

16 June 2025

Notice to Employers and Members

Haitong MPF Retirement Fund

Attention: This notice is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice.

Haitong International Investment Managers Limited, the sponsor of the Retirement Fund (the “**Sponsor**”) accepts full responsibility for the accuracy of the information contained in this document, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading, as at the date of publication.

Terms used in this document have the same meaning as that in the MPF Scheme Brochure dated 16 June 2025 unless otherwise defined.

Dear Valued Participating Employers and Members,

Summary of the changes

Abolition of the offsetting arrangement for long service payment / severance payment

Currently, participating employers can offset the long service payment (“**LSP**”)/ severance payment (“**SP**”) payable to Members under the Employment Ordinance against the MPF derived from employer mandatory and voluntary contributions (the “**Offsetting Arrangement**”).

Starting from 1 May 2025 (the “**Transition Date**”), participating employers can no longer use accrued benefits derived from employer mandatory contributions to offset LSP/SP of Members for years of service since the Transition Date. However, accrued benefits derived from participating employer’s voluntary contributions can continue to be used for offsetting LSP/SP of Members (irrespective of whether the years of service are before or after the Transition Date).

The abolition of the Offsetting Arrangement has no retrospective effect. If an employee's employment commenced before the Transition Date, accrued benefits derived from participating employer’s MPF contributions throughout the employee’s whole employment period (irrespective of whether the contributions are mandatory or voluntary; and irrespective of whether the contributions are made before, on or after the Transition Date) can continue to be used for offsetting LSP/SP of the employee in respect of the years of service before the Transition Date.

Enquiries and Contact

The changes above will not have any adverse impact on Members’ rights or interests. Participating employers and Members are not required to take any action in response to the changes above. If you would like to obtain further information about the changes, you may contact our Haitong MPF Employers Hotline at (852) 3663 7288, or for member, Haitong MPF 24 Hours Auto-Info-line at (852) 2500 1600.

Changes regarding the offsetting arrangement for LSP/SP

Currently, participating employers can offset the long service payment (“LSP”)/ severance payment (“SP”) payable to Members under the Employment Ordinance against the MPF derived from employer mandatory and voluntary contributions (the “**Offsetting Arrangement**”).

Following the passing of the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 in June 2022, the abolition of the Offsetting Arrangement will take effect on 1 May 2025 (the “**Transition Date**”).

As a result, starting from the Transition Date, participating employers can no longer use accrued benefits derived from employer mandatory contributions to offset LSP/SP of Members for years of service since the Transition Date. However, accrued benefits derived from participating employer’s voluntary contributions can continue to be used for offsetting LSP/SP of Members (irrespective of whether the years of service are before or after the Transition Date).

The abolition of the Offsetting Arrangement has no retrospective effect. If an employee’s employment commenced before the Transition Date, accrued benefits derived from participating employer’s MPF contributions throughout the employee’s whole employment period (irrespective of whether the contributions are mandatory or voluntary; and irrespective of whether the contributions are made before, on or after the Transition Date) can continue to be used for offsetting LSP/SP of the employee in respect of the years of service before the Transition Date.

Further information

The MPF Scheme Brochure, Key Scheme Information Document for the Scheme (“KSID”) and the Trust Deed will be amended in connection with the amendments above and other miscellaneous updates (e.g. updates to the legal adviser of the Scheme and updates to information relating to the Sponsor). The MPF Scheme Brochure and the Trust Deed can be downloaded from our Interactive Website <http://www.htisec.com/asm> and can be accessed through the KSID. You can also obtain hardcopies of the MPF Scheme Brochure by contacting our Haitong MPF Employers Hotline at (852) 3663 7288, or for member, Haitong MPF 24 Hours Auto-Info-line at (852) 2500 1600.

Enquiries and Contact

Should you have any enquiries in relation to the above changes, please do not hesitate to contact our Haitong MPF Employers Hotline at (852) 3663 7288, or for member, Haitong MPF 24 Hours Auto-Info-line at (852) 2500 1600.

If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

For and on behalf of
Haitong International Investment Managers Limited

16 June 2025