

MY CHOICE MANDATORY PROVIDENT FUND SCHEME
我的強積金計劃 (the “Scheme”)

FIRST ADDENDUM TO THE MPF SCHEME BROCHURE DATED JUNE 2025

This First Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure dated June 2025 (the “**MPF Scheme Brochure**”) and the Addendum to the MPF Scheme Brochure dated 5 June 2025 for the My Choice Mandatory Provident Fund Scheme. All capitalised terms in this First Addendum shall have the same meaning as in the MPF Scheme Brochure, unless otherwise stated.

You may visit our website at www.bocpt.com for the MPF Scheme Brochure of the Scheme or obtain a copy of the MPF Scheme Brochure at our Customer Service Centre at Suite 1507, 15/F., 1111 King’s Road, Taikoo Shing, Hong Kong.

The amendments to the MPF Scheme Brochure (shown in the underlines and/or strikethroughs) set out below shall take effect from 31 July 2025.

**1. Page 13 – “3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES”
– “3.4 Investment policy”**

- (a) The paragraph under heading “Balance of investments” of “(e) My Choice Asia Equity Fund” under section 3.4.1 “Investment policies of the Constituent Funds” shall be replaced in its entirety with the following:

“The underlying APIF focuses on investing (i.e. at least 70% of its NAV) into the equity markets of Asia Pacific, namely equities of companies listed, have their registered offices, or generate a predominate share of their sales and/or profits in Asia Pacific. Asia Pacific comprises countries and regions including, but not limited to, Australia, Mainland China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand, and have the flexibility to invest in bonds in a limited manner (i.e. less than 30% of its NAV). The underlying APIF targets to invest 100% in equity. The underlying APIF may invest up to 20% of its NAV in China A Shares and China B Shares via Stock Connect and/or QFI status of the investment manager of the underlying APIF. Up to 10% of its NAV may be invested in shares listed on a stock exchange that is not an approved stock exchange. The actual portfolio will at times vary considerably from the above as market, political, structural, economic and other conditions change. The My Choice Asia Equity Fund will, through investing into the underlying APIF, maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its NAV.”

- (b) The paragraph under heading “Risk” of “(e) My Choice Asia Equity Fund” under section 3.4.1 “Investment policies of the Constituent Funds” shall be replaced in its entirety with the following:

“Risks

The risk profile of the My Choice Asia Equity Fund is generally regarded as high. The general risk factors set out in section 4 (*Risks*) may apply. Members should be aware of the following key risks, details of which can be seen in section 4 (*Risks*):

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange risk
- Security risk
- PRC taxation risk
- China market securities risk
- Concentration risk
- Liquidity risk
- Risks relating to investing in a single APIF or ITCIS
- Hedging risk
- QFI risk
- Risks associated with Stock Connect

”

2. **Page 15 –“3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES” – “3.4 Investment policy”**

- (a) The paragraph under heading “Futures and options” of “(g) My Choice Hong Kong Equity Fund” under section 3.4.1 “Investment policies of the Constituent Funds” shall be replaced in its entirety with the following:

“The My Choice Hong Kong Equity Fund will not enter into financial futures and options contracts, but the underlying APIF may enter into financial futures and options contracts for hedging purposes *and other purposes. Where the underlying APIF acquires such instruments for purposes other than hedging, it may only do so for addressing any settlement mismatch with the securities market of its underlying investments. In any event, such instruments can only be acquired in accordance with the Regulation.*”

- (b) The following risk factor shall be inserted under the paragraph under heading “Risks” of “(g) My Choice Hong Kong Equity Fund” under section 3.4.1 “Investment policies of the Constituent Funds” with the following:

“• Derivatives risk”

3. **Page 17 –“3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES” – “3.4 Investment policy”**

- (a) The paragraph under heading “Balance of investments” of “(i) My Choice Global Bond Fund” under section 3.4.1 “Investment policies of the Constituent Funds” shall be replaced in its entirety with the following:

“The underlying APIF aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its NAV) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets). The underlying APIF may indirectly invest up to ~~10%~~20% of its NAV in onshore Mainland China debt securities. Subject to the requirements under the Regulation and the requirements and guidance issue by the SFC, the underlying APIF may indirectly invest less than 30% of its NAV in instruments with loss-absorption features which may include instruments classified as non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institution. The My Choice Global Bond Fund will, through investing into the underlying APIF, maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its NAV.”

