

25 August 2023

This document is important, involving the restructuring of your participated MPF scheme and requires your immediate attention. Capitalized terms used in this document have the same meaning as those defined in the MPF scheme brochure of Sun Life MPF Basic Scheme ("**Sun Life Basic**"). If you are in doubt about the meaning or the effect of the contents of this document, you should seek independent professional advice. Sun Life Pension Trust Limited ("**Sun Life Basic Trustee**") accepts responsibility for the accuracy of the information contained in this document at the date of publication.

**Notice to Participating Employers and Scheme Members
of Sun Life MPF Basic Scheme ("Notice")**

Dear participating employers and scheme members,

We are writing to you about the scheme restructuring (the "**Restructure**") of Sun Life Basic, under which participating employers and scheme members of Sun Life Basic ("**Scheme Participants**"), their accrued benefits and account balances will be transferred to Sun Life Rainbow MPF Scheme ("**Sun Life Rainbow**"), and the Restructure will be conducted in accordance with the relevant governing rules of the schemes.

This part summarizes the changes which are elaborated in the main body of this Notice.

If you have any queries in terms of the Restructure, its arrangement and the services of Sun Life Rainbow, please contact our designated hotline at (852) 3183 1800.

About the Restructure

- (i) With effect from November 29, 2023 (the "**Effective Date**"):
- there will be a restructuring arrangement among Sun Life Basic, Sun Life MPF Comprehensive Scheme ("**Sun Life Comprehensive**") and Sun Life Rainbow, under which Sun Life Basic, together with Sun Life Comprehensive will be restructured and merged into Sun Life Rainbow. Details of the restructuring of Sun Life Comprehensive are set out in the notice to the participating employers and scheme members of Sun Life Comprehensive;
 - for Sun Life Basic, all Scheme Participants will be transferred from Sun Life Basic (the trustee of which is Sun Life Pension Trust Limited) to Sun Life Rainbow (the trustee of which is Sun Life Trustee Company Limited ("**Sun Life Rainbow Trustee**")); and
 - **(a) for scheme members' accrued benefits under Sun Life Basic, they will be redeemed and fully re-invested into the constituent fund(s) ("CF(s)") offered under Sun Life Rainbow and (b) for future contributions/future transfer-in monies, their investment mandates will be changed to the relevant CF(s) under Sun Life Rainbow, both according to the fund mapping arrangement under section 3 headed "Transfer of accrued benefits from Sun Life Basic to Sun Life Rainbow and investment of accrued benefits and future contributions / future transfer-in monies" of this Notice, except for personal members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure (please refer to section 2(b)(iii)(C) of this Notice for details).**

- (ii) The Restructure is in the interests of Scheme Participants for the reasons below:
- a wider and more diversified choice of CFs with distinct investment objectives will be offered to the scheme members under Sun Life Rainbow;
 - greater economies of scale will be achieved by allowing certain fixed costs to be spread over a larger asset base and consequently leading to increase in operational efficiency and overall cost-effectiveness;
 - **all scheme members will enjoy the same or lower level of management fees when compared with those under Sun Life Basic after they are being transferred to Sun Life Rainbow. There will be no changes to the fees and charges structure in relation to the management fees;** and
 - **all costs and expenses incurred in the Restructure will not be charged to Sun Life Basic and Sun Life Rainbow or their scheme participants.**
- (iii) As a result of the Restructure, rights and benefits currently enjoyed by the Scheme Participants under Sun Life Basic may be varied. In order to ensure that the Scheme Participants will not be adversely affected, the governing rules of Sun Life Rainbow will be amended due to the Restructure, where there may be impact on the Scheme Participants. For details, please refer to Appendix 4 of this Notice.
- (iv) The board of directors of each of Sun Life Basic Trustee and Sun Life Rainbow Trustee has endorsed the Restructure. There is power under the trust deeds of Sun Life Basic and Sun Life Rainbow which allows Sun Life Basic Trustee and Sun Life Rainbow Trustee to undergo the Restructure without the need to obtain Scheme Participants' consent, and the requirements stated in the trust deeds of Sun Life Basic and Sun Life Rainbow for exercising such power have been fulfilled. Please refer to the section headed "The Restructure of Sun Life MPF Basic Scheme " of this Notice for details.

(Attention Required) Transitional arrangements

- (i) Scheme Participants are not required to undergo any normal participation/enrolment formalities under Sun Life Rainbow. For details of the arrangements for your participation in Sun Life Rainbow, please refer to section 2 headed "Arrangements for your participation in Sun Life Rainbow" of this Notice.
- (ii) **To facilitate the record transfer, there will be a suspension period of 7 Business Days during the Restructure for instructions, dealing and services under Sun Life Basic from November 23, 2023 to December 3, 2023 as detailed under section 5(b)(i) of this Notice. For instructions received from Scheme Participants of Sun Life Basic during such suspension period, there will also be delays in processing of such instructions under Sun Life Rainbow if such instructions are received after the respective cut-off dates and times (if any) as mentioned in section 5(b)(iv) of this Notice, from November 23, 2023 (with the cut-off date for instructions relating to direct debit authorization on September 30, 2023) to December 3, 2023, which will resume normal on December 4, 2023. Such delay will mean that Sun Life Rainbow Trustee will not be able to meet some of its service pledges under Sun Life Rainbow during the Restructure. For details, please refer to section 5 headed "Transitional arrangement of the Restructure" of this Notice.**
- (iii) Sun Life MPF Basic Scheme Capital Guaranteed Portfolio under Sun Life Basic offers a guaranteed benefit in certain circumstances. As a result of the Restructure, an one-off guaranteed entitlement will be applied to all the scheme members investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio on the Effective Date as if the qualifying conditions have been fulfilled. The one-off guarantee entitlement will also apply in cases of switching, transfer and withdrawal involving all the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio effected at any time within

three months prior to the Effective Date (i.e. from August 28, 2023 to November 28, 2023). **If only a part of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio is being switched out, transferred out or withdrawn, as the case may be, the member will not be entitled to the one-off guarantee. For details, please refer to section 4 headed "Guarantee feature and arrangement" of this Notice.**

For scheme members utilizing the fund cruiser under Sun Life Rainbow ("**Fund Cruiser**") immediately prior to the Restructure, the Fund Cruiser will continue to apply after the Restructure, except for personal members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure in certain cases, they will be deemed to have exited the Fund Cruiser upon the Restructure. Please refer to section 2(b)(v) headed "Fund Cruiser Arrangements" of this Notice for details on the Fund Cruiser arrangements.

Please refer to sections 3 to 5 of this Notice for detailed transitional arrangements.

Scheme Participants' actions before the Restructure

- (i) Scheme Participants who would like to have their instructions processed under Sun Life Basic before the Effective Date are reminded that valid and complete instructions need to be received by the administrator of Sun Life Basic on or before the respective cut-off dates and times (if any) as stated in section 5(b)(iv) headed "Cut-off date for instructions to be processed before the Restructure" of this Notice.**
- (ii) Scheme Participants who do not wish to be involved in the Restructure may transfer out from Sun Life Basic. For details, please refer to section 12 headed "Arrangement to opt out from the Restructure" of this Notice.**

Administrative arrangements after the Restructure

Scheme Participants should refer to section 6 headed "Administrative arrangements after the Restructure" of this Notice for the administrative services provided by Sun Life Rainbow after the Effective Date. Please refer to Appendix 1 of this Notice for details of the current key operators under Sun Life Basic and Sun Life Rainbow.

About Sun Life Rainbow MPF Scheme

Sun Life Rainbow is a mandatory provident fund scheme registered with the Mandatory Provident Fund Schemes Authority[#] (the "**MPFA**") under the Mandatory Provident Fund Schemes Ordinance and authorized by the Securities and Futures Commission[#] ("**SFC**"). Sun Life Rainbow Trustee offers a diversified array of 18 CFs with distinct investment objectives, among which a new CF, namely Sun Life MPF US & Hong Kong Equity Fund, will be added to Sun Life Rainbow on the Effective Date, subject to the successful implementation of the Restructure. If you wish to obtain more details (including fees and charges, risk factors and fund structure) of Sun Life Rainbow, you may refer to the MPF scheme brochure of Sun Life Rainbow for information.

Scheme participants are encouraged to attend the webinars for detailed understanding of the Restructure. Please refer to section 11 headed "Webinars" of this Notice.

[#] Although Sun Life Rainbow has been registered with and authorized by the MPFA and the SFC respectively, such registration and authorization do not imply official recommendation of Sun Life Rainbow to Scheme Participants by the MPFA and the SFC.

The Restructure of Sun Life MPF Basic Scheme

With effect from the Effective Date, Sun Life Basic will be restructured, and all Scheme Participants, together with their accrued benefits and account balances, will be transferred from Sun Life Basic to Sun Life Rainbow on the same day.

The Restructure is to achieve greater economies of scale by allowing certain fixed costs to be spread over a larger asset base and consequently lead to increase in operational efficiency and overall cost-effectiveness as well as providing a more diversified investment platform to scheme members of Sun Life Basic. For information on the fees and fund choices comparison under Sun Life Basic and Sun Life Rainbow, please refer to Appendix 2 of this Notice.

The management fees charged to the scheme members of Sun Life Basic in each of the corresponding CFs under Sun Life Rainbow will either be the same or lower than those of Sun Life Basic after they are transferred to Sun Life Rainbow. As such, there will be no adverse impact to the scheme members in terms of the level of management fees. Scheme members of Sun Life Basic are encouraged to review and manage their portfolio, and are welcome to call the Customer Hotline or visit the Customer Service Centre of Sun Life Rainbow stated in section 6(a) of this Notice for any enquiries.

In addition, no bid-offer spread and other transaction costs will be applied for redemptions of the units under Sun Life Basic and subscription of the units under Sun Life Rainbow during the Restructure process. As such, Sun Life Basic Trustee and Sun Life Rainbow Trustee confirm that the Restructure will be executed in the interests of all Scheme Participants.

Sun Life Basic Trustee and Sun Life Rainbow Trustee have fulfilled the requirements stated in clause 28 of the trust deed of Sun Life Basic and clause 7.12 of the trust deed of Sun Life Rainbow respectively for exercising the power to undergo the Restructure, and jointly submitted application to the MPFA to restructure Sun Life Basic in accordance with section 34B of the Mandatory Provident Fund Schemes Ordinance. The approval-in-principle of the aforementioned application has been obtained from the MPFA*.

* Such approval-in-principle does not imply official recommendation by the MPFA.

In relation to the Restructure, Sun Life Basic Trustee and Sun Life Rainbow Trustee will take reasonable and necessary steps and measures and have in place proper arrangements for the discharge of their respective duties under the schemes to ensure that: (i) the interests of Scheme Participants will be adequately protected during the Restructure and (ii) there will not be any adverse impact on Scheme Participants in terms of accrued benefits and services currently enjoyed by Scheme Participants.

