to provide the Members a principal brochure describing the investment objective and policy and other features of each Constituent Fund. Such document may be revised as appropriate and shall be re-issued and provided to such Member upon any principal brochure being superseded by a new principal brochure by reason of material changes in the information previously provided. New principal brochure may be issued when a new Constituent Fund is established and offered for choice by Members.
- 20.2 The Approved Trustee shall not invite or cause to invite application to adopt the Scheme without accompanying the Application of Participation form, the principal brochure authorized by SFC. On request of any Member, the Approved Trustee shall provide a copy of such principal brochure to the Member.

21. OPERATION OF CONSTITUENT FUNDS

21.1 UNITIZATION OF THE CONSTITUENT FUND

All Constituent Funds created or to be created herein shall be unitized except for those which are non-investment linked and providing investment guarantees, which may or may not be unitized.

(a) Initial Offers

If an initial offer is made in respect of any Constituent Fund, no investment of Contributions can be made until the conclusion of the first issue of Units at the Unit Price.

(b) Valuation & Pricing

(i) Offer and Redemption Prices in respect of a unitized Constituent Fund will be calculated on the basis of its Net Asset Value divided by the number of Units outstanding.

(ii) Pricing of all unitized Constituent Funds is on a forward basis.

(iii) Subject to the provisions of these presents, all Contributions shall be allocated as soon as possible on receipt by the Approved Trustee for the issue of Units of the relevant Constituent Funds.

(iv) Fractional parts of a Unit may be issued. Fractional parts shall be rounded down to four (4) decimal places. The amount of any rounding of fractional parts of Units shall be retained for the benefit of the Constituent Fund and shall form part of the assets of the Constituent Fund.

(c) Calculation of Unit Price

The Unit Price of a Unit of a Constituent Fund on the establishment of every Constituent Fund under the Scheme from time to time shall initially be Ten Dollars (HK\$10) and thereafter shall be determined by the Approved Trustee on each Dealing Day for that Constituent Fund by dividing the Net Asset Value after deducting the administrative expenses as referred to in clause 9 by the number of Units in issue in that Constituent Fund on that Dealing Day (which shall include all Units of that Constituent Fund to be redeemed on that Dealing Day

and exclude all Units of that Constituent Fund to be issued on that Dealing Day).

(d) Pricing Errors

If an error is made in the pricing of units for a unitized Constituent Fund, the error will be corrected as soon as possible and any necessary action should be taken to avoid further error. If the error results in an incorrect price of 0.5% or more of the Constituent Fund's Net Asset Value per unit, the Authority must be informed immediately. In such a case, Members will be compensated as follows, unless determined otherwise by the Approved Trustee with justification to the Authority:

- (i) where total loss to each individual Member (either purchasing or redeeming) is more than HK\$100 or such lesser amount as the Approved Trustee may decide, Members should be compensated in such manner as the Approved Trustee should determine; and
- (ii) where the loss is to the Approved Trustee or other service providers, no compensation should be paid.

21.2 ISSUE OF UNITS

- (a) On each Dealing Day, the Approved Trustee shall calculate the Unit Price and Offer Price of Units (which shall be rounded off to the nearest four (4) decimal places) of each unitized Constituent Fund on the relevant Dealing Day. The calculation of the Unit Price and the Offer Price are set out respectively in each unitized Constituent Fund as contained in the Annexure.
- (b) The Approved Trustee shall divide the Contribution for each Constituent Fund by the Offer Price applicable to the relevant Constituent Fund on the relevant Dealing Day and shall issue such number of Units to the relevant Member Fund Account of the relevant Constituent Fund as equal to the resultant quotient adjusted to the correct fraction as referred to above.
- (c) The Approved Trustee shall divide the redemption money arising from Switching for each Constituent Fund by the Offer Price applicable on the relevant Dealing Day and shall issue such number of Units to the relevant Member Fund Account of the relevant Constituent Fund as equal to the resultant quotient adjusted to the correct fraction as referred to above.
- (d) If the Contribution is received on a Dealing Day by 4:00 p.m., it will be processed on the same Dealing Day and notwithstanding any other circumstances whether or not within the

reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. If the Contribution is received after 4:00 p.m. on a Dealing Day, it will be processed on the next Dealing Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such, and if that day is not a Dealing Day, then the money will be kept in the Cash Account referred to in clause 19.1 prior to issue of Units on the next Dealing Day. Units will be issued as soon as practicable after completion of processing.

- (e) On any Dealing Day on which Units are issued, the Approved Trustee shall calculate the amount of any Investment Management Fee due to the Investment Manager in respect of purchase of Units in that Constituent Fund. The Approved Trustee shall pay the same out of the assets of the Constituent Fund to the Investment Manager at such times as are agreed with the Investment Manager.

21.3 REDEMPTION OF UNITS

- (a) Where a Member is in accordance with these presents to redeem Units in any Constituent Fund for any reason, he shall give notice to the Approved Trustee by reference to the number of Units or by reference to the number of Units necessary to produce certain redemption proceeds or both.
- (b) Notice of Redemption of Units shall be given only in writing and in such manner as provided in clause 21.4(b) below.
- (c) On the Dealing Day on which a redemption is to take effect, the Approved Trustee shall calculate the amount due on the redemption of the relevant Units in accordance with the provisions herein.

21.4 CALCULATION OF REDEMPTION PRICE

- (a) The Approved Trustee shall calculate the Redemption Price of a Unit of any unitized Constituent Fund on the relevant Dealing Day are set out respectively in each unitized Constituent Fund as contained in the Annexure.

The amount due where redemption is by reference to a number of Units shall be the Redemption Price multiplied by the number of Units to be redeemed and rounded off to the nearest two (2) decimal places. Roundings shall be retained for the benefit of the Constituent Fund. Where notice of redemption is given by reference to a stated redemption value the number of Units or fractions thereof to be redeemed shall be determined by the

Approved Trustee by dividing the stated redemption value by the applicable Redemption Price.

(b) Redemption of Units

- (i) Any Member wishing to redeem all or any of his Units shall give a Notice of Redemption to that effect to the Approved Trustee. If a valid Notice of Redemption is received by 4:00 p.m. on a Dealing Day, the Approved Trustee shall process the Notice of Redemption on the same Dealing Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. If a valid Notice of Redemption is received after 4:00 p.m. of a Dealing Day or on a day which is not a Business Day, the Approved Trustee shall process the Notice of Redemption on the next Dealing Day or the first Dealing Day following the day which is not a Business Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. The maximum interval between the receipt of a Notice of Redemption and the payment of the redemption money may not exceed one calendar month.
- (ii) On the Dealing Day on which a redemption is to take effect, the Approved Trustee shall calculate the amount due on the redemption of the Units in accordance with the provisions herein.
- (iii) Subject to section 169 of the Regulation, a receipt signed or purported to be signed by the Member for any moneys payable upon the redemption in respect of any Unit held by him shall be a good discharge thereof to the Approved Trustee.

(c) Restrictions on Redemption

Notwithstanding anything herein, the Approved Trustee shall, prior to dealing with any redemption, calculate whether or not, after taking into account all Units to be issued on the Redemption Date and all redemptions to be effected on that day, the number of Units which will be in issue on the following day will be less than Ninety percent (90%) of the Units in issue on the Redemption Date. If the percentage is equal to or more than Ninety percent (90%) then the redemption of Units shall take effect accordingly. If the percentage is less than Ninety percent (90%), then the Approved Trustee may limit the number of Units to be redeemed on that day to ten per cent (10%) of the total

number of Units which will be in issue before taking into account all Units to be issued on the Redemption Date and all redemptions which will be effected on that date and such limitation will then be applied pro rata to all Members who have given a Notice of Redemption so that the proportion of Units of each Member as contained in the Notice of Redemption to be redeemed shall be the same.

Any Units which under this clause are not redeemed shall be carried forward and redeemed on the next Dealing Day.

21.5 NON-UNITIZED CONSTITUENT FUND

- (a) For non-unitized Constituent Fund, the Member Fund Account will be credited with investment returns at least once a month. At the end of each financial period, or such shorter period as the Approved Trustee shall decide and specified in the provisions of the Constituent Fund as contained in the Annexure hereto the Member Fund Account may be credited with a declared rate of interest, (to be prorated if less than a year) which rate shall not be less than the guaranteed rate of interest or a declared investment return as the case may be as set out in the provisions of Constituent Fund as contained in the Annexure hereto.
- (b) Withdrawal from Non-Unitized Constituent Fund
 - (i) Any Member wishing to withdraw all or any of the Accumulation in his Member Fund Account shall give a Notice of Withdrawal to that effect to the Approved Trustee. If a valid Notice of Withdrawal is received by 4:00 p.m. on a Dealing Day, the Approved Trustee shall process the Notice of Withdrawal on the same Dealing Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. If a valid Notice of Withdrawal is received after 4:00 p.m. of a Dealing Day or on a day which is not a Business Day, the Approved Trustee shall process the Notice of Withdrawal on the next Dealing Day or the first Dealing Day after the day which is not a Business Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. The maximum interval between the receipt of a Notice of Withdrawal and the payment of the withdrawal money may not exceed one calendar month.

- (ii) On the Dealing Day on which a withdrawal is to take effect, the Approved Trustee shall calculate the amount due in accordance with the provisions of the relevant Constituent Fund.
- (iii) Subject to section 169 of the Regulation, a receipt signed or purported to be signed by the Member for any moneys payable upon withdrawal shall be a good discharge thereof to the Approved Trustee.

(c) Restrictions on Withdrawal

The Approved Trustee shall, prior to dealing with any withdrawal, calculate whether or not, after withdrawal the balance of the aggregate Accumulation in all Member Fund Accounts on the day following withdrawal will be less than Ninety percent (90%) of the aggregate Accumulation on the withdrawal date. If the percentage is equal to or more than Ninety percent (90%), then the withdrawal shall take effect accordingly. If the percentage is less than Ninety percent (90%), then the Approved Trustee may limit the amount to be withdrawn on that Dealing Day to ten per cent (10%) of the aggregate Accumulation on the said Dealing Day and such limitation will then be applied pro rata to all Members who have given a notice of withdrawal so that each Member shall be entitled to withdraw the same proportion of the amounts as contained in their notices.

Any balance amount which are to be withdrawn under this clause shall be carried forward and withdrawn on the next Dealing Day.

21.6 CALCULATION OF NET ASSET VALUE

(a) Net Asset Value

Subject to the provisions herein, on each Dealing Day, the Investment Manager shall calculate the Net Asset Value by ascertaining the gross asset value of the Constituent Fund and making the Deductions hereinafter referred to as at the Dealing Day on which the calculation is being made. In calculating Net Asset Value, investments agreed to be purchased or sold where the purchase or sale has not been completed shall be deemed included or excluded from the Constituent Fund and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed.

(b) Gross Asset Value

Subject as otherwise provided in this clause, gross asset value is calculated by valuing the assets of the Constituent Fund as follows: -

- (i) Investments for which prices are quoted on a market shall be valued at the latest traded price for an amount equal to that of the relevant investment or such amount of the relevant investment as in the opinion of the Investment Manager gives a fair criterion on the relevant market;
- (ii) Deposits shall be valued at face value;
- (iii) Interest, discount and similar income and returns shall be deemed to accrue from day to day. Dividends shall be deemed to be received on the date on which the relevant investment is first quoted before the dividend or interest payment accrued. The value of any accounts receivable, prepaid expenses, and cash dividends and interest declared or accrued and receivable but not yet received shall be deemed to be the full amount thereof unless Investment Manager shall determine that less than the full amount is likely to be received. In such case, the Investment Manager shall determine the reasonable value thereof;
- (iv) the amount of any taxation relating to the income of the Fund shall be taken into account;
- (v) Contribution received in respect of Units not already in issue (which shall include Units to be issued with effect from the Dealing Day on which the calculation of Net Asset Value is being made) shall not be taken into account.

(c) Valuation of Unquoted Securities

The value of investments not listed or quoted on a recognized market should be determined on a regular basis by an independent professional valuer approved by the Approved Trustee as qualified to value such investment. Such professional person may, with the approval of the Approved Trustee, be the Investment Manager.

(d) Deductions

From the gross asset value of the Constituent Fund determined in accordance with the provisions of this clause, there shall be deducted to give the Net Asset Value: -

- (i) the amount of costs and expenses payable from the Scheme and Constituent Fund as referred to in clause 11 herein and any liabilities including any contingent or

unascertained liabilities for which the Approved Trustee shall consider it prudent to provide but excluding any liability to pay moneys in respect of which Notices of Redemption or withdrawal have been received but which are to take effect in accordance with these presents on the relevant Dealing Day and also excluding any liability taken into account where investments have been agreed to be purchased or sold. The extent of such provisions shall be determined by the Approved Trustee upon advice of the Investment Manager;

(e) Currency Conversion

Any valuation (whether of a liability or of an investment or cash) expressed otherwise than in Hong Kong Dollars shall be converted, so as to be expressed in Hong Kong Dollars, at the rate (whether official or otherwise) which the Investment Manager, after consulting with the Approved Trustee shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to the costs of exchange.

21.7 DEALING

(a) All dealings shall be done on each Dealing Day.

(b) Changes to Dealing

A permanent change in the method of dealing may only be made after giving one month's written notice to all Members.

(c) Temporary change may only be made:

(i) in exceptional circumstances, having regard to the interests of Members;

(ii) the possibility of a change and the circumstances in which it can be made have been fully disclosed in the offering document; and

(iii) with the approval of the Approved Trustee.

(d) Suspension of Dealings in Units in Unitized Constituent Fund and payment and withdrawal of Non-Unitized Constituent Fund

Subject to the Ordinance, the Approved Trustee may at exceptional circumstances and having regard to the interest of the Members suspend issues and redemptions of Units of unitized Constituent Fund and payment in or withdrawal of non-unitized Constituent Fund: -

- (i) during any period when any stock market or other markets in which investments for the time being comprised in and forming a material part of the assets of the Constituent Fund are quoted, listed or dealt in, is closed otherwise than for ordinary holidays or when any dealings on any such market are restricted or suspended;
 - (ii) during the existence of any state of affairs as a result of which the acquisition of investments or the making of deposits for the assets of the Constituent Fund or the disposal of investments or the uplifting of deposits for the time being comprised in the assets of the Constituent Fund cannot in the opinion of the Investment Manager be effected normally or without seriously prejudicing the interests of the Members;
 - (iii) during any breakdown in the means of communication normally employed in determining the value of the assets of the Constituent Fund or any material part thereof or when for any other reason the value of any investment or deposit for the time being representing a significant part of the value thereof, or the amount of any significant liability, cannot be promptly accurately ascertained;
 - (iv) during any period when the realisation of any investments or the uplifting of any deposits for the time being comprised in the assets of the Constituent Fund or the transfer of funds involved in such realisation cannot in the opinion of the Investment Manager be effected at normal prices or normal rates of exchange respectively;
 - (v) if the remittance of moneys involved in the subscription or redemption of Units of unitized Constituent Fund or in the payment in or withdrawal from the non-unitized Constituent Fund cannot be carried out without undue delay and at normal rates of exchange;
 - (vi) during any period of implementation of restructuring or termination of one or more Constituent Funds; or
 - (vii) in respect of a Constituent Fund which is a feeder fund, during any period when any dealings in the units of the APIF are suspended.
- (e) Except Clause 21.7(d)(vi), the Approved Trustee shall forthwith give notice to the Authority upon determining that a suspension shall be made. Such suspension shall take effect immediately. During the period of suspension, the Net Asset Value shall not be determined and no issues or redemptions of Units of

unitized Constituent Fund and no payment in or withdrawal from non-unitized Constituent Fund shall be made or agreed to be made and payment of the Redemption Price or withdrawal has not been paid, may be deferred.

- (f) Except Clause 21.7(d)(vi), the Investment Manager shall determine when the suspension shall cease, shall give notice of the cessation of a suspension to the Employers and Members forthwith upon so determining and shall in any event so determine on the day following the first Business Day on which: -
 - (i) the condition giving rise to the suspension shall have ceased to exist; and
 - (ii) no other condition under which suspension is authorized hereunder shall exist.
- (g) Any suspension shall be consistent with such existing rules and regulations (if any) relating to the subject matter thereof as shall have been promulgated by the relevant authorities having jurisdiction over the Constituent Fund and as shall be in effect at the time. To the extent not inconsistent with such rules and regulations, and subject to the provisions of this clause, the determination of the Investment Manager as to the existence of any state of affairs or the seriousness thereof for the purpose of determining when issues and redemptions should be suspended and as to commencement or cessation of a suspension shall be conclusive.
- (h) The Investment Manager shall, as soon as may be practicable after the commencement of a suspension, cause a notice to be given to the Employer and Members whose applications to subscribe for or redeem Units of unitized Constituent Fund or to make payment in or withdrawal of non-unitized Constituent Fund shall have been affected by such suspension and shall place a notice at least once a month in the newspaper(s) in which Unit Prices are normally published stating that such suspension is in effect and the reason therefor. At the end of any period of suspension the Approved Trustee shall cause notice of the termination of suspension to be placed in such newspaper(s).
- (i) The Investment Manager may on any Dealing Day determine that from the time of its determination, that it shall cease to accept applications for Units and Notices of Redemption (or payment in or withdrawal) on that day if in the opinion of the Approved Trustee the Net Asset Value has materially changed since the last Dealing Day and the continued dealing in Units at that Offer Price and Redemption Price or continued acceptance of payment in or withdrawal may be prejudicial to the relevant Constituent Fund.

The Investment Manager shall give notice forthwith of any such determination to the Employer and Member. Any application for dealing of Units in an Unitized Constituent Fund (or payment in or withdrawal of a non-unitized Constituent Fund) received prior to the determination shall not be affected thereby.

21.8 PUBLICATION OF PRICE

The latest available Offer and Redemption prices or Net Asset Value per unit of unitized Constituent Funds must be published at least once a month in at least one leading English language and one leading Chinese language daily newspaper in Hong Kong.

21.9 ASSOCIATED AGENCY TRANSACTIONS

Each Constituent Fund whether or not managed by the Investment Manager shall observe S.47(5) of the Regulation.

21.10 [Deleted]

22. MEMBERS' CHOICE AS TO INVESTMENT

22.1 All Contributions, Smart Easy Personal Contributions (if any) and Tax Deductible Voluntary Contributions (if any) of Members shall be invested in accordance with the choice of the Members as specified in the Application of Participation. A Member may directly choose to invest either in one or more Constituent Funds under Clause 18A or the Default Investment Strategy in Clause 18B.

22.2 Unless there is only one Constituent Fund in existence, a Member shall give a Member's choice to take effect on the commencement of the Member's membership which shall apply from such date until any further choices are given by the Member. Any subsequent Member's choice may only be given in accordance with the provisions of these presents.

22.3 Subject to the provisions of this Deed, a Member may in respect of the Voluntary Contributions (made by himself or the Employer), Smart Easy Personal Contributions (made by himself) and/or Tax Deductible Voluntary Contributions (made by himself), exercise such investment choice as he deems fit.

22.4 A further choice shall take effect on expiry of the period of notice specified in the choice or, if none, on three (3) months' notice unless the Approved Trustee agrees to accept shorter notice on any occasion or these presents otherwise expressly provide.

23. SWITCHING

- 23.1 A switching between Constituent Funds shall only be done on a Dealing Day. A request for switching for all Constituent Funds must be given in the form of Notice of Switching to the Approved Trustee. If a valid Notice of Switching is received by 4:00 p.m. on a Dealing Day, the Approved Trustee shall process the Notice of Switching on the same Dealing Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, in any event not later than 7 Business Days after receipt of such. If a valid Notice of Switching is received after 4:00 p.m. on a Dealing Day, the Approved Trustee shall process the Notice of Switching on the next Dealing Day or the first Dealing Day following the day which is not a Business Day and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Approved Trustee, and in any event not later than 7 Business Days after receipt of such.
- 23.2 The interval between the receipt of a Notice of Switching between Constituent Funds and the completion of the switching must not exceed one month subject to the effective date in the request.

24. SWITCHING INSTRUCTIONS

24.1 Notice of Switching

Subject to Part IV of the Governing Rules, a switching instruction shall:

- (a) be given to the Approved Trustee in the form of Notice of Switching and be sent to the Approved Trustee at the address and in the manner as the Approved Trustee requires;
- (b) be irrevocable save as these presents provide for the giving of any subsequent switching instructions; and
- (c) be accompanied by payment of the switching fee (if any) due thereon.

24.2 LIMITS ON SWITCHING

Subject to the above, Member is entitled to give the number of switching instructions as specified in the Application of Participation in each financial period, if any in respect of his/her own choice. The Approved Trustee may vary the number (but in no event less than one switching in a year) of switchings by Member in a year.

25. INVESTMENT OF CONSTITUENT FUND

25.1 GENERAL REQUIREMENT

Any new Constituent Fund to be established in future may maintain an internal portfolio by investing in permissible investments in accordance with sections 2-5 and 7-16 of Schedule 1 to the Regulation, or may invest in one or more APIFs.

25.2 INVESTMENT IN PARTIES TO THE CONSTITUENT FUND

The funds of a Constituent Fund may not be invested in the securities of the Approved Trustee, the Custodian, the Investment Manager or the guarantor, except where any of these parties is a substantial financial institution. For the purposes of this provision, securities do not include units in authorized unit trusts or shares in authorized mutual funds.

25.3 MISCELLANEOUS

- (a) A Constituent Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses, or for reducing market exposure.
- (b) A Constituent Fund may enter into currency forward contracts for hedging purposes.
- (c) The maximum fees that may be charged for the Constituent Fund are contained in the Deed and the relevant constitutive documents.
- (d) Where a Constituent Fund changes its underlying APIF(s) and the change leads to amendments to this Deed, prior approval must be obtained from the Authority.

25.4 CONSTITUENT FUNDS BEING FEEDER FUNDS

- (a) If the underlying APIF of Constituent Fund which is a feeder fund, is denominated in a foreign currency, a unified exchange rate should be applied in calculating the bid and offer spread.
- (b) The statement of investment policy of the Constituent Fund which is a feeder fund will state that it will invest entirely in one APIF.
- (c) A Constituent Fund which is a feeder fund will not enter into financial futures and option contracts.

25.5 CONSTITUENT FUNDS BEING PORTFOLIO MANAGEMENT FUNDS

- (a) Not more than 90% of the total funds of a portfolio management fund may be invested in any one of its underlying APIFs.

- (b) The statement of investment policy of a portfolio management fund must state that the fund will invest in a number of APIFs and the criteria for selecting those APIFs.
- (c) A portfolio management fund may enter into financial futures and option contracts only for hedging purposes.

25.6 CONSTITUENT FUND BEING MPF CONSERVATIVE FUND

- (a) An MPF conservative fund must meet the requirements stipulated in section 37 of the Regulation and the relevant Guidelines issued by the Authority. Given that an MPF conservative fund is a money market or cash management fund in nature, it must also observe the relevant disclosure requirement prescribed in the SFC's Code.
- (b) Neither initial fees nor redemption charges can be imposed on an MPF conservative fund. Bid and offer spread is also not allowed.
- (c) An MPF conservative fund can maintain a portfolio of qualified investments in accordance with section 37(2) of the Regulation or invest in a single APIF meeting the requirements specified in the Code on MPF Investment Funds.

25.7 LIMITATIONS ON SECURITIES IN WHICH DIRECTORS/OFFICERS HAVE INTERESTS

The Constituent Fund may not invest in any security of any class in any company or body if any director or officer of the Approved Trustee or Investment Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class, or collectively the directors and officers of the Investment Manager own more than 5% of those securities.

