

March 2016

Frequently Asked Questions to the Scheme Participants of the HSBC Mandatory Provident Fund — SuperTrust

Merger of the HSBC Mandatory Provident Fund — SuperTrust (the 'HSBC ST') and the HSBC Mandatory Provident Fund — SuperTrust Plus (the 'HSBC STP') is scheduled to take effect on 1 July 2016 (the "Effective Date"), subject to relevant regulatory approval.

General

1. What is the Merger of the HSBC ST and the HSBC STP?

With effect from the Effective Date which is scheduled for 1 July 2016, subject to relevant regulatory approval, the HSBC ST will be merged into the HSBC STP and each HSBC ST constituent fund will be merged into the corresponding HSBC STP constituent fund (the "**Merger**"). Scheme participants of the HSBC ST immediately before the Merger will become the scheme participants of the HSBC STP (each, a "**Transferring Participant**").

2. When will be the Effective Date of the Merger?

The Merger is scheduled to take effect on 1 July 2016, subject to relevant regulatory approval.

3. Why does HSBC MPF merge the HSBC ST with the HSBC STP?

HSBC MPF believes that the Merger will enable the scheme participants who invest in the HSBC ST constituent funds to enjoy the economies of scale as a result of fixed costs being spread over a larger asset base, with an aim that the fund expense ratio could be lowered in the long run. Similarly, scheme participants who invest in the corresponding HSBC STP constituent funds will enjoy the economies of scale as a result of the larger asset base. In addition, following the merger of the HSBC ST and the HSBC STP, scheme participants of the HSBC ST will be offered a wider choice of constituent funds to meet the preference and risk profile of the scheme participants.

4. What options do I have if I do not want to be involved in the Merger?

HSBC MPF believes that the Merger is in the best interest of scheme participants. The five constituent funds in HSBC ST will be merged into the corresponding HSBC STP constituent funds and there is no change in their investment objectives and management to ensure continuity.

Over the long run, HSBC MPF believes that the Merger will enable the scheme participants who invest in the HSBC ST constituent funds to enjoy the economies of scale as a result of fixed costs being spread over a larger asset base.

Also, we are committed to ensuring that interests of our scheme participants are adequately protected in the Merger, and that the Merger would not create any adverse impact on their accrued benefits. The total number of units and the value of those units in each HSBC STP constituent fund held by a Transferring Participant immediately after the Merger would be the same as the total number of units and the value of those units in the corresponding HSBC ST constituent fund held by the Transferring Participant immediately before the Merger.

However, we respect the scheme participants' decisions. If you would really like to, you could transfer your accrued benefits to other MPF schemes in the usual manner as permitted by the scheme rules and relevant regulations.

For employee members, personal account holders and self-employed persons, you may contact the HSBC MPF Member Hotline on 3128 0128 or for employers, you may contact the HSBC MPF Employer Hotline on 2583 8033 for further details.

5. Do I need to do anything to transfer my MPF account/scheme from the HSBC ST to the HSBC STP?

No. With effect from the Effective Date of the Merger, ie 1 July 2016¹, you will become a scheme participant of the HSBC STP automatically.

There will not be any adverse impact on your accrued benefits and your investment mandates in the HSBC ST will automatically become your investment mandates in the HSBC STP immediately after the Merger. Also, the five constituent funds in HSBC ST will be merged into the corresponding HSBC STP constituent funds and there is no change in their investment objectives and management. The total number of units and the value of those units in each corresponding HSBC STP constituent fund held by a Transferring Participant immediately after the Merger would be the same as the total number of units and the value of those units in the corresponding HSBC ST constituent fund held by the Transferring Participant immediately before the Merger.

However, if you are a member making/wishing to make Flexi-Contributions, an employer, or a self-employed person, please take note of the following changes to payment arrangements:

- If you are paying by cheque: From now on until 30 June 2016, cheques should continue to be made payable to “HSBC MPF SuperTrust” or “HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust”. After the Merger has taken effect on 1 July 2016¹, cheques should be made payable to “HSBC MPF SuperTrust Plus” or “HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust Plus”.
- If you are paying by direct debit: There is no need to update your direct debit instructions and no action is required of you. Your payment instructions under HSBC ST will continue to be applicable under the HSBC STP after the Merger. No charge will be incurred for the change of payment instruction from the HSBC ST to the HSBC STP.

6. Can I use the forms of the HSBC ST after the Merger?

You should **continue** to use remittance statements, employee application forms and any other forms of the **HSBC ST until 30 June 2016**. You should **ONLY** use the corresponding forms of the **HSBC STP after the Merger** (that is **from 1 July 2016¹ onwards**) which are available for download at HSBC MPF website www.hsbc.com.hk/mpf.