Arrangements of the Restructure are set out below for your information:

1. Effective date of the Restructure

November 29, 2023

In the event of November 29, 2023 becoming a gale warning day or black rainstorm warning day (i.e. Tropical Cyclone Warning Signals No. 8 or above; or black rainstorm signal is hoisted and remains hoisted after 12:00 p.m.) or suspension of relevant stock market happens on November 29, 2023 resulted in such day being a non-dealing day on which subscription and redemption orders of any CF under Sun Life Basic and Sun Life Rainbow could not be placed or executed, the Effective Date will be postponed to the next Business Day from November 29, 2023 to November 30, 2023; the suspension period end date will be extended to the next Business Day from December 3, 2023 to December 4, 2023; and the date on which dealing and instructions of transferred accounts resume to normal under Sun Life Rainbow will also be deferred to the next Business Day from December 4, 2023 to December 5, 2023.

Furthermore, in case of extreme market volatility leading both Sun Life Basic Trustee and Sun Life Rainbow Trustee to consider that the implementation of the Restructure is no longer in the interests of Scheme Participants, both Sun Life Basic Trustee and Sun Life Rainbow Trustee will review and agree

on the next suitable effective date of the Restructure and issue notice to Scheme Participants regarding the detailed arrangements as soon as possible.

2. Arrangements for your participation in Sun Life Rainbow

(a) Basis of participation

Your participation in Sun Life Rainbow will be effected by the transfer of all the participation agreements, application forms, instructions, forms and relevant documents from Sun Life Basic to Sun Life Rainbow and hence you are not required to complete any participation agreements, application forms, instructions, forms or any transfer or other relevant documents.

(b) Participation for different scenarios

The arrangement for scheme participation in Sun Life Rainbow by each participating employer, self-employed member, personal member, additional voluntary contributions ("AVC") member and employee member are summarized in the tables below for your information but you are not required to take any action as it will be completed by Sun Life.

(i) Scheme Participants who only participate in Sun Life Basic (but not Sun Life Rainbow or Sun Life Comprehensive) immediately prior to the Restructure

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|---|--------------------------------|--|-------------------------|-------------------------|
| (A) Participation in Sun Life Rainbow | | | | |
| Set up a single participating plan under Sun Life Rainbow | √ | √ | √ | |
| Join their employers' participating plans set up under Sun Life Rainbow | | | | √ |
| (B) Personal particulars / contact details | | | | |
| Use personal particulars / contact details provided under Sun Life Basic | √ | √ | | √ |
| Use personal particulars / contact details provided under Sun Life Basic (and for members with more than one member accounts, use personal particulars / contact details provided for the member account under Sun Life Basic with the latest updated personal particulars / contact details) | | | √ | |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|--|-------------------------|---|------------------|------------------|
| (C) Investment mandates for future contributions/future transfer-in monies | | | | |
| Investment mandates provided under Sun Life Basic will be changed to the relevant CF(s) under Sun Life Rainbow according to the fund mapping arrangement as outlined in section 3(a) of this Notice | N/A | √ | | √ |
| Investment mandates provided under Sun Life Basic (and for members with more than one member accounts, the investment mandates provided for the member account with the latest updated personal particulars / contact details under Sun Life Basic will be changed to the relevant CF(s) under Sun Life Rainbow according to the fund mapping arrangement as outlined in section 3(a) of this Notice | N/A | | √ | |
| (D) Transfer and set up of accounts and sub-accounts | | | | |
| Set up new forfeitures accounts | √ | | | |
| Set up new member accounts and sub-accounts under Sun Life Rainbow | | √ | | √ |
| Set up a single new member account and sub-account under Sun Life Rainbow and consolidate the member account and sub-account under Sun Life Basic into the single member account and sub-account under Sun Life Rainbow (and for members who have more than one member accounts and sub-accounts under Sun Life Basic, all such member accounts and sub-accounts will be consolidated into the single member account and sub-account under Sun Life Rainbow) | | | √ | |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|---|--------------------------------|--|-------------------------|-------------------------|
| (E) Others | | | | |
| Adopt all participation agreements, application forms, instructions, forms and relevant documents under Sun Life Basic (except for (i) the consent to direct marketing and (ii) direct debit authorization, if any, given under Sun Life Basic) | √ | √ | √ | |
| Adopt all agreements, forms and instructions (including any vesting scale or payroll period as instructed by their employers) under Sun Life Basic (except for the consent to direct marketing, if any, given under Sun Life Basic) | | | | √ |

- (ii) Scheme Participants who participate in both Sun Life Basic and Sun Life Comprehensive (but not Sun Life Rainbow) immediately prior to the Restructure

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|--|--------------------------------|--|-------------------------|-------------------------|
| (A) Participation in Sun Life Rainbow | | | | |
| Set up a single participating plan under Sun Life Rainbow | √ | | √ | |
| Set up separate participating plans under Sun Life Rainbow | | √ | | |
| Join their employers' participating plans set up under Sun Life Rainbow | | | | √ |
| (B) Personal particulars / contact details | | | | |
| Use personal particulars / contact details provided under Sun Life Basic or Sun Life Comprehensive, as specified by the scheme participant | √ | | | |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|--|-------------------------|---|------------------|------------------|
| Use all personal particulars / contact details provided under both Sun Life Basic and Sun Life Comprehensive | | √ | | √ |
| Use personal particulars / contact details provided for the member account under Sun Life Basic or Sun Life Comprehensive with the latest updated personal particulars / contact details | | | √ | |
| (C) Investment mandates for future contributions/future transfer-in monies | | | | |
| Investment mandates provided under Sun Life Basic and Sun Life Comprehensive will be changed to the relevant CFs under Sun Life Rainbow according to the fund mapping arrangement as outlined in section 3(a) of this Notice | N/A | √ | | √ |
| Investment mandates provided for the member account under Sun Life Basic or Sun Life Comprehensive with the latest account set-up date will be changed to the relevant CF(s) under Sun Life Rainbow according to the fund mapping arrangement as outlined in section 3(a) of this Notice | N/A | | √ | |
| (D) Transfer and set up of accounts and sub-accounts | | | | |
| Set up new forfeitures accounts | √ | | | |
| Set up new member accounts and sub-accounts under Sun Life Rainbow | | √ | | √ |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|--|-------------------------|---|------------------|------------------|
| Set up a single new member account and sub-account under Sun Life Rainbow and consolidate all member accounts and sub-accounts under Sun Life Basic and Sun Life Comprehensive into the single member account and sub-account under Sun Life Rainbow | | | √ | |
| (E) Others | | | | |
| Adopt all participation agreements, application forms, instructions, forms and relevant documents under Sun Life Basic and Sun Life Comprehensive (except for (i) the consent to direct marketing and (ii) direct debit authorization, if any, given under Sun Life Basic and Sun Life Comprehensive) | √ | √ | | |
| Adopt the participation agreements, application forms, instructions, forms and relevant documents provided for the member account with the latest account set-up date under Sun Life Basic or Sun Life Comprehensive (except for (i) the consent to direct marketing and (ii) direct debit authorization, if any, given under Sun Life Basic and Sun Life Comprehensive) | | | √ | |
| Adopt all agreements, forms and instructions (including any vesting scale or payroll period as instructed by their employers) under Sun Life Basic and Sun Life Comprehensive (except for the consent to direct marketing, if any, given under Sun Life Basic and Sun Life Comprehensive) | | | | √ |

- (iii) Scheme Participants who participate in (i) Sun Life Basic or both Sun Life Basic and Sun Life Comprehensive and (ii) Sun Life Rainbow (for the same member account type) immediately prior to the Restructure

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|---|-------------------------|---|------------------|------------------|
| (A) Participation in Sun Life Rainbow | | | | |
| Set up a separate participating plan under Sun Life Rainbow | | √ | | |
| Continue single participating plan under Sun Life Rainbow and merge and combine participation under Sun Life Basic and Sun Life Comprehensive (if applicable) into the single participating plan under Sun Life Rainbow | √ | | √ | |
| Join their employers' participating plans set up under Sun Life Rainbow | | | | √ |
| (B) Personal particulars / contact details | | | | |
| Use personal particulars / contact details provided under Sun Life Basic (if the scheme participant participates in both Sun Life Basic and Sun Life Comprehensive, use personal particulars / contact details provided under Sun Life Basic or Sun Life Comprehensive, as specified by the scheme participant) | √ | | | |
| Use all personal particular(s) / contact detail(s) provided under Sun Life Basic and Sun Life Comprehensive (if applicable) | | √ | | √ |
| Use personal particulars / contact details provided under Sun Life Rainbow *Such members are reminded to update their personal particulars and contact details under Sun Life Rainbow for their consolidated accounts. | | | √ | |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|---|-------------------------|---|------------------|------------------|
| (C) Investment mandates for future contributions/future transfer-in monies | | | | |
| Investment mandates provided under Sun Life Basic and Sun Life Comprehensive (if applicable) will be changed to the relevant CFs under Sun Life Rainbow according to the fund mapping arrangement as outlined in section 3(a) of this Notice | N/A | √ | | √ |
| Existing investment mandates under Sun Life Rainbow will be used (except for scheme members utilizing the Fund Cruiser immediately prior to the Restructure in certain cases as stated in section 2(b)(v) of this Notice) *Such members are reminded to revisit their investment mandates under Sun Life Rainbow for their consolidated accounts. | N/A | | √ | |
| (D) Transfer and set up of accounts and sub-accounts | | | | |
| Set up new forfeitures accounts | √ | | | |
| Set up new member accounts and sub-accounts under Sun Life Rainbow | | √ | | √ |
| Merge and combine the member account(s) and sub-account(s) under Sun Life Basic and Sun Life Comprehensive (if applicable) into the corresponding member account and sub-account under Sun Life Rainbow (and for members who have more than one member accounts and sub-accounts under Sun Life Basic and Sun Life Comprehensive (if applicable), all such member accounts and sub-accounts will be consolidated into the single member account and sub-account under Sun Life Rainbow) | | | √ | |

| | Participating employers | (i) Self-employed members; and (ii) AVC members | Personal members | Employee members |
|---|--------------------------------|--|-------------------------|-------------------------|
| (E) Others | | | | |
| Adopt all participation agreements, application forms, instructions, forms and relevant documents under Sun Life Basic and Sun Life Comprehensive (if applicable) (except for (i) the consent to direct marketing and (ii) direct debit authorization, if any, given under Sun Life Basic and Sun Life Comprehensive (if applicable)) | √ | √ | | √ |
| Apply all participation agreements, application forms, instructions, forms and relevant documents under Sun Life Rainbow | | | √ | |

(iv) Any other scenarios

Sun Life Rainbow Trustee may exercise its discretion or procure the agreement of the relevant parties in making the necessary arrangements for Scheme Participants under all other scenarios. In exercising such discretion, Sun Life Rainbow Trustee will ensure that such act will be made in the interests of Scheme Participants.