25.8 BREACH OF INVESTMENT LIMITS

If the investment limits in the Deed, the Ordinance and the Regulation are breached, the Approved Trustee and the Investment Manager should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the Members.

25.9 NAME OF CONSTITUENT FUND

If the name of any Constituent Fund indicates a particular objective, investment strategy, geographic region or market, the Constituent Fund should invest at least 70% of its total net asset value in securities and other investments to reflect the particular objective, investment

strategy or geographic region or market which the Constituent Fund represents.

25.10 TRANSACTIONS WITH CONNECTED PERSONS

- (a) No person may be allowed to subscribe on behalf of any Constituent Fund for debt securities from an underwriter or sub-underwriter without the prior consent of the Approved Trustee and unless the Investment Manager provides in writing that all commissions and fees payable to the Investment Manager under such contracts, and all investments acquired pursuant to such contracts, will form part of the Constituent Fund's assets.
- (b) If cash forming part of the Constituent Fund's assets is deposited with the Approved Trustee, the Investment Manager or with any Connected Person of these companies (being an institution licensed to accept deposits), interest must be received on the deposit at a rate not lower than the prevailing commercial rate for a deposit of that size and term.
- (c) All transactions carried out by or on behalf of the Constituent Fund must be at arm's length. In particular, any transactions between the Constituent Fund and the Investment Manager or any of its Connected Persons as principal may only be made with the prior written consent of the Approved Trustee. All such transactions must be disclosed in the Constituent Fund's annual report.
- (d) Neither the Approved Trustee, Investment Manager nor any its Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in Constituent Fund assets to the broker or dealer save that goods and services (soft dollars) may be retained if: -
 - (i) the goods or services are of demonstrable benefit to the Members;
 - (ii) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;
 - (iii) adequate prior disclosure is made in the Constituent Fund offering document; and
 - (iv) periodic disclosure is made in the Constituent Fund's annual report in the form of a statement describing the Investment Manager's soft dollar practices, including a description of the goods and services received by the manager.

Goods and services falling within (i) above may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

- (e) No more than half of the total value of the commissions or other agency rewards paid for the Scheme's transactions is to be paid to the associate of the Investment Manager, or the associate together with other associates of the Investment Manager or associates of the Approved Trustee, during a financial period of the Scheme.

26. APPOINTMENT OF SCHEME ADMINISTRATOR

The Approved Trustee may appoint a person to carry out all administrative duties of the Approved Trustee in connection with the Scheme. The Approved Trustee shall be responsible for the remuneration of the Administrator and any expenses or costs or liabilities incurred by such Administrator which if incurred by the Approved Trustee would have been payable out of the assets of the Constituent Fund shall be payable out of the assets of the Constituent Fund. Any provision excluding liability or preventing an exclusion of liability of the Approved Trustee shall apply to the Administrator as well as the Approved Trustee.

27. RECORDS AND ACCOUNTS

27.1 The Approved Trustee must ensure that: -

- (a) such accounting records are kept so as to correctly record and explain all transactions concerning the Scheme and the financial position of the Scheme; and
- (b) those records are so kept that: -
 - (i) financial statements showing a true and fair view of the financial transactions of the Scheme during each financial period and of the disposition of its assets and liabilities at the end of each financial period can be prepared from time to time; and

- (ii) those financial statements can be conveniently and properly audited in accordance with the Regulation.
- (c) the accounting records of the Scheme are kept in writing in either the Chinese language or the English language or, if not kept in either of those languages, in a form that is readily accessible and readily convertible to writing in either of those languages.
- (d) the accounting records of the Scheme are kept at a place or places so that those records can be readily accessible in Hong Kong for the purpose of enabling the Authority to discharge its duties from time to time.
- (e) at all reasonable times and without charge, the accounting records of the Scheme are made available for inspection by the Authority, either in writing in the Chinese language or the English language or in a form readily convertible to writing in either of those languages.

27.2 The Approved Trustee must ensure: -

- (a) that the first financial period of the Scheme is the period beginning with the date on which the Scheme was registered under the Ordinance and ending on a date determined by the Approved Trustee. The date so determined must be a date not more than 12 months from the date of registration of the Scheme.
- (b) that every subsequent financial period of the Scheme is to be: -
 - (i) the period ending on each anniversary of the date determined above, as the case may be; or
 - (ii) if a different date for the end of a financial period is approved below, the period ending on that date and then on each anniversary of that date.
- (c) The Approved Trustee may, with the prior approval of the Authority, determine a different date for the end of the financial period of the Scheme.

27.3 The Approved Trustee must, within 6 months after a financial period of the Scheme: -

- (a) cause to be made out a balance sheet as at the last day of the period that gives a true and fair view of the financial position of the Scheme on that day. The balance sheet must specify the assets and liabilities of the Scheme on that day. Obligations in respect of benefits that will become payable to Members after that day are not to be regarded as liabilities for that purpose.

- (b) cause to be made out a statement of account for the relevant financial period that gives a true and fair view of the Scheme's financial transactions for that period. The statement must specify: -
- (i) all costs and expenses including the administrative expenses deducted or deductible by the Approved Trustee from Member Accounts under the Regulation;
 - (ii) the Contributions and contribution surcharge (if any) paid and payable by, and recovered from, Members and (where appropriate) their Employers;
 - (iii) the total returns derived from investing the funds of the Scheme (taking into account any capital appreciation and depreciation);
 - (iv) the total amount of accrued benefits of Mandatory Contributions and/or Voluntary Contributions that were paid, and of such accrued benefits that became payable but were not paid, to or in respect of Members; and
 - (v) the amount of accrued benefits of Mandatory Contributions and/or Voluntary Contributions transferred to and from the Scheme,
- during the financial period.

27.4 Before preparing the relevant financial statements, the Approved Trustee must take reasonable steps: -

- (a) to recover all outstanding debts in relation to the Scheme; and
- (b) to cause all known bad debts relating to the Scheme to be written off and adequate provision to be made for doubtful debts.

27.5 If the financial statements relating to the Scheme made out in accordance herewith would not otherwise give a true and fair view of the financial position and transactions of the Scheme, the Approved Trustee must add such information and explanations as will give a true and fair view of the financial position and transactions.

27.6 The Approved Trustee must ensure that a statement of the accounting policies followed in preparing the financial statements is included in or attached to the statements.

27.7 The Approved Trustee must take all reasonable steps to ensure that, before the deadline for each financial period of the Scheme, the auditor's report on the financial statements prepared for that period is attached to, or endorsed on, those statements.

27.8 The Approved Trustee must ensure that financial statements relating to the Scheme are signed: -

- (a) if the Approved Trustee is or includes a company, by at least 2 directors of the company; and
- (b) if the Approved Trustee consists wholly of natural persons, by at least 2 of those persons, including the independent trustee.

28. POWERS AND DUTIES OF THE APPROVED TRUSTEE

28.1 In addition to all trustee's powers necessary to exercise its duties and functions under any relevant law, including common law, the Approved Trustee shall have and may from time to time exercise all or any of the following powers in its absolute discretion: -

- (a) to augment at the request of an Employer, Employee, casual employee, self- employed person, the benefits of any Member under the Scheme upon the payment of such additional Voluntary Contribution (if any) as may be determined by the Employer, the Employee, the casual employee, the self-employed person;
- (b) to execute and do all such other acts and things as the Approved Trustee considers necessary or expedient for the maintenance and preservation of the assets of the Scheme and of the rights of Members and others herein;
- (c) to appoint and obtain the advice of solicitors, accountants and other advisers upon such terms as to duties and remuneration as it may think fit; and
- (d) to employ such agents and servants as the Approved Trustee thinks fit in the transaction of any business of the Scheme as it deems fit.

28.2 The Approved Trustee must, as far as reasonably practicable, ensure that the requirements and standards prescribed by the Regulation and this Deed (including the Governing Rules thereto) are complied with in relation to the Scheme.

28.3 The Approved Trustee must lodge with the Authority an annual statement not later than the deadline after each financial period in relation to the Scheme. The statement must include or be accompanied by the following: -

- (a) the name and business address of the Approved Trustee;

- (b) such other information or documents as are prescribed by the Regulation of the Ordinance.
- 28.4 The Approved Trustee is responsible for whatever information is given to the Authority or the SFC on its behalf and should use reasonable care to ensure that statements of intention in any printed matter are followed.
- 28.5 The Approved Trustee shall: -
- (a) use its best endeavors to carry on and conduct its business in a proper and efficient manner and will ensure that the Scheme to which the Deed relates is conducted in a proper and efficient manner; and
 - (b) exercise best endeavours and due diligence to ensure that the marketing of the Scheme is carried out professionally, honestly and fairly.
- 28.6 The Approved Trustee shall in the discharge of its fiduciary duties, the performance or functions in relation to the Scheme: -
- (a) comply with the Governing Rules;
 - (b) that, in administering the Scheme, exercise the care, skill, diligence and prudence to be reasonably expected of a person who is administering a provident fund scheme and is familiar with the operation of provident fund schemes;
 - (c) use in the administration of the Scheme all knowledge and skill that the Approved Trustee has, or ought reasonably to be expected to have, because of the Approved Trustee's profession or business, in so far as that knowledge and skill is relevant to the operation of the Scheme;
 - (d) act in the interests of Members and not in the Approved Trustee's own interests;
 - (e) ensure that the funds of the Scheme are invested in different investments so as to minimize the risk of losses of those funds, unless in particular circumstances it is prudent not to do so.
- 28.7 The Approved Trustee has the same duties as those imposed, the same powers as those conferred, on trustees by law, except in so far as they are expressly or impliedly modified by, or are inconsistent with the Ordinance.
- 28.8 Whenever the Approved Trustee is required or empowered by or under the Ordinance or by the Governing Rules, to delegate a duty of the

Approved Trustee in relation to the Scheme to a service provider, the delegation does not absolve the Approved Trustee: -

- (a) from responsibility to ensure that the duty is performed in relation to the Scheme; or
- (b) from the consequences of any failure by the service provider to perform that duty.

28.9 The Approved Trustee must ensure that there is in existence in respect of the Scheme adequate insurance that will indemnify Members against losses that the Members could incur as a result of the administration of the Scheme by the Approved Trustee or by any service provider appointed or engaged to provide services for the purposes of the Scheme.

The insurance relating to the Scheme must provide that it may be terminated by the insurer only if the insurer gives not less than 30 day's written notice in advance to the Approved Trustee or the service provider by whom the insurance was entered into.

28.10(a) The Approved Trustee must conduct due diligence procedures and may request relevant and/or necessary information to verify the identity of any applicant applying for participation of the Scheme and the source of contribution payment for the purpose of prevention of money laundering under the laws, statutes, rules and regulations of Hong Kong that are concerned with money laundering and terrorist financing including but not limit to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap.615).

- (b) In case an applicant fails to provide the information required for the purpose of the above Clause 28.10(a) to the Approved Trustee, the Approved Trustee may refuse to accept any application for participation to the Scheme and any contribution monies notwithstanding anything to the contrary contained in this Deed and the Governing Rules.

28.11 AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION ("AEOI")

- (a) Notwithstanding any provision to the contrary contained in this Deed and the Governing Rules, the Approved Trustee must, in relation to the application for participation of the Scheme by an Employer (including the controlling person of an Employer which is an entity if applicable), an Employee, a casual employee, a self-employed person, a person for the purpose of maintaining a Personal Account within the Scheme or a person for the purpose of opening Smart Easy Personal Contribution Account or TVC Account, obtain a self-certification from the

foregoing party for the purpose of compliance with the AEOI due diligence and reporting obligations of the Approved Trustee and the Scheme under the Inland Revenue Ordinance.

- (b) The Approved Trustee cannot proceed with nor complete the process of the above application for participation of the Scheme unless and until a valid self-certification is provided by the relevant party referred to in this Clause.
- (c) Parts I, II, III, IV and V of the Governing Rules shall be read subject to this Clause.
- (d) For the purpose of this Clause, format of “self-certification” shall be as stipulated in the Application of Participation or as required by relevant guidelines or guidance notes issued by the Inland Revenue Department for the purpose of AEOI under the Inland Revenue Ordinance where appropriate.

29. VOLUNTARY CONTRIBUTIONS

- 29.1 A Member who is less than 18 years of age or continues in employment after reaching the retirement age or is exempted under section 4(3) of the Ordinance may continue to pay contributions to the Scheme. The Member’s Employer may also continue to pay contributions to the Scheme in respect of the Member.
- 29.2 A self-employed person who is a Member and is less than 18 years of age or continues in business after reaching the retirement age or is exempted under section 4(3) of the Ordinance may continue to pay contributions to the Scheme.
- 29.3 A relevant Employee or casual employee, may pay contributions to the Scheme exceeding the prescribed percentage of contribution deductible in respect of the Employee or casual employee required by the Ordinance.
- 29.4 An Employer may pay contributions to the Scheme in respect of a relevant Employee or casual employee employed by the Employer exceeding the prescribed percentage of contribution required by the Ordinance.
- 29.5 A self-employed person may pay contributions to the Scheme exceeding the prescribed percentage of contribution payable under the Ordinance.
- 29.6 A relevant Employee, casual employee or a self-employed person whose relevant income is less than the minimum level of relevant income specified in Schedule 2 of the Ordinance may nevertheless contribute to the Scheme.

29.7 Any contributions (a) paid to the Scheme as provided by this clause; or (b) consisting of any benefits, other than minimum MPF benefits to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub; leg.) applies, of a member of an ORSO exempted scheme, or an ORSO registered scheme, within the meaning of section 2(1) of the Mandatory Provident Fund Schemes (Exemption) Regulation (cap. 485 sub. leg.), transferred to a registered scheme, are voluntary and are subject to the Governing Rules specified in the Schedule hereto.

29.8 The provisions of this Deed (except clauses 30.1 to 30.3, 32, 33, 35.1 to 35.3) including the Governing Rules (in so far as they are not inconsistent with the Ordinance) apply to accrued benefits derived from Voluntary Contributions paid to the Scheme in the same way as they apply to accrued benefits that are derived from Mandatory Contributions.

29A. SMART EASY PERSONAL CONTRIBUTIONS

29A.1A Smart Easy Personal Contribution Account holder may with the consent of the Approved Trustee on such terms and conditions make contributions by way of fixed amount on a monthly basis or a lump sum at any time as a Smart Easy Personal Contribution in addition to Mandatory Contributions and Voluntary Contributions.

29A.2 The Smart Easy Personal Contributions will be paid by the Smart Easy Personal Contribution Account holder from his/her own funds in such manner as the Approved Trustee may specify from time to time.

29A.3 The Approved Trustee reserves the right to determine the minimum and maximum amount of Smart Easy Personal Contributions payable on a monthly or other periodical basis by giving [one (1) month] written notice to the Smart Easy Personal Contribution Account holders.

29A.4 The provisions of this Deed (except clauses 30 to 33, 35 to 37) and Part III of the First Schedule apply to the accrued benefits derived from Smart Easy Personal Contributions paid to the Scheme.

29B. TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

29B.1 A TVC Account holder may with the consent of the Approved Trustee on such terms and conditions make contributions as Tax Deductible Voluntary Contributions in addition to Mandatory Contributions and Voluntary Contributions.

29B.2 The Approved Trustee reserves the right to determine the frequency and the minimum and maximum amount of Tax Deductible Voluntary Contributions by giving one (1) month notice to the relevant TVC Account holders.

29B.3 The provisions of this Deed (except Clauses 34, 37, those Clauses specifically applicable to Voluntary Contributions and Smart Easy Personal Contributions) and Part V of the First Schedule apply to the accrued benefits derived from Tax Deductible Voluntary Contributions paid to the Scheme.

30. VESTING OF CONTRIBUTIONS

Mandatory Contribution

30.1 Subject to the following clause, a Mandatory Contribution in respect of a Member vests in the Member as accrued benefits of Mandatory Contribution as soon as it is paid to the Approved Trustee.

30.2 Subject to clause 30.2.1 and 31 herein, income or profits derived from the investment of the Mandatory Contribution of a Member by or on behalf of the Approved Trustee also (after taking into account any loss arising from any such investment) vest in the Member as accrued benefits of Mandatory Contributions as soon as they are received by the Approved Trustee.

30.2.1 The reference to income or profits in clause 30.2 herein does not include interest derived from the placing on deposit of –

(a) contributions or benefits-

(i) received by the Approved Trustee in respect of a Member; and

(ii) during the period that the payment of the contributions or benefits into the Member Account is pending;

(b) benefits-

(i) moved from a constituent fund; and

(ii) during the period that the investment of the benefits into another constituent fund is pending; and

(c) benefits-

(i) received from a constituent fund; and

(ii) during the period that –

(A) withdrawal of the benefits from the Scheme is pending ; or

(B) transfer of the benefits to another registered scheme is pending.

30.2.2 Interest referred to in clause 30.2.1 herein must be retained by the Approved Trustee-

(a) for the payment of any administrative expenses of the Scheme;
or

(b) as income of the Scheme,

for the benefit of Members.

30.3 The total amount of accrued benefits vested in a Member from time to time is to be calculated as provided by the Governing Rules.

Special Contribution

30.3A Subject to section 19E of the Ordinance

(a) a special contribution paid by the Authority in respect of a Member of the Scheme vests in the Member as accrued benefits as soon as it is paid to the Approved Trustee; and

(b) the provisions of the Ordinance apply to accrued benefits derived from a special contribution in the same way they apply to accrued benefits derived from a Mandatory Contribution.

Voluntary Contributions

30.4 The Voluntary Contributions from an Employer, shall only vest in the Member (after taking into account any loss arising from any investment) as accrued benefits of Voluntary Contributions in accordance with the vesting percentage and vesting scale specified in the Application for Participation.

31. SEVERANCE PAYMENTS AND LONG SERVICE PAYMENTS TO BE PAID FROM ACCRUED BENEFITS

31.1 If: -

(a) an Employer has paid to or in respect of an Employee or casual employee a severance payment or long service payment in accordance with the Employment Ordinance (Cap. 57), or a part of such a payment; and

(b) accrued benefits are held in the Scheme in respect of the Employee or casual employee; and

(c) a part of those benefits is attributable to Contributions paid to the Scheme by the Employer in accordance with the Ordinance,

the Employer may make an application in writing to the Approved Trustee for payment of an amount under the following clause.

31.2 As soon as practicable after receiving the above application, the Approved Trustee must, on being satisfied as to the Employer's entitlement to a payment under this sub-clause: -

- (a) if the severance payment or long service payment paid to the Employee or casual employee is not more than the amount of the part of the Employee or casual employee's accrued benefits that is attributable to the Employer's Contributions, pay to the Employer from those benefits an amount equal to the amount of that severance payment or long service payment; or
- (b) if that severance payment or long service payment is more than the amount of the part of the Employee or casual employee's accrued benefits that is attributable to the Employer's Contributions, pay to the Employer from those benefits an amount equal to the amount of that part.

this sub-clause is subject to sub-clause 31.5.

31.3 If: -

- (a) an Employer has not paid the whole of a severance payment or long service payment to or in respect of an Employee or casual employee as required by the Employment Ordinance (Cap. 57); and
- (b) accrued benefits are held in the Scheme in respect of the Employee or casual employee; and
- (c) a part of those benefits is attributable to the Contribution paid to the Scheme by the Employer in accordance with the Ordinance,

an application may be made in writing by or in respect of the Employee or casual employee to the Approved Trustee for payment of an amount under the following sub-clause.

31.4 As soon as practicable after receiving the above application, the Approved Trustee must, on being satisfied that an Employer has not paid the whole of a severance payment or long service payment required to be paid to or in respect of the Employee or casual employee concerned: -

- (a) if the amount of the severance payment or long service payment that has not been paid is not more than the amount of the part of the Employee or casual employee's accrued benefits attributable to the Employer's Contributions, pay to or in respect of the Employee or casual employee from those benefits an amount

equal to the amount of that severance payment or long service payment to the extent that it has not been paid; or

- (b) if the amount of the severance payment or long service payment that has not been paid is more than the amount of the part of the Employee or casual employee's accrued benefits attributable to the Employer's Contributions, pay to or in respect of the Employee or casual employee from those benefits an amount equal to the amount of that part.

31.5 If: -

- (a) only a part of a severance payment or long service payment has been paid to or in respect of an Employee or casual employee; and
- (b) the amount of the Employee or casual employee's accrued benefits attributable to the Employer's Contributions is more than the unpaid part of the severance payment or long service payment but less than the total payment that is required to be made;

the Employer is entitled to be paid under sub-clause 31.2 the amount of those accrued benefits arising from Contribution only to the extent that they exceed the unpaid part of the severance payment or long service payment.

31.6 If: -

- (a) a change has occurred (whether by virtue of a sale or other disposition or by operation of law) in the ownership of a business in which a person is employed, or in a part of such a business, and either: -
 - (i) the person's contract of employment (with the substitution of the new owner of the business for the previous owner) is renewed by that new owner; or
 - (ii) the person is re-engaged by that new owner under a new contract of employment; or
- (b) a person is taken into the employment of a company that is an associated company of another company by which the person was employed immediately before the person was taken into that employment,

this clause applies to a severance payment or long service payment, or a contribution, paid by the previous owner as if it had been paid by the new owner or the associated company. This sub-clause has effect whether or not the previous owner may have terminated the Employee

or casual employee's contract in accordance with section 6 or 7 of the Employment Ordinance (Cap. 57).

31.6A Subject to clause 11.2 of Part I of the Governing Rules, where -

- (a) clause 31.6(a) or (b) herein applies to a person;
- (b) the new owner or associated company, as the case may be, ("New Employer") has assumed the liability of the previous owner or company ("Previous Employer") for severance payment or long service payment in respect of the person;
- (c) the New Employer has agreed to recognize the person's length of employment with the Previous Employer for the purposes of that severance payment or long service payment; and
- (d) no accrued benefits held in the Scheme in respect of the person have been paid in accordance with this clause to the person or the Previous Employer,

then the New Employer may elect, in accordance with the Regulation, to have the accrued benefits of the person held in contribution account in the Scheme transferred to an account in a registered scheme nominated by the New Employer.

31.6B Subject to clause 11.2 of Part I of the Governing Rules, where a New Employer has made an election under clause 31.6A, then, for the purposes of that election -

- (a) clause 2.8 of Part I of the Governing Rules shall not apply to the New Employer; and
- (b) Paragraph (b) of the definition of "contribution period" in clause 1 of Part I of the Governing Rules shall be construed as if it read as follows -

“(b) in relation to a relevant Employee (not being a casual employee), means each period for which the Employer pays or should pay relevant income to the employee; and”.

31.7 For the purposes of the above sub-clause, companies are taken to be associated companies if one is the subsidiary of the other, or both are subsidiaries of a further company.

32. PRESERVATION OF ACCRUED BENEFITS

For the purpose of preserving accrued benefits arising from Mandatory Contributions in the Scheme: -

- (a) the Approved Trustee shall not pay or otherwise dispose of any part of those accrued benefits of Mandatory Contributions to any Member or any other person otherwise than in accordance with the provisions of the Ordinance; and
- (b) no relevant Employee, casual employee or self-employed person shall have any right or entitlement to those accrued benefits of Mandatory Contributions otherwise than in accordance with the provisions of the Ordinance.

33. PORTABILITY OF ACCRUED BENEFITS

33.1 In accordance with the Regulations, the accrued benefits of Mandatory Contributions of a Member of the Scheme may be transferred: -

- (a) to another registered scheme to which the Member is eligible to belong; or
- (b) to another account within the Scheme,

but only in a circumstance permitted or required by the Regulations.

