

**China Life MPF Master Trust Scheme**  
("China Life Scheme")

NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

This notice is important and requires your immediate attention. Terms used in this notice (unless otherwise defined below) bear the same meaning as in the MPF Scheme Brochure July 2024 Edition of China Life Scheme. If you are in doubt about the contents of this notice, you should seek independent professional financial advice. The Trustee accepts responsibility for the contents of this notice as being accurate as of the date of this notice.

The following is a summary of the key changes which are elaborated in the main body of this notice:

**1. Changes to the Trust Deed and/or the MPF Scheme Brochure to reflect fee reduction, changes to the definition of "Business Day" and some other miscellaneous and regulatory changes**

- (a) **Fee Reduction of Certain Constituent Funds**  
The management fees of China Life Balanced Fund, China Life Growth Fund and China Life Hong Kong Equity Fund have been reduced with effect from 1 July 2024.
- (b) **Amendment to the definition of "Business Day"**  
The existing definition of "Business Day" will be amended and a new definition of "Severe Weather Trading Day" will be introduced effective from 22 April 2025 in response to the severe weather trading arrangement implemented by The Stock Exchange of Hong Kong Limited, effective from 23 September 2024.
- (c) **Auditor's change**  
The auditor of China Life Scheme has been changed to Deloitte Touche Tohmatsu with effect from 18 December 2024.
- (d) **Amendment in relation to the updates of the Code on MPF Investment Funds (the "Code")**  
In response to the recent updates of the Code, changes to the Trust Deed and the MPF Scheme Brochure will be made with effect from 22 April 2025.

The Trustee does not expect that the above changes will have any adverse impact on the interests of the employers and members.

**2. MPF Offsetting Arrangement**

The Trust Deed and the MPF Scheme Brochure will be amended to reflect the new MPF offsetting arrangement effective from 1 May 2025.

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No action is required of the employers and members in relation to the changes set out in this notice. Members who have any queries in relation to this notice may contact our hotline 3999 5555.

Dear Employers and Members,

Thank you for your continuous support to China Life. We are writing to inform you of the

updates that are to be made to the Trust Deed and MPF Scheme Brochure as follows:

**1. Changes to the Trust Deed and/or the MPF Scheme Brochure to reflect fee reduction, changes to the definition of “Business Day” and some other miscellaneous and regulatory changes**

*Fee Reduction of Certain Constituent Funds*

- 1.1. With effect from 1 July 2024, the investment management fees of the underlying funds of China Life Balanced Fund, China Life Growth Fund and China Life Hong Kong Equity Fund have been reduced from “0.45%” to “Up to 0.40%” p.a. of net asset value of the underlying funds. The table below shows the aggregate management fee in respect of the foregoing constituent funds.

Name of constituent fund	Current aggregate management fee (as a percentage of net asset value per annum)	New aggregate management fee (as a percentage of net asset value per annum)
China Life Balanced Fund	1.41%	Up to 1.36%
China Life Growth Fund	1.41%	Up to 1.36%
China Life Hong Kong Equity Fund	0.95%	Up to 0.90%

*Amendment to the definition of “Business Day”*

- 1.2. In response to the severe weather trading (“SWT”) arrangement implemented by The Stock Exchange of Hong Kong Limited (“SEHK”) with effect from 23 September 2024, the definition of “Business Day” in the Trust Deed and the MPF Scheme Brochure will be amended to cover also SWT days with effect from 22 April 2025. A SWT day refers to a day or part of a day from Monday to Friday, except a Hong Kong public holiday, on which Typhoon Signal No. 8 or above, or Black Rainstorm Warning is issued by the Hong Kong Observatory or “Extreme Conditions” is announced by the Government of the Hong Kong Special Administrative Region and the SEHK is open for the business of dealing in securities and on which the following instructions / processes, namely, change of investment instruction submitted via electronic means, de-risking of default investment strategy, fund valuation that will be carried out by China Life Trustees Limited or eMPF Platform.

*Auditor’s change*

- 1.3. The auditor of China Life Scheme has been changed from PricewaterhouseCoopers to Deloitte Touche Tohmatsu with effect from 18 December 2024.

*Amendment in relation to the updates of the Code on MPF Investment Funds*

- 1.4. In response to the recent updates of the Code, changes will be made to the Trust Deed and MPF Scheme Brochure with effect from 22 April 2025 such that the Trustee will follow the latest version of the Code published by the MPFA, i.e.,
- (a) if an error is made in the pricing of units for a unitized constituent fund, the error shall be corrected as soon as possible and the Trustee shall take necessary action

to avoid further error in accordance with the Code; and

- (b) the latest available offer and redemption prices or net asset value per unit of unitized constituent funds will be made public free of charges on every Dealing Day.

*Impacts of the above changes on Employers and Members*

- 1.5. The Trustee does not expect the changes outlined above will have any adverse impact on the interests of the employers and members.

**2. MPF Offsetting Arrangement**

- 2.1. Currently, accrued benefits attributable to the employer's contributions to the China Life Scheme can be used to offset statutory long service payment or severance payment (the "LSP / SP") payable to the employees in accordance with the Employment Ordinance (the "MPF Offsetting Arrangement").

- 2.2. Effective from 1 May 2025 (the "Transition Date"), the MPF Offsetting Arrangement will be changed as follows (the "Offsetting Change"):

- (a) An employer **cannot** use its own Mandatory Contributions to offset an employee's LSP / SP in respect of the employee's years of service from and including the Transition Date ("**post-Transition portion of LSP / SP**"). Despite this, an employer can continue to use its own Mandatory Contributions to offset an employee's LSP / SP in respect of the employee's years of service before the Transition Date ("**pre-Transition portion of LSP / SP**").

- (b) An employer can continue to use its own Voluntary Contributions to offset both an employee's pre-Transition portion of LSP / SP and post-Transition portion of LSP / SP.

- 2.3. The implications of the Offsetting Change are summarised as follows:

- (a) For an employee whose employment commences **prior to the Transition Date** and is terminated on or after the Transition Date:

- (i) with respect to the employee's years of service prior to the Transition Date: an employer may offset the pre-Transition portion of LSP / SP against both its own Mandatory Contributions and Voluntary Contributions (if any) attributable to the employee's years of service prior to the Transition Date; and
- (ii) with respect to the employee's years of service from and including the Transition Date: an employer may offset the post-Transition portion of LSP / SP against its own Voluntary Contributions (if any) attributable to the employee's years of service from and including the Transition Date. However, an employer cannot use its own Mandatory Contributions to offset the post-Transition portion of LSP / SP.

- (b) For an employee whose employment commences **on or after the Transition Date**, an employer may offset the LSP / SP against its own Voluntary Contributions but cannot offset the LSP / SP against its own Mandatory Contributions.

- 2.4. For further details and illustrative examples of the Offsetting Change, please visit the

Thematic Webpage of the Labour Department  
(<https://www.op.labour.gov.hk/en/index.html>).

### **3. Any Actions Required**

- 3.1. All costs and expenses associated with the above changes in relation to China Life Scheme will be solely borne by Trustee. No action is required of the employers and members in relation to the above changes.

Certain editorial and cosmetic changes will also be made to the MPF Scheme Brochure. The updated MPF Scheme Brochure, Key Scheme Information Document (“**KSID**”) and Trust Deed will be issued to reflect the above changes. The MPF Scheme Brochure, KSID, together with the Trust Deed, are available on [www.chinalife.com.hk](http://www.chinalife.com.hk) free of charge. Members who have any queries in relation to this notice may contact our hotline 3999 5555.

China Life Trustees Limited

22 April 2025

This is a computer printout and no signature is required