(v) Fund Cruiser Arrangements

For scheme members utilizing the Fund Cruiser, the Fund Cruiser will continue to apply after the Restructure, except for personal members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure, and where the accrued benefits held in their personal accounts under Sun Life Basic are redeemed and invested into Sun Life Rainbow according to the fund mapping arrangement, their personal accounts under Sun Life Rainbow will, as a result of the fund mapping arrangement, hold investments in any funds other than the four funds under the Fund Cruiser (i.e. Sun Life MPF Conservative Fund, Sun Life MPF Hong Kong Dollar Bond Fund, Sun Life MPF Hong Kong Equity Fund and Sun Life MPF Multi-Sector Equity Fund). In such circumstances, the Fund Cruiser will cease to apply and such personal account members will be deemed to have exited the Fund Cruiser upon the Restructure, and the following arrangements will apply:

- (i) for the accrued benefits transferred from Sun Life Basic, they will be invested in Sun Life Rainbow according to the fund mapping arrangement; and
- (ii) for all future transfer-in monies under Sun Life Rainbow, they will be invested according to the investment mandates reflecting the allocation percentages under the Fund Cruiser applicable to the member based on the age of the member as at the Effective Date, and such allocation percentages will remain

the same even when the member reaches the next age band after the Effective Date.

After the Restructure, if such personal account members wish to invest in the Fund Cruiser again, they may submit a switching instruction to Sun Life Rainbow Trustee following the normal procedures under Sun Life Rainbow.

For the avoidance of doubt, for those personal account members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the restructure, and whose personal accounts under Sun Life Rainbow will not, as a result of the fund mapping arrangement as described above, hold investments in any funds outside of the funds under the Fund Cruiser, so long as their accounts have holdings in any one of the funds under the Fund Cruiser, the Fund Cruiser will continue to apply after the Restructure.

If you have any questions relating to the above Fund Cruiser arrangements for the personal account members, you may call our hotline at (852) 3183 1800 which is designated for those personal account members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure and utilize the Fund Cruiser.

3. Transfer of accrued benefits from Sun Life Basic to Sun Life Rainbow and investment of future contributions / future transfer-in monies

- (a) Mechanism of transfer of accrued benefits and investment of future contributions / future transfer-in monies

To effect the Restructure, accrued benefits of all scheme members will be transferred from Sun Life Basic to Sun Life Rainbow on the Effective Date according to the following arrangements:

- (i) redeem units of CFs held by the corresponding scheme members under Sun Life Basic; and
- (ii) transfer such redemption proceeds to invest in or subscribe units of the corresponding CFs under Sun Life Rainbow for each of the scheme members according to the table on fund mapping arrangement shown below.

The redemption proceeds in the accounts of each scheme member under Sun Life Basic immediately prior to the Restructure will be the same as the value of holdings in the accounts of such scheme member under Sun Life Rainbow immediately after the Restructure. Please refer to Appendix 3 of this Notice for the conversion mechanism and illustrative example for details.

Any future contributions/future transfer-in monies will also be invested according to the table on fund mapping arrangement shown below, except for personal members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure (as detailed in section 2 headed "Arrangements for your participation in Sun Life Rainbow" of this Notice above).

Scheme members may compare the investment policies of CFs under Sun Life Basic and Sun Life Rainbow by obtaining information of the investment policies in the respective MPF scheme brochures of Sun Life Basic and Sun Life Rainbow, both of which are available for download from the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy. The investment policies, objectives and risk levels of the CFs under Sun Life Basic and their corresponding CFs under Sun Life Rainbow are similar except for the CFs stated in section 3(b) of this Notice below. Please refer to the table in this section 3(a) of this Notice below and the table under section 3(b) of this Notice for details.

| Fund Mapping Arrangement | | | | |
|---------------------------------|--|---|---|--|
| | Transfer from CFs under Sun Life Basic | Transfer to CFs under Sun Life Rainbow | Comparison of overall risk level under Sun Life Rainbow after Restructure* | Reasons of the fund mapping |
| 1 | Sun Life MPF Basic Scheme Capital Guaranteed Portfolio | Sun Life MPF Conservative Fund | Similar risk level | <p>Similar target investments and investment objectives and risk/return profiles, thus Sun Life MPF Conservative Fund may serve the same purpose of preserving capital over the long term (even without explicit guarantee)</p> <p>Sun Life MPF Conservative Fund is not a guaranteed fund. Please refer to section 4 of this Notice for more details, including any one-off guarantee entitlement of members of Sun Life Basic investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio.</p> |
| 2 | Sun Life MPF Basic Scheme MPF Conservative Portfolio | Sun Life MPF Conservative Fund | Similar risk level | Similar investment objectives and policies |
| 3 | Sun Life MPF Basic Scheme Age 65 Plus Portfolio | Sun Life MPF Age 65 Plus Fund | Same risk level | Investing in the same underlying APIF(s) with identical asset allocation |
| 4 | Sun Life MPF Basic Scheme Stable Growth Portfolio * | Sun Life MPF Balanced Fund | Similar risk profile, with differences in asset ranges | Sun Life MPF Balanced Fund is the closest CF with similar risk profile but with differences in asset ranges |
| 5 | Sun Life MPF Basic Scheme Core Accumulation Portfolio | Sun Life MPF Core Accumulation Fund | Same risk level | Investing in the same underlying APIF(s) with identical asset allocation |
| 6 | Sun Life MPF Basic Scheme Balanced Growth Portfolio* | Sun Life MPF Growth Fund | Similar risk profile, with differences in asset ranges | Sun Life MPF Growth Fund is the closest CF with similar risk profile but with differences in asset ranges |
| 7 | Sun Life MPF Basic Scheme International Equity Portfolio | Sun Life MPF Multi-Sector Equity Fund | Similar risk profile, with differences in asset ranges | Similar investment objectives and policies |

| Fund Mapping Arrangement | | | | |
|---------------------------------|---|--|--|--|
| | Transfer from CFs under Sun Life Basic | Transfer to CFs under Sun Life Rainbow | Comparison of overall risk level under Sun Life Rainbow after Restructure⁺ | Reasons of the fund mapping |
| 8 | Sun Life MPF Basic Scheme US & Hong Kong Equity Portfolio | Sun Life MPF US & Hong Kong Equity Fund [#] | Same risk level | Sun Life MPF US & Hong Kong Equity Fund, upon its establishment under Sun Life Rainbow on the Effective Date (subject to the successful implementation of the Restructure), will adopt the same investment objectives and policies |
| 9 | Sun Life MPF Basic Scheme Hong Kong Equity Portfolio | Sun Life MPF Hong Kong Equity Fund | Similar risk level | Similar investment objectives and policies |

⁺ Historical volatility is used as the basis for determination of the risk level of CFs.

^{*} There are differences in respect of the investment policies of these CFs under Sun Life Basic and those of the CFs under Sun Life Rainbow, please refer to section 3(b) of this Notice for further explanations on the main differences and possible options for scheme members in respect of these CFs.

[#] The Sun Life MPF US & Hong Kong Equity Fund will only be available under Sun Life Rainbow on the Effective Date, subject to the successful implementation of the Restructure.

Sun Life Basic Trustee and Sun Life Rainbow Trustee are aware of the importance of the transfer of accrued benefits. As such, the redemption from Sun Life Basic and subscription to Sun Life Rainbow will be carried out on the same dealing day on the Effective Date to minimize the impact of market risks. During the transfer, reconciliation between accrued benefits held in each member account under Sun Life Basic immediately before transfer and those under Sun Life Rainbow immediately after transfer will be performed to ensure the transfer is complete and accurate.

As there is a normal settlement period for the redemptions of underlying funds in the CFs under Sun Life Basic, the cash level of those CFs in the transition period will be higher than that stated in the investment policies. The transition period is expected to run from November 22, 2023 to November 28, 2023. The transition period may be varied but will not be longer than the period mentioned in the previous sentence under normal circumstances, subject to the holding positions of the underlying funds before the Restructure. Sun Life Basic Trustee and Sun Life Rainbow Trustee will endeavour to shorten the transition period to minimise such potential market risk.

- (b) Differences in investment policies, objectives and risk levels of the CFs under Sun Life Basic and Sun Life Rainbow

The Restructure will change scheme members' fund choices as shown in section 3(a) of this Notice, including the investment of scheme members' accrued benefits and the funds to be invested for their future contributions/future transfer-in monies.

According to the table on fund mapping arrangement shown in section 3(a) of this Notice, the CFs under Sun Life Basic will be mapped into their corresponding CFs under Sun Life Rainbow in which their investment policies are similar, except for certain differences between the CFs which are highlighted in the table below.

| Investment policy of CF under Sun Life Basic | Investment policy of CF under Sun Life Rainbow | Main differences and possible option for scheme members |
|---|---|---|
| Sun Life MPF Basic Scheme Stable Growth Portfolio Strategic asset allocation ranges: Bond 20%-60% Equities 30%-60% Cash or cash equivalents 0%-20% | Sun Life MPF Balanced Fund Strategic asset allocation ranges: Fixed income/money market investments 30%-70% Equity investments 30%-70% | The difference is mainly on the asset allocation. The Sun Life Rainbow CF can have heavier weighting in equities, and lower weighting in cash and bonds than the Sun Life Basic CF. Risk profiles of both CFs are expected to be similar. |
| Sun Life MPF Basic Scheme Balanced Growth Portfolio Strategic asset allocation ranges: Bond 0%-40% Equities 45%-85% Cash or cash equivalents 0%-20% | Sun Life MPF Growth Fund Strategic asset allocation ranges: Fixed income/money market investments 10%-50% Equity investments 50%-90% | The difference is mainly on the asset allocation. The Sun Life Rainbow CF can have heavier weighting in equities, and lower weighting in cash and bonds than the Sun Life Basic CF. Risk profiles of both CFs are expected to be similar. |

Remarks: The investment policy and objective of each CF under Sun Life Basic and Sun Life Rainbow are different. Scheme members should seek independent investment advice if needed.

4. Guarantee feature and arrangement

Sun Life Basic has a guaranteed fund called Sun Life MPF Basic Scheme Capital Guaranteed Portfolio. In respect of each member of Sun Life Basic investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio, it is guaranteed that the capital amount will be preserved at the end of every 5-year period of continuous investment (i.e. starting from the date when the member invests in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio) or over a shorter period if the member reaches the age of 65. The guaranteed capital amount will be the value of the member's accrued benefits in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio at the beginning of the latest 5-year period of continuous investment, plus that member's contributions to Sun Life MPF Basic Scheme Capital Guaranteed Portfolio during the continuous investment (net of expenses, cash not invested in the underlying AIF and any redemptions). To qualify for the guarantee, the member must hold a beneficial interest in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio at all times in the latest 5-year period of continuous investment (or over a shorter period if the member reaches the age of 65) ("**Qualifying Conditions**"), i.e. the member must continuously invest in and hold Sun Life MPF Basic Scheme Capital Guaranteed Portfolio at all times for a period of 5 years (or over a shorter period if the member reaches the age of 65). The guarantee will not apply in case of any fund switching or fund transfer out of Sun Life MPF Basic Scheme Capital Guaranteed Portfolio during the latest 5-year period of continuous investment (or during a shorter period if the member reaches the age of 65).