33.2 If the accrued benefits of Mandatory Contributions of a Member are to be transferred under this clause: -

- (a) the Approved Trustee; and
- (b) where those benefits are to be transferred to another registered scheme, the approved trustee of that other scheme,

must comply with such requirements with respect to the transfer of those benefits as are prescribed by the Ordinance.

33.3 If a Member of the Scheme whose accrued benefits of Mandatory Contributions are to be transferred under this clause: -

- (a) ceases to be an Employee or casual employee of an Employer; or
- (b) becomes an Employee or casual employee of an Employer; or
- (c) does both of those things,

the Employer or Employers must comply with such requirements with respect to the transfer of those benefits as are prescribed by the Ordinance.

33.4 This clause does not apply to Voluntary Contributions and Smart Easy Personal Contributions.

34. PROTECTION OF ACCRUED BENEFITS

No part of any accrued benefits of Mandatory Contributions in the Scheme in respect of a Member shall be taken in execution of a judgment debt or be the subject of any charge, pledge, lien, mortgage, transfer, assignment or alienation by or on behalf of the Member and any purported disposition to the contrary is void.

To avoid doubt, if a Member is adjudicated bankrupt, the right or entitlement of the Member to any accrued benefits in the Scheme is excluded from the property of the Member for the purposes of the Bankruptcy Ordinance (Cap. 6).

35. WITHDRAWAL OF ACCRUED BENEFITS

Mandatory Contribution

35.1 A Member who has attained retirement age as specified by the law shall, in relation to the Scheme of which he is a member, be entitled as of right to have paid to him by the Approved Trustee the entirety of his accrued benefits of Mandatory Contributions in the Scheme

- (a) in a lump sum; or
- (b) by instalments.

35.2 A Member who has not attained retirement age but has attained the age specified in Schedule 7 of the Ordinance and certifies to the Approved Trustee of which he is a Member by statutory declaration in a form approved by the Authority that he has permanently ceased his employment or self-employment, or is otherwise included in a class of persons specified for that purpose in the Regulation, shall be entitled as of right to have paid to him by the Approved Trustee the entirety of his accrued benefits of Mandatory Contributions in the Scheme.

35.2A Subject to clause 35.2B, a Member referred to in clause 35.2 is entitled to be paid the entirety of the accrued benefits –

- (a) in a lump sum; or
- (b) by instalments.

35.2B Clause 35.2A(b) does not apply to a Member whose entitlement is exercised in the circumstances specified under clauses 35.3 and 35.3A below.

35.3 Where a Member has permanently departed from the Hong Kong Special Administrative Region or suffers from total incapacity, the Member shall be entitled as of right to have paid to him by the Approved Trustee

his accrued benefits of Mandatory Contributions in a lump sum. However this right may only be exercised by the Member once in a life time.

35.3A A Member who suffers from terminal illness shall be entitled to have paid to him by the Approved Trustee his accrued benefits of Mandatory Contributions in the manner specified by the Ordinance and/or the Regulation.

35.4 When a Member has died and any of the Member's accrued benefits are held in the Scheme, the Approved Trustee must pay those of Mandatory Contributions as a lump sum: -

- (a) to the Member's personal representatives; or
- (b) if there are no personal representatives of the Member's estate or if they are unwilling to act, to such person, or to a person of such class, as is specified in the Regulation.

35.5 For the purposes of the above, "personal representatives" has the same meaning as defined in section 2 of the Ordinance.

35.5A For the purposes of this clause, a Member has permanently ceased employment or self-employment if the Member

- (a) has ceased all employment with no intention of becoming employed or self-employed again, and
- (b) has ceased all self-employment with no intention of becoming self-employed or employed again.

35.6 Except as may be prescribed by the Regulation, no period of limitation prescribed by the Limitation Ordinance (Cap. 347) applies to proceedings for the recovery of a Member's accrued benefits of Mandatory Contributions that have become payable under this clause.

Voluntary Contribution

35.7 A Member who dies, resigns or retires from employment by reason of total incapacity shall be entitled to have paid to him by the Approved Trustee the amount of his accrued benefits of Voluntary Contributions in a lump sum in accordance with the Governing Rules set out in Part II of the Schedule.

35.8 A Member who retires before (other than by reason of total incapacity), on or after the retirement date as specified in the Application of Participation shall be entitled to have paid to him by the Approved Trustee the amount of his accrued benefits of Voluntary Contributions in the Scheme by instalments in addition to a lump sum as specified in the Governing Rules set out in Part II of the Schedule.

Withdrawal by Instalments

35.9 A Member may withdraw accrued benefits of Mandatory Contributions and/or Voluntary Contributions by instalments at any time by giving written notice in a form specified or approved by the Authority to the Approved Trustee.

36. TRANSFER TO/FROM OTHER REGISTERED SCHEMES

Transfer to Another Registered Scheme

36.1 Subject to the Ordinance, an Employer after obtaining Member's consent may give written notice, personally or through the transferee trustee to the Approved Trustee and each Member employed by it of the Employer's intention to discontinue participation in the Scheme for the purpose of joining a new or separate registered scheme (the "new scheme").

36.2 Any notice given pursuant to the above clause, shall specify the date of discontinuance is to take effect provided that all Contribution payable by the Employer or the Members at such date have been paid and from such date the obligations of the Employer and the relevant Members to make Contributions in respect of the Scheme shall cease.

36.3 The Employer shall give to the Approved Trustee, personally or through the transferee trustee, written notice of election in a form specified or approved by the Authority. The Approved Trustee shall not be obliged to inquire into the accuracy of such information and may rely upon all information and evidence supplied by the Employer and not be liable for acting in reliance thereon.

36.4 The Approved Trustee shall within 30 days from the date of receipt of the notice redeem the Units in unitized Constituent Funds and/or transfer the Accumulations with interest in non-unitized Constituent Funds, held for each Member as at the date of discontinuance and transfer the cash proceeds from Constituent Fund to the trustee or other administrator of the new scheme.

36.5 [Deleted]

36.6 A self-employed person or Personal Account holder may discontinue participation and transfer to any other registered scheme and the above provisions shall mutatis mutandis apply to such transfer.

36.6A If an Employee ceases to be employed by an Employer and elects to transfer to another registered scheme, the Approved Trustee must within 30 days after being notified of the Employee's election or within

30 days after the last contribution day in respect of the Employee's employment that has ceased whichever is later, take all practicable steps to ensure that all the accrued benefits of the Mandatory Contributions and if there is Voluntary Contribution including all Voluntary Contribution of the Employee are transferred in accordance with the election.

Transfer From Another Registered Scheme

- 36.7 The Approved Trustee may at the direction of an Employer, an Employee, a self-employed person or Personal Account holder accept any assets as assets of the Scheme from any trustee or administrator of any other scheme of which the Employer, Employee, casual employee, self-employed person or Personal Account holder was previously participants and admit them as Member subject to and in all respects in accordance with the Governing Rules.

37. RECOVERY OF ARREARS AND CONTRIBUTION SURCHARGES

MANDATORY CONTRIBUTION

- 37.1 If a Mandatory Contribution that falls within sub-clause (a) or (b) of the definition of "Mandatory Contribution" in clause 1.1 is not paid on or before the day by which it is required to be paid under the Ordinance, it becomes due for payment to the Authority on the expiry of that day.
- 37.2 If a Mandatory Contribution becomes due for payment to the Authority under section 18(1) or 7AE of the Ordinance, the person who is liable to pay the Mandatory Contribution is also liable to pay to the Authority as a contribution surcharge an amount determined by multiplying the arrears by the prescribed percentage rate. The prescribed percentage rate is a rate prescribed by the Regulation.
- 37.3 The Authority may, by proceedings brought in a court of competent jurisdiction, recover as a debt due to the Authority any arrears together with any contribution surcharge payable under the above in respect of those arrears.
- 37.4 In any proceedings brought under the above, a certificate, purporting to be issued by the Authority, specifying the amount of the arrears or of any contribution surcharge payable in respect of those arrears is, in the absence of evidence to the contrary, proof of the matters specified in the certificate.
- 37.5 The Authority must pay any arrears or contribution surcharge paid to or recovered by the Authority above in the manner as stipulated in section 18(5) of the Ordinance.

37.6 On receiving a payment under the above, the Approved Trustee must credit the amount of the payment to the account of the Member for whom the relevant Mandatory Contribution should have been remitted in accordance with this part.

37.7 In this part, a reference to a Mandatory Contribution includes a part of such a contribution.

37.8 For the avoidance of doubt:

(a) a person's liability to pay a contribution surcharge under clause 37.2; or

(b) the exercise by the Authority of its power to recover any arrears or contribution surcharge under clause 37.3

is not dependent on the compliance by the Approved Trustee or any other person with any regulation made for the purposes of section 18 of the Ordinance.

38. WINDING UP OF THE SCHEME

Except as provided in section 34A or 34D of the Ordinance, the Scheme may be wound up by the Court on application made by the Authority.

39. RESTRUCTURING OF SCHEMES

39.1 The Approved Trustee or the approved trustees of 2 or more registered schemes may apply to the Authority to consent to the restructuring of the Scheme or schemes, as the case may be.

39.2 The restructuring of the Scheme or schemes that is carried out with the consent of the Authority is, notwithstanding any provision of the Ordinance or the Governing Rules of the Scheme or schemes, binding on the Approved Trustee or approved trustees of the schemes concerned, all Employers and Members, all participating employers and members of the schemes concerned and all other parties are bound by the Governing Rules of the Scheme or the schemes concerned.

39.3 The Authority's consent to the above restructuring of the Scheme or schemes does not affect the right of a participating employer or member in the schemes concerned to elect to have the accrued benefits of the member transferred under Part XII of the Regulation.

39.4 For the purpose of this clause, a reference to a restructuring of the Scheme or schemes is a reference to any arrangement under which the Members of the Scheme or schemes, or the accrued benefits of the

Members of the Scheme or schemes are transferred to another registered scheme or other registered schemes.

40. [Deleted]

41. DE-REGISTRATION, DE-AUTHORIZATION AND TERMINATION OF THE SCHEME

41.1 In the event of de-registration or de-authorization of the Scheme, the Approved Trustee should give at least six (6) months' written notice to Employers, and Members of any intention not to maintain such registration and authorization. Such notice should be, submitted to the Authority or the SFC for prior approval and contain reasons for the de-registration and de-authorization and the alternatives available to Employers, and Members in the event of de-registration and de-authorization.

41.2 When the Scheme is to be wound up and terminated and there are Members remaining in the Scheme, in addition to following any procedures set out herein or governing law, notice shall be given to those Members and their Employers, if applicable. Such notice should be submitted to the Authority or the SFC for prior approval and shall contain reasons for the termination, the alternatives available to Members, and Employers (including, if possible, a right to switch without charge into another registered scheme), the estimated costs of the termination and who is expected to bear these costs.

42. EXEMPTION OF THE APPROVED TRUSTEE

42.1 The Approved Trustee shall not be responsible for any loss (direct or consequential), damage or expense resulting or caused by events or circumstances beyond the reasonable control of the Approved Trustee or any service provider or clearing system or any central securities depository, including without limitation, nationalization, expropriation currency restriction, acts of war, or terrorism, riot, acts of God or other similar events or acts.

42.2 The Approved Trustee shall be entitled to be indemnified against any actions, costs, claims, damages, expenses or demands to which it may be put as the Approved Trustee to have recourse to the Scheme or any part thereof. Subject as expressly provided in these presents, any indemnity expressly given to the Approved Trustee shall be void in so far as it purports to exempt the Approved Trustee from, or to indemnify the Approved Trustee against: -

- (a) liability for breach of trust for failure to act honestly as regards a matter concerning the Scheme; or

- (b) liability for breach of trust for an intentional or reckless failure to exercise, as regards a matter concerning the Scheme, the degree of care and diligence that is to be reasonably expected of a trustee who is exercising functions in relation to a trust; or
- (c) liability for a fine or penalty imposed by or under the law, or purports to limit any such liability.

43. OTHER CAPACITIES OF THE APPROVED TRUSTEE

Nothing contained in these presents shall be construed so as to prevent the Approved Trustee from acting as trustee of trusts separate and distinct from the Scheme. Nothing herein shall prevent the Approved Trustee acting as the trustee or as custodian of any Constituent Fund or APIF or in any other capacity relating thereto.

44. DELEGATION BY THE APPROVED TRUSTEE

44.1 The Approved Trustee may in the exercise of the powers and discretions vested in it hereunder act by a responsible officer or officers for the time being and employ such agents and servants as the Approved Trustee thinks fit in relation to the administration of the Scheme. The Approved Trustee shall be liable for the acts and omissions of such delegate, agent or servant as if such act or omission were its own. The Approved Trustee from time to time authorize in writing such person or persons as the Approved Trustee shall think fit to draw cheques on any banking account or to endorse any cheques or to give receipts and discharges and every such receipt and discharge shall be a valid and effectual as if it were given by the Approved Trustee.

44.2 The Approved Trustee may act upon any advice of or information obtained from an Investment Manager or any bankers, accountants, brokers, valuers, lawyers, agents or other persons acting as agents or advisers of the Approved Trustee or an Investment Manager. Any such advice or information may be obtained or sent by letter, telegram, facsimile, telex, message or cablegram.

45. CHANGE OF OFFICER

If the office of an officer (as defined in the Ordinance) of the Approved Trustee becomes vacant, an application must be made to the Authority for its consent to the appointment of a replacement officer within 30 days after the vacancy arises in accordance with section 28 of the Regulation.

46. TERMINATION OF APPROVED TRUSTEE

46.1 The Approved Trustee's appointment shall terminate on the earliest of the following dates: -

- (a) the date on which the Scheme terminates under the terms and conditions of the Deed or by the Authority or by any competent court;
- (b) the date on which an order is made for the liquidation of the Approved Trustee herein except for the purpose of amalgamation or reconstruction;
- (c) the date on which a receiver or manager is appointed to the assets or undertaking of the Approved Trustee herein or any part of it or if the Approved Trustee ceases to carry on business;
- (d) the date on which the Approved Trustee is taken over by a third party; or
- (e) the date the Approved Trustee's approval is revoked or suspended by the competent regulatory authority under section 20B of the Ordinance.

46.2 Notwithstanding the above, the Approved Trustee may resign but only with the written approval of the Authority and that adequate arrangements have been made for another approved trustee to assume responsibility for the administration of the Scheme and for the legal interest in the Scheme assets to be transferred to that other trustee.

47. AMENDMENTS TO THIS DEED AND GOVERNING RULES

47.1 The Approved Trustee must notify the Authority and SFC in writing of any amendment proposed to be made to the Deed, the Governing Rules and other documents (the "Constitutive Documents") of the Scheme and lodge with the Authority a copy of the proposed amendment.

47.2 An amendment to the Constitutive Documents does not take effect until the Authority and SFC has given written notice to the Approved Trustee that the Authority and/or SFC has approved it.

47.3 The Authority and the SFC may decide whether the Employers and the Members should be notified and the period of notice (if any) that should be given before the changes are to take effect.

- 47.4 Subject to the above, the Approved Trustee may at any time and from time to time by deed amend, delete from and add to the constitutive document of the Scheme including the provisions of this clause.
- 47.5 Any amendment, deletion or addition so made shall as soon as reasonably practicable be notified by the Approved Trustee in writing to the Employers and Members and
- (i) shall take effect as from the date specified in the notice for that purpose;
 - (ii) shall be of the same validity as if it had been originally contained in this Deed;
 - (iii) may in like manner be amended, deleted from and added to; and
 - (iv) shall be binding on each Employer and Member, whether such Employer or Member has effected an Application for Participation before or after such amendment.

48. NOTICES

48.1 Unless otherwise expressly provided, a notice or other document required to be given for the purposes of the Ordinance or the Regulation may be given in such manner as may be prescribed by the Regulation.

48.2 NOTICE TO EMPLOYEES

A notice or other documents to be given or served on the Employees or casual employee for the purpose herein may be given or served on the relevant Employer and such service shall for all intent and purpose be deemed to be valid if given or served in accordance with the clause above.

However a notice or other document to be given or served on Employers or Members (other than Employees or casual employees) must be given or served on the Employers or Members (other than Employees or casual employee).

49. CONFIDENTIALITY

The parties to this Deed who obtains information in the exercise or performance of functions conferred or imposed by or under the Ordinance: -

- (a) must not disclose the information to any other person, unless the disclosure is necessary in order to exercise or perform those functions; and
- (b) must not enable another person to have access to the information, except in so far as that access is necessary to allow that other person to exercise or perform functions under or for the purposes of the Ordinance.

50. MISCELLANEOUS

50.1 The various provisions of this Deed are severable and if any provision is held to be invalid or unenforceable by any court of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this Deed.

50.2 A waiver or an omission by the Approved Trustee to enforce the duties to be discharged by Employers and Members in accordance with any provision of this Deed (including Governing Rules) shall not become or be deemed as a waiver of the Approved Trustee's rights and powers under this Deed.

51. GOVERNING LAW

This Deed will be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region. The courts of Hong Kong Special Administrative Region are to have exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with this Deed for which purpose all parties agree to submit to the jurisdiction of the courts of Hong Kong Special Administrative Region.

IN WITNESS whereof the Approved Trustee has executed this Deed.

The Common Seal of)

CHINA LIFE TRUSTEES LIMITED was hereunto)
 affixed in the presence of: -)

GOVERNING RULES

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FIRST SCHEDULE
GOVERNING RULES OF
CHINA LIFE MPF MASTER TRUST SCHEME

PART I
MANDATORY SCHEME

1. DEFINITIONS

“business” includes a business and a trade within the meaning of the Inland Revenue Ordinance (Cap. 112) and a profession;

“contribution day” in relation to a Mandatory Contribution payable by an Employer in respect of an Employee means the contribution day referred to in the Regulation;

“contribution period”-

- (a) in relation to an Employer means each period for which the Employer pays or should pay relevant income to the Employee, and includes such a period occurring within, or that coincides with, the first 60 days of employment after the relevant time; and
- (b) in relation to an Employee (not being a casual employee) whose wage period –
 - (i) is not more than 1 month, means each period for which the Employer pays or should pay relevant income to the Employee, but does not include any wage period commencing on or before the 30th day of employment after the relevant time;
 - (ii) is more than 1 month, means each period for which the Employer pays or should pay relevant income to the Employee, but does not include the period commencing from the relevant time and ending on the last day of the calendar month in which the 30th day of employment after the relevant time falls; and
- (c) in relation to an Employer and a relevant casual employee, means each period for which the Employer pays or should pay relevant income to the Employee;

“defaulter” means an Employer or self-employed person who fails to pay a Mandatory Contribution or part of a Mandatory Contribution by the contribution day;

“Mandatory Contribution Account” means the account or accounts of a Member where the accrued benefits arising from Mandatory Contributions accrued benefits are held;

“payment period” means the period specified in a notice under section 136(1)(a) of the Regulation;

“practicable” means reasonably practicable;

“relevant time” in relation to “contribution period”, has the same meaning as in section 7(3) of the Ordinance;

“remittance statement” means a remittance statement required by section 123 of the Regulation;

“registered scheme” means a provident fund scheme registered under section 21 of the Ordinance;

“retirement age” means the age prescribed by the Ordinance from time to time;

“self-employed person” means a self-employed person who is a Member of the Scheme;

“total incapacity” in relation to a Member, means permanent unfitness to perform the kind of work that the Member was last performing before becoming incapacitated;

“wage period” in relation to an Employee and his Employer, means the period for which the Employee is paid, or should be paid, relevant income by the Employer.

2. MANDATORY CONTRIBUTIONS

2.1 An Employer who is employing an Employee or casual employee must, for each contribution period-

(a) from the Employer’s own funds, contribute to the Scheme the amount determined in sub-clause 2.2; and

(b) deduct from the Employee or subject to sub-clause 2.8 casual employee’s relevant income for that period as a contribution by the Employee or casual employee to the Scheme the amount determined in sub-clause 2.3.

2.2 For the purposes of the above, the amount to be contributed by an Employer for a contribution period is in the case of an Employee or casual employee an amount equal to the prescribed percentage of the Employee or casual employee’s relevant income for that period.

- 2.3 For the purposes of the above, the amount that an Employer is required to deduct in respect of a relevant Employee or casual employee for a contribution period, an amount equal to the prescribed percentage of the Employee or casual employee's relevant income for that period.
- 2.4 An Employer must ensure that contributions required to be made herein in respect of an Employee or casual employee of the Employer are paid to the Approved Trustee of which the Employee is a Member as provided in the Rules below.
- 2.5 A relevant Employee or casual employee does not have a claim against the Employer only because that Employer has, herein deducted amounts from his/her income and has paid those amounts to the Approved Trustee. However, nothing herein affects any entitlement that he/she has in respect of those amounts under the Rules.
- 2.6 An Employer must not, in respect of an Employee (not being a casual employee) whose wage period –
- (a) is not more than 1 month, make a deduction under Clause 2.1(b) of this Part in respect of the Employee's relevant income earned for any wage period that commences on or before the 30th day of employment after the relevant time;
 - (b) is more than 1 month, make a deduction under Clause 2.1(b) of this Part in respect of the Employee's relevant income earned for the period commencing from the relevant time and ending on the last day of the calendar month in which the 30th day of employment after the relevant time falls.
- 2.7 Every self-employed person must, in accordance with the Regulation, before the end of each contribution period, pay to the Approved Trustee from the person's own funds for the person's own benefit a Contribution equal to the prescribed percentage of the person's relevant income.
- 2.8 An Employer must ensure that Mandatory Contributions required to be made in respect of a relevant employee not being a Member of the Scheme under section 7AA or 7AE of the Ordinance are paid to the Authority in accordance with the manner prescribed under the Ordinance
- 2.9 The above do not apply to or in respect of an Employee who is employed by an Employer for less than 60 days.
- 2.10 An Employee or casual employee or self-employed person whose relevant income
- (a) is less than the minimum level of relevant income specified in Schedule 2 of the Ordinance, is not required to contribute; or

- (b) is more than the maximum level of relevant income specified in Schedule 3 of the Ordinance, is not required to contribute in respect of the excess of relevant income;

may, if he so wishes, by notice in writing to the Employer elect to do so in the manner specified in sections 9 or 10 of the Ordinance respectively.

- 2.11 An amount that is paid as a contribution to a registered scheme contingently on the basis that the amount will later constitute a Mandatory Contribution to the Scheme shall for all purposes be treated as a Mandatory Contribution to the Scheme (and the provisions of the Ordinance shall apply accordingly) unless and until it is certain that the amount will not constitute a Mandatory Contribution to the Scheme.

3. SCHEME MEMBERSHIP

- 3.1 An application for membership of the Scheme that is made by or on behalf of Employee or casual employee of an Employer or by a self-employed person must not be refused if that Employee or person-

- (a) provides or is willing to provide the information required by the Approved Trustee with respect to applications for membership; and

- (b) agrees in writing to comply with the Governing Rules.

- 3.2 An application for participation in the Scheme that is made by or on behalf of an employer must not be refused if that employer: -

- (a) provides or is willing to provide the information required by the Approved Trustee with respect to applications for participation; and

- (b) agrees in writing to comply with the Governing Rules of the Scheme.

- 3.3 An application for membership of the Scheme that is made by a person only for the purpose of maintaining a Personal Account within the Scheme must not be refused if that person: -

- (a) provides or is willing to provide the information required by the Approved Trustee with respect to such applications for membership of the Scheme; and

- (b) agrees in writing to comply with the Governing Rules of the Scheme.

PROVIDED THAT a new Member participating in the Scheme on or after 1 December 2013 must not hold more than one Personal Account within the Scheme at all times.