7. Will I suffer financial losses as a result of the Merger?

No. The five constituent funds in HSBC ST will be merged into the corresponding HSBC STP constituent funds. The total number and value of units in each corresponding HSBC STP constituent funds held by a Transferring Participant immediately after the Merger would be the same as the total number and the value of those units in the HSBC ST constituent funds held by the Transferring Participant immediately before the Merger.

Your investment mandates in the HSBC ST will automatically become your investment mandates in the HSBC STP immediately after the Merger.

8. Will I pay more management fees after the Merger?

The level of management fees of each of the five constituent funds under the HSBC ST is the same as that of the corresponding constituent fund with the same name under the HSBC STP.

¹ Subject to relevant regulatory approval

9. How will HSBC MPF communicate with the customers about the Merger?

Notice of the Merger will be given to all scheme participants of the HSBC ST by post at least three months before the Merger becomes effective and it will be posted on the HSBC MPF website. A newspaper notice will be published on Hong Kong Economic Times and South China Morning Post on 31 March 2016.

Transfer and confirmation statements will be sent by post to the last known address of each Transferring Participant in or around July to August 2016.

10. Will my investment mandates be changed during the Merger?

No. Your investment mandates in the HSBC ST will become your investment mandates in the HSBC STP immediately after the Merger. The same investment mandates will apply to your accrued benefits as well as all future contributions and transfer-in amounts paid to the HSBC STP.

11. Who will bear the cost of the Merger?

The costs of the Merger will be borne by HPFT and HSBC Life, as agreed between themselves, that is HSBC Provident Fund Trustee (Hong Kong) Limited and HSBC Life (International) Limited respectively. No associated costs of the Merger will be borne by the scheme participants.

12. Is there anything I should pay attention to if I submit dealing instructions close to the Effective Date of the Merger?

All valid dealing instructions given by the scheme participants of the HSBC ST received by the Administrator of the HSBC ST will be effected in the normal business manner under the HSBC ST before the Effective Date of the Merger.

However, any such instructions that cannot be completed under the HSBC ST before the Effective Date will be carried out under the HSBC STP as soon as practicable after the Effective Date, as if the instructions were given under the HSBC STP. Therefore, there is no need for you to place the instructions again.

All other instructions, such as updating members' records and particulars, will continue to be handled and processed in the normal business manner.

13. What should I do if I have further questions about the Merger?

For employee members, personal account holders and self-employed persons, you may contact the HSBC MPF Member Hotline on 3128 0128 to talk to our customer service representatives or for employers, you may contact the HSBC MPF Employer Hotline on 2583 8033.

Seminars will be held to brief the scheme participants on the Merger. Further details of the seminars will be available in the HSBC MPF website at www.hsbc.com.hk/mpf from May 2016.

Employee members and personal account holders

14. Will there be any suspension of service channels?

To facilitate a smooth transition of the Merger, there will be a temporary suspension on some of the MPF services. You will therefore not be able to place any dealing instructions and make enquires (excluding enquiry of 'Projection on MPF Benefits' on Personal Internet Banking) on MPF accounts via Personal Internet Banking or IVRS after 4 pm, 29 June 2016 to 11.59 pm, 3 July 2016. As an alternative, please call HSBC MPF Member Hotline or approach our MPF specialists at any of the designated HSBC branches listed in www.hsbc.com.hk/mpf during normal operating hours. If any instructions cannot be effected under the HSBC ST before the Effective Date, they will be carried out under the HSBC STP as soon as practicable after the Effective Date, as if the instructions were given under the HSBC STP. Therefore, there is no need for you to place the instructions again.

15. Will my MPF membership number, Employer ID/Scheme ID or pay centre ID be changed as a result of the Merger?

No. Your MPF membership number, Employer ID/Scheme ID and pay centre ID will remain unchanged after the Merger.

16. Will the guarantee of the Guaranteed Fund in which I invest be affected as a result of the Merger?

No. The Merger will not affect the right of the Transferring Participants to the guaranteed rates of return to which he/she would have been entitled under the Guaranteed Fund of the HSBC ST had the HSBC ST not been merged with the HSBC STP.

If you are investing in the Guaranteed Fund under the HSBC ST immediately before the Merger, you will have the same number of units invested in the Guaranteed Fund under the HSBC STP immediately after the Merger. You will continue to enjoy the applicable guaranteed rates of return. The Actual Balance and the Guaranteed Balance (both terms being defined in the Principal Brochure of the Schemes) in the new account in respect of a Transferring Participant under the HSBC STP immediately after the Merger will have the same value and nominal balance respectively as the Actual Balance and the Guaranteed Balance in the existing account in respect of that Transferring Participant under the HSBC ST immediately before the Merger.