Upon the Restructure, the member's accrued benefits in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio will be redeemed and fully re-invested into Sun Life MPF Conservative Fund under Sun Life Rainbow as they exhibit similarities in terms of their target investments and investment objectives and risk/return profiles, thus Sun Life MPF Conservative Fund may serve the same purpose of preserving capital over the long term (even without explicit guarantee). **Sun Life MPF Conservative Fund is not a guaranteed fund and has no guaranteed features as Sun Life MPF Basic Scheme Capital Guaranteed Portfolio.** On the Effective Date, each member investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio will be entitled to the guaranteed amount in the accounts of such member under Sun Life Basic accrued up to the Effective Date as an one-off guarantee as if the Qualifying Conditions of Sun Life MPF Basic Scheme Capital Guaranteed Portfolio have been fulfilled on the Effective Date. If the market value of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio is less than the guaranteed amount on the Effective Date, the member will be compensated with the amount of such shortfall by the guarantor and such guaranteed amount will be re-invested into Sun Life MPF Conservative Fund on or before December 11, 2023. If the market value of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio is higher than the guaranteed amount on the Effective Date, the member will be entitled to the market value of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio as the one-off guarantee.

If members do not wish to be involved in the above arrangement, they may choose to (i) switch out accrued benefits from Sun Life MPF Basic Scheme Capital Guaranteed Portfolio to other CF(s) under Sun Life Basic; (ii) withdraw accrued benefits from Sun Life MPF Basic Scheme Capital Guaranteed Portfolio under Sun Life Basic on any of the eligible withdrawal grounds under the MPF legislation or after termination of employment or (iii) transfer out of Sun Life Basic to another scheme.

At any time within three months prior to the Effective Date (i.e. from August 28, 2023 to November 28, 2023), if any member gives instructions or makes a request to:

- (a) switch out from Sun Life MPF Basic Scheme Capital Guaranteed Portfolio to other CF(s) under Sun Life Basic, together with **all holdings** in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio;
- (b) transfer out of Sun Life Basic to another scheme, together with **all holdings** in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio at the time of transfer;
- (c) withdraw **all holdings** in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio on any of the eligible withdrawal grounds under the MPF legislation; or
- (d) withdraw **all holdings** in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio after termination of employment,

such member will also be entitled to the one-off guarantee, as mentioned above, on and accrued up to the effective date of the switching, transfer-out or withdrawal (as the case may be). **However, if only a part of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio is being switched out, transferred out or withdrawn, as the case may be, the member will not be entitled to the one-off guarantee.**

For some illustration examples demonstrating the entitlement of a member to the one-off guarantee under difference scenarios, please refer to our list of "Frequently-Asked-Questions relating to the Scheme Restructure" ("**FAQs**") which is available on the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy.

In case of any switching, transfer-out or withdrawal at any time within three months prior to the Effective Date (as described above), if there is any shortfall resulted from the difference between the market value of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio and the guaranteed amount on the effective date of the switching, transfer-out or withdrawal (as the case may be), such shortfall will be paid to the member and the member will be notified of the one-off guarantee arrangement, the amount of the shortfall, and the date on which the shortfall has been paid to the

member within 8 working days from the effective date of the switching, transfer-out or withdrawal (as the case may be).

For members investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio immediately prior to the Effective Date, a transfer-out statement and confirmation will be issued to the members on or before December 11, 2023 in respect of the redemption proceeds of Sun Life MPF Basic Scheme Capital Guaranteed Portfolio being transferred on the Effective Date. If there is any shortfall resulted from the difference between the market value of the holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio and the guaranteed amount on the Effective Date, such shortfall will be re-invested into Sun Life MPF Conservative Fund on or before December 11, 2023. A notice will be sent, together with the transfer-out statement and confirmation, to the members on or before December 11, 2023 notifying the members of the one-off guarantee arrangement, the amount of the shortfall, and the date on which the shortfall has been re-invested into Sun Life MPF Conservative Fund. The notice will also inform the members that remarks on the shortfall will be added to the next annual benefit statement and transaction history on the member login website in Sun Life Rainbow.

If you have any questions relating to the above arrangements on the one-off guarantee or the transfer-out statement and confirmation with respect to Sun Life MPF Basic Scheme Capital Guaranteed Portfolio, you may call our hotline designated for members who have holdings in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio at (852) 3183 1800 .

5. Transitional arrangements of the Restructure

(a) Amendment to the trust deed of Sun Life Basic

In accordance with the trust deed of Sun Life Basic, Sun Life Basic Trustee may do such things as it considers necessary or desirable to provide for the restructuring of Sun Life Basic and, for the purpose of the Restructure, such things refer to (i) declaring a suspension of the dealing of units of any CF of Sun Life Basic, and/or the processing of any administration process, during or for the purpose of any restructuring of Sun Life Basic, and (ii) signing and executing any contract notes, transfer instruments or other documents on behalf of Sun Life Basic, any CF and any or all of the Scheme Participants who are subject to the Restructure. In order to expressly empower Sun Life Basic Trustee to do the things referred to in the above (i) and (ii) under this section 5(a) of this Notice, the trust deed of Sun Life Basic will be amended accordingly with effect from November 23, 2023.

The above amendments will be effected by way of a fourteenth supplemental trust deed to the trust deed of Sun Life Basic.

(b) Suspension of instructions, dealing and services

(i) Suspension of instructions and dealing

As the Restructure involves significant preparation and administration works, arrangements will be made to suspend instructions and dealing within a reasonable timeframe. To implement the Restructure, instructions and dealing under Sun Life Basic will be suspended during the period set out below ("**Suspension Period**"):

| | |
|--|--|
| Processing of instructions from Scheme Participants | Suspended from November 23, 2023 (with the cut-off date for instructions relating to direct debit authorization on September 30, 2023) to December 3, 2023 inclusive |
| Dealing of subscription and redemption of units of each CF of Sun Life Basic | Suspended from November 24, 2023 to November 29, 2023 inclusive |

The suspension of instructions and dealing under Sun Life Basic will apply to all instructions received or sent through different channels (either electronically or in paper forms) from Scheme Participants during the relevant Suspension Period.

The impact of the suspension of instructions and dealing under Sun Life Basic is that any Scheme Participants' instructions received during the relevant Suspension Period under Sun Life Basic will not be processed during the relevant Suspension Period, and will be carried forward to Sun Life Rainbow for further processing under Sun Life Rainbow starting as soon as practicable after the Effective Date no later than 5:45 p.m. on December 4, 2023.

Such period of suspension is considered necessary as time is required for processing all the dealing instructions, the liquidation of assets, the transfer of Scheme Participants' information and the setting up of proper accounts and records under Sun Life Rainbow, and taking into consideration the possibility of bad weather leading to a normal dealing day becoming a non-dealing day during the affected period. Scheme Participants should also be aware of the various timelines surrounding the Effective Date that are applicable to managing their accounts.

Processing of instructions and dealings of subscription and redemption of units of each CF under Sun Life Rainbow will not be suspended. However, for instructions received from Scheme Participants of Sun Life Basic during the Suspension Period, it is expected that there will be delays in processing of such instructions under Sun Life Rainbow if such instructions are received after the respective cut-off dates and times (if any) as mentioned in section 5(b)(iv) of this Notice, from November 23, 2023 (with the cut-off date for instructions relating to direct debit authorization on September 30, 2023) to December 3, 2023. The processing of instructions for the Scheme Participants transferred from Sun Life Basic will resume to normal on December 4, 2023 and the Scheme Participants transferred from Sun Life Basic can submit their instructions through paper or Sun Life Rainbow's website at www.sunlife.com.hk from 9:00a.m. on December 4, 2023. The expected delays in processing instructions under Sun Life Rainbow in respect of the instructions received from Scheme Participants transferred from Sun Life Basic will mean that Sun Life Rainbow Trustee may not be able to meet some of its service pledges. For details of such service pledges, please contact our designated hotline at (852) 3183 1800 or refer to our list of FAQs (see Question 21) which is available on the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy.

For Scheme Participants who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure, their existing accounts under Sun Life Rainbow are not subject to suspension of instructions and dealing.

A summary of the events which will take place during the Suspension Period under Sun Life Basic is appended below for your information:

| # | Event to be taken by Sun Life | Action Date |
|----|---|--------------------------------------|
| 1 | Preparation of last subscription and redemption order before scheme termination | November 23, 2023 |
| 2 | Preparation of valuation and issuance of the fund price for the last subscription and redemption order | November 24, 2023 |
| 3 | Run system date-end job for dealing date of November 23, 2023 | November 25, 2023 |
| 4 | Record checking after the end of system run | November 25, 2023 |
| 5 | Preparation for scheme termination including extracting active member accounts and inputting the extracted account numbers into system for bulk member account termination | November 27, 2023 |
| 6 | Bulk upload of scheme termination transaction to administration system and preparation of redemption order | November 28, 2023 |
| 7 | Redemption of fund units in Sun Life Basic and subscription of fund units in Sun Life Rainbow on the Effective Date | November 29, 2023 |
| 8 | Transfer in-specie assets and cash to Sun Life Rainbow | November 29, 2023 |
| 9 | Fund price as of the Effective Date is available. Administrator of Sun Life Basic will update the fund price in the administration system | November 30, 2023 |
| 10 | <p>Administrator of Sun Life Basic extracts and transfers customer data and members' account holding and balance based on the Effective Date's fund price to Administrator of Sun Life Rainbow</p> <p>Administrator of Sun Life Rainbow creates customer record, accounts and units for members according to the transferred data and mechanism of transfer of accrued benefits outlined in section 3(a) of this Notice</p> | December 1, 2023 to December 3, 2023 |
| 11 | Resumption of processing of instructions under Sun Life Rainbow | 9:00a.m. on December 4, 2023 |

Notwithstanding the suspension of dealing and processing of instructions, Sun Life Basic Trustee will still be able to meet its service pledges in respect of the Scheme Participants during the Restructure process provided that valid and complete instructions are received by the administrator of Sun Life Basic on or before the respective cut-off dates and times (if any) as stated in this section 5(b)(iv) of this Notice below.

However, if instructions are received by the administrator of Sun Life Basic after the respective cut-off dates and times (if any) as stated in this section 5(b)(iv) of this Notice below, Sun Life Basic Trustee will not be able to meet its service pledges as such instructions will not be processed under Sun Life Basic but will be carried forward to Sun Life Rainbow for further processing starting as soon as practicable after the Effective Date no later than 5:45 p.m. on December 4, 2023.

Sun Life Rainbow Trustee will work closely with Sun Life Basic Trustee on the transitional arrangements to minimize any potential impact.

Any instructions that are not initiated by Scheme Participants, such as DIS de-risking and guaranteed fund shortfall credit, and not yet processed during the Suspension Period will not be processed in a retrospective manner but will be processed by Sun Life Rainbow Trustee within 5 Business Days after December 4, 2023 i.e. December 11, 2023, except for Fund Cruiser de-risking which will be handled according to the Fund Cruiser arrangements set out in section 2(b)(v) of this Notice upon the Restructure. It is expected that there will be delays in processing of such instructions not initiated by Scheme Participants under Sun Life Rainbow which will resume normal on December 4, 2023.