- 3.3A Any current Member who does not have any Personal Account within the Scheme may hold one Personal Account only in addition to the Member's Contribution Account and/or Smart Easy Personal Contribution Account (if any) on or after 1 December 2013. Current Members who have one or more Personal Accounts in addition to the Members' Contribution Accounts and/or Smart Easy Personal Contribution Account (if any) within the Scheme before 1 December 2013 will not be allowed to hold any additional Personal Accounts thereafter.
- 3.4 A Member must be given a notice of participation that complies with section 31(4A) of the Regulation within 30 days whichever is the later of the following dates:
- (a) after the date on which all the information required for the application for membership is submitted;
 - (b) the date on which the Member agrees to comply with the Governing Rules.
- 3.5 The membership of a Member may be terminated by the Approved Trustee only in accordance with the Governing Rules herein and-
- (a) in the case of a Member who is an Employee or casual employee, with the written agreement of that Member or the Employer of that Member; or
 - (b) in the case of a Member who is a self-employed person or a former self-employed person or Personal Account holder, with the written agreement of that Member.
- 3.6 The participation of an employer may be terminated by the Approved Trustee only in accordance with the Governing Rules of the Scheme and with the written agreement of the participating employer given not earlier than 60 days before the termination.
- 3.7 In respect of a Member whose accrued benefits are being or have been transferred pursuant to Part XII of the Regulation, no fees or financial penalties may be charged to or imposed on a Member, or deducted from the Member's Account, and no other restrictions or requirements shall be applied to prevent or to hinder the relevant participating employer or the Member from terminating his participation in the Scheme of the Approved Trustee or the liability to contribute to the Scheme.

4. DUTIES OF APPROVED TRUSTEE TO INFORM MEMBERS

- 4.1 The Approved Trustee must ensure that, within 60 days after a person becomes a Member, the person is provided with a document containing information relating to the Scheme.
- 4.2 The document must-
- (a) include a general description of the Scheme, including its terms and the fees and charges payable under the Scheme; and
 - (b) if the Scheme comprises 2 or more constituent funds, specify particulars of those funds; and
 - (c) specify the person (if any) designated by the Approved Trustee as the Scheme contact person, either by name or by reference to the person's position or job description, and the means by which the person can be contacted.
- 4.3 The Approved Trustee may give to the Member's Employer the document referred above to who shall then pass on to the Employees or casual employee within 7 days.
- 4.4 [Deleted]
- 4.5 [Deleted]

5. DUTIES OF EMPLOYER

Contributions

- 5.1 An Employer of the Scheme must, for each contribution period, calculate-
- (a) the amount of relevant income of each Employee or casual employee who is a Member; and
 - (b) the amount of Mandatory Contributions that the Employer must pay to the Approved Trustee in respect of each Employee or casual employee under the Ordinance; and
 - (c) the amount of Mandatory Contributions that the Employer must deduct from the relevant income of each Employee or casual employee and pay to the Approved Trustee in respect of each of them under the Ordinance.
- 5.2 (a) An Employer of the Scheme must, for each contribution period, pay the Mandatory Contribution to the Approved Trustee in respect of each casual employee on or before the contribution day.

- (b) An Employer of the Scheme must, for each contribution period which ends in the previous calendar month or during the permitted period, as the case may be, pay the Mandatory Contribution to the Approved Trustee in respect of each Employee on or before the contribution day.

Remittance Statement

- 5.3 When paying Contributions to the Approved Trustee, an Employer must ensure that the Contributions are accompanied by a remittance statement, in a form specified or approved by the Authority, for the contribution period or periods to which the contributions relate.
- 5.4 The remittance statement must include the following information-
 - (a) the amount of relevant income of each Employee or casual employee who is a Member for the contribution period or each of those contribution periods, as the case requires;
 - (b) the amount of Mandatory Contributions paid under the Ordinance by the Employer to the Scheme in respect of that Employee or casual employee for that period or each of those periods, as the case may be;
 - (c) the amount of Mandatory Contributions deducted from the Employee or casual employee's relevant income under the Ordinance by the Employer and paid to the Scheme for that period or each of those periods, as the case may be;
 - (d) the amount of Voluntary Contributions (if any) deducted from the Employee or casual employee's relevant income by the Employer and paid to the Scheme for that period or each of those periods, as the case may be;
 - (e) the amount of Voluntary Contributions (if any) paid by the Employer to the Scheme in respect of the Employee or casual employee for that period or each of those periods, as the case may be.
- 5.5 [Deleted]
- 5.6 An Employer must give written notice to the Approved Trustee of the date of payment of relevant income of each Employee or casual employee of the Employer when the Employee or casual employee becomes a Member.
- 5.7 An Employer must give written notice to the Approved Trustee of any change of the

- (a) the Employer's business address, telephone number or facsimile number (if any);
- (b) the residential address, telephone number or date of payment of relevant income or other particulars of each relevant Employee or casual employee of the Employer; and
- (c) the Employer's name.

within 30 days of the change.

6. CONTRIBUTIONS OF SELF-EMPLOYED PERSONS

- 6.1 When a self-employed person applies to become a Member of the Scheme, the Approved Trustee must ascertain for the financial period of the Scheme in which the person will become a Member-
- (a) the person's relevant income for the payment of Mandatory Contributions to the Scheme; and
 - (b) whether the person will contribute to the Scheme on a yearly or monthly basis.
- 6.2 A self-employed person must, at least 30 days before the end of each financial period of the Scheme, report to the Approved Trustee-
- (a) the person's relevant income for the payment of Mandatory Contributions to the Scheme for the next financial period of the Scheme; and
 - (b) whether the person will contribute to the Scheme on a yearly or monthly basis for the next financial period of the Scheme.
- 6.3 If the business carried on by a self-employed person sustains a net loss in relation to a financial period of the Scheme, the person may-
- (a) lodge with the Approved Trustee a statement showing the amount of the loss and how it was calculated; and
 - (b) discontinue payment of Mandatory Contributions until the relevant income in respect of the person's business or businesses exceeds the minimum level of relevant income.
- 6.4 The net loss must be calculated in accordance with Part IV of the Inland Revenue Ordinance (Cap. 112).
- 6.5 In relation to a self-employed person who contributes to the Scheme on a yearly basis, the prescribed period for the purposes of the definition of

“contribution period” is the year that coincides with each financial period of the Scheme.

- 6.6 In relation to a self-employed person who contributes to the Scheme on a monthly basis, the prescribed period for the purposes of the definition of “contribution period” is each period commencing on the day in each month specified by the person in a written notice given to the Approved Trustee as the commencing day and ending on-
- (a) the day before the corresponding day in the following month; or
 - (b) if there is no corresponding day in the following month or if the commencing day is the last day of a month, the last day of the following month.
 - (c) The last day of a month or the following month in (b) above is the contribution day for the self-employed person. If that last day is a Saturday, a public holiday, or a gale warning day or black rainstorm warning day as defined by section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1 of the laws of Hong Kong), the next following day that is not a day so specified is the contribution day for the self-employed person.
- 6.7 In the event of a self-employed person’s failure to contribute to the Scheme on a monthly or yearly basis, as the case may be, the Approved Trustee shall only process any request for transfer of the Self-employed person upon payment of all outstanding Contributions
- 6.8 A self-employed person must, in accordance with the provisions of the Regulation, before the end of each contribution period, pay to the Approved Trustee from the person’s own funds for the person’s own benefit a contribution equal to the prescribed percentage of the person’s relevant income.

7. TRANSFERRED FROM ANOTHER SCHEME

- 7.1 All Contributions and contribution surcharges paid to the Approved Trustee in accordance with the Ordinance or a court order made under section 43B of the Ordinance must be accepted.
- 7.2 Accrued benefits of Mandatory Contributions transferred to the Scheme from another registered scheme in accordance with this clause, or from an occupational retirement scheme exempted under section 5 of the Ordinance, must also be accepted.

8. RECOVERY OF ARREARS

Checking of calculations of Mandatory Contributions

- 8.1 On receiving a remittance statement from an Employer the Approved Trustee must
- (a) check the accuracy of the arithmetical calculation of the amount specified in the statement as the Mandatory Contribution and as the Voluntary Contribution, if any, paid in respect of each Member to which the statement relates; and
 - (b) ensure that the Contribution paid in respect of the Employee or casual employee tallies with the amount specified in the statement as the contribution so paid.

8.2 The Approved Trustee must ensure that the amounts of the Mandatory Contribution received by the Approved Trustee from an Employer or a self-employed person equal the prescribed percentage of the relevant income of the Employee, casual employee or the self-employed person.

8.3 [Deleted]

8.4 [Deleted]

Notification to Authority of failure to pay Mandatory Contribution

8.5 If an Employer or self-employed person fails to pay a Mandatory Contribution in full to the Approved Trustee by the contribution day, the Approved Trustee must, by written notice given within 10 days after the contribution day, inform the Authority.

8.6 The notice must specify the following information-

- (a) the name of the Employer or self-employed person concerned;
- (b) the correspondence address and the telephone number and facsimile number (if any) of that Employer or self-employed person;
- (c) the name of the Scheme in which that Employer participates or of which that person is a Member;
- (d) the contribution day for payment;
- (e) the amount of the arrears, if known to the Approved Trustee;
- (f) such other information as may be specified by the Authority.

8.6A The Approved Trustee must take such action as may be reasonably required by the Authority in connection with the recovery of arrears or a contribution surcharge.

Notice to defaulter and Approved Trustee to inform authority of non-payment

- 8.7 Except in the circumstances specified in section 136(1A) of the Regulation, the Authority must, as soon as practicable after receiving a notice given under clause 8.5 by the Approved Trustee, serve on the defaulter a written notice requiring the defaulter to do all or any of the following-
- (a) to pay the arrears and the contribution surcharge payable on the arrears to the Approved Trustee within the period specified in the notice;
 - (b) to give to the Authority an explanation with respect to the failure to pay the arrears so that the Authority can determine whether there has actually been a default;
 - (c) to comply with any other requirement specified in the notice;
 - (d) if the defaulter is an Employer to lodge with the Approved Trustee, when paying the arrears and contribution surcharge, a remittance statement, which must also include the amount of the contribution surcharge paid.
- 8.8 The Approved Trustee who has not received payment of all arrears and contribution surcharge within the payment period, must, by written notice given within 10 days after the end of that period, inform the Authority of that fact.
- 8.9 On receiving the above notice from the Approved Trustee, the Authority may serve another notice on the defaulter. An Approved Trustee who has not received payment of all arrears and contribution surcharge within the payment period, must, by written notice given as soon as practicable after the end of that period, inform the Authority of that fact.

Checking of calculations of arrears and contribution surcharge

- 8.10 The Approved Trustee must, having regard to the remittance statement lodged by an Employer or to the information given by a self-employed person, check that the arithmetical calculations of the arrears and contribution surcharge payable by a defaulter are correct.
- 8.11 The Approved Trustee must, on finding a discrepancy between the relevant calculations in respect of the arrears or the contribution surcharge, and the amount received by the Approved Trustee as arrears or as the surcharge, notify the Employer or self-employed person of the discrepancy. The Approved Trustee must require that Employer or person to rectify the discrepancy as soon as practicable.

Crediting of payments

- 8.12 On being satisfied that the amount of Contributions or, where applicable, the amount of arrears and contribution surcharge, paid in respect of a Member is correct, the Approved Trustee must credit the amount to the relevant Member Account.

9. ASSISTANCE TO EMPLOYERS AND MEMBERS

- 9.1 The Approved Trustee must, as far as reasonably practicable, provide all assistance necessary to ensure that Members and Employers are able to participate effectively in the operation of the Scheme.

- 9.2 For the purposes of the above, the Approved Trustee may designate a person as a Scheme contact person, either by name or by reference to the person's position or job description, and specify the means by which the person can be contacted.

- 9.3 The assistance above referred to means assistance-

- (a) in answering inquires in respect of the Scheme, including those relating to-

- (i) the total amount of the contributions received by the Approved Trustee in respect of a Member and the dates on which those contributions were received or the date on which a Contribution was last received; and

- (ii) any information contained in any document that the Approved Trustee has given to Members or Employers; and

- (b) in dealing with complaints from Members or Employers.

10. PORTABILITY OF ACCRUED BENEFITS OF MANDATORY CONTRIBUTIONS

10.1 Definitions

- (1) In this part-

“New Trustee” means the approved trustee of the registered scheme to which the accrued benefits of Mandatory Contributions of a member of another registered scheme are to be transferred in accordance with an election made herein;

“Original Trustee” means the approved trustee of the registered scheme from which the accrued benefits of Mandatory Contributions of a member of the scheme are to be transferred,

whether to another registered scheme or to another account within the same scheme, in accordance with an election made herein.

- (2) In this part-
- (a) a reference to an election made herein or under any particular provision herein includes a reference to an election taken to have been so made; and
 - (b) a reference to a person being notified herein or under any particular provision herein includes a reference to the person taken to have been so notified.

Transfer of accrued benefits of Members

10.2 If accrued benefits of Mandatory Contributions and Voluntary Contributions (if any) of an Employee or casual employee are held in Contribution Account in the Scheme and the Employee or casual employee ceases to be employed by the Employer concerned in the Scheme, the Employee or casual employee may elect to have those benefits transferred to-

- (a) other accounts in the Scheme; or
- (b) account(s) in another master trust scheme nominated by the Employee; or
- (c) existing accounts in an industry scheme, if applicable.

10.3 If an Employee or casual employee who is a Member ceases to be employed by the Employer in the Scheme and subsequently becomes employed by another employer, the Employee or casual employee may also elect to have the Employee or casual employee accrued benefits of Mandatory Contributions and Voluntary Contributions in the Scheme transferred to the Contribution Accounts in the registered scheme in which the new employer is participating in relation to the Employee.

10.4 An election under clause 10.2 above is effective-

- (a) in relation to an account referred to in paragraph (a) of that subsection, when written notice of the election is given to the Approved Trustee; and
- (b) in relation to an account referred to in paragraph (b) or (c) of that subsection, when written notice of the election is given to the New Trustee concerned.

10.5 An election under clause 10.3 is effective when written notice of the election is given to the New Trustee concerned or to the Employee or casual employee's new employer.

10.6 As soon as practicable after the new employer has received a notice of election given under clause 10.5 above, that new employer must give written notice of the election to the New Trustee concerned.

10.7 The Employer must within 30 days after the cessation of employment of the Employee or casual employee concerned,

(a) in the remittance statement that the Employer is required to lodge with the Approved Trustee of the Scheme in respect of the contribution period that ends immediately following the Employee's cessation of employment; or

(b) by written notice given to the Approved Trustee of the Scheme no later than the date on which that remittance statement is required to be lodged,

inform the Approved Trustee-

(c) of the Employee or casual employee's cessation of employment; and

(d) of the date on which the employment ceased.

10.8 If an Employee or casual employee fails to notify an election as provided herein within 3 months after the Approved Trustee has been notified that the Employee or casual employee has ceased to be employed by the Employer-

(a) the Employee is taken at the end of that period to have elected to have the Employee or casual employee's accrued benefits of Mandatory Contributions and Voluntary Contributions (if any) held in the Contribution Account concerned in the Scheme transferred to a separate personal account in the same Scheme; and

(b) the Approved Trustee is taken at the end of that period to have been notified of the election.

10.8A Clauses 10.2 to 10.8 of this Part shall not apply to or in relation to an election mentioned in clauses 31.6A and 31.6B of the Trust Deed or any concomitant transfer of the accrued benefits of an Employee.

Transfer of accrued benefits from Mandatory Contributions in respect of an Employee's current employment to Personal Accounts

10.8B An Employee is entitled to elect at any time to transfer all accrued benefits from the Employee's Mandatory Contributions held in one or more than one sub-account under the Scheme referred to in clause 25.6(b) below to the designated accounts in accordance with section

148A (except section 148A(3)) of the Regulation once in every calendar year.

Transfer of accrued benefits derived from Mandatory Contributions in respect of Employee's former employment or former self-employment to Contribution Accounts or Personal Accounts

10.8C An Employee is entitled to elect at any time to transfer all accrued benefits from the Employee's Mandatory Contributions held in one or more than one sub-account under the Scheme referred to in clause 25.6(c) below to the designated accounts in accordance with section 148B (except section 148B(3)) of the Regulation.

Transfer of accrued benefits of Mandatory Contributions and Voluntary Contributions (if any) of self-employed person

10.9 If accrued benefits of Mandatory Contributions and Voluntary Contributions (if any) of a self-employed person are held in Contribution Account in the Scheme, the person may, at any time, elect to have those benefits transferred to-

- (a) an account in another master trust scheme nominated by the person; or
- (b) an account in an industry scheme, if applicable.

10.10 If a self-employed person who is a Member subsequently becomes employed by an Employer, the person may also elect to have the person's accrued benefits of Mandatory Contributions and Voluntary Contributions (if any) in the Scheme transferred to the Contribution Account in Scheme in which the Employer is participating. As soon as practicable after the Employer has received a notice of election, that Employer must give written notice of the election to the Approved Trustee.

10.11 If a self-employed person who is a Member ceases to be self-employed, the person must, by written notice given not later than the next contribution day for the person following the cessation, inform the Approved Trustee-

- (a) of the person's cessation of self-employment; and
- (b) of the date on which the self-employment ceased.

and the Approved Trustee shall transfer the balance of the Member Account of the Self-employed person to a Member Account under the relevant Employer, if he is employed or to a Personal Account if he is unemployed.

10.12 If a self-employed person who is a Member fails to notify an election within 3 months after the Approved Trustee concerned has been notified that the person has ceased to be self-employed-

- (a) the person is taken at the end of that period to have elected not to have the person's accrued benefits held in the Contribution Account concerned in the Scheme transferred but to retain the benefits in that account; and
- (b) the Approved Trustee is taken at the end of that period to have been notified of the election.

Transfer of accrued benefits in Personal Accounts to Contribution Accounts or other personal accounts

10.13 A Member may at any time elect to have all accrued benefits of Mandatory Contributions and if there is Voluntary Contribution including Voluntary Contribution held in Personal Account under the Scheme to be transferred to the designated accounts in accordance with section 149 of the Regulation.

11. TRANSFER BY EMPLOYER OF EMPLOYEE'S ACCRUED BENEFITS

11.1 If a Member is an Employee or a casual employee of an Employer in the Scheme, the Employer may elect to have the accrued benefits held in the Contribution Account in the Scheme in respect of the Member's employment with that Employer transferred to another registered scheme in which the Employer is a participant by giving written notice of the election to the New Trustee in the event of-

- (a) the winding up of Scheme; or
- (b) the restructuring of the Scheme under section 34B of the Ordinance; or
- (c) the employer providing notice, personally or through the New Trustee, of his intention to cease participation in the first-mentioned scheme in respect of that Member.

11.2 Where clause 31.6A or 31.6B of the Trust Deed is applicable, the New Employer (as referred to in such clause) may only elect to have the Employee's accrued benefits in the Scheme transferred to a registered scheme -

- (a) in which the New Employer is a participant; and
- (b) by giving written notice of the election to the Approved Trustee of the Scheme within the permitted period.

12. DUTY TO NOTIFY MEMBER OF OPTIONS OF TRANSFER

If, within 30 days after the Approved Trustee has been notified that a Member has ceased to be employed by an Employer or ceased to be self-employed, the Member has not given written notice of any election under this part, the Approved Trustee must, by written notice, inform the Member of-

- (a) the different options that the Member has with respect to the transfer of accrued benefits of Mandatory Contributions and Voluntary Contributions and the time within which the Member may elect to exercise one of those options; and
- (b) the consequences of not electing to exercise one of those options within that time.

13. DUTY OF APPROVED TRUSTEE ON BEING NOTIFIED OF ELECTION

- 13.1 The Approved Trustee being a New Trustee must, as soon as practicable after being notified of an election made under this part, give written notice of the election to the Original Trustee. For that purpose, the Approved Trustee must complete the appropriate portions of the election form and serve the completed form on the Original Trustee.
- 13.2 If the Approved Trustee is the Original Trustee, it must take all practicable steps to ensure that all the accrued benefits concerned are transferred in accordance with the election within 30 days after being notified of an election as referred in the above or if an election is made by an Employee who ceases to be employed by the Employer, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is the later.
- 13.3 The Approved Trustee being an Original Trustee who is notified of an election under clause 10.4(a) or 10.8(b) above or section 148A(5)(a), 148B(4)(a) or (c) or 149(2)(a) or (c) of the Regulation must, within 30 days after being so notified, or if an election is made by an Employee who ceases to be employed by the Employer, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is the later, arrange for the accrued benefits concerned to be transferred to a separate account within the Scheme in accordance with the election.
- 13.4 A person who makes an election under this part must give to the Approved Trustee, and the New Trustee (if any), such information as is requested by the trustee to enable the transfer to be made.

14. TRANSFER STATEMENT

14.1 The Approved Trustee being an Original Trustee must in accordance with section 154 of the Regulations give to the Member a transfer statement containing the following information-

- (a) the name of the Approved Trustee, the name of the Scheme and the account number of the account from which the transfer was made;
- (b) the name and address of the Member;
- (c) the monetary amount of the accrued benefits transferred from the account and the respective amounts specified in each sub-account of the account immediately before the transfer;
- (d) the name of the registered scheme to which the Member's accrued benefits have been transferred, the name and business address of the New Trustee and the date on which the transfer was made;
- (e) an itemised statement of any expenses relating to the transfer that have been deducted from the accrued benefits by the Approved Trustee before making the transfer;
- (f) whether or not there are any contributions or any contribution surcharges outstanding (whether or not recoverable) in relation to the account and, if so, the amount of each of the outstanding contributions or contribution surcharges (whether or not recoverable) if known to the Approved Trustee;
- (g) such other information as may be specified by the Authority.

14.2 As soon as practicable after giving a transfer statement in accordance with the above, the Approved Trustee must give a copy of the statement to the New Trustee.

14.3 In case the transferee trustee has served on the transferor trustee the completed election form in the form of an electronic record to an electronic system under section 153(1A) of the Regulation, the transferor trustee shall comply with section 154(2A) of the Regulation.

15. CONFIRMATION OF TRANSFER

When the accrued benefits of a member are transferred from another registered scheme, the Approved Trustee as a New Trustee must, as soon as practicable after receiving those benefits, give to the Member a written notice confirming the transfer and stating the monetary amount of those benefits.

16. ACCRUED BENEFITS NOT TO BE TRANSFERRED IF CONTRIBUTIONS OR CONTRIBUTION SURCHARGES OUTSTANDING

- 16.1 If an Approved Trustee being an Original Trustee is notified of an election under section 150 or 150A of the Regulation and, at the time of the notification, Contributions or contribution surcharges or both (“outstanding sums”) are due for payment to the Authority in relation to the Member Account, the Approved Trustee must not give effect to the election until -
- (a) the Authority has, by written notice, given its consent for the Approved Trustee to give effect to the election; or
 - (b) all of the outstanding sums have been paid to the Approved Trustee; or
 - (c) the Authority has, by written notice, informed that Approved Trustee that all of the outstanding sums are irrecoverable; or
 - (d) some of the outstanding sums have been paid to the Approved Trustee and the Authority has, by written notice, informed the Approved Trustee that the other outstanding sums are irrecoverable.
- 16.2 Within 30 days after receiving all of the outstanding sums, or after receiving a notice as referred above, the Approved Trustee as the Original Trustee must take all reasonably practicable steps to ensure that all of the accrued benefits concerned [including the outstanding sums (if any) paid to the Approved Trustee] are transferred in accordance with the election.
- 16.3 If the Approved Trustee being an Original Trustee is notified of an election made under this part or an election to transfer Scheme assets and, at the time of the notification-
- (a) the Authority has served on the Approved Trustee as an Original Trustee a notice requiring that Approved Trustee to arrange for an auditor to investigate and to prepare a report under section 30 of the Ordinance; or
 - (b) the Authority has served on the Approved Trustee a notice notifying the trustee that the Authority intends to conduct an investigation under section 32 of the Ordinance,
- the Approved Trustee must not give effect to the election until the Authority has given its written consent for the Approved Trustee to give effect to the election, or has notified the Approved Trustee of the results of the valuation of the scheme assets carried out in relation to the report or the investigation.
- 16.4 Within 30 days after the Authority has given its written consent for the Approved Trustee to give effect to the election, or has notified the

Approved Trustee of the results of the valuation of the Scheme assets, the Approved Trustee must take all reasonably practicable steps to ensure that all of the accrued benefits concerned are transferred in accordance with the election and the results of that valuation of the Scheme assets.