17. If I have Flexi-Contributions under the HSBC ST, what do I need to do?

If you are a member making/wishing to make Flexi-Contributions, please take note of the following changes to the payment arrangements:

- If you are paying by cheque: From now on until 30 June 2016, cheques should continue to be made payable to "HSBC MPF SuperTrust" or "HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust". After the Merger has taken effect on 1 July 2016¹, cheques should be made payable to "HSBC MPF SuperTrust Plus" or "HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust Plus".
- If you are paying by direct debit: There is no need to update your direct debit instructions and no action is required of you. Your payment instructions under HSBC ST will continue to be applicable under the HSBC STP after the Merger. No charge will be incurred for the change of payment instructions from the HSBC ST to the HSBC STP.

¹ Subject to relevant regulatory approval

Employers

18. Will my Employer ID or pay centre ID be changed after the Merger?

No. Your Employer ID and pay centre ID will remain unchanged after the Merger.

19. I am an employer of the HSBC ST. Is there any change to my payment arrangements after the Merger?

Yes, please take note of the following changes to payment arrangements:

- If you are paying by cheque: From now on until 30 June 2016, cheques should continue to be made payable to “HSBC MPF SuperTrust” or “HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust”. After the Merger has taken effect on 1 July 2016¹, cheques should be made payable to “HSBC MPF SuperTrust Plus” or “HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust Plus”.
- If you are paying by direct debit: There is no need to update your direct debit instructions and no action is required of you. Your payment instructions under HSBC ST will continue to be applicable under the HSBC STP after the Merger. No charge will be incurred for the change of payment instruction from the HSBC ST to the HSBC STP.

20. Will there be any suspension in processing contribution instructions?

Processing of contribution instructions will not be suspended due to the Merger. In particular, the operation of the Business Internet Banking and its corresponding services will not be suspended.

If any valid instructions given by the scheme participants of the HSBC ST cannot be effected under the HSBC ST before the Effective Date, they will be carried out under the HSBC STP as soon as practicable after the Effective Date, as if the instructions were given under the HSBC STP. Therefore, there is no need for you to place the instructions again.

21. Will my investment mandates for the reserve account balance be changed during the Merger?

No. Your investment mandates in the HSBC ST will automatically become your investment mandates under the HSBC STP after the Merger. The same investment mandates will apply to the reserve account balance on the Effective Date of the Merger, and any future unvested benefits arising from the reserve account under the HSBC STP.

¹ Subject to relevant regulatory approval

Self-employed persons

22. Will there be any suspension of service channels and processing of contribution instructions?

To facilitate a smooth transition of the Merger, there will be a temporary suspension on some of the MPF services. You will therefore not be able to place any dealing instructions and make enquiries (excluding enquiry of 'Projection on MPF Benefits' on Personal Internet Banking) on your MPF accounts via Personal Internet Banking or IVRS after 4 pm, 29 June 2016 to 11.59 pm, 3 July 2016. As an alternative, please call HSBC MPF Member Hotline or approach a MPF specialist at any of the designated HSBC branches listed in www.hsbc.com.hk/mpf during normal operating hours. If any instructions cannot be effected under the HSBC ST before the Effective Date, they will be carried out under the HSBC STP as soon as practicable after the Effective Date, as if the instructions were given under the HSBC STP. Therefore, there is no need for you to place the instructions again.

23. Will the guarantee of the Guaranteed Fund in which I invest be affected as a result of the Merger?

No. The Merger will not affect the right of the Transferring Participants to the guaranteed rates of return to which he/she would have been entitled under the Guaranteed Fund of the HSBC ST had the HSBC ST not been merged with the HSBC STP.

If you are investing in the Guaranteed Fund under the HSBC ST immediately before the Merger, you will have the same number of units invested in the Guaranteed Fund under the HSBC STP immediately after the Merger. You will continue to enjoy the applicable guaranteed rates of return. The Actual Balance and the Guaranteed Balance (both terms being defined in the Principal Brochure of the Schemes) in the new account in respect of a Transferring Participant under the HSBC STP immediately after the Merger will have the same value and nominal balance respectively as the Actual Balance and the Guaranteed Balance in the existing account in respect of that Transferring Participant under the HSBC ST immediately before the Merger.

24. Is there any change to my payment arrangements after the Merger?

Yes, please take note of the following changes to the payment arrangements:

- If you are paying by cheque: From now on until 30 June 2016, cheques should continue to be made payable to "HSBC MPF SuperTrust" or "HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust". After the Merger has taken effect on 1 July 2016¹, cheques should be made payable to "HSBC MPF SuperTrust Plus" or "HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund — SuperTrust Plus".
- If you are paying by direct debit: There is no need to update your direct debit instructions and no action is required of you. Your payment instructions under HSBC ST will continue to be applicable under the HSBC STP after the Merger. No charge will be incurred for the change of payment instruction from the HSBC ST to the HSBC STP.

¹ Subject to relevant regulatory approval

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Note: Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant 'Principal Brochure'.