(ii) Online and interactive voice response system ("**IVRS**") services

(A) Suspension of service

To facilitate implementation of the Restructure, online and IVRS services under Sun Life Basic for Scheme Participants will be discontinued from 5:00 p.m. on November 22, 2023.

For Scheme Participants who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure, their access to the online and IVRS services for their existing accounts under Sun Life Rainbow will not be affected during the Suspension Period.

(B) Resumption of service

Scheme Participants can access the information of the transferred account and submit instructions via the website or IVRS of Sun Life Rainbow starting from 9:00 a.m. on December 4, 2023. Please refer to the details set out in the table below. They may also choose to submit instructions in paper format or call our designated hotline at (852) 3183 1800 for enquiry and assistance. For customer support details, please refer to section 6(a) of this Notice.

| | | |
|---|---|--|
| | Access information of the transferred account under Sun Life Basic via website of Sun Life Rainbow after the Restructure | Access information of the transferred account under Sun Life Basic via IVRS of Sun Life Rainbow after the Restructure |
| For Scheme Participants who only participate in Sun Life Basic immediately prior to the Restructure | | |
| Participating employer | Use "100" together with their existing employer code generated for their existing accounts under Sun Life Basic as login ID to complete first time registration | A new password will be generated and sent to the employers by post or by e-mail after the Effective Date |
| Scheme Members | Use their HKID / Passport Number to complete first time registration | |
| For Scheme Participants who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure | | |
| Participating employer | Use their existing employer code / member number and/or personal identification number generated for their existing accounts under Sun Life Rainbow Please note that access to online and IVRS services for their existing accounts under Sun Life Rainbow will not be affected during the Suspension Period | |
| Scheme Members | | |

(iii) Customer support before the Restructure

Scheme Participants may call our designated hotline at (852) 3183 1800 for any enquiries relating to the information under this Notice.

(iv) Cut-off date for instructions to be processed before the Restructure

If a Scheme Participant wishes to have his/her instruction(s) processed under Sun Life Basic before the Effective Date, valid and complete instruction(s) need to be received by the administrator of Sun Life Basic on or before the respective cut-off dates and times (if any) as stated in the table below.

| Types of Instructions | Cut-off date for valid instructions to be processed under Sun Life Basic before the Effective Date ^{^^} |
|--|---|
| By Employers and Self-employed Members: | |
| (1) Contribution Data Submission (i) by hand / via FWD or Sun Life Service Counter or Drop Box [^] (ii) via mail, fax, email or internet | a. Payment via DDA (i) November 14, 2023, 5:00pm (ii) November 14, 2023 b. Payment via cheque / TT / direct credit (i) November 20, 2023, 5:00pm (ii) November 20, 2023 |
| (2) Direct Debit Authorization ("DDA") (i) Set up new DDA instruction (ii) Change of bank account or relevant information for direct debit arrangement | September 30, 2023 (around 6-8 weeks before the Effective Date) |
| (3) Employee Enrolment and Termination of Scheme Participation <i>(only applicable to employers)</i> | November 22, 2023 |
| (4) Scheme Information Change (i) Change of voluntary contributions (ii) Other employer information changes, including scheme termination | November 22, 2023 |
| (5) Scheme Transfer-in <i>(only applicable to employers)</i> (i) New transfer request (ii) In-progress transfer request | (i) Any valid instruction to transfer in to Sun Life Basic must be received by the administrator of Sun Life Basic via Sun Life Basic Trustee on or before August 28, 2023 (i.e. around 3 months before the Effective Date). (ii) Any pending instruction that cannot be completed on or before August 28, 2023 (i.e. around 3 months before the Effective Date) will be rejected with appropriate communication made to the relevant employers. |
| (6) Scheme Transfer-Out <i>(only applicable to employers)</i> | Any valid instruction to transfer out of Sun Life Basic must be received by the administrator of Sun Life Basic via Sun Life Basic Trustee on or before November 20, 2023 |

| Types of Instructions | Cut-off date for valid instructions to be processed under Sun Life Basic before the Effective Date ^{^^} |
|--|---|
| Self-employed Members, Employees, Personal Members and AVC Members | |
| <p>(1) Switching / Change of Investment Mandate (i) via mail / by hand / FWD or Sun Life Service Counter or Drop Box[^] (ii) via internet / fax</p> <p>Note: If any fund switching requests are invalid/incomplete, they cannot be transmitted via the internet as the internet will refrain any such invalid/incomplete requests from being submitted via the internet. If any fund switching requests submitted via other channels are invalid/incomplete, the administrator of Sun Life Basic will make follow-up calls with scheme members on the date of such invalid/incomplete requests received to explain the transitional/special arrangement</p> | <p>(i) November 22, 2023, 5:00pm (ii) November 22, 2023, 5:00pm</p> |
| <p>(2) Member Information Change (i) via fax / mail / by hand / FWD or Sun Life Service Counter or Drop Box[^] (ii) via internet</p> | <p>(i) November 22, 2023, 5:00pm (ii) November 22, 2023, 5:00pm</p> |
| <p>(3) Transfer-in into Sun Life Basic <i>(including ECA and non-ECA transfer-in)</i> (i) New transfer request (ii) In-progress transfer request</p> | <p>(i) Any valid instruction to transfer into Sun Life Basic must be received by the administrator of Sun Life Basic via Sun Life Basic Trustee on or before August 28, 2023 (i.e. around 3 months before the Effective Date). (ii) Any pending instruction that cannot be completed on or before August 28, 2023 (i.e. around 3 months before the Effective Date) will be rejected with appropriate communication made to the relevant members.</p> |
| <p>(4) Transfer-out from Sun Life Basic (i) ECA transfer-out (ii) Non-ECA transfer-out</p> | <p>Any valid instruction to transfer out of Sun Life Basic must be received by the administrator of Sun Life Basic via the new trustee on or before (i) November 20, 2023 (ii) November 20, 2023</p> |
| <p>(5) Withdrawal of accrued benefits (i) Permanent departure from Hong Kong (ii) Other circumstances</p> | <p>(i) November 16, 2023 (ii) November 20, 2023</p> |
| <p>(6) Membership Enrolment</p> | <p>November 22, 2023</p> |

For the avoidance of doubt, instructions submitted under Sun Life Basic before the Suspension Period but after the respective cut-off dates and times (if any) as specified in the table above, regardless of whether they are given via electronic means or in paper forms, will not be processed under Sun Life Basic and will be handled according to section 5(b)(v) of this Notice.

Remarks:

^ Please see below for the locations of FWD and Sun Life Service Counter and Drop Box:

| Submission Channel | Address |
|---|---|
| FWD Customer Service Counter | Suite 2605., 26/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon |
| | 7/F, FWD Financial Centre, 308 Des Voeux Road Central, Sheung Wan, Hong Kong |
| | 13/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| FWD Drop Box | 13/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Sun Life Client Service Counter | 10/F, One HarbourFront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong |
| Sun Life Designated MPF Contribution Drop Box | G/F, Cheung Kei Center, Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong |

^In the event of the respective cut-off dates becoming a gale warning day or black rainstorm warning day (i.e. Tropical Cyclone Warning Signals No. 8 or above; or black rainstorm signal is hoisted and remains hoisted after 12:00 p.m.) resulted in such day being a non-Business Day, all respective instructions from Scheme Participants submitted to the administrator of Sun Life Basic on such day will be suspended and not be processed under Sun Life Basic and will be handled according to section 5(b)(v) of this Notice. Notwithstanding the above, in the said circumstances, the cut-off date for contribution data submission with payment via DDA will be postponed to the next Business Day, but the relevant instructions will still be processed under Sun Life Basic before the Effective Date.

(v) Arrangements in relation to instructions received before the Effective Date but after the respective cut-off dates and have not yet been processed before the Effective Date

Any instructions under Sun Life Basic received before the Effective Date but after the respective cut-off dates and have not yet been processed before the Effective Date shall be processed by Sun Life Rainbow Trustee under Sun Life Rainbow starting as soon as practicable after the Effective Date no later than 5:45 p.m. on December 4, 2023.

Sun Life Rainbow Trustee will carry out the instructions (except for change of investment mandate and switching instructions which cannot be processed as the CF(s) under Sun Life Basic no longer exists after the Effective Date) as if they were given under Sun Life Rainbow. If such instructions cannot be processed, Sun Life Rainbow Trustee will contact the relevant Scheme Participants for any necessary follow-up actions. For instructions received from Scheme Participants of Sun Life Basic during the Suspension Period, it is expected that there are certain delays in processing such instructions under Sun Life Rainbow if such instructions are received after the respective cut-off dates and times (if any) as mentioned in section 5(b)(iv) of this Notice,

from November 23, 2023 (with the cut-off date for instructions relating to direct debit authorization on September 30, 2023) to December 3, 2023, which will resume normal on December 4, 2023.

| Types of instructions | Handling of instructions (Applicable to those instructions received before Effective Date but after the respective cut-off dates and have not yet been processed under Sun Life Basic) |
|---|---|
| Employee Member Enrolment | Employee member account will be set up under Sun Life Rainbow and fund mapping will be applied to the contribution investment mandates provided on the employee member enrolment form. |
| Participation Agreement | The employer, self-employed person and personal account applicant will be assisted to participate in Sun Life Rainbow. |
| Fund Switching / Change of Investment Mandate | The request cannot be processed as the CF(s) under Sun Life Basic no longer exists. Follow-up calls and letters will be sent to the scheme members. |
| Other Instructions | All other instructions made under Sun Life Basic will be handled by Sun Life Rainbow Trustee under Sun Life Rainbow starting as soon as practicable after the Effective Date no later than 5:45 p.m. on December 4, 2023. If the instructions cannot be processed, Sun Life Rainbow Trustee will follow up with the relevant Scheme Participants. |

6. Administrative arrangements after the Restructure

(a) Customer support

Scheme Participants may make enquiries or obtain assistance via the following channels after the Restructure:

| | |
|-------------------------|--|
| Customer Website | www.sunlife.com.hk |
| Customer Hotline | (852) 3183 1800 |
| Customer Service Centre | 10/F, One HarbourFront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong Service hours: Monday to Friday from 9:00 a.m. to 5:45 p.m., except public holidays |

(b) Administration forms

Administration forms under Sun Life Rainbow should be used on and after the Effective Date and they are available on the website at www.sunlife.com.hk for download. Sun Life Rainbow Trustee will only be able to process instructions using the forms of Sun Life Rainbow after the Restructure. There will be a grace period of 3 months after the Effective Date for accepting the existing forms (except for change of investment mandate and switching instructions form) of Sun Life Basic.

(c) Submission of forms and documents

All forms and documents can be submitted by mail to BestServe Financial Limited at 10/F, One HarbourFront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong, or by fax to (852) 3183 1889 after the Restructure.