- (b) The following risk factor shall be inserted under the paragraph under heading “Risks” of “(i) My Choice Global Bond Fund” under section 3.4.1 “Investment policies of the Constituent Funds” with the following:

“• Risks associated with investing in instruments with loss-absorption features”

4. Page 30 – “4. RISKS” – “4.1 Risk factors” – “I. General risk factors”

The following new paragraphs shall be inserted after paragraph “(r) Derivatives risk”:

“(s) Risks associated with investing in instruments with loss-absorption features Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer’s capital ratio falls to a specified level), which are likely to be outside of the issuer’s control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

The underlying APIF(s) may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

The underlying APIF(s) may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

(t) PRC taxation risk

Investors should be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the underlying APIF(s) / ITCIS. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

There is no provision made on the gross unrealised and realised capital gains derived from disposal of PRC securities. In the event that actual tax is collected by the State Administration of Taxation and the underlying APIF(s) / ITCIS is required to make payments reflecting tax liabilities for which no provision has been made, the NAV of the underlying APIF(s) / ITCIS may be adversely affected as the underlying APIF(s) / ITCIS will ultimately have to bear the full amount of tax liabilities. In this case, the tax liabilities will only impact units in the underlying APIF(s) / ITCIS in issue at the relevant time, and the then existing investors and subsequent investors will be disadvantaged as such investors will bear, through the underlying APIF(s) / ITCIS, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the underlying APIF(s) / ITCIS.”

(u) QFI risk

Investors should be aware that the ability of the relevant underlying APIF(s) to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments, minimum investment holding periods and requirements on repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

The relevant underlying APIF(s) may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the underlying APIF(s) may be required to dispose of its securities holdings or prohibited from trading of relevant securities and repatriation of the underlying APIFs' monies, or if any of the key operators or parties (including QFI custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

(v) Risks associated with Stock Connect

Certain underlying APIF(s) may invest and have indirect access to certain eligible China A Shares via the Stock Connect, a securities trading and clearing linked program which aims to achieve mutual stock market access between Mainland China and Hong Kong. Under the Stock Connect, overseas investors (including the Constituent Funds) may be allowed, subject to rules and regulations issued/amended from time to time, investments through the Stock Connect are subject to risks, such as quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A Shares and regulatory risk.

The relevant rules and regulations (including restrictions on investments, repatriation of principal and profits, taxation) in the PRC are subject to change which may have potential retrospective effect. Where a suspension or intervention in the trading through the programme is effected, the fund's ability to achieve its investment objective could be negatively affected. The relevant Constituent Funds which may invest in the Mainland Chinese markets through Stock Connect may be adversely affected as a result of such changes.

The relevant Constituent Funds may suffer substantial losses if the Underlying APIF(s) ceases to be eligible for the relevant programme as the underlying APIF(s) may be prohibited from trading of relevant securities and repatriation of the fund's monies, or if any of the key operators (including the relevant custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. The relevant Constituent Funds which may invest in the Mainland Chinese markets through Stock Connect may be adversely affected as a result of such changes."

5. Page 68 – "GLOSSARY"

The glossary "QFI" shall be inserted immediately after glossary "Prudential" as follow:

"**QFI**" means qualified foreign institutional investors who have been approved by the China Securities Regulatory Commission to invest in the China securities and futures markets."

6. Page 69 – “GLOSSARY”

The glossary “Stock Connect” shall be inserted immediately after glossary “Specific Investment Instruction” as follow:

“Stock Connect” means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes, whereby overseas investors can invest in certain China securities through northbound trading of the Stock Connect.”

BOCI-Prudential Trustee Limited
30 June 2025