17. PAYMENT OF ACCRUED BENEFITS OF MANDATORY CONTRIBUTIONS

17.1 In this part-

- (a) “claim” means a claim for the payment of the accrued benefits of a Member or a former Member in accordance with section 15 of the Ordinance;

“registered Chinese medicine practitioner” has the meaning given by section 2(1) of the Chinese Medicine Ordinance (Cap. 549 of the laws of Hong Kong).

- (b) For the purposes of this part,
- (i) a Member departs from Hong Kong permanently if the Member departs from Hong Kong to reside elsewhere with no intention of returning for employment or to resettle in Hong Kong as a permanent resident;
 - (ii) a Member who has an illness that is likely to reduce the life expectancy of the Member to 12 months or less has a terminal illness.

17.2 Claim for payment on attaining retirement age

- (a) A Member who has reached the retirement age may lodge with the Approved Trustee a claim for payment of the Member’s accrued benefits of Mandatory Contributions. The claim must be in a form specified or approved by the Authority.
- (b) The claim must be accompanied by evidence satisfactory to the Approved Trustee that the Member has reached the retirement age.

17.3 Claim for payment on attaining early retirement age

- (a) A Member who wishes to be paid the Member’s accrued benefits of Mandatory Contributions under section 15(2) of the Ordinance must, in addition to complying with that subsection, lodge with the Approved Trustee a claim for payment of the Member’s accrued benefits of Mandatory Contributions in accordance with the following. The claim must be in a form specified or approved by the Authority.

- (b) The claim must be accompanied by-
 - (i) evidence satisfactory to the Approved Trustee that the member has reached the early retirement age specified in Schedule 7 to the Ordinance; and
 - (ii) a statutory declaration as required by section 15(2) of the Ordinance.

17.4 Claim for Payment for Death

- (a) If a Member has died, a personal representative of the Member may lodge with the Approved Trustee a claim for payment of the Member's accrued benefits. The claim must be in a form specified or approved by the Authority.
- (b) A claim made by a person who purports to be the personal representative of the relevant Member must be accompanied by evidence satisfactory to the Approved Trustee of the person's status as such.
- (c) If there are no personal representatives of the Member's estate, or if they are unwilling to act, the Approved Trustee may treat the Member's accrued benefits of Mandatory Contributions as unclaimed benefits.

17.5 Additional classes of persons entitled to be paid accrued benefits of Mandatory Contributions

- (a) A Member who has not reached the retirement age is, subject to this part, entitled to be paid by the Approved Trustee, as a lump sum, the whole of the Member's accrued benefits of Mandatory Contributions in the Scheme if the Member-
 - (i) has permanently departed from Hong Kong or is about to depart from Hong Kong permanently; or
 - (ii) is totally incapacitated or has a terminal illness; or
 - (iii) is a member to whom (b) below applies.
- (b) This applies to Member if-
 - (i) the Member's accrued benefits of Mandatory Contributions kept in the Scheme as at the date of the claim for payment of those benefits made by him under section 165 of the Regulation do not exceed \$5,000; and
 - (ii) as at the date of the claim, at least 12 months have elapsed since the contribution day in respect of the latest

contribution period for which a Mandatory Contribution is required to be made to the Scheme or to any other registered schemes by or in respect of the Member; and

- (iii) the Member does not have accrued benefits of Mandatory Contributions kept in any other registered scheme.

17.6 Claim for Payment on Ground of Permanent Departure from Hong Kong

- (a) A Member who, before reaching the retirement age, wishes to be paid the Member's accrued benefits of Mandatory Contributions in the Scheme on the ground that the Member has departed, or is about to depart, from Hong Kong permanently, must lodge with the Approved Trustee a claim for payment of the Member's accrued benefits of Mandatory Contributions in accordance with the followings. The claim must be in a form specified or approved by the Authority.
- (b) The claim must be accompanied by-
 - (i) a statutory declaration by the claimant that the claimant departed, or will depart from Hong Kong permanently on a specified date; and
 - (ii) evidence satisfactory to the Approved Trustee that the claimant is permitted to reside in a place other than Hong Kong.
- (c) A person who has been paid accrued benefits of Mandatory Contributions from a registered scheme on the ground that, on a specified date, the person has departed, or was about to depart, from Hong Kong permanently is not, before reaching the retirement age, entitled to be paid the Member's accrued benefits of Mandatory Contributions from the Scheme on the ground that, on a later date, the person purports to have departed, or to be about to depart, from Hong Kong permanently.
- (d) If a Member claims to be entitled to be paid the Member's accrued benefits of Mandatory Contributions in the Scheme on the ground that, on a specified date, the Member has departed, or is about to depart, from Hong Kong permanently, the Approved Trustee-
 - (i) before paying those benefits to the Member, must, by written notice, give to the Authority written particulars of the claim, including the specified date of the permanent departure from Hong Kong, and the ground on which the claim is made; and
 - (ii) may pay those benefits to the Member only if the Authority has not, within 14 days after being given that notice, informed the Approved Trustee in writing that the Member

has previously been paid accrued benefits of Mandatory Contributions from a registered scheme on the ground that the Member claimed to have permanently departed from Hong Kong on an earlier date.

- (e) As soon as practicable after paying to a Member the Member's accrued benefits of Mandatory Contributions on the ground that the Member has departed, or is about to depart, from Hong Kong permanently, the Approved Trustee must, by written notice, give to the Authority particulars of the payment. Those particulars must include the Member's name, the date of the Member's departure, the amount paid and such information as may be required by the Authority.
- (ea) For the avoidance of doubt, clauses 17.6(d) or (e) does not apply in relation to the payment of an outstanding Contribution or contribution surcharge under clause 21 below.
- (f) If accrued benefits held in an account of a Member have been paid to the Member on the ground that, on a specified date, the Member has departed, or was about to depart, from Hong Kong permanently, the Member is not, before reaching the retirement age, precluded from making a further claim on the ground of permanent departure on that specified date if the claim is for the payment of other accrued benefits of Mandatory Contributions of the member held in another account in that scheme, or for the payment of other accrued benefits of Mandatory Contributions of that member in another registered scheme.

17.7 Claim for Payment on Ground of Total Incapacity

- (a) A Member who, before reaching the retirement age, wishes to be paid the Member's accrued benefits of Mandatory Contributions in the Scheme on the ground of total incapacity must lodge with the Approved Trustee a claim for payment of the Member's accrued benefits of Mandatory Contributions as stipulated herein. The claim must be in a form specified or approved by the Authority.
- (b) If a claim is made by a Member who was, immediately before becoming totally incapacitated, a relevant Employee or casual employee, the Approved Trustee may pay the Member's accrued benefits of Mandatory Contributions to that Member, but only if-
 - (i) the Member can provide the Approved Trustee with a medical certificate, in a form specified or approved by the Authority and issue by a registered medical practitioner or registered Chinese medicine practitioner, certifying that the Member is permanently unfit to perform the kind of work specified in the certificate for a reason so specified; and

- (ii) the Member satisfies the Approved Trustee that the Member was engaged in that kind of work under a contract of employment immediately before becoming totally incapacitated; and
 - (iii) the Member can provide the Approved Trustee with a declaration by the Member, in a form specified or approved by the Authority, stating that that contract of employment for that particular kind of work has been terminated.
- (c) If a claim is made by a Member who was, immediately before becoming totally incapacitated, a self-employed person, the Approved Trustee may pay the Member's accrued benefits of Mandatory Contributions to that Member, but only if-
- (i) the Member or personal account holder can provide the Approved Trustee with a medical certificate, in a form specified or approved by the Authority and issued by a registered medical practitioner or a registered Chinese medicine practitioner, certifying that the Member is permanently unfit to perform the kind of work specified in the certificate for a reason so specified; and
 - (ii) the Member satisfies the Approved Trustee that the Member was engaged in that kind of work as a self-employed person immediately before becoming totally incapacitated.
- (d) If a claim is made by a Member who was, immediately before becoming totally incapacitated, unemployed, the Approved Trustee may pay the Member's accrued benefits to that Member, but only if the Member –
- (i) can provide the Approved Trustee with a medical certificate, in a form specified or approved by the Authority and issued by a registered medical practitioner or a registered Chinese medicine practitioner, certifying that the Member is permanently unfit to perform the kind of work specified in the certificate for a reason so specified; and
 - (ii) satisfies the Approved Trustee that the Member was last engaged in that kind of work under a contract of employment before becoming totally incapacitated; and
 - (iii) can provide the Approved Trustee with a declaration by the Member, in a form specified or approved by the Authority, stating that that contract of employment for that particular kind of work has been terminated.

- (e) If a claim is made by a Member who, immediately before becoming totally incapacitated, ceased to be a self-employed person, the Approved Trustee may pay the Member's accrued benefits to that Member, but only if the Member –
 - (i) can provide the Approved Trustee with a medical certificate, in a form specified or approved by the Authority and issued by a registered medical practitioner or a registered Chinese medicine practitioner, certifying that the Member is permanently unfit to perform the kind of work specified in the certificate for a reason so specified; and
 - (ii) satisfies the Approved Trustee that the Member was last engaged in that kind of work as a self-employed person before becoming totally incapacitated.

17.8 Claim for Payment of Small Balance

- (a) A Member who wishes to be paid the Member's accrued benefits of Mandatory Contributions before reaching the retirement age and who claims to be a member to whom clause 17.5(b) applies must lodge with the Approved Trustee a claim for payment of the Member's accrued benefits of Mandatory Contributions in accordance herewith. The claim must be in a form specified or approved by the Authority.
- (b) The claim must be accompanied by a statutory declaration by the Member that-
 - (i) the Member does not intend to become employed or self-employed; and
 - (ii) as at the date of the claim, at least 12 months have elapsed since the contribution day in respect of the latest contribution period for which a Mandatory Contribution is required to be made to the Scheme or to any other registered scheme by or in respect of the Member; and
 - (iii) the Member does not have accrued benefits of Mandatory Contributions kept in any other registered scheme.
- (c) On receiving a claim made by a Member, the Approved Trustee must pay the Member's accrued benefits of Mandatory Contributions to that Member if satisfied that-
 - (i) the Member's accrued benefits of Mandatory Contributions kept in the Scheme as at the date of the claim do not exceed \$5,000; and

- (ii) as at the date of the claim, at least 12 months have elapsed since the contributions day in respect of the latest contribution period for which a Mandatory Contribution is required to be made to the Scheme or to any other registered scheme by or in respect of the Member; and
- (iii) the Member does not have accrued benefits of Mandatory Contributions kept in any other registered scheme.

17.9 Claim for Payment on Ground of Terminal Illness

The Approved Trustee shall pay claims under the ground of terminal illness after the entitlement to such claims has arisen in accordance with section 164A of the Regulation and the terms of this Deed.

18. PAYMENT OF ACCRUED BENEFITS WITHIN CERTAIN PERIODS

18.1 Clauses 18.1(1A) and (1B) below will apply if

- (a) a claim for the payment of a Member's accrued benefits of Mandatory Contributions is lodged with the Approved Trustee and
- (b) the claimant satisfies the Approved Trustee that the claimant is entitled to be paid those benefits.

18.1(1A) If the accrued benefits of Mandatory Contributions are paid in lump sum, the Approved Trustee must ensure that those benefits are paid to the claimant not later than whichever is the later of the following:

- (a) 30 days after the date on which the claim is lodged;
- (b) 30 days after the contribution day in respect of the last contribution period that ends before the claim is lodged.

18.1(1B) If the benefits are paid by instalments, the Approved Trustee must, unless otherwise agreed between the Approved Trustee and the claimant, ensure that each instalment is paid to the claimant no later than 30 days after the date on which the claimant instructs the Approved Trustee to pay that instalment.

18.2 This sub-clause is subject to the following sub-clause.

19. ACCRUED BENEFITS OF MANDATORY CONTRIBUTIONS NOT TO BE PAID

19.1 If a Member has lodged with the Approved Trustee a claim for payment of the Member's accrued benefits of Mandatory Contributions or if the Approved Trustee has received a request for other payment of Scheme assets out of the Scheme and, at the time of the lodgment-

- (a) the Authority has served on the Approved Trustee a notice requiring the Approved Trustee to arrange for an auditor to investigate and to prepare a report under section 30 of the Ordinance; or
- (b) the Authority has served on the Approved Trustee a notice notifying the Approved Trustee that the Authority intends to conduct an investigation under section 32 of the Ordinance,

the Approved Trustee must not pay the accrued benefits of Mandatory Contributions or Scheme assets until the Authority has given its written consent to make the payment, or has notified the Approved Trustee of the results of the valuation of the Scheme assets carried out in relation to the report or the investigation.

19.2 Within 30 days after the Authority has given its written consent for the Approved Trustee to make the payment, or has notified the Approved Trustee of the valuation of the Scheme assets above referred to the Approved Trustee must-

- (a) determine the accrued benefits of Mandatory Contributions payable to the Member [including the arrears and contribution surcharge (if any) paid to the Approved Trustee], and determine those benefits by reference to the valuation (if any); and
- (b) pay to the Member the accrued benefits of Mandatory Contributions so determined.

20. CLAIMANT BE PROVIDED WITH BENEFIT PAYMENT STATEMENT

When the Approved Trustee pays accrued benefits of Mandatory Contributions to a claimant, the Approved Trustee must ensure that the claimant is provided with a benefit payment statement containing the following information-

- (a) the name of the Approved Trustee, the name of the Scheme and the account number of the account from which the payment is made;
- (b) the name and address of the Member concerned;
- (c) the total amount of the accrued benefits of Mandatory Contributions paid to the claimant and the date on which the benefits were paid to the claimant;
- (d) an itemised statement of any expenses relating to the payment of the accrued benefits of Mandatory Contributions that were deducted from those benefits by the Approved Trustee before making the payment;

- (e) if any Contribution or contribution surcharge was outstanding at the time of the payment-
 - (i) the fact that a Contribution or contribution surcharge is outstanding; and
 - (ii) the amount of the Contribution or contribution surcharge if known to the Approved Trustee; and
 - (iii) if the Contribution or contribution surcharge was irrecoverable, the fact that it is irrecoverable and the amount concerned if known to the Approved Trustee; and
- (f) any other information as may be specified for the purposes of this clause by the guidelines issued by the Authority.

21. PAYMENT RECEIVED AFTER PAYMENT OF ACCRUED BENEFITS OF MANDATORY CONTRIBUTIONS MADE

If, after paying accrued benefits of Mandatory Contributions to a claimant in accordance with the provision above the Approved Trustee receives an outstanding Contribution or contribution surcharge for the benefit of the claimant, the Approved Trustee must pay the Contribution or contribution surcharge to the claimant as soon as practicable after receiving it.

22. UNCLAIMED BENEFITS

Duty of Approved Trustee if Member cannot be located

22.1 Subject to clause 22.3, if –

- (a) a Member or some other person has become entitled to be paid the Member's accrued benefits but no claim has been lodged with the Approved Trustee for payment of the Member's benefits under this part; and
- (b) the Approved Trustee becomes aware that the Member or other person cannot be located,

the Approved Trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.

22.2 If the Approved Trustee cannot locate the Member or other person within 6 months after taking the specified steps, the accrued benefits become unclaimed benefits at the end of that period.

22.3 The above do not apply in a case where a Member who has reached the retirement age has not lodged a claim with the Approved Trustee for payment of the Member's accrued benefits.

Duty of Approved Trustee if claimant cannot subsequently be located

22.4 This part applies where a Member or some other person has lodged a claim with the Approved Trustee for the payment of the Member's accrued benefits and the Approved Trustee is satisfied that the Member or other person is entitled to be paid the accrued benefits.

22.5 If the Approved Trustee becomes aware that the claimant cannot be located before payment of the Member's accrued benefits, the Approved Trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.

22.6 If the Approved Trustee cannot locate the claimant within 6 months after taking the specified steps, the accrued benefits become unclaimed benefits at the end of that period.

22.7 If –

- (a) a cheque has been sent by the Approved Trustee to the claimant in payment of the Member's accrued benefits but the cheque is not presented for payment within the period specified in the guidelines; and
- (b) the Approved Trustee is unable to locate the claimant during the period of 6 months after the expiry of the period specified in the guidelines;

the accrued benefits become unclaimed benefits at the end of the 6-month period.

23. NOTIFICATION TO MEMBERS UPON REACHING RETIREMENT AGE

23.1 If a Member has reached the retirement age and no claim has been lodged with the Approved Trustee for payment of the Member's accrued benefits, the Approved Trustee must, within 12 months after the Member has reached that age, give a written notice to the Member-

- (a) informing the Member of the Member's entitlement to be paid the Member's accrued benefits in a lump sum or by instalments; and
- (b) requesting the Member to reply in writing to the Approved Trustee as to
 - (i) whether or not the Member elects to retain the Member's accrued benefits with the Scheme; and

- (ii) for a Member who elects to be paid, whether the Member elects to be paid in a lump sum or by instalments.

23.2 [Deleted]

23.3 If the Approved Trustee-

- (a) does not receive a reply to a request contained in the notice given under clause 23.1 within 6 months after the notice was given; and
- (b) is unable to locate the Member by any other means,

the accrued benefits of the Member in the Scheme become unclaimed benefits at the end of that period.

23.4 If the Approved Trustee –

- (a) receives a reply to a request contained in a notice given under clause 23.1 indicating that the Member elects to retain the Member's accrued benefits within the Scheme; or
- (b) does not receive a reply to the request but is able to locate the Member,

the Approved Trustee must serve on the Member a benefit statement in accordance with section 56 of the Regulation.

23.5 The benefit statement must –

- (a) include only those particulars listed in section 56(3) of the Regulation that are applicable to the Member; and
- (b) be accompanied by a notice informing the Member that -
 - (i) the Member's accrued benefits are being retained in the Scheme; and
 - (ii) the Member may at any time lodge with the Approved Trustee a claim for payment of the Member's accrued benefits in accordance with section 159 of the Regulation.

23.6 [Deleted]

23.7 [Deleted]

23.8 If the Approved Trustee receives a reply to a request contained in a notice given to the Member herein, indicating that the Member elects not to retain the Member's accrued benefits in the Scheme, the Approved Trustee must pay the Member's accrued benefits to the Member.

Duty of Approved Trustee when Member whose accrued benefits are retained in the Scheme cannot be located

- 23.9 (a) If the Approved Trustee becomes aware that a Member on whom a benefit statement has been served under clause 23.4 cannot be located while the Member's accrued benefits are being retained in the Scheme, the Approved Trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.
- (b) If the Approved Trustee cannot locate the Member within 6 months after taking the specified steps, the accrued benefits become unclaimed benefits at the end of the at period.

Approved Trustee to submit to Authority particulars of Members who have unclaimed benefits

- 23.10 The Approved Trustee must submit to the Authority a quarterly report containing –
- (a) particulars of Members-
- (i) who have unclaimed benefits in the Scheme as at the end of the quarter to which the report relates; and
 - (ii) whose particulars have not previously been provided to the Authority;
- (b) particulars of Members whose unclaimed benefits have been claimed in the quarter to which the report relates; and
- (c) such information relating to the unclaimed benefits as may be specified in the guidelines.

The quarterly report must be submitted within the period, and in the manner, specified in the guidelines.

23.11 The Approved Trustee must continue to retain any unclaimed benefits in the Scheme.

23.12 Unclaimed benefits retained in the Scheme continue to vest in the Members concerned.

23.13 Unclaimed benefits transferred from an employer sponsored scheme to the Scheme continue to vest in the former members of the employer sponsored scheme.

24. ANNUAL BENEFIT STATEMENTS

- 24.1 The Approved Trustee shall keep proper record of all matters relating to the Scheme of each Member and must ensure that-
- (a) within 3 months after each financial period of the Scheme, each of the Members is provided with a benefit statement setting out the Member's position with respect to the Scheme as at the end of that period, whether or not the auditing of the financial statements of the Scheme for that period has been completed then; and
 - (b) if there are subsequent audit adjustments made to the benefit statements affecting the Member's balances, Members are notified in writing within 30 days after the Approved Trustee becomes aware of those audit adjustments.
- 24.2 If a financial period of the Scheme is extended to more than 12 months, the Approved Trustee must ensure that each Member of the Scheme is provided with-
- (a) a benefit statement for the first 12 months of the financial period; and
 - (b) a further benefit statement prepared and issued as at the end of the extended period.
- 24.3 A Member's benefit statement must-
- (a) specify the name of the Member, the name of the Scheme and the name of the Approved Trustee; and
 - (b) specify the total Contributions that have been paid to the Scheme in respect of the Member during the financial period and specify, in so far as it is within the knowledge of the Approved Trustee, any contribution periods for which Contributions that were required to be paid in respect of the Member have not been paid; and
 - (c) specify the value of accrued benefits of the Member as at the beginning of the financial period and also the value of accrued benefits of the Member as at the end of that period; and
 - (d) if the Member is a self-employed person, specify the total Contributions paid to the Approved Trustee by the Member during the financial period; and
 - (e) if the Member is not a self-employed person, specify the total contributions paid to the Approved Trustee by the Member's Employer during the financial period; and
 - (f) give particulars of amounts transferred to or from the Scheme during the financial period; and

- (fa) contain such information as may be specified by the Authority; and
 - (g) subject to below, be printed in both the Chinese language and the English language; and
 - (h) be prepared on an accrual basis, except that Contributions and items relating to Contributions not yet received by the Approved Trustee may be included on a cash basis.
- 24.4 The name of the Member may be printed on the benefit statement in either the Chinese language or the English language, unless the Member, by written notice, requires the Approved Trustee to print that name in both of those languages.
- 24.5 If Voluntary Contributions to the Scheme are paid by or in respect of a Member, the above is not complied with unless, in relation to the matters referred to in paragraphs (b) to (fa) of Clause 24.3, the statement provides separate information with respect to-
- (a) the Mandatory Contributions paid by or in respect of the Member, and the accrued benefits derived from those Mandatory Contributions; and
 - (b) the Voluntary Contributions paid by or in respect of the Member, and the accrued benefits derived from those Voluntary Contributions.
- 24.6 The Approved Trustee is not required to comply with this clause in relation to a person who has ceased to be a Member during the period of 3 months after the end of a financial period of the Scheme and whose accrued benefits have been transferred to another registered scheme in accordance with Part XII of the Regulation or have been paid in accordance with section 15 of the Ordinance.

25. ACCOUNT AND RECORDS

Separate account for each Member

- 25.1 The Approved Trustee must ensure that, as part of its accounting records, one or more separate account is established and maintained for each Member specifying the Member's accrued benefits.
- 25.2 The Approved Trustee must ensure that a Member's accrued benefits specified in the Member's Account reflect the difference between-
- (a) the aggregate amount of all the items listed in 25.3; and

(b) the aggregate amount of all the items listed in 25.4.