(d) Submission of contribution data

Contribution data can be submitted in paper format or via the website functions under Sun Life Rainbow after the Restructure. Online MPF remittance statements can be submitted via employer login account at www.sunlife.com.hk. Hard copy MPF remittance statements can be submitted via different channels as follows:

| | |
|------|---|
| Mail | 10/F, One HarbourFront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong |
| Fax | (852) 3183 1889 |

(e) Submission of contribution payment

Contributions can be settled by cheque or autopay after the Restructure. Effective from the Effective Date (i.e. November 29, 2023), all contributions should be paid to "**Sun Life Trustee Company Limited - MPF**". Payment made to the existing payee name under Sun Life Basic will be accepted for 3 months after the Effective Date, subject to the approval of Sun Life Rainbow Trustee.

For autopay, a new DDA request for Sun Life Rainbow is required. Please complete and return the attached "Direct Debit Authorization Form" to Sun Life Rainbow for processing.

Sun Life Rainbow Trustee will start to accept new DDA applications under Sun Life Rainbow from September 30, 2023. However, the new DDA will not become effective until the new DDA account is set up under Sun Life Rainbow. Please use cheque to settle all contributions due until receipt of written confirmation on the autopay set-up from Sun Life Rainbow.

| | |
|---------|--|
| Cheque | Crossed cheque should be made payable to " Sun Life Trustee Company Limited - MPF " and mailed to P.O. Box 95868, Tsim Sha Tsui Post Office or submit in person to: 10/F, One HarbourFront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong |
| Autopay | A new DDA form for Sun Life Rainbow is required for implementation of the new DDA instruction under Sun Life Rainbow. |

(f) **Difference of services under Sun Life Basic and Sun Life Rainbow**

There are certain differences between some of the services provided under Sun Life Basic and Sun Life Rainbow in respect of account administration and customer services. For details of such differences, please refer to our list of FAQs which is available on the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy.

7. Recognition of periods of participation

Periods of participation of Scheme Participants under Sun Life Basic will be fully recognized in determining their periods of participation under Sun Life Rainbow after the Restructure so that Scheme Participants' benefits and entitlement can be continuously recognized, which Sun Life Basic Trustee and Sun Life Rainbow Trustee consider is to the Scheme Participants' benefits.

8. Costs and Expenses incurred in the Restructure

The costs and expenses incurred in the Restructure are approximately HKD 5million which will be borne by Sun Life Hong Kong Limited, the sponsor of Sun Life Basic and Sun Life Rainbow. As such, no costs and expenses incurred in the Restructure will be borne by the schemes or their scheme participants.

9. Governing rules of Sun Life Rainbow

After the Restructure, Scheme Participants will become participating employers and scheme members of Sun Life Rainbow and will be bound by the governing rules of Sun Life Rainbow.

As a result of the Restructure, rights and benefits currently enjoyed by Scheme Participants under Sun Life Basic may be varied. In order to ensure that the Scheme Participants will not be adversely affected, the governing rules of Sun Life Rainbow will be amended due to the Restructure, where there may be impact on the Scheme Participants. For details, please refer to Appendix 4 of this Notice.

Further, to facilitate the Restructure of Sun Life Basic, with effect from the Effective Date, new administration rules will be added to the trust deed of the Sun Life Rainbow and certain existing rules will be amended to facilitate the participation of the Scheme Participants transferred from Sun Life Basic in Sun Life Rainbow.

The latest MPF scheme brochure of Sun Life Rainbow is available for download from the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy.

The latest trust deed of Sun Life Rainbow can be inspected free of charge during the service hours at the Customer Service Centre of Sun Life Rainbow. Please refer to section 6(a) of this Notice for the address and service hours of the Customer Service Centre of Sun Life Rainbow.

10. Notification to be sent after the Restructure

Scheme members participating in Sun Life Basic will receive transfer statement and transfer confirmation ("**Statements**") showing the accrued benefits being transferred from Sun Life Basic and at the same time being transferred into Sun Life Rainbow on the Effective Date. The Statements will be sent by post to scheme members of Sun Life Basic by Sun Life Basic Trustee and Sun Life Rainbow Trustee within 30 days and according to the periods prescribed by the applicable regulatory requirement after the Restructure is completed.

11. Webinars

Webinars will be organized to provide more details about the Restructure. For webinar information and enrolment details, Scheme Participants may refer to our list of FAQs (see Question 38) which is available on the website at www.sunlife.com.hk, or you may call our designated hotline at (852) 3183 1800 to obtain a copy.

12. Arrangement to opt out from the Restructure

Employers, self-employed members, personal members and AVC members may transfer out of Sun Life Basic if they do not wish to be involved in the Restructure. For details of submitting the transfer out instruction, please refer to important note of the respective transfer forms, i.e. Employer's Request For Fund Transfer Form (FORM MPF(S) - P(E)) for employer and Scheme Member's Request For Fund Transfer Form (FORM MPF(S) - P(M)) for self-employed members and personal members.

For employee members who do not wish to be involved in the Restructure, they may transfer out their accrued benefits derived from their employee mandatory contributions under the Employee Choice Arrangement (ECA) which could be made once per calendar year. For details of submitting the transfer out instruction through ECA, please refer to Guide To Transfer of MPF Accrued Benefits (Benefits) Under Employee Choice Arrangement (ECA) of Employee Choice Arrangement (ECA) - Transfer Election Form (FORM MPF(S) - P(P)).

If Scheme Participants would like to transfer out of Sun Life Basic before the Effective Date, **the administrator of Sun Life Basic (i.e. BestServe Financial Limited) must have received the transfer request sent through the new trustee of the MPF scheme which they intend to join on or before November 20, 2023 (both in the case of transfer by ECA and non-ECA)**. Otherwise, such request will not be processed under Sun Life Basic but will be carried forward to Sun Life Rainbow for further processing starting as soon as practicable after the Effective Date no later than 5:45 p.m. on December 4, 2023. There will be no fees and charges applied to such transfers.

Scheme Participants should review the CFs and all terms and conditions under Sun Life Basic before making any decision.

Sun Life Hong Kong Limited (Incorporated in Bermuda)
Sun Life Pension Trust Limited

Appendix 1 – General comparison between Sun Life Basic and Sun Life Rainbow

| | Sun Life MPF Basic Scheme | Sun Life Rainbow MPF Scheme |
|---|---|---|
| Key operators | | |
| Trustee | Sun Life Pension Trust Limited | Sun Life Trustee Company Limited |
| Custodian | The Hongkong and Shanghai Banking Corporation Limited | |
| Investment manager | <p>For Sun Life MPF Basic Scheme MPF Conservative Portfolio: Schroder Investment Management (Hong Kong) Limited</p> <p>For Sun Life MPF Basic Scheme US & Hong Kong Equity Portfolio: State Street Global Advisors Asia Limited</p> <p>For certain underlying APIFs: Schroder Investment Management (Hong Kong) Limited</p> <p>For the underlying APIF of Sun Life MPF Basic Scheme International Equity Portfolio: FIL Investment Management (Hong Kong) Limited</p> | <p>For CFs: Sun Life Asset Management (HK) Limited</p> <p>For underlying APIFs: Sun Life Asset Management (HK) Limited and multiple third party investment managers</p> |
| Administrator | BestServe Financial Limited | |
| Sponsor | Sun Life Hong Kong Limited | |
| Financial year end | December 31 | |
| No. of constituent funds ^{Note 1} | 9 | 18 ^{Note 2} |
| Fund choices | Lesser fund choices | Comprehensive fund range |
| Fee Level | 0.733% - 1.913% | 0.733% - 1.743% ^{Note 3} |
| Decimal place setting for fund price and fund unit ^{Note 4} | 4 decimal places in fund unit / 2 decimal places in fund price | 4 decimal places in fund unit / 4 decimal places in fund price |

Note 1: For detailed comparison of the differences in the types of funds available under the schemes, please refer to Appendix 2 of this Notice.

Note 2: A new CF, namely Sun Life MPF US & Hong Kong Equity Fund, will be added to Sun Life Rainbow on the Effective Date, subject to the successful implementation of the Restructure.

Note 3: These are the proposed management fees with effect from the Effective Date. The effective management fees charged to the scheme members after the Restructure that have taken into account of the bonus unit rebate in each of the corresponding CFs under Sun Life Rainbow will be either the same or lower than those of Sun Life Basic after they transfer to Sun Life Rainbow. For detailed comparison of the differences in fees and fund choices under the schemes, please refer to Appendix 2 of this Notice.

Note 4: This is the decimal place setting of fund prices and fund units in respect of issuing and redemption of units in practice. Please refer to Appendix 3 of this Notice for unit conversion.

Appendix 2 - Fees and fund choices comparison of Sun Life Basic and Sun Life Rainbow

| Fund Category ⁽⁶⁾ | Sun Life Basic (Before Restructure) | | Sun Life Rainbow (After Restructure) | | | Current Management Fees under Sun Life Rainbow ⁽¹⁾ | |
|--|---|--------------------------------|--|---|--|---|------------------|
| | Name of Constituent Fund | Management Fees ⁽¹⁾ | Effective Management Fees for transferred scheme members ^{(1), (2), (3), (4)} | Fees compared with those before Restructure (i.e. same, lower or higher fees) | Name of Constituent Fund | Class B | No Class of Unit |
| | | | | | | | |
| Guaranteed Fund / MPF Conservative Fund | Sun Life MPF Basic Scheme Capital Guaranteed Portfolio | Up to 1.543% | Up to 0.733% | Lower Fees | Sun Life MPF Conservative Fund | Up to 0.883% | N/A |
| MPF Conservative Fund | Sun Life MPF Basic Scheme MPF Conservative Portfolio | Up to 1.173% | Up to 0.733% | Lower Fees | Sun Life MPF Conservative Fund | Up to 0.883% | N/A |
| Default Investment Strategy - Age 65 Plus Fund | Sun Life MPF Basic Scheme Age 65 Plus Portfolio | Up to 0.733% | Up to 0.733% | Same Fees | Sun Life MPF Age 65 Plus Fund | N/A | Up to 0.733% |
| Lifestyle - (>40-60% Equity) | Sun Life MPF Basic Scheme Stable Growth Portfolio | Up to 1.533-1.848% | Up to 1.408% | Lower Fees | Sun Life MPF Balanced Fund | Up to 1.533% | N/A |
| Default Investment Strategy - Core Accumulation Fund | Sun Life MPF Basic Scheme Core Accumulation Portfolio | Up to 0.733% | Up to 0.733% | Same Fees | Sun Life MPF Core Accumulation Fund | N/A | Up to 0.733% |
| Lifestyle - (>60-80% Equity) | Sun Life MPF Basic Scheme Balanced Growth Portfolio | Up to 1.592% | Up to 1.152% | Lower Fees | Sun Life MPF Growth Fund | Up to 1.548% | N/A |
| Global Equity | Sun Life MPF Basic Scheme International Equity Portfolio | Up to 1.853-1.863% | Up to 1.423% | Lower Fees | Sun Life MPF Multi-Sector Equity Fund | Up to 1.578% | N/A |
| Other Fund | Sun Life MPF Basic Scheme US & Hong Kong Equity Portfolio | Up to 1.283% | Up to 0.743% | Lower Fees | Sun Life MPF US & Hong Kong Equity Fund ⁽⁵⁾ | N/A | Up to 1.103% |
| Hong Kong Equity | Sun Life MPF Basic Scheme Hong Kong Equity Portfolio | Up to 1.913% | Up to 1.458% | Lower Fees | Sun Life MPF Hong Kong Equity Fund | Up to 1.548% | N/A |

