

Haitong MPF Retirement Fund

Addendum to the Annual Consolidated Report for the financial year ended 30 June 2017

The purpose of this addendum is to clarify and amend the annual consolidated report for the year ended 30 June 2017. There is a typographical error under Note 7 "Transactions with related parties / associates" of the Notes to Accounts in relation to the "Percentage of total transactions in value of Haitong Hong Kong SAR Fund during the year that were effected through brokers who are associates of the Manager or of the Manager's delegates" on page 105. The correct information for the figure for the year 2017 should be 29.23% while it is printed as 0.1%.

HSBC Institutional Trust Services (Asia) Limited

28 November 2018

HAITONG MPF RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

7 Transactions with related parties/associates (Continued)

For the year ended 30 June 2017, the total aggregate value of transactions of the Haitong Hong Kong SAR Fund effected through brokers who are associates of the Manager or of the Manager's delegates was HK\$169,187,902 (2016: HK\$140,540,769). Such transactions represent 29.23% (2016: 24.17%) of the total transactions in value of the constituent fund during the year. The total brokerage commission paid to such brokers in relation to transactions effected through them was HK\$169,169 (2016: HK\$140,478) while the total brokerage commission paid in respect of the constituent fund was HK\$584,814 (2016: HK\$388,550). The average rate of commission effected through such brokers was 0.1% (2016: 0.10%). There was no brokerage commission paid to the associates of the trustee.

For the year/period ended 30 June 2017 and 2016, Haitong Asia Pacific (excluding HK) Fund, Haitong MPF Conservative Fund, Haitong Global Diversification Fund, Haitong Korea Fund, Haitong Core Accumulation Fund and Haitong Age 65 Plus Fund do not have any transactions effected through brokers who are associates of the Trustee or the Investment Manager or of its delegates.

All related party transactions were entered into in the ordinary course of business and on normal commercial terms.

8 Contributions

Mandatory contributions for both the employers and members are equal to 5% of the members' relevant income up to HK\$30,000 per month but in respect of members earning less than HK\$7,100 per month, the members' mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month to the Scheme unless their relevant income is less than HK\$7,100 per month.

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are additional voluntary contributions.

9 Benefits

Members will become entitled to benefits in respect of mandatory contributions to the Scheme in the circumstances set out in the Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment after reaching the age of 60; (iii) become totally incapacitated; (iv) permanently depart from Hong Kong; (v) die or (vi) have the right to claim a small balance pursuant to the Ordinance.

With effect from 1 February 2016, under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 - section 15 Withdrawal of Accrued Benefits, the scheme member can choose one of the following ways to manage MPF benefits: (a) withdraw MPF benefits by instalments, (b) withdraw all MPF benefits in a lump sum and (c) retain all the MPF benefits in the account for continuous investment.

Members will become entitled to benefits in respect of voluntary contributions to the Scheme in circumstances set out in the trust deed and the relevant participation agreement.