25.3 The items above referred to in 25.2(a) are as follows-

- (a) in the case of a Member who is an Employee or casual employee, all Contributions paid by the Employer to the Scheme in respect of the Member;
- (b) all Contributions paid to the Scheme by the Member;
- (c) any amount transferred to the account in accordance with Part XII of the Regulation of the Ordinance;
- (d) any investment income of the Scheme that is attributable to the Member's accrued benefits;
- (e) any amount by which the value of the Scheme investments attributable to the Member's accrued benefits has appreciated;
- (f) any other sums payable to the Member Account under the Ordinance.

25.4 The items referred to in 25.2(b) are as follows-

- (a) accrued benefits that have been paid to or in respect of the Member;
- (b) fees for administrative expenses deducted or deductible by the Approved Trustee from the account;
- (c) any amounts transferred from the account in accordance with Part XII of the Regulation of the Ordinance;
- (d) any other amounts payable under the Ordinance from the account;
- (e) any amount by which the value of the Scheme investments attributable to the Member's accrued benefits has depreciated.

25.5 The Approved Trustee must ensure that each Member Account is kept in such a manner that the current value of the accrued benefits of a Member can be ascertained at least once each month.

25.6 In the case of a Member who is an Employee or casual employee, the Approved Trustee must arrange for the Member's Contribution Account to be divided into the following sub-accounts-

- (a) a sub-account specifying –
 - (i) the contribution paid in respect of the Member by the Member's current Employer as Mandatory Contributions;

- (ii) any contribution surcharges paid by the Member's Employer on arrears if the relevant income of the Employee is less than the minimum level of relevant income and there is not a sub-account as referred to in paragraph (b);
 - (iii) the Member's minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, transferred to the Scheme which are attributable to the current Employer's contributions;
 - (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of subparagraphs (i), (ii) and (iii), but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
- (b) a sub-account specifying –
- (i) the Member's contributions paid by the Member's current Employer on behalf of the Member as Mandatory Contributions;
 - (ii) any contribution surcharges paid by the Member's Employer on arrears if –
 - (A) the relevant income of the Employee is not less than the minimum level of relevant income;
 - (B) the contributions have been made under subparagraph (i) in respect of the Member; or
 - (C) the minimum MPF benefits have been transferred under subparagraph (iii) in respect of the Member;
 - (iii) the Member's minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, transferred to the Scheme which are attributable to the Employee's contributions of the current employment;
 - (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of subparagraphs (i), (ii) and (iii), but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
- (c) a sub-account specifying –

- (i) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments and transferred to the Member's Contribution Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the Member's minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, transferred to the scheme which are attributable to the Employee's contributions to his former employments;
 - (iia) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments, and any contribution surcharges paid in respect of any such Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in sub-clause (i) or (ii);
 - (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of subparagraphs (i), (ii) and (iia) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
 - (iv) the special contributions (if any) paid in respect of the Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.
- (d) a sub-account specifying –
- (i) the Voluntary Contributions (if any) paid in respect of the Member by the Member's current Employer;
 - (ii) the amount (other than minimum MPF benefits to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies), if any, transferred to the scheme in respect of the Member from an ORSO exempted scheme or an ORSO registered scheme which are attributable to the current Employer's contributions;
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i) and (ii) but taking into account any losses

in respect of the investments and any amounts paid in respect of the Member;

- (e) a sub-account specifying –
 - (i) the Voluntary Contributions (if any) paid by the Member while Employed by the member's current Employer;
 - (ii) the amount (other than minimum MPF benefits to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies), if any, transferred to the scheme in respect of the Member from an ORSO exempted scheme or an ORSO registered scheme which are attributable to the Employee's contribution of the current employment;
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i) and (ii) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;

- (f) a sub-account specifying –
 - (i) all Voluntary Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments and transferred to the Member's Contribution Account;
 - (ia) all Voluntary Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments, other than Voluntary Contributions mentioned in sub-clause (i);
 - (ii) the amount (other than minimum MPF benefits to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies), if any, transferred to the scheme in respect of the Member from an ORSO exempted scheme or an ORSO registered scheme which are attributable to the Member's former employments;
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i), (ia) and (ii) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.

- (g) Where clauses 31.6A and 31.6B of the Trust Deed are applicable in the case of an Employer and an Employee, then, for the purposes of that case -
- (i) any reference to “current Employer” in clause 25.6(a), (b), (d) or (e) of this Part shall include the Previous Employer mentioned in clause 31.6A of the Trust Deed;
 - (ii) any reference to “current employment” in clause 25.6(b) or (e) of this Part shall include employment with the Previous Employer mentioned in clause 31.6A of the Trust Deed;
 - (iii) any reference to “former employments” in clause 25.6(c) or (f) of this Part shall not include employment with the Previous Employer mentioned in clause 31.6A of the Trust Deed;
 - (iv) any reference to “former employer” in clause 25.6(c) or (f) of this Part shall not include the Previous Employer mentioned in clause 31.6A of the Trust Deed;

25.7 In the case of a Member who is a self-employed person, the Approved Trustee must arrange for the Member’s Contribution Account to be divided into the following sub-accounts-

- (a) a sub-account specifying the Member’s Mandatory Contributions paid by the Member while self-employed, any contribution surcharges paid by the Member on arrears, and the income or profits arising from any investments of those contributions and surcharges, but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
- (b) a sub-account specifying –
 - (i) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Member’s former employments or former self-employments and transferred to the Member’s Contribution Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the Member’s minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, transferred to the scheme;
 - (iia) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Member’s former employments or former self-employments, and any contribution surcharges paid in respect of any such

Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in sub-clause (i) or (ii);

- (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of subparagraphs (i), (ii) and (ia) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
 - (iv) the special contributions (if any) paid in respect of the Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.
- (c) a sub-account specifying the Voluntary Contributions (if any) paid by the Member while self-employed and the income or profits arising from any investments of those contributions, but taking into account of any losses in respect of the investments and any amounts paid in respect of the Member;
- (d) a sub-account specifying –
- (i) all Voluntary Contributions paid by or in respect of the Member and transferred to the Member's Contribution Account;
 - (ia) all Voluntary Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments, other than Voluntary Contribution mentioned in sub-clause (i);
 - (ii) the amount (other than minimum MPF benefits to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies), if any, transferred to the scheme in respect of the Member from an ORSO exempted scheme or an ORSO registered scheme;
 - (iii) the Member's income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i),(ia) and (ii) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.

25.8 In the case of a Member who holds a Personal Account in the Scheme, the Approved Trustee must arrange for the Member's Personal Account to be divided into the following sub-accounts-

- (a) a sub-account specifying –
 - (i) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Members' current employments or former employments or former self-employments and transferred to the Member's Personal Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the Member's minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies, if any, transferred to the scheme;
 - (iia) all Mandatory Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments, and any contribution surcharges paid in respect of any such Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in sub-clause (i) or (ii);
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i), (ii) and (iia) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member;
 - (iv) the special contributions (if any) paid in respect of the Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.
- (b) a sub-account specifying –
 - (i) all Voluntary Contributions paid by or in respect of the Member and transferred to the Member's Personal Account;
 - (ia) all Voluntary Contributions paid by or in respect of the Member that are attributable to the Member's former employments or former self-employments, other than Voluntary Contributions mentioned in sub-clause (i);
 - (ii) the amount (other than minimum MPF benefits (if any), to which section 5(1) of Schedule 2 to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.) applies), if any, transferred to the scheme in respect of the

member from an ORSO exempted scheme or an ORSO registered scheme;

- (iii) the Member's income or profits arising from any investments of the contributions and amount mentioned in any of subparagraphs (i),(ia) and (ii) but taking into account any losses in respect of the investments and any amounts paid in respect of the Member.

25.9 The Approved Trustee must ensure that each Member Account is kept in such a manner that the amounts relating to a Member Account are recorded in the appropriate sub-accounts of that account.

25.10 For the avoidance of doubt, it is hereby declared that this section does not operate to require the Approved Trustee to divide a member's sub-account into any further sub-accounts.

26. SCHEME REPORT

26.1 The Approved Trustee must, for each financial period of the Scheme, ensure that a Scheme report is prepared for the Scheme in accordance with this clause.

26.2 The Scheme report must include the following information-

- (a) a commentary as to the financial development of the Scheme consistent with the financial statements;
- (b) particulars of any changes that have been made to the Rules since the end of the immediately preceding financial period of the Scheme or, if there was no such period, since the Scheme became registered;
- (c) such other information as is, in the Approved Trustee's opinion, necessary to provide the Members with a proper understanding of the Scheme and its operation.

26.3 The Scheme report must also-

- (a) specify how and from whom Members can obtain further information about the Scheme and its operation; and
- (b) give particulars of the auditor of the financial statements made out in respect of the Scheme for the financial period and of any service provider, bank, legal adviser, broker or other agent appointed or engaged by the Approved Trustee for the purposes of the scheme during that period; and

- (c) if any of the particulars referred to in paragraph (b) have changed during the financial period, give particulars of the changes; and
- (d) if any of the persons referred to in paragraph (b) was an associate of the Approved Trustee during the financial period-
 - (i) specify that fact; and
 - (ii) if the Approved Trustee is or includes a company, give particulars of the persons who were controllers of that associate during that period; and
- (e) if the Approved Trustee is or includes a company, give-
 - (i) particulars of the directors of the company who were holding office at the end of the financial period; and
 - (ii) particulars of appointments and terminations of appointment of directors of the company during that period (including the dates of those appointments and terminations of appointment); and
- (f) if the Approved Trustee consists of or includes natural persons-
 - (i) give particulars of those persons who were Approved Trustees of the Scheme at the end of the financial period; and
 - (ii) specify which of those trustees was the independent trustee of the Scheme during the financial period; and
 - (iii) give particulars of appointments and terminations of appointment of those trustees during that period (including the dates of those appointments and terminations of appointment).

26.4 For the purpose of the above, “particulars”, in relation to a person, means-

- (a) the person’s name; and
- (b) the person’s business address or, if the person is a natural person and does not have a place of business in Hong Kong, the person’s residential address.

27. INVESTMENT REPORT

27.1 The Approved Trustee must, for each financial period of the Scheme, ensure that an investment report is prepared for the Scheme in accordance with the following provisions.

27.2 The investment report must include the following information-

- (a) an analysis of the investments held by the Approved Trustee in respect of the Scheme and particulars of the income derived from those investments during the financial period concerned;
- (b) a commentary by the Approved Trustee on the analysis;
- (c) particulars of the investment policy followed by the Approved Trustee during that financial period and any change in the statement of investment policy that will materially affect the risk attached to the investments of the Scheme;
- (d) for that financial period and for each of the 2 immediately preceding financial periods (if any) of each Constituent Fund of the Scheme-
 - (i) the amount of net income (excluding capital appreciation or depreciation) derived from the investment of the Constituent Funds of the Scheme; and
 - (ii) the amount by which the value of the Scheme assets has appreciated or depreciated during the financial period; and
 - (iii) the value of the Scheme assets derived from the investment of the funds of the Scheme as ascertained in accordance with the applicable accounting guideline.

27.3 The information referred to above must be adequate to ensure that Members are provided with a proper understanding of-

- (a) the investments made in respect of the Scheme; and
- (b) the net return derived from those investments (excluding any appreciation or depreciation of the value of the Scheme assets attributable to those investments); and
- (c) the appreciation or depreciation of the value of the scheme assets attributable to those investments.

28. CONSOLIDATED REPORT

28.1 As soon as practicable after the Scheme report and investment report have been prepared for a financial period of the Scheme, the Approved Trustee must publish a consolidated report consisting of the following-

- (a) the financial statements of the Scheme made up for that period;
 - (b) the auditor's report on those statements;
 - (c) the Scheme report prepared for that period;
 - (d) the investment report prepared for that period.
- 28.2 A consolidated report may include such other information relating to the Scheme and its administration as the Approved Trustee considers appropriate.
- 28.3 The consolidated report must be printed in a Chinese language version and an English language version.
- 28.4 A Member may request the Approved Trustee for a copy of the consolidated report published by the Approved Trustee in respect of the Scheme for any specified financial period within 7 years preceding the date of the request. The copy must be in either the Chinese language or the English language, according to the Member's election as specified in the request.
- 28.5 As soon as practicable after receiving such request, the Approved Trustee must arrange to give to the Member who made the request a copy of the consolidated report requested by that Member.

29. REGISTER OF MEMBERS AND OTHER RECORDS

- 29.1 The Approved Trustee must ensure that a register of Members is established and kept in accordance with the following:
- (a) The register must specify the name of each Member, the Member's residential address, the Member's date of birth and whether the Member is a self-employed person or a relevant Employee of an Employer or a casual employee or a Personal Account holder and, if the Member is such an Employee, the name and business address of the Employer.
 - (b) The register may also specify in relation to a Member such other particulars as the Approved Trustee thinks appropriate.
- 29.2 The Approved Trustee must ensure that all records in respect of the management of the Scheme (other than accounting records) are so kept as will correctly record and explain the operation of the Scheme.

30. PERIOD FOR WHICH RECORDS TO BE KEPT

The Approved Trustee must ensure that an accounting or other record required to be kept in respect of the Scheme is kept for at least 7 years after the end of the financial period in which the record is made or, if the record relates to a person's membership of the Scheme, for at least 7 years after the person ceases to be a Member.

31. [DELETED]

32. SMALL ACCOUNT

32.1 After Contributions have ceased to be payable to the Scheme by or on behalf of a Member, no fees may be charged and no financial penalties may be imposed, for the transfer of the Member's accrued benefits from the Scheme to another scheme or from one account (contributed to by one employer) to another account (contributed to by another employer) within the Scheme.

32.2 The above sub-clause applies only to the first transfer of those benefits made in respect of the Member and only if-

- (a) that transfer is made within not more than 12 months after the date on which the Contributions ceased to be paid; and
- (b) the amount of those benefits, at the time of the transfer, does not exceed \$5,000.

(End of Part I)

PART II

VOLUNTARY SCHEME

1. DEFINITIONS

“Vested Portion of the Employer’s Voluntary Contributions” means that portion of the accrued benefits which vests in the Member upon the expiration of years of employment, being the portion determined according to the vesting period and vesting scale selected by the relevant Employer as specified in the Application for Participation.

“Voluntary Contribution Account” means the account or accounts of a Member where the accrued benefits of Members’ Voluntary Contributions and/or Employers’ Voluntary Contributions are held.

2. APPLICATION OF PART I

- 2.1 The Rules in Part I of the First Schedule in relation to Mandatory Contribution shall apply mutatis mutandis to Voluntary Contributions where they are not inconsistent to the provisions herein.
- 2.2 Where an Employer, Employee, casual employee or self-employed person makes both Mandatory and Voluntary Contributions, the Approved Trustee is entitled to allocate the Contribution firstly to the Mandatory Contribution Account and then to the Voluntary Contribution Account.
- 2.3 The payment of Voluntary Contributions shall be at the same date as the payment of Mandatory Contribution in relation to an Employer, Employee, casual employee and self-employed person.

3. PAYMENT OF ACCRUED BENEFITS OF VOLUNTARY CONTRIBUTIONS

Accrued benefits derived from the Voluntary Contributions must not be paid by the Approved Trustee otherwise than by reference to those Contributions and the income or profits derived from their investment.

4. DUTIES OF EMPLOYERS UNDER VOLUNTARY CONTRIBUTIONS

- 4.1 The Employers are obliged, on request by any of their Employees or casual employees who are Members of the Scheme, notwithstanding that their Employees or casual employees are less than 18 years of age or are

of or more than retirement age or are exempted under section 4(3) of the Ordinance, to pay to the Approved Trustee of any Voluntary Contribution made by those Employees.

- 4.2 Subject to clause 29 of the Deed, self-employed persons who are Members of the Scheme, notwithstanding that they are less than 18 years of age or are of or more than retirement age or are exempted under section 4(3) of the Ordinance, can elect to pay to the Approved Trustee any Voluntary Contributions.
- 4.3 Employers and self-employed persons may only cease to pay Voluntary Contributions to the Scheme upon giving one month's written notice to the Approved Trustee.

5. BENEFIT ON RETIREMENT/DISABLEMENT

- 5.1 If a Member is an Employee or casual employee
- (a) retires from his employment on or after his retirement date as specified in the Application of Participation; or
 - (b) survives to the later of the date he attains 65 years of age and his retirement date as specified in the Application of Participation; or
 - (c) retires from his employment before his retirement date in accordance with the provisions for early retirement specified in the Application for Participation; or
 - (d) retires from his employment by reason of total incapacity;

the Approved Trustee shall in accordance with Clause 5.3 of this Part pay to or apply for the benefit of such Member an amount equal to the aggregate of

- (1) his accrued benefits of Member's Voluntary Contributions; and
 - (2) his Vested Portion of Employer's Voluntary Contributions (if any).
- 5.2 If a Member is a self-employed person, he can apply to the Approved Trustee for the accrued benefit of his Voluntary Contributions at any time.
- 5.3 The Approved Trustee shall pay to the Member the amount specified in clause 5.1 if the Member so direct and if the Member does not so direct shall retain in the Scheme until the Member dies or requests payment of the same amount determined in accordance with clause 5.1.

6. BENEFIT ON DEATH

The payment of accrued benefits of Member's Voluntary Contributions and the Vested Portion of Employer's Voluntary Contributions in the event of death of a Member shall be made in accordance with clause 17.4 of Part I of the First Schedule.

7. BENEFIT ON LEAVING EMPLOYMENT

7.1 If a Member other than a Personal Account holder leaves his employment in circumstances which do not entitle him to a benefit pursuant to clause 5 or 6 of this Part, the Approved Trustee in accordance with paragraph 7.2 shall pay to or apply for the benefit of such Member, an amount equal to the aggregate of:

- (a) his accrued benefits of Member's Voluntary Contributions; and
- (b) the Vested Portion of his Employer's Voluntary Contributions (if any).

PROVIDED THAT if the Member who is an Employee or casual employee is dismissed from his employment on any of the following grounds:

- (1) wilfully disobeying a lawful and reasonable order;
- (2) misconducting himself, such conduct being inconsistent with the due and faithful discharge of his duties;
- (3) being guilty of fraud or dishonesty;
- (4) being habitually neglectful in his duties; or
- (5) upon any other ground on which the Employer would be entitled to terminate the contract of employment without notice at common law

and the Approved Trustee is satisfied that the dismissal was duly made on one of such grounds then the amount payable shall be accrued benefits arising from his Voluntary Contributions.

7.2 The Approved Trustee shall pay to the Member the amount specified in clause 7.1 if the Member so direct and if the Member does not so direct, shall retain in the Scheme in his Personal Account where his accrued benefits of Voluntary Contributions if any, is allocated until the Member dies or requests payment of the same amount.

8. TRANSFER OR WITHDRAWAL BY A PERSONAL ACCOUNT HOLDER

If a Personal Account holder transfers or withdraws the accrued benefits of his Mandatory Contributions, the accrued benefits of his Voluntary Contributions (if any) must be transferred to another registered scheme or be withdrawn at the same time, unless the Approved Trustee agrees otherwise.

9. REQUIREMENTS WITH RESPECT TO VOLUNTARY CONTRIBUTIONS

- 9.1 If the Employer elects to make Voluntary Contributions in respect of any Employees or casual employees who are Members of the Scheme, that those Voluntary Contributions will become vested in those Employees or casual employees as accrued benefits in accordance with the Governing Rules hereof.
- 9.2 If an Employee, casual employee or a self-employed person who is a Member elects to make Voluntary Contributions, those Voluntary Contributions will become vested in full as accrued benefits in that Employee or casual employee, self-employed person when the Contributions are received by the Approved Trustee.
- 9.3 If a Member so requests, accrued benefits derived from Voluntary Contributions made by or in respect of the Member must be paid to the Member as provided by the Governing Rules of the Scheme. Where any of those Voluntary Contributions are required to be made by the Member's Employer and if the Employer has failed to make such a required Voluntary Contributions to the Scheme, the payment of such accrued benefits derived from Voluntary Contributions to the Member must be made by the Approved Trustee, within 6 months after –
- (a) if the amount of the Voluntary Contributions required to be made by the Employer is determined by reference to the income derived from the Employee's employment with the employer, the end of the period covered by the payment of such income; or
 - (b) if the amount of the relevant contributions required to be made by the Employer is determined by reference to a period of employment of the Employee with the Employer, the end of such period.

10. BANKRUPTCY OF A MEMBER

If a Member shall either wholly or partially assign, charge, or otherwise dispose of any present or future benefit in this Part or attempt or purport to do so or if he shall become bankrupt or if any other act shall be done or event shall happen whereby the same would be vested in or payable to or charged in favour of any other person, firm or company, upon the happening of any of the events aforesaid all right, benefit and interest of the Member herein shall cease and such benefits shall be held by the

Approved Trustee upon trust to apply the same for or towards the maintenance and personal support of the relevant Member and/or his Beneficiaries in such manner and in such proportion (but so that no payment is made to any assignee or trustee in bankruptcy or any person claiming under a charge or purported charge) as the Approved Trustee may, in its absolute discretion, determined.

11. RECEIVERSHIP OR LIQUIDATION OF AN EMPLOYER

If at any time a receiver or a receiver and manager of any property of an Employer is appointed or if an Employer is bankrupt, or wound up placed under the official management of a person or a committee of management (such receiver or receiver and manager or person or committee engaged as official manager being referred to as the “Receiver”) or a liquidator is appointed of the Employer, the Approved Trustee may within 30 days of receiving notice of the appointment of the Receiver or liquidator give notice in writing to the Employer that the Approved Trustee regards the Receiver or liquidator as being the Employer for the purposes of this Deed and as from the date of the said notice or such other date (if any) as shall be specified for the purposed in such notice the Receiver or liquidator shall be the Employer for the purposes of this Deed.

12. [Deleted]

13. [Deleted]

14. TAXES OR DUTIES

If any of the benefits payable in accordance with this Part are subject to taxes or duties either in Hong Kong or elsewhere the Approved Trustee is empowered to deduct therefrom such taxes or duties and to hold them for payment to the proper authorities.

15. FORFEITED ACCOUNT

15.1 The Approved Trustee shall maintain within the Scheme a Forfeited Account in respect of each Employer.

15.2 If when a Member retires or leaves his employment, the Vested Portion of his Employer’s Voluntary Contributions which becomes payable or is otherwise applied pursuant to clause 7.1 of this Part is less than the whole thereof, the remaining portion thereof shall be credited to the Forfeited Account maintained in respect of the relevant Employer.

15.3 The Approved Trustee shall invest the Employer's Contributions in the Forfeited Account in accordance with the latest instructions of the Employer.

16. APPLICATION OF FORFEITED ACCOUNT

16.1 If when:-

- (a) any fee or charge becomes payable by the Employer in respect of an Employer in connection with the administration of the Scheme; or
- (b) any Voluntary Contribution becomes payable to the Scheme by an Employer

the Employer authorises the Approved Trustee to pay the amount of such fee charge or contribution from the Forfeited Account and if the Approved Trustee so agrees may cause to be paid from that Forfeited Account any such amount and shall so debit the Forfeited Account.

16.2 When any administration charge or fee is payable to the Approved Trustee in respect of an Employer in the circumstances described in this Deed or the Rules or Ordinance, the Forfeited Account shall be debited with the said administration charge or fee.

17. REFUND OF THE ACCUMULATION IN THE FORFEITED ACCOUNT TO EMPLOYER

The Approved Trustee may upon request from an Employer or within one month after the Voluntary Contribution Account is closed refund whole or part of the Accumulation of the Forfeited Account to the Employer.