| Fund Category ⁽⁶⁾ | Sun Life Basic (Before Restructure) | | Sun Life Rainbow (After Restructure) | | | Current Management Fees under Sun Life Rainbow ⁽¹⁾ | |
|---|-------------------------------------|--------------------------------|--|---|---|---|------------------|
| | Name of Constituent Fund | Management Fees ⁽¹⁾ | Effective Management Fees for transferred scheme members ^{(1), (2), (3), (4)} | Fees compared with those before Restructure (i.e. same, lower or higher fees) | Name of Constituent Fund | Class B | No Class of Unit |
| | | | | | | | |
| Additional funds that are available in Sun Life Rainbow | | | | | | | |
| Lifestyle - (>20-40% Equity) | | | | | Sun Life MPF Stable Fund | Up to 1.548% | N/A |
| RMB and HKD Money Market | | | | | Sun Life MPF RMB and HKD Fund | Up to 1.173% | N/A |
| Greater China Equity | | | | | Sun Life MPF Greater China Equity Fund | Up to 1.743% | N/A |
| Hong Kong Equity (Index Tracking) | | | | | Sun Life FTSE MPF Hong Kong Index Fund | Up to 0.963% | N/A |
| Hong Kong Dollar Bond | | | | | Sun Life MPF Hong Kong Dollar Bond Fund | Up to 1.548% | N/A |
| Global Bond Fund | | | | | Sun Life MPF Global Bond Fund | Up to 1.548% | N/A |
| Global Equity (Index Tracking) | | | | | Sun Life MPF Global Low Carbon Index Fund | N/A | Up to 1.10% |
| European Equity | | | | | Sun Life MPF European Equity Fund | N/A | Up to 1.305 |
| Asia ex Japan Equity | | | | | Sun Life MPF Asian Equity Fund | Up to 1.693% | N/A |
| US Equity | | | | | Sun Life MPF US Equity Fund | N/A | Up to 1.285 |
| <p>Note (1) Management fees include management fees at constituent fund level and underlying fund level.</p> <p>Note (2) Effective management fees are the fees charged to the scheme members after the Restructure, after taking into account any implications which the upcoming launch of eMPF may have on the current management fees of the CFs under Sun Life Basic and Sun Life Rainbow. Bonus unit rebates will be given to the scheme members as a result of any such implications and reflected in the effective management fees.</p> <p>Note (3) All scheme members participated under Sun Life Basic will be restructured to Class B of Sun Life Rainbow, except in respect of those constituent funds under Sun Life Rainbow which do not have any class of unit, they will remain under no class in respect of those constituent funds under Sun Life Rainbow after the Restructure. For scheme members who have accounts in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure, please refer to "Class of Units" under Appendix 4 of this Notice for details on the applicable fees and class.</p> <p>Note (4) Effective as of November 29, 2023.</p> <p>Note (5) The Sun Life MPF US & Hong Kong Equity Fund will only be available under Sun Life Rainbow on the Effective Date, subject to the successful implementation of the Restructure.</p> <p>Note (6) For the different fund categories, please visit the website at https://www.mympfchoice.com/.</p> | | | | | | | |

Appendix 3 – Conversion mechanism and illustrative example

Conversion mechanism

The total sum of redemption proceeds of each member account under Sun Life Basic is determined by aggregating the total accrued benefits held in sub account(s) (calculated based on fund price of CF on the Effective Date multiplied by fund units of the corresponding fund held in each sub-account, rounded to the nearest 2 decimal places). Such amount (from redemption of fund units of each CF held in sub-account) will be applied to invest in accordance with the fund mapping arrangement as outlined in section 3(a) of this Notice. The number of fund units issued is determined by dividing the amount by the fund price of the designated CF on the same dealing date, rounded to the nearest 4 decimal places in Sun Life Rainbow. As such, the redemption proceeds in the account of each member under Sun Life Basic immediately prior to the Restructure will be the same as the value of holdings in the account of such member under Sun Life Rainbow immediately after the Restructure.

Illustrative example on (A) how units being converted from Sun Life Basic to Sun Life Rainbow on the Restructure and (B) how the fund mapping applies to the future contributions after the Restructure.

Employee member has accrued benefits of HKD 17,948.65 as at Effective Date investing in Sun Life MPF Basic Scheme Capital Guaranteed Portfolio and Sun Life MPF Basic Scheme MPF Conservative Portfolio. The investment mandate in Sun Life Basic is 50% in Sun Life MPF Basic Scheme International Equity Portfolio and 50% in Sun Life MPF Basic Scheme Hong Kong Equity Portfolio. The monthly contribution is HKD 1,500 and the next contribution will be made on December 11, 2023.

(A) Unit conversion on the Restructure

Sun Life Basic

Redemption Date: November 29, 2023

On the Effective Date, Sun Life MPF Basic Scheme Capital Guaranteed Portfolio and Sun Life MPF Basic Scheme MPF Conservative Portfolio will be mapped into Sun Life MPF Conservative Fund.

| Fund Name under Sun Life Basic | No. of Fund Units | | | | Total Fund Units | Fund Price as at November 29, 2023 | Amount (HKD) | | | | Redemption Amount (HKD) |
|--|--------------------|-----------|-----------|-----------|------------------|------------------------------------|--------------------|-------------|------------------|-------------|-------------------------|
| | Current Employment | | | | | | Current Employment | | | | |
| | Employer | | Employee | | | | Employer | | Employee | | |
| | Mandatory | Voluntary | Mandatory | Voluntary | | | Mandatory | Voluntary | Mandatory | Voluntary | |
| Sun Life MPF Basic Scheme Capital Guaranteed Portfolio | 183.64 | 0.00 | 350.45 | 0.00 | 534.09 | 20.17 | 3,704.02 | 0.00 | 7,068.58 | 0.00 | 10,772.60 |
| Sun Life MPF Basic Scheme MPF Conservative Portfolio | 86.98 | 0.00 | 234.24 | 0.00 | 321.22 | 22.34 | 1,943.13 | 0.00 | 5,232.92 | 0.00 | 7,176.05 |
| Total | | | | | | | 5,647.15 | 0.00 | 12,301.50 | 0.00 | 17,948.65 |

Sun Life Rainbow

Subscription Date: November 29, 2023

In accordance with the fund mapping arrangement, his / her accrued benefits will be invested in Sun Life MPF Conservative Fund.

| Fund Name under Sun Life Rainbow | Amount (HKD) | | | | Total Amount (HKD) | Fund Price as at November 29, 2023 | No. of Fund Units Issued | | | | Total Fund Units |
|----------------------------------|--------------------|-------------|------------------|-------------|--------------------|------------------------------------|--------------------------|-----------|------------|-----------|------------------|
| | Current Employment | | | | | | Current Employment | | | | |
| | Employer | | Employee | | | | Employer | | Employee | | |
| | Mandatory | Voluntary | Mandatory | Voluntary | | | Mandatory | Voluntary | Mandatory | Voluntary | |
| Sun Life MPF Conservative Fund | 5,647.15 | 0.00 | 12,301.50 | 0.00 | 17,948.65 | 2.7366 | 2,063.5643 | 0.0000 | 4,495.1765 | 0.0000 | 6,558.7408 |
| Total* | 5,647.15 | 0.00 | 12,301.50 | 0.00 | 17,948.65 | | | | | | |

*The amount in each sub-account under Sun Life Rainbow will be the same as that under Sun Life Basic, and the number of fund units issued under Sun Life MPF Conservative Fund in each sub-account under Sun Life Rainbow will be determined by dividing the amount of accrued benefits under the fund in the sub-account by its corresponding fund price in accordance with conversion mechanism stated above.

(B) How the fund mapping applies to future contributions after the Restructure

| Investment mandate in Sun Life Basic (before the Restructure) | | | Investment mandate in Sun Life Rainbow (after the Restructure) | |
|--|--|---|---|---------------------------------------|
| 50% | Sun Life MPF Basic Scheme International Equity Portfolio | ⇒ | 50% | Sun Life MPF Multi-Sector Equity Fund |
| 50% | Sun Life MPF Basic Scheme Hong Kong Equity Portfolio | ⇒ | 50% | Sun Life MPF Hong Kong Equity Fund |

Sun Life Rainbow

Subscription Date: December 11, 2023

The monthly contribution of HKD 1,500 will invest in 50% in Sun Life MPF Multi-Sector Equity Fund and 50% in Sun Life MPF Hong Kong Equity Fund.

| Fund Name under Sun Life Rainbow | Amount (HKD) | | | | Total Amount (HKD) | Fund Price as at December 11, 2023 | No. of Fund Units Issued | | | | Total Fund Units |
|---------------------------------------|--------------------|-------------|---------------|-------------|--------------------|------------------------------------|--------------------------|-----------|-----------|-----------|------------------|
| | Current Employment | | | | | | Current Employment | | | | |
| | Employer | | Employee | | | | Employer | | Employee | | |
| | Mandatory | Voluntary | Mandatory | Voluntary | | | Mandatory | Voluntary | Mandatory | Voluntary | |
| Sun Life MPF Multi-Sector Equity Fund | 375.00 | 0.00 | 375.00 | 0.00 | 750.00 | 0.9538 | 393.1641 | 0.0000 | 393.1641 | 0.0000 | 786.3284 |
| Sun Life MPF Hong Kong Equity Fund | 375.00 | 0.00 | 375.00 | 0.00 | 750.00 | 6.0337 | 62.1509 | 0.0000 | 62.1509 | 0.0000 | 124.3018 |
| Total | 750.00 | 0.00 | 750.00 | 0.00 | 1,500.00 | | | | | | |

Appendix 4 – Comparison of Rights and Benefits between Sun Life Basic and Sun Life Rainbow (before Effective Date)

| No. | Major Differences | Details | | Actions taken |
|-----|--|---|---|--|
| | | Sun Life Rainbow | Sun Life Basic | |
| 1. | Withdrawal of voluntary contributions by self-employed members | Under Sun Life Rainbow, self-employed members may withdraw voluntary contributions once in each financial year (or more than once in a financial year if the trustee so determines) by giving 1 month's prior notice and paying a withdrawal fee to the trustee. However, in practice, there is currently no withdrawal fee payable for withdrawal of voluntary contributions by self-employed members under Sun Life Rainbow. | Under Sun Life Basic, the withdrawal of voluntary contributions by self-employed members is permitted subject to a minimum withdrawal amount of HK\$5,000 and any withdrawal over 4 times within a calendar year will be subject to an administration fee of HK\$200. | No action is required as we consider that Sun Life Rainbow is more favourable to scheme members. |
| 2. | Withdrawal of voluntary contributions by personal members | Under Sun Life Rainbow, personal members may withdraw voluntary contributions once in each financial year (or more than once in a financial year if the trustee so determines) by giving 1 month's prior notice and the trustee may charge a withdrawal fee as it may from time to time prescribe. However, in practice, there is currently no withdrawal fee payable for withdrawal of voluntary contributions by personal members under Sun Life Rainbow. | There is no withdrawal right of voluntary contributions for personal members under Sun Life Basic. | Although in practice, such withdrawal by personal members may be allowed at the trustee's discretion under Sun Life Basic, we consider that the arrangement under Sun Life Rainbow is more favourable to scheme members hence no action is required. |

| No. | Major Differences | Details | | Actions taken |
|-----|--|--|---|--|
| | | Sun Life Rainbow | Sun Life Basic | |
| 3. | Withdrawal of voluntary contributions by employees | Under Sun Life Rainbow, an employee may withdraw his own voluntary contributions at any time during employment subject to the written approval of the employer. | There is no withdrawal right of voluntary contributions for employees under Sun Life Basic. | No action is required as we consider that Sun Life Rainbow is more favourable to scheme members. |
| 4. | Withdrawal of additional voluntary contributions by employees and personal members | <p>Under Sun Life Rainbow, a special private account member may withdraw the balance attributable to special private contributions by giving not less than 1 month's notice in writing to the trustee (or such shorter notice period as the trustee may agree) requesting payment of all or part only of such balance.</p> <p>Withdrawals are free of charge and are limited to 4 times per calendar year. Any subsequent withdrawals will each be subject to approval from the trustee. The minimum withdrawal amount per request is HK\$3,000 (or such amount as the trustee may agree).</p> | <p>Under Sun Life Basic, a member may on request to the trustee for payment of a lump sum up to an amount equal to so much of the voluntary accrued benefits of such member as is derived from his additional voluntary contributions.</p> <p>For requests for payment of less than the entire voluntary accrued benefits derived from the additional voluntary contributions, the amount requested to be paid each time must be at least HK\$3,000 or more and must be in a multiple of 5% of the total voluntary accrued benefits of such member derived from his additional voluntary contributions and the remaining balance of his additional voluntary contributions must not be less than HK\$5,000. Any withdrawal over 4 times within a calendar year will be subject to an administration fee of HK\$200.</p> | No action is required as we consider that Sun Life Rainbow is more favourable to scheme members as there are less restrictions under Sun Life Rainbow. |

| No. | Major Differences | Details | | Actions taken |
|-----|---|--|---|--|
| | | Sun Life Rainbow | Sun Life Basic | |
| 5. | Transfers of additional voluntary contributions | Under Sun Life Rainbow, the trustee may in its discretion refuse any amounts in respect of special private contributions to be transferred to the scheme. | Under Sun Life Basic, there is no provisions regarding transfer-in of additional voluntary contributions but there are provisions clearly indicating no transfer-out of additional voluntary contributions. | As additional voluntary contributions under Sun Life Basic will be transferred to Sun Life Rainbow as special private contributions under Sun Life Rainbow pursuant to the Restructure, it is proposed that the trust deed of Sun Life Rainbow will be amended so that special private contributions can be made to Sun Life Rainbow as a result of the transfer of additional voluntary contributions or similar types of contributions from Sun Life Basic to Sun Life Rainbow pursuant to the Restructure. |
| 6. | Class of units | <p>Currently, under Sun Life Rainbow, two classes of units are issued for each CF, except for Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund, Sun Life MPF Core Accumulation Fund and Sun Life MPF Age 65 Plus Fund, which do not have any class of unit.</p> <p>The two classes of units are the Class A units and the Class B units. Class B units are generally available to employees of those employers who have (i) no less than 100 employees participating in the</p> | Currently, under Sun Life Basic, only one class of units is issued in relation to each CF. | All units under Sun Life Basic will be transferred to Class B units under Sun Life Rainbow after the Restructure with lower fees compared to Class A of Sun Life Rainbow, except in respect of those constituent funds under Sun Life Rainbow which do not have any class of unit, they will remain under no class in respect of those constituent funds under Sun Life Rainbow after the restructure. Further, the effective management fees charged to the scheme members after the Restructure that have taken into account of the bonus unit rebate in each of the corresponding |

| <u>No.</u> | <u>Major Differences</u> | <u>Details</u> | | <u>Actions taken</u> |
|------------|--------------------------|---|-----------------------|---|
| | | <u>Sun Life Rainbow</u> | <u>Sun Life Basic</u> | |
| | | <p>scheme; (ii) assets transferred to the scheme from other occupational retirement schemes; or (iii) their occupational retirement schemes administered by Sun Life Hong Kong Limited. Furthermore, Class B units are also available to personal members and TVC members of the scheme. Class A units are available to any other members of the scheme to whom the Class B units are not made available.</p> | | <p>CFs under Sun Life Rainbow will be either the same or lower than those of Sun Life Basic after they transfer to Sun Life Rainbow, hence no action is required.</p> <p>For members who have accounts in both Sun Life Basic and Sun Life Rainbow, in respect of the existing accounts that are currently in Class A or Class B under Sun Life Rainbow, the following handling will apply:</p> <p>(i) For employers, the existing sub-accounts of those employees in Class A or Class B, as the case may be, under Sun Life Rainbow will be maintained and remained in the same class. The existing level of management fees charged under Class A or Class B, as the case may be, will continue to apply to such existing sub-accounts. A new sub-account in Class B will be set up for those employees transferred from Sun Life Basic to Sun Life Rainbow under the Restructure and the management fees effective as of the Effective Date for the transferred members (as set out in Appendix 2 of this Notice) will apply to the new sub-account.</p> <p>(ii) For self-employed and AVC members, their existing accounts in Class A under</p> |

| <u>No.</u> | <u>Major Differences</u> | <u>Details</u> | | <u>Actions taken</u> |
|------------|--------------------------|-------------------------|-----------------------|--|
| | | <u>Sun Life Rainbow</u> | <u>Sun Life Basic</u> | |
| | | | | <p>Sun Life Rainbow will be maintained and remained in Class A. The existing level of management fee charged under Class A will continue to apply to such existing accounts. A new account in Class B will be set up in Sun Life Rainbow for holding the benefits transferred from Sun Life Basic and the management fees effective as of the Effective Date for the transferred members (as set out in Appendix 2 of this Notice) will apply to the new account.</p> <p>(iii) For personal members and members with benefits transferred via ECA, this will not be applicable as all the existing personal members under Sun Life Rainbow are in Class B, therefore, benefits transferred from Sun Life Basic will be consolidated and invested into their existing Class B accounts under Sun Life Rainbow and the management fees effective as of the Effective Date for the transferred members (as set out in Appendix 2 of this Notice) will apply to the consolidated accounts under Sun Life Rainbow. For the avoidance of doubt, the existing level of management fees charged under Class B will cease to apply after the Restructure.</p> |

| No. | Major Differences | Details | | Actions taken |
|-----|--|---|--|---|
| | | Sun Life Rainbow | Sun Life Basic | |
| 7. | Fund cruiser | Under Sun Life Rainbow, investments of contributions under its fund cruiser are made based on pre-determined fund allocations dependent upon a member's age according to an asset allocation table showing the allocation percentages that apply for (i) under 30; (ii) every age between 30 - 60 inclusive; and (iii) over 60. | No fund cruiser is available as an investment choice to scheme members under Sun Life Basic. | <p>Scheme members transferred from Sun Life Basic to Sun Life Rainbow will be able to utilise the fund cruiser under Sun Life Rainbow after the Restructure, therefore it is more favourable to scheme members so no action is required.</p> <p>For scheme members utilizing the fund cruiser under Sun Life Rainbow, the fund cruiser under Sun Life Rainbow will continue to apply after the Restructure, except for personal members who participate in both Sun Life Basic and Sun Life Rainbow immediately prior to the Restructure in certain cases. Please refer to section 2(b)(v) headed "Fund Cruiser Arrangements" of this Notice for details on the fund cruiser arrangements under Sun Life Rainbow.</p> |
| 8. | Employees' monetary obligations to employers | Under Sun Life Rainbow, the interest of any employee or any other person derived from the employer's voluntary contributions kept under the scheme shall stand charged with the payment of any debts or liabilities to an employer arising out of any criminal, negligent or fraudulent act or omission of the employee. The trustee may rely on a certificate from the employer. | Under Sun Life Basic, if a member has a monetary obligation to his participating employer arising out of a debt to the participating employer whether or not it is acknowledged in writing or arising out of such member's criminal or fraudulent act or omission, the accrued benefits in respect of that member shall not be reduced in any way. | Under Sun Life Rainbow, the accrued benefits in respect of a relevant member will be reduced if a member has a monetary obligation to his participating employer. However, we consider that the provisions under Sun Life Rainbow offer a neutral protection to both participating employers and their employees and Sun Life Rainbow Trustee should take into account the interests of both the participating employers and their employees, hence no action is required. |

| No. | Major Differences | Details | | Actions taken |
|-----|---------------------------------------|--|--|--|
| | | Sun Life Rainbow | Sun Life Basic | |
| 9. | Exemption of liability of the trustee | <p>Under Sun Life Rainbow, the trustee is exempted from liability in respect of, among others, the following:</p> <p>(i) if for any reason it becomes impossible or impracticable to carry out the provisions of the trust deed; and</p> <p>(ii) the trustee may rely upon the established practice and rulings of any recognised securities market or recognised commodities market and any committees and officials thereof on which any dealing in any investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the trust deed.</p> | <p>Under Sun Life Basic, nothing in any provision of the trust deed shall exempt, limit or exclude the trustee from and the trustee shall not be indemnified against any costs and expenses, actions, claims, and demands in respect of, among others:</p> <p>(i) any liability for any act or omission which is in breach of or infringes the MPF Ordinance or MPF Regulation; and</p> <p>(ii) any liability arising as a result of any act or omission of any service provider as if such acts or omissions were the acts or omissions of the trustee and, as the acts and omissions of the trustee.</p> | <p>There is no material differences between Sun Life Rainbow and Sun Life Basic except for the additional provisions stated herein.</p> <p>In respect of the additional provisions under Sun Life Rainbow, we consider that such terms are reasonable and the overall interests of the scheme members should not be materially affected.</p> <p>In respect of the additional provisions under Sun Life Basic, although they are not expressly provided for under Sun Life Rainbow, Sun Life Rainbow Trustee may not limit its liabilities in respect of them in any event.</p> <p>In light of the above, we consider that no action is required.</p> |
| 10. | Date of fund price for fund dealing | <p>Under Sun Life Rainbow, the date of fund price (i.e. the date on which the fund price is used for fund dealing after the trustee has received instructions for rebalancing or fund switching) would be the date of receipt of the completed instruction.</p> | <p>Under Sun Life Basic, the date of fund price would be the next working day after the date of receipt of the completed instruction.</p> | <p>Under Sun Life Rainbow, the date of fund price is the date of receipt of the completed instruction while under Sun Life Basic, the date is the next working day after the date of receipt of the completed instruction. Based on the above, we consider that the date of fund price for fund dealing under Sun Life Rainbow is more favourable to members, hence no action is required.</p> |