18. LIEN ON ACCRUED BENEFITS

All accrued benefits arising from the Employers' Voluntary Contribution payable under this Part shall be subject to a lien in respect of any losses of the Employer arising directly from the dishonest act of the Member to whom the said accrued benefits are payable and for all debts owing to the Employer by the Member in respect of whom the said accrued benefits are payable provided that such debts have been acknowledged in writing by such Member. The Approved Trustee may pay to the Employer upon the termination of employment of the relevant Member for the Employer's own use and benefit the amount of such losses or debts and the benefits of the Member concerned upon the termination of his employment shall be reduced accordingly by such amount.

19. INFORMATION RELATING TO VOLUNTARY CONTRIBUTIONS TO MEMBERS

- 19.1 The Approved Trustee must, by written notice, inform the Members and Employers of the procedure, and requirements under the Scheme, for making changes to the payment of Voluntary Contributions. The notice must be given not later than 7 days after the receipt of inquiry on or request for changing the payment of Voluntary Contributions.
- 19.2 If a Member is an Employee or casual employee, the Approved Trustee may arrange to deliver to the Member's Employer the written notice required to be given to the Member in the above section. In that case, that Employer must ensure that the notice is given to the Member within 7 working days after the Employer receives it.

20. TRANSFER BY EMPLOYER OF EMPLOYEE'S ACCRUED BENEFITS

If a Member is an Employee of an Employer in the Scheme, the Employer may elect to have the accrued benefits held in the Contribution Account in the Scheme in respect of the Member's employment with that Employer transferred to another registered scheme in which the Employer is a participant by giving written notice of the election to the Approved Trustee in the event of-

- (a) the winding up of Scheme; or
- (b) the merger of the Scheme with another registered scheme; or
- (c) the division of the Scheme; or
- (d) the employer providing notice, personally or through the New Trustee, of his intention to cease participation in the first-mentioned scheme in respect of that Member.

21. TRANSFER OF ACCRUED BENEFITS IN RESPECT OF FORMER EMPLOYMENT OR SELF-EMPLOYMENT

An Employee (other than an Individual Relevant Employee) who participates as a Member in the Scheme, may elect to transfer all accrued benefits held in the Voluntary Contribution Account in respect of the Employee's former employment or self-employment at the same time upon the exercise of the right to transfer all accrued benefits derived from Mandatory Contributions provided in clause 10.8C of Part I of the Schedule by that Employee.

(End of Part II)

PART III

SMART EASY PERSONAL CONTRIBUTIONS

1. DEFINITIONS

“Smart Easy Personal Contribution Account” means the account or accounts of a Member where the accrued benefits of Smart Easy Personal Contributions are held.

2. APPLICATION OF PART I AND PART II

Rules 4.1, 4.2, 22, 24.1 to 24.4 and 26 to 30 in Part I of the First Schedule will apply mutatis mutandis to Smart Easy Personal Contributions. Other Rules in Part I and Part II of the First Schedule in relation to Mandatory Contributions and Voluntary Contributions will not be applicable to the provisions of this part unless otherwise stated herein.

3. REQUIREMENTS WITH RESPECT TO SMART EASY PERSONAL CONTRIBUTIONS

- 3.1 An Individual Relevant Employee may by signing an Application of Participation become a Member and continue in membership of the Scheme in accordance with the provisions of this part.
- 3.2 For the avoidance of doubt, Smart Easy Personal Contributions are held in a separate account relating to or corresponding to a Member within the Scheme. The Smart Easy Personal Contributions will become vested in full as accrued benefits in the Smart Easy Personal Contribution Account holder when the Smart Easy Personal Contributions are received by the Approved Trustee.
- 3.3 Smart Easy Personal Contributions cannot be transferred to any other registered schemes. Any assets, special voluntary contributions or other benefits of Smart Easy Personal Contribution Account holders maintained in other registered schemes are not allowed to be transferred to the Scheme as Smart Easy Personal Contributions.
- 3.4 If a Smart Easy Personal Contribution Account holder ceases to be employed or self-employed, the Smart Easy Personal Contribution Account holder must notify the Approved Trustee to suspend payment of Smart Easy Personal Contributions to the Scheme within the time limit stated in such form and manner as may be specified by the Approved Trustee from time to time. No further Smart Easy Personal Contributions

will become payable thereafter unless the Smart Easy Personal Contribution Account holder gives a written notice in the specified form to the Approved Trustee to resume contributing to the Scheme. The accrued benefits of the Smart Easy Personal Contributions will be preserved during the period of suspension until they are withdrawn by the Smart Easy Personal Contribution Account holder or upon receipt of resumption notice by the Approved Trustee.

- 3.5 If a Smart Easy Personal Contribution Account holder fails to maintain any balance in the Smart Easy Personal Contribution Account for 12 consecutive months, the Approved Trustee may close his Smart Easy Personal Contribution Account. A Smart Easy Personal Contribution Account holder will cease to participate in the Scheme in the capacity as a Smart Easy Personal Contribution Account holder on the date of closure of the Smart Easy Personal Contribution Account.

4. WITHDRAWAL OF ACCRUED BENEFITS OF SMART EASY PERSONAL CONTRIBUTIONS

A Smart Easy Personal Contribution Account holder, may withdraw the accrued benefits of the Smart Easy Personal Contributions at any time by giving written notice in specified form to the Approved Trustee subject to the minimum amount of withdrawal stated in the form approved by the Approved Trustee from time to time or such smaller amount as the Approved Trustee may in its discretion agree. Rules 18 and 20 in Part I of the First Schedule in relation to payment and provision of benefit payment statement upon withdrawal of accrued benefits will apply mutatis mutandis to withdrawal of Smart Easy Personal Contributions. The Approved Trustee will make a withdrawal only when sufficient funds are or will be available in the Smart Easy Personal Contribution Account of that Smart Easy Personal Contribution Account holder at the time of withdrawal. The Approved Trustee shall not draw upon funds from that Smart Easy Personal Contribution Account holder's Mandatory Contribution Account and/or Voluntary Contribution Account (if any) to meet the payment under this clause.

PART IV

DEFAULT INVESTMENT STRATEGY

1. DEFINITIONS

“China Life Age 65 Plus Fund” means the constituent fund made available in the Scheme under section 2(a) of Part 2 of Schedule 10 of the Ordinance.

“commencement date” means 1 April 2017.

“China Life Core Accumulation Fund” means the constituent fund made available in the Scheme under section 2(b) of Part 2 of Schedule 10 of the Ordinance.

“DIS constituent fund” means

- (a) China Life Age 65 Plus Fund; or
- (b) China Life Core Accumulation Fund.

“pre-existing account” means a Member’s Account of the Scheme that was opened before the commencement date.

“specific investment instructions” in relation to a Member’s Account of the Scheme means the instructions given by the Member to the Approved Trustee to invest the accrued benefits in the account according to the Member’s selection as permitted under this Part IV of the Governing Rules.

2. APPLICATION OF PART I, PART II AND PART III

The Rules in Part I, Part II and Part III of the First Schedule will apply mutatis mutandis to Default Investment Strategy where they are not inconsistent with the provisions herein.

3. REQUIREMENTS FOR DEFAULT INVESTMENT STRATEGY

3.1 Constituent Funds

- (a) The Approved Trustee shall make available in the Scheme the Default Investment Strategy that complies with Part 2 of Schedule 10 of the Ordinance with effect from the commencement date.

- (b) The Default Investment Strategy of the Scheme are available to all Members for selection as an investment arrangement in addition to Clause 18A of the Deed. China Life Age 65 Plus Fund and China Life Core Accumulation Fund are the DIS constituent funds constituting the Default Investment Strategy of the Scheme and shall be invested in accordance with Clause 4 below and other applicable statutory and regulatory codes and guidelines. Detailed provisions of Default Investment Strategy are set out in this Part IV of the Governing Rules, Annexure H, Annexure I and the principal brochure of the Scheme respectively.
- (c) The Approved Trustee shall ensure that any investment related to the Default Investment Strategy accords with the requirements under Part 4AA of the Ordinance, Part 2 of Schedule 10 of the Ordinance and other applicable regulatory guidelines and requirements.

3.2 Specific Investment Instructions

- (a) A specific investment instruction (whether provided at the time of enrolment in the Application of Participation or at any time thereafter by way of Notice of Switching or such other form as may be specified by the Approved Trustee from time to time for rebalancing or change of investment mandate) of a Member shall be regarded as valid by the Approved Trustee
 - (i) if a Member specifies the choice of investment (“Individual Fund Choice”) **either** in any or all of the Constituent Fund(s) **or** the Default Investment Strategy therein **other than** a combination of both the Individual Fund Choice and the Default Investment Strategy; and
 - (ii) the investment allocation percentage in respect of all of the Constituent Funds in Individual Fund Choice by a Member must be equivalent to an integer; and
 - (iii) the aggregate investment allocation percentage in respect of any or all of the Constituent Funds in Individual Fund Choice by a Member must be equivalent to 100%; and
 - (iv) duly signed and/or endorsed by the Member.
- (b) A Member may give a specific investment instruction in respect of his/her Member Account, i.e. Mandatory and Voluntary Contribution Accounts, Smart Easy Personal Contribution Account and Personal Account. The specific investment instruction given by a Member for each of these accounts shall apply to that respective account. In relation to the Mandatory Contribution Account and Voluntary Contribution Account, the specific investment instruction of a Member shall apply to all sub-

accounts thereof irrespective of whether the Mandatory Contributions and/or Voluntary Contributions comprise Employer and/or Employee's contributions).;

- (c) The Approved Trustee may at its sole discretion vary, change or modify the criteria for determining the validity of a specific investment instruction in Clause 3.3(a).

3.3 Circumstances for Investing in Default Investment Strategy

- (a) New Members participating in the Scheme on or after the commencement date

The Approved Trustee shall invest the Contributions and/or accrued benefits of a Member who participates in the Scheme on or after the commencement date according to the Default Investment Strategy upon the occurrence of any of the following circumstances:

- (i) if a Member gives a specific investment instruction to invest in the Default Investment Strategy in the Application of Participation at the time of enrolment; or
- (ii) if a Member fails to specify the choice of investment in a specific investment instruction in the Application of Participation at the time of enrolment; or
- (iii) if the investment allocation percentage specified in a specific investment instruction in any of the Constituent Funds in Individual Fund Choice by a Member is not equivalent to an integer; or
- (iv) if the aggregate investment allocation percentage in respect of any or all of the Constituent Funds in Individual Fund Choice by a Member is not equivalent to 100%; or
- (v) if a specific investment instruction has not been signed and/or endorsed by a Member; or
- (vi) if an Employer has provided information which enables the Approved Trustee to establish an Employee's record as a Member of the Scheme under section 7A of the Ordinance but no Application of Participation has ever been submitted by that Employee or received by the Approved Trustee; or
- (vii) if a Member has specified the choice of investment in any or all of the Constituent Funds in Individual Fund Choice AND the Default Investment Strategy.

(b) Pre-Existing Accounts of the Scheme before the commencement date

Subject to the fulfillment of the conditions specified in section 34DG and compliance with sections 34DI and 34DJ of Division 3 of Part 4AA of the Ordinance, the Approved Trustee shall invest all the accrued benefits in a pre-existing account of a Member according to the Default Investment Strategy.

- (c) If the accrued benefits of an existing Member in the default fund of the Scheme have become invested according to the Default Investment Strategy under sections 34DI(2) or 34DJ(3) or (5) of Division 3 of Part 4AA of the Ordinance, the Approved Trustee shall continue to invest any accrued benefits in the account according to the Default Investment Strategy, whether or not the Member is still an existing member, unless the Approved Trustee has received specific investment instructions from the Member for the benefits in that account.

For the purpose of this Clause 3.3(c), “existing member” means a Member of the Scheme to whom Division 3 of Part 4AA of the Ordinance applies under section 34DF thereof.

3.4 Funds Combination

- (a) Except upon the occurrence of the circumstances specified in Clause 3.4(b), a Member may only choose to invest all Contributions and/or accrued benefits by providing a specific investment instruction to the Approved Trustee in either of the followings at all times:
- (i) any or all Constituent Funds and according to the assigned investment allocation percentage to the relevant Constituent Fund in the Individual Fund Choice; or
 - (ii) the Default Investment Strategy.
- (b) Notwithstanding the above Clause 3.4(a), the accrued benefits of a Member Account may be invested in both the Default Investment Strategy and Individual Fund Choice
- (i) where a Member has given a specific investment instruction in the Application of Participation to invest the Contributions in the Member’s Account in either the Default Investment Strategy or Individual Fund Choice and that Member thereafter gives a specific investment instruction to effect change of investment mandate as to future contributions only from the Default Investment Strategy to be invested in Individual Fund Choice or vice versa; or

- (ii) where a Member has given a specific investment instruction in the Application of Participation to invest the Contributions in the Member's Account in either the Default Investment Strategy or Individual Fund Choice and that Member thereafter gives a specific investment instruction to effect rebalancing as to accrued benefits only from the Default Investment Strategy to be invested in Individual Fund Choice or vice versa; or
- (iii) where a Member gives a notice to the Approved Trustee to transfer any or all of the accrued benefits in Individual Fund Choice in a Member Account ("transferor account") to another existing Member Account ("transferee account") within the Scheme to be invested in the Default Investment Strategy (these transferred benefits will be held, preserved and invested in the same manner as they were invested immediately before the transfer) or vice versa.

For the purpose of Clause 3.4(b)(iii), "transferred benefits" means the accrued benefits in the transferor account that are transferred, or have been transferred to the transferee account.

- (c) For the avoidance of doubt, the annual de-risking under the Default Investment Strategy referred to in Clause 4.3 shall not be applicable to investments/acrued benefits in China Life Age 65 Plus Fund and/or China Life Core Accumulation Fund by a Member pursuant to a Member's Individual Fund Choice given in Clause 3.4(a)(i).

4. INVESTMENT STRATEGY

4.1 Investment Strategy for Members who are below 50 years of age

The Approved Trustee shall invest the accrued benefits of a Member who is below 50 years of age solely in China Life Core Accumulation Fund.

4.2 Investment Strategy for Members who are 50 years of age or above but below 65 years of age

- (a) Subject to section 34DB(3) of the Ordinance, the following applies to a Member who is 50 years of age or above but below 65 years of age
- (b) The Approved Trustee shall
 - (i) invest the accrued benefits of the Member in China Life Core Accumulation Fund and China Life Age 65 Plus Fund;

- (ii) if the Member's accrued benefits have been invested under Clause 4.1 above but not yet invested thereunder –
 - (1) invest on the Member's 50th birthday, a portion of the Member's investments in China Life Core Accumulation Fund and China Life Age 65 Plus Fund; and
 - (2) ensure that immediately after the investment is made, the investments in the respective funds, each relative to the Member's total investments in both funds, are of the percentages set out in columns 2 and 3, opposite to the age of 50 in column 1, of the table in Clause 4.3 below;

- (iii) if the Member's accrued benefits have been invested under this Clause 4.2(b) -
 - (1) allocate, once in each year, beginning on the birthday of the Member in that year, the Member's investments in China Life Core Accumulation Fund and China Life Age 65 Plus Fund respectively; and
 - (2) ensure that immediately after the allocation, the investments in the respective funds, each relative to the Member's total investments in both funds, are of the percentages set out in columns 2 and 3, opposite to the Member's age in column 1, of the table in Clause 4.3 below; and

- (iv) for accrued benefits in the Member's Account in a particular year that have not been invested, invest those benefits in China Life Core Accumulation Fund and China Life Age 65 Plus Fund according to the proportion expressed in the percentages set out in columns 2 and 3, opposite to the Member's Age in column 1, of the table in Clause 4.3 below.

4.3 The table of percentages for the purposes of Clause 4.2 is as follows:

Column 1	Column 2	Column 3
Age	China Life Core Accumulation Fund	China Life Age 65 Plus Fund
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%

59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64	0.0%	100.0%

The percentages set out in columns 2 and 3 of the table in Clause 4.3 are collectively referred to as “Annual Percentage of De-Risking”.

4.4 Rounding of Units of the DIS constituent funds

For the purpose of allocating the accrued benefits of a Member Account to be invested in accordance with the Annual Percentage of De-Risking as specified in the table of Clause 4.3, the Approved Trustee shall calculate the Unit of a DIS constituent fund in which fractional parts of a Unit may be issued. Any fractional parts of a Unit of a DIS constituent fund shall be rounded down to four (4) decimal places.

4.5 Investment Strategy for Members who are below 18 years of age

The Approved Trustee shall invest the accrued benefits of a Member who is below 18 years of age solely in China Life Core Accumulation Fund.

4.6 Investment Strategy for Members who are 65 years of age

Subject to section 34DB(3) of the Ordinance, the Approved Trustee shall invest the accrued benefits of a Member who is 65 years of age or above solely in China Life Age 65 Plus Fund.

4.7 Investment Strategy for Members whose age is uncertain

The Approved Trustee shall invest the accrued benefits of a Member solely in China Life Age 65 Plus Fund if the Approved Trustee is not aware of the age of the Member.

5. DATE AND SEQUENCE OF DE-RISKING

5.1 Date of De-Risking

- (a) The Annual Percentage of De-Risking applicable to a Member’s relevant age in Clause 4.3 will be carried out on a Member’s birthday each calendar year which is a Dealing Day.
- (b) In case a Member’s birthday is not a Dealing Day, the Annual Percentage of De-Risking applicable to a Member’s relevant age will take effect on the next Dealing Day or the first Dealing Day following the day which is not a Business Day.

- (c) If a Member's birthday falls on the 29th February and the Annual Percentage of De-Risking applicable to that Member takes place in a calendar year which is not a leap year, the Annual Percentage of De-Risking will take effect on 1st March. In case 1st March is not a Dealing Day, on the next Dealing Day or the first Dealing Day following 1st March which is not a Business Day.
- (d) If a Member only provides the year and month of birth and the Approved Trustee has made reasonable steps to ascertain such information, the Annual Percentage of De-Risking will take effect on the last calendar day of the month of birth which is a Dealing Day, or if it is not a Dealing Day, the next Dealing Day.
- (e) In case where only the year of birth of a Member is available and the Approved Trustee has made reasonable steps to ascertain such information, the Annual Percentage of De-Risking will take effect on the last calendar day of the calendar year which is a Dealing Day, or if it is not a Dealing Day, the next Dealing Day.
- (f) In case there is no available information as to the age or birth (i.e. day, month and year) of a Member and the Approved Trustee has made reasonable steps to ascertain such information, a Member's accrued benefits shall be fully invested in China Life Age 65 Plus Fund without reference to the Annual Percentage of De-Risking at any time.

5.2 Sequence of De-Risking

In the event that any one or more of the instructions, including but not limited to, subscriptions, redemptions (i.e. withdrawals or transfers out of the Scheme) or switching instructions are being processed on the annual date of de-risking for a Member, the annual de-risking for that Member shall only be effected after completion of the foregoing instructions.

6. **PAYMENT FOR SERVICES RELATING TO DEFAULT INVESTMENT STRATEGY**

The Approved Trustee shall ensure that (a) no payment for the services specified in 34DD(2) of the Ordinance (except for payment for services under section 34DD(3) of the Ordinance) may be charged to or imposed on a DIS constituent fund or a Member who invests in the DIS constituent fund and the total amounts charged for the payment for the services thereunder when it is expressed as a percentage of the net asset value of the DIS constituent fund, do not, in a single day, exceed the percentage specified in section 1 of Schedule 11 of the Ordinance; and (b) the total amounts for out-of-pocket expenses (as defined in section 34DA of the Ordinance that are charged to or imposed on the DIS constituent fund, or a Member who invests in the DIS constituent fund) incurred by the Approved Trustee on a recurrent basis in the discharge of the Approved

Trustee's duties to provide services in relation to the DIS constituent fund as specified under section 34DD(4)(b) of the Ordinance, when it is expressed as a percentage of the net asset value of the DIS constituent fund, do not, in a single year, exceed the percentage specified in section 2 of Schedule 11 of the Ordinance.

7. TREATMENT OF ACCRUED BENEFITS AND FUTURE CONTRIBUTIONS TRANSFERRED FROM ANOTHER REGISTERED SCHEME BEFORE THE COMMENCEMENT DATE

- (a) In the event of a merger or restructuring of another registered scheme ("Another Registered Scheme") with the Scheme to which the Authority has consented under section 34B(5) of the Ordinance before the commencement date, the accrued benefits of a member of that Another Registered Scheme which have been transferred from an account therein into any Constituent Fund of the Scheme (other than China Life MPF Conservative Fund) pursuant to the merger or restructuring and any future contributions to be made to the account of the Scheme as a Member shall remain to be so invested in those Constituent Fund unless the Approved Trustee has received other specific investment instructions from the Member.
- (b) If all the accrued benefits of the above pre-existing accounts have been invested in China Life MPF Conservative Fund pursuant to the merger or restructuring referred to in Clause 7(a) above before the commencement date and no other specific investment instructions have ever been received by the Approved Trustee regarding these pre-existing accounts, the Approved Trustee shall, subject to compliance with sections 34DI and 34DJ of Division 3 of Part 4AA of the Ordinance, invest all the accrued benefits in a pre-existing account of a Member and future contributions according to the Default Investment Strategy.

PART V

TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

1. APPLICATION OF PARTS I, II, III AND IV

- 1.1 Rules 4.1, 4.2, 22, 24.1 to 24.4 and 26 to 30 in Part I of the First Schedule will apply mutatis mutandis to Tax Deductible Voluntary Contributions.
- 1.2 Part IV of the First Schedule will be applicable to Tax Deductible Voluntary Contributions.
- 1.3 Rules in Part I other than stated in the above Clause 1.1, Part II and Part III of the First Schedule will not be applicable to the provisions of this part unless otherwise stated herein.

2. REQUIREMENTS WITH RESPECT TO TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

- 2.1 Any member who holds a contribution account or personal account of a registered scheme or a current member of an MPF exempted ORSO exempted scheme or MPF exempted ORSO registered scheme may by signing an Application of Participation open one (1) TVC Account in the Scheme. TVC Account holder may continue in membership of the Scheme in accordance with the provisions of this part.
- 2.2 Tax Deductible Voluntary Contributions are held in a TVC Account separate from a Contribution Account or a Personal Account relating to or corresponding to that Member within the Scheme. Only contributions which are made into the TVC Account will be regarded as Tax Deductible Voluntary Contributions. A TVC Account may hold the accrued benefits derived from Tax Deductible Voluntary Contributions and accrued benefits transferred to the TVC Account of the Scheme from a TVC Account of another registered scheme. For the avoidance of doubt, Tax Deductible Voluntary Contributions are not Voluntary Contributions.
- 2.3 TVC Account holder shall be entitled to a tax deduction in respect of Tax Deductible Voluntary Contribution paid into a TVC Account during a tax assessment year under the Inland Revenue Ordinance (Cap.112) subject to the statutory maximum deductible amount.
- 2.4 Tax Deductible Voluntary Contributions will become fully vested once they are paid to the Approved Trustee and are subject to the clauses in relation to vesting and preservation of Mandatory Contributions of this Deed and the Ordinance. Any Tax Deductible Voluntary Contributions made to the TVC Account exceeding the statutory maximum deductible

amount during a tax assessment year shall also be subject to the foregoing vesting and preservation provisions.

- 2.5 A TVC Account holder may elect to transfer all the accrued benefits derived from the TVC Account under the Scheme to his/her TVC Account of another registered scheme at any time.
- 2.6 The Approved Trustee may close the TVC Account if the TVC Account has no accrued benefits and has had no activity in respect of the TVC Account for a period of 365 days. A TVC Account holder will cease to participate in the Scheme in the capacity as a TVC Account holder on the date of closure of the TVC Account.

3. WITHDRAWAL OF ACCRUED BENEFITS OF TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

A TVC Account holder may withdraw the accrued benefits of Tax Deductible Voluntary Contributions in accordance with the conditions of Mandatory Contributions in accordance with Clauses 35.1 to 35.6 and Clause 35.9 of this Deed and the relevant provisions of the Ordinance. Any Tax Deductible Voluntary Contributions made to the TVC Account exceeding the statutory maximum deductible amount during a tax assessment year shall also be subject to the foregoing withdrawal provisions.

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

A. CHINA LIFE MPF CONSERVATIVE FUND

Terms and Conditions

1. Name of the Fund

China Life MPF Conservative Fund

2. Type of Fund

The Fund maintains an internal portfolio. The Fund is unitized and all the relevant provisions of the Trust Deed apply to the Fund.

(a) The Fund will invest as follow:

(i) by placing it on deposit in accordance with section 11 of Schedule 1 of the Regulation, but only for a term not exceeding 12 months;
or

(ii) in debt securities with a remaining maturity period of 2 years or less and of a kind referred to in section 7(2)(a) or (b) of Schedule 1 of the Regulation; or

(iii) in debt securities with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by an approved credit rating agency; and

(b) must have an average portfolio remaining maturity period of not more than 90 days; and

(c) must have a total value of Hong Kong dollar currency investments equal to the total market value of the fund, as measured by the effective

currency exposure, in accordance with section 16 of Schedule 1 of the Regulation.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 37 of the Regulation. The investment objective of the Fund is provide capital security with a level of income comparable to the prescribed savings rate, in Hong Kong dollars, as prescribed by the Authority.

The Fund's investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

The Fund will achieve its investment objectives by investing primarily in bank deposits commercial paper and short-term notes. The Fund will maintain 10-30% bank deposits under normal circumstances.

The investment strategy is in an attempt to limit risk through prudent diversification in varies short-term notes or commercial paper and geographic exposure as stage below:

<u>Asset Class</u>	<u>Allocation</u>
Bank deposits and Commercial paper	0%-100%
Short-term notes (maximum 2 years)	0%-12%

<u>Geographic Exposure</u>	<u>Allocation</u>
Hong Kong	100%

The Fund will maintain an effective currency exposure to Hong Kong dollars of 100 per cent.

Bank Deposits

The assets of the Fund may be placed on deposit with an authorized financial institution or an eligible overseas bank subject to the following restrictions :

- (i) The assets must not be placed on deposit with an authorized financial institution or an eligible overseas bank if the total amount so placed would be more than 10 per cent of the issued capital and reserves of the institution or bank.
- (ii) The assets must not be placed on deposit with a branch outside the Hong Kong Special Administrative Region of an authorized financial institution incorporated outside the Hong Kong Special Administrative Region unless the authorized financial institution satisfies a minimum credit rating set by the Authority, based on the credit rating of the authorized financial institution as determined by an approved credit rating agency.
- (iii) The assets must not be placed on deposit with an authorized financial institution or an eligible overseas bank if the total amount of assets so placed would exceed :-
 - (a) where the total market value of the Fund is less than \$8,000,000 or 25 per cent of the Fund;
 - (b) in any other case, 10 per cent of that Fund.
- (iv) The assets must not be placed on deposit with a group of associated authorized financial institutions or eligible overseas banks (or a combination of them) if the total amount of assets so placed with would exceed 25 per cent of the total market value of the Fund.

“deposit” means a loan of money that is repayable with or without interest or premium, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it, but does not include a loan of money –

- (a) upon terms referable to the provision of property or services or the giving of security; or
- (b) specified by the Authority as not being regarded as a deposit for the purposes of this definition,

and references to placing funds on deposit shall be construed accordingly.

For interpretation of this part, bank deposits includes where the assets of the Fund are invested in a certificate of deposit that is (1) issued by an authorized financial institution or an eligible overseas bank; and (2) acquired from a person other than the authorized financial institution or eligible overseas bank, such amount of the assets as is equal to the market value of the certificate of deposit is to be regarded as having been placed on deposit with the authorized financial institution or eligible overseas bank.

The above interpretation “Bank Deposits” shall mutatis mutandis apply to Clause 3(b) of Part III of Annexure E of the Deed – “China Life Joyful Retirement Guaranteed Fund”.

Short-term Notes

The assets of the Fund may be invested in a diversified range of short-term debt securities, include but not limit to certificates of deposit, commercial paper, bankers’ acceptances, fixed rate bond, floating rate notes and government securities, that –

- (i) satisfy a minimum credit rating set by the Mandatory Provident Fund Schemes Authority, based on the credit rating of the security as determined by a credit rating agency approved by the Authority; or
- (ii) are listed on a recognized stock exchange, and being issued by or guaranteed by a company or corporation whose shares are so listed; or
- (iii) issued by an exempt authority; or
- (iv) the repayment of the principal and the payment of interest of the

security is unconditionally guaranteed by an exempt authority.

In interpretation, “exempt authority” means –

- (i) the Hong Kong Special Administrative Region Government; or
- (ii) the Exchange Fund established by the Exchange Fund Ordinance; or
- (iii) a company all of the shares of which are owned beneficially by the Hong Kong Special Administrative Region Government; or
- (iv) a government, the central or reserve bank of a country or territory, or a multilateral international agency all with the highest possible credit rating determined by a credit rating agency approved by the Authority.

5. Risk Inherent and Return Expected

By its nature, the Fund entails low risk of loss of capital for its Fund participants.

Expected return is comparable to the interest rate offered on Hong Kong dollar savings accounts by Authorized Financial Institutions.

With the prudent investment strategies employed, it is expected, but with no assurance, that the Fund would meet its objective.

6. Repurchase Agreements and Security Lending

The Fund will not enter into any repurchase or security lending activities.

7. Financial Futures and Option Contracts

The Fund will not enter into any financial futures and option contracts.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Feature of the Fund

Investments in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that there is no obligation to redeem the Units at the price of the Units which were originally offered and that the Fund is not subject to the supervision of the Hong Kong Monetary Authority.

10. Fees and Charges

10.1 Notwithstanding anything to the contrary as contained in the provisions of the Trust Deed, no amount may be deducted from a Member Fund Account where the accrued benefits of the Member form part of the Fund Except the following:

- (a) If the Approved Trustee is required to pay a levy under section 17(3) of the Ordinance, such amount as may be necessary to enable the Approved Trustee to pay the levy. The amount is to be calculated as follows:

$$A = L \times \frac{\text{MAB}}{\text{CPA}}$$

where :

A represents the amount to be calculated;

L represents the amount of the levy may be deducted from the account of each Member;

MAB represents the Member's accrued benefits that form part of the Fund;

CPA represents the total amount of assets comprising the Fund.

- (b) If:

- (i) the assets attributable to a Member form part of the Fund; and
- (ii) the amount of the income and profits derived from the investment of those assets for a particular month exceeds the amount of interest that would be earned if those assets had been placed on deposit in a Hong Kong dollar savings account at the prescribed savings rate,

an amount not exceeding the excess may be deducted from the Member's accrued benefits as administrative expenses for that month.

- (c) If for a particular month, no amount is deducted as administrative expenses under the sub-clause above, or the amount of administrative expenses that is deducted under that sub-clause is less than the amount of administrative expenses for the month, the deficiency may be deducted from the amount of any excess that may remain in respect of any of the following 12 months after deducting the administrative expenses applicable to that following month.
- (d) "administrative expenses" means for the purpose of the sub-clause above, all expenses of or relating to the management of the Fund (excluding stamp duty and brokerage commission) as more particularly set out in clause 9 of the Trust Deed.

"authorized financial institution" means an authorized financial institution belonging to a class specified by the Authority from time to time for the purposes of the Regulation by notice published in gazette.

"Hong Kong dollar savings account" means a Hong Kong dollar savings account established by an authorized financial institution.

"prescribed savings rate" means a rate prescribed by the Authority for the purposes of the Regulation by notice published in a manner that

the Authority considers appropriate as –

- (i) the rate at which interest is for the time being payable in respect of a Hong Kong dollar savings account; or
- (ii) if different authorized financial institutions pay interest on Hong Kong dollar savings accounts at different rates, the rate determined by the Authority as the average of those rates.

10.2 Offer Price

Offer Price = Unit Price

10.3 Redemption Price

Redemption Price = Unit Price

10.4 Initial and Redemption Charges

No initial fees nor redemption charges can be imposed on the Fund. Bid and Offer spread in respect of the Offer and Redemption Price is not allowed.

10.5 Switching

In the case of switchings between Constituent Funds, all redemption and subscription of Units shall be carried out at the Unit Price.

10.6 Administrative Expenses

Subject to sub-clause 10.1 above, administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month including Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee are set out in the Application of Participation.

(END)

ANNEXURE B

[deleted]

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

C. CHINA LIFE BALANCED FUND

Terms and Conditions

1. Name of the Fund

China Life Balanced Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all the relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(c) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month (including Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee) are set out in the Application of Participation.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

D. CHINA LIFE GROWTH FUND

Terms and Conditions

1. Name of the Fund

China Life Growth Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all the relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(c) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month (including Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee) are set out in the Application of Participation.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

E. CHINA LIFE JOYFUL RETIREMENT GUARANTEED FUND

Terms and Conditions

I. DEFINITIONS

For the purpose of this Fund unless there is any conflict between the Terms and Conditions herein and the provisions of the Trust Deed, the provisions of the Trust Deed apply to the Fund herein.

“**Actual Balance**” means the Net Asset Value of Units holding relating to this Fund in a sub-account of a Member Account without the Guaranteed Rate of Return applied.

“**First Dealing Day**” means (i) the first Dealing Day on which the Contributions made by or in respect of the Member relating to this Fund are credited to a particular sub-account of a Member Account, or (ii) in the case where all Contributions credited to a particular sub-account of a Member Account relating to this Fund have been fully withdrawn and the Qualifying Period of that sub-account has been reset to zero, the first Dealing Day on which the Contributions made by or in respect of the Member relating to this Fund are again credited to that sub-account after such reset, or (iii) such other earlier Dealing Day as determined by the Approved Trustee in its discretion for the benefit of the Member.

“**Guaranteed Rate of Return**” means the net rate of guaranteed return applicable to the Qualifying Balance as stated in clause 2(a) of Part II herein.

“**Qualifying Balance**” means a notional balance representing the amount credited or debited to a sub-account of a Member Account relating to this Fund increased by the Guaranteed Rate of Return. The calculations are made on a compound annual interest basis for the continuous period from the time when the Contributions relating to this Fund are made to a particular

sub-account until the time of calculation.

“Qualifying Period” means, subject to clause 6 of Part II, in respect of each sub-account of a Member Account, the period starting from the First Dealing Day and ending on the relevant Dealing Day on which the Contributions relating to this Fund credited to that sub-account are withdrawn, provided that (i) unless all Contributions credited to that sub-account relating to this Fund are fully withdrawn, such period shall not be reset to zero, and (ii) such period should be determined separately in respect of (A) each employment of the Member by each Employer where the Member is an Employee of more than one Employer at any given time, and (B) each sub-account of different types of contributions (e.g. Mandatory Contributions made by an Employer, Mandatory Contributions made by an Employee, Voluntary Contributions made by an Employer, Voluntary Contributions made by an Employee, etc.).

II. PROVISIONS

1. Sub-account

On each Dealing Day, the Approved Trustee shall credit into each sub-account of a Member Account with Units representing the relevant type of Contributions made by or in respect of each Member relating to the Fund divided by the Offer Price of a Unit. For the avoidance of doubt, any Contribution due but unpaid shall not be credited.

2. Guaranteed Rate of Return

(a) Guaranteed Rate of Return

Subject to clause 2(b), the Guaranteed Rate of Return shall be one point three five (1.35%) per cent per annum after the deduction of administrative expenses referred to in clause 9 of the Trust Deed and the Compensation Fund levy which rate is subject to changes as provided herein.

(b) Variation of Guaranteed Rate of Return

Notwithstanding anything herein, the Guaranteed Rate of Return may be varied

and replaced by a new rate at any time by the Guarantor at its sole discretion by giving 3 months' prior notice in writing to the Employers and Members, in which event the Qualifying Balance shall after the expiration of the notice be accumulated with the new Guaranteed Rate of Return.

3. Investment Return

Member may benefit from an investment return which may be higher than the guaranteed return, depending on the actual performance of investment as at each Dealing Day.

4. The Guarantor

The Guarantor of the underlying approved pooled investment fund ("relevant APIF") of the Fund is China Life Insurance (Overseas) Company Limited (incorporated in the People's Republic of China with limited liability), which is the issuer of the Policy constituting the relevant APIF.

5. Withdrawal from the Fund

The Approved Trustee shall determine the withdrawal value as follows:

- (a) The withdrawal value on any Dealing Day in any circumstances other than those set out in clause 5(c) shall be the Redemption Price multiplied by the number of Units to be redeemed.
- (b) The withdrawal value in respect of withdrawals in any of the conditions set out in clause 5(c) shall be the greater of –
 - (i) the Redemption Price multiplied by the number of Units to be redeemed; and
 - (ii) the Qualifying Balance corresponding to the number of Units to be redeemed, and

if the amount calculated pursuant to clause 5(b)(i) is less than the one in clause 5(b)(ii), the difference will be made up by the Guarantor pursuant to the provision of the Policy constituting the relevant APIF herein.

- (c) The conditions referred to in clause 5(b) are:
 - (i) withdrawal on any of the grounds specified in section 15 of the Ordinance; or
 - (ii) withdrawals in circumstances other than those set out in clause 5(c)(i) above where the Qualifying Period in respect of a sub-account of a Member Account equals a continuous period of thirty-six (36) completed calendar months or more.
- (d) For the avoidance of doubt, clause 5(c)(ii) is not applicable in the case of withdrawal by way of rebalancing or rectification of overpaid contributions.
- (e) For the avoidance of doubt, whether the withdrawal value is calculated based on the Redemption Price or on the Qualifying Balance, the Units that are redeemed or are represented by the withdrawal amount calculated based on Qualifying Balance shall automatically be cancelled.

6. Transfer within the Scheme

- (a) If a Member has accrued benefits in the Fund and there is a transfer of accrued benefits of that Member from one Member Account (“Relevant Member Account”) to another Member Account within the Scheme in each of following circumstances (each a “Relevant Transfer”):
 - (i) where the Member who is an Employee ceases to be employed by an Employer and he either (A) makes an election in accordance with section 146 of the Regulation to transfer his accrued benefits to another Member Account within the Scheme, in which case his accrued benefits are so transferred, or (B) makes no election in accordance with section 146 of the Regulation to transfer his accrued benefits, in which case his accrued benefits in the Scheme are transferred to a Personal Account within the Scheme of that Member;
 - (ii) where the Member who is an Employee is subject to a change of employment set out in clause 31.6(a) – (b) of the Trust Deed in which case his accrued benefits in the Relevant Member Account relating to

that Employer prior to the change of employment are transferred to another Member Account relating to the new Employer after the change of employment;

(iii) where the Member who is a self-employed person ceases to be a self-employed person and he makes an election in accordance with section 146 of the Regulation to transfer his accrued benefits to another Member Account within the Scheme, in which case his accrued benefits are so transferred; or

(iv) where the Member who is a Personal Account holder transfers his accrued benefits in the Relevant Member Account to another Member Account within the Scheme,

then in each case, (A) the Actual Balance and the Qualifying Balance of each sub-account of the Relevant Member Account as at the relevant Dealing Day and (B) the Qualifying Period relating to each sub-account of the Relevant Member Account prior to the Relevant Transfer shall be carried forward in calculating that Member's entitlement under this Fund after the Relevant Transfer.

(b) If a Member has accrued benefits in this Fund and there is a transfer of accrued benefits of that Member from one Member Account ("Transferring Member Account") to another Member Account ("Receiving Member Account") within the Scheme in the following circumstances ("Transfer"):

(i) the Member has accrued benefits in this Fund in respect of both the Transferring Member Account and the Receiving Member Account prior to the Transfer; and

(ii) the accrued benefits being transferred from the Transferring Member Account to the Receiving Member Account will be invested in the Fund after the Transfer,

then (A) the Actual Balance and the Qualifying Balance of each sub-account of the Transferring Member Account as at the relevant Dealing Day shall be credited to each corresponding sub-account of the

Receiving Member Account, and (B) the Qualifying Period relating to each sub-account of the Receiving Member Account shall be the longer of –

- (i) the Qualifying Period relating to the corresponding sub-account of the Transferring Member Account, and
- (ii) the Qualifying Period relating to that sub-account of the Receiving Member Account.

III. STATEMENT OF INVESTMENT POLICIES

1. Type of Fund

This is a guarantee fund. It takes the form of a feeder fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a Policy which in turn will be invested in an underlying APIF constituted by a unit trust (“underlying APIF”). Both the relevant APIF and the underlying APIF comply with section 17 of Schedule 1 to the Regulation and are duly approved by the Authority.

2. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is through the relevant APIF to provide capital preservation in the long-term and offer to enhance return with limited exposure to global equities, while also providing a guaranteed return.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

3. Underlying Investments

(a) Kinds of Securities and Other Assets

The investment policy is to invest through investing in a relevant APIF,

which in turn will invest in an underlying APIF which maintains a diversified portfolio comprising the following :

- Global equities such as common stocks and preferred stocks;
- Intermediate term global fixed income securities of maturity up to ten years, that meet the minimum credit rating as stipulated in the Regulation;
- Debt securities issued or guaranteed by an exempt authority, or listed on approved stock exchanges.

For interpretation of this part,

“debt security” does not include a document incurred by a person as evidence of deposit, within the meaning of section 11 of Part II of Schedule 1 to the Regulation, that is placed with that person.

The Fund will maintain at least 30% effective currency exposure to Hong Kong dollars as determined in accordance with section 16(3) of Schedule 1 to the Regulation.

(b) Balance Between Different Kinds of Securities and Other Assets

The Fund through the relevant APIF and in turn the underlying APIF generally follows the asset allocation as below :

Global Equities	0%-30%
Fixed Income Securities	50%-80%
Cash/Bank Deposit	0%-50%

The targeted geographic distribution of the assets is :

Hong Kong/China	30%-80%
Europe	0%-40%
America	0%-40%
Asia Pacific	0%-40%
Middle East (debt securities only)	0%-40%

Bank Deposits

The assets of the Fund may be placed on deposit with an authorized financial institution or an eligible overseas bank subject to the following restrictions :

- (i) The assets must not be placed on deposit with an authorized financial institution or an eligible overseas bank if the total amount so placed would be more than 10 per cent of the issued capital and reserves of the institution or bank.
- (ii) The assets must not be placed on deposit with a branch outside the Hong Kong Special Administrative Region of an authorized financial institution incorporated outside the Hong Kong Special Administrative Region unless the authorized financial institution satisfies a minimum credit rating set by the Authority, based on the credit rating of the authorized financial institution as determined by an approved credit rating agency.
- (iii) The assets must not be placed on deposit with an authorized financial institution or an eligible overseas bank if the total amount of assets so placed would exceed :-
 - (a) where the total market value of the Fund is less than \$8,000,000 or 25 per cent of the Fund;
 - (b) in any other case, 10 per cent of that Fund.
- (iv) The assets must not be placed on deposit with a group of associated authorized financial institutions or eligible overseas banks (or a combination of them) if the total amount of assets so placed with would exceed 25 per cent of the total market value of the Fund.

“deposit” means a loan of money that is repayable with or without interest or premium, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it, but does not include a loan of money -

- (a) upon terms referable to the provision of property or services or the giving of security; or
- (b) specified by the Authority as not being regarded as a deposit for the purposes of this definition,

and references to placing funds on deposit shall be construed accordingly.

For interpretation of this part, bank deposits includes where the assets of the Fund are invested in a certificate of deposit that is (1) issued by an authorized financial institution or an eligible overseas bank; and (2) acquired from a person other than the authorized financial institution or eligible overseas bank, such amount of the assets as is equal to the market value of the certificate of deposit is to be regarded as having been placed on deposit with the authorized financial institution or eligible overseas bank.

4. Risk Inherent and Return Expected

Members should regard the Fund as a low risk investment. Due to the guarantee nature of the Fund, there may be a dilution of performance. This notwithstanding, the return on investment is expected to exceed the Guaranteed Rate of Return.

5. Repurchase Agreements and Security Lending

The Fund will not enter into any repurchase or security lending activities.

6. Financial Futures and Option Contracts

The Fund will not enter into financial futures contracts and options contracts at both Constituent Fund and pooled investment fund levels.

7. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

8. Fees and Charges

(a) Offer Charge

Offer Price = Unit Price

(b) Redemption Charge

Redemption Price = Unit Price

(c) Switching

All switchings will be carried out at the respective Offer and Redemption Prices of the Constituent Funds, unless waived by the Approved Trustee as specified in the principal brochure.

(d) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on the Net Asset Value of the Fund (including the Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee) are set out in the Application of Participation.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

F. CHINA LIFE RETIRE-EASY GLOBAL EQUITY FUND

Terms and Conditions

1. Name of the Fund

China Life Retire-Easy Global Equity Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(c) Switching

For Voluntary Contributions : As stated in the Application of Participation.

For Mandatory Contributions : All switchings will be carried out at the respective Offer and Redemption Prices of the Constituent Fund.

(d) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing

on Net Asset Value of the Fund payable on the last Business Day of each month (including Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee) are set out in the Application of Participation.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

G. CHINA LIFE HONG KONG EQUITY FUND

Terms and Conditions

1. Name of the Fund

China Life Hong Kong Equity Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(d) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month (including Trustee Fee, Administration Fee, Custodian Fee and Investment Management Fee) are set out in the Application of Participation.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

H. CHINA LIFE AGE 65 PLUS FUND

Terms and Conditions

1. Name of the Fund

China Life Age 65 Plus Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with Part 2(2) of Schedule 10 of the Ordinance, section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(d) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month.

(END)

ANNEXURE

PARTICULARS OF CONSTITUENT FUNDS

I. CHINA LIFE CORE ACCUMULATION FUND

Terms and Conditions

1. Name of the Fund

China Life Core Accumulation Fund

2. Type of Fund

This is a feeder fund. The Fund is unitized and all relevant provisions of the Trust Deed apply to the Fund. All of its assets will be invested in an approved pooled investment fund (“relevant APIF”) constituted by a unit trust which complies with Part 2(2) of Schedule 10 of the Ordinance, section 17 of Schedule 1 to the Regulation and is duly approved by the Authority.

3. Investment Objectives

This Fund is a Constituent Fund as referred to in clause 18 of the Trust Deed and is established pursuant to section 36 of the Regulation. The investment objective of the Fund is stated in the principal brochure of the Scheme.

The Fund’s investments will be restricted to those permitted by the codes, guidelines, rules, regulations and legislation of various governing bodies, as well as those stipulated in the Trust Deed.

4. Underlying Investments

(a) The types of intended investments and their relative proportions in the portfolio

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

(b) The balance between different kinds of securities and other assets such as geographical distribution of the intended investments

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

5. Risk Inherent and Return Expected

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

6. Repurchase Agreements and Security Lending

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

7. Financial Futures and Option Contracts

See the statement of investment policy of the Fund as stated in the principal brochure of the Scheme from time to time.

8. Forbidden Investment Practices

The Approved Trustee shall comply with the guidelines made under section 28 of the Ordinance with respect to forbidden investment practices.

9. Fees and Charges

(a) Offer Price

Offer Price = Unit Price

(b) Redemption Price

Redemption Price = Unit Price

(d) Administrative Expenses

Administrative expenses referred to in clause 9 of the Trust Deed basing on Net Asset Value of the Fund payable on the last Business Day of each month.

(END)