

30th May 2012

Dear MASS Mandatory Provident Fund Scheme (“Scheme”) Members, we are writing to inform you of the following changes to our Scheme :

1. Reduction of trustee fee

With effect from 1st January 2012, the trustee fee at the underlying fund level for the twelve constituent funds (“Constituent Funds”) managed by our investment managers, Franklin Templeton Investments (Asia) Limited (“Templeton”) and Legg Mason Asset Management Hong Kong Limited (“Legg Mason”) has been reduced by 0.02% per annum of the net asset value of the underlying investment funds of the Constituent Funds. As such, the total management fee of the Constituent Funds charged at both the constituent fund level and underlying fund level, after taking into consideration the rebates involved, is reduced as follows:

Constituent Funds	Total Management Fee (% per annum of net asset value)	
	Before 1st January 2012	After 1st January 2012
MPF Conservative Fund	0.96 – 0.97*	0.94 – 0.95*
Global Stable Fund, Global Growth Fund, Hong Kong Equities Fund, Guaranteed Fund	1.26 – 1.27**	1.24 – 1.25**
Global Bond Fund	1.43 – 1.44	1.41 – 1.42
US Equity Fund, Global Equity Fund, Asian Balanced Fund, Japan Equity Fund, Asian Pacific Equity Fund, European Equity Fund	1.53 – 1.54	1.51 – 1.52

*Which includes a special rebate up to and inclusive of 29th September 2012, equal to 0.08% per annum of the net asset value of the MPF Conservative Fund.

**Which includes a special rebate up to and inclusive of 29th September 2012, equal to 0.13% per annum of the net asset value of the Hong Kong Equities Fund, Guaranteed Fund, Global Stable Fund and Global Growth Fund.

2. Change to the US Equity Fund

With effect from 1st July 2012, the name of the underlying investment fund of the US Equity Fund (i.e. Franklin MPF US Equity Fund) will be changed to “Franklin MPF US Opportunities Fund”. The investment objectives and policy of the said underlying fund will also be revised, so that it will principally invest in small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors, and may from time to time have significant positions in particular sectors such as technology (including electronic technology, technology services, biotechnology and health care technology). The said underlying fund will also focus on sectors that have exceptional growth potential and fast growing, innovative companies within these sectors.

After having assessed the revisions involved, we are of the view that the revised investment objectives and policy will continue to meet our investment aim in seeking capital growth through a dominant emphasis on the US equity market. We also consider that such revisions will not have any significant impact on the current investment management and policy of the US Equity Fund, which will continue to be managed by Templeton, and there will be no change to the fee level of the US Equity Fund. As such, the US Equity Fund will continue to be invested into the Franklin MPF US Opportunities Fund and Clause 3.1.12 of the Principal Brochure will be amended to reflect the revisions. However, if members consider it necessary, they may choose to transfer their investment in the US Equity Fund to other constituent funds by way of fund switching, which is free of charge, before 4:00p.m. on the dealing date immediately before 1st July 2012, i.e. 29th June 2012 (any investments that remain thereafter will be bound by the revised investment objectives and policy). Details of the investment objectives and policy before and after the amendments are set out as follows :

Before the change	After the change
Investment Objectives	
<ul style="list-style-type: none"> ◆ To seek capital growth over the medium to longer-term through investing into the Franklin MPF US Equity Fund. 	<ul style="list-style-type: none"> ◆ To provide capital appreciation in the long-term through investment in US equities through investing into the Franklin MPF US Opportunities Fund.
Investment Policy	
<ul style="list-style-type: none"> ◆ The portfolio of the US Equity Fund will primarily invest in equity securities (common stocks) of companies listed on stock markets in U.S. Other investment assets used by this fund include debt obligations (bonds) and other publicly traded securities, including preferred stocks, convertible securities and fixed income securities. This fund is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors. 	<ul style="list-style-type: none"> ◆ The US Equity Fund through the Franklin MPF US Opportunities Fund will invest principally in equity securities of US companies demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy. Equity securities include common stocks, convertible securities and warrants on securities to the extent permissible under the relevant regulatory requirement as set out in the Mandatory Provident Fund Schemes (General) Regulation. ◆ The US Equity Fund through the Franklin MPF US Opportunities Fund principally invests in small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors. In selecting equity investments, the investment manager utilises fundamental, bottom-up research focusing on companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. The investment manager focuses on sectors that have exceptional growth potential and fast growing, innovative companies within these sectors. Although the investment manager under normal circumstances searches for diversified investments across different sectors, it shall take into account the prevailing market conditions and investment opportunities and may, at its discretion, invest more than 15% of the assets of the Franklin MPF US Opportunities Fund in a particular sector

	<p>(such as information technology), but in any event, such sector allocation shall not be more than 45% of the assets of the Franklin MPF US Opportunities Fund.</p> <ul style="list-style-type: none"> ◆ The Franklin MPF US Opportunities Fund may not purchase the securities of any one issuer if at the time of purchase, with respect to 75% of its total net assets, more than 5% of its assets would be invested in the securities of that issuer. The remaining 25% may be invested subject to the terms of the Templeton Trust Deed and the Regulation. These limitations do not apply to securities issued or guaranteed by the US government or its agencies or instrumentalities, but are subject always to the terms of the Templeton Trust Deed and the Regulation.
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3. Amendment of Maximum Level of Relevant Income for MPF Contributions

The Legislative Council has passed the amendment of the maximum level of relevant income for MPF mandatory contributions for regular employees (i.e. “Employee Members”) and self-employed persons (i.e. “SEP Members”), effective from 1st June 2012. For monthly-paid Employee Members, the maximum level of relevant income has been amended from \$20,000 to \$25,000 monthly. The maximum contributions will be adjusted from \$1,000 to \$1,250 monthly accordingly. For SEP Members, the maximum level of relevant income has been amended from \$20,000 to \$25,000 monthly and from \$240,000 to \$300,000 yearly. The maximum contributions will be adjusted from \$1,000 to \$1,250 monthly or from \$12,000 to \$15,000 yearly accordingly.

For contribution periods commencing on or after 1st June 2012, the mandatory contributions to be made by Employee Members, employers and SEP Members should be calculated according to the following tables:

Monthly paid employees and their respective employers		
Monthly relevant income	Mandatory contribution amount	
	Employer's contributions	Employee's contributions
Less than \$6,500	Relevant income x 5%	Not required
\$6,500 to \$25,000	Relevant income x 5%	Relevant income x 5%
More than \$25,000	\$1,250	\$1,250

Self-employed persons making contributions monthly or yearly		
Monthly relevant income	Yearly relevant income	Mandatory contribution amount
Less than \$6,500	Less than \$78,000	Not required
\$6,500 to \$25,000	\$78,000 to \$300,000	Relevant income x 5%
More than \$25,000	More than \$300,000	\$1,250 (per month) or \$15,000 (per year)

4. Removal of the offer spread

Prior to 1st May 2012, an offer spread of amount up to 5% of the issue price of the constituent funds (except the MPF Conservative Fund) was deducted from the relevant contributions. With effect from 1st May 2012, all the constituent funds under the Scheme ceased to charge the offer spread.

5. Other amendments to the Principal Brochure

At the moment, although the Principal Brochure states that there is a restriction imposed on the withdrawal amount of voluntary contributions by Employee Members, VC Employee Members, SEP Members and Preserved Members, the restriction has in fact never been imposed on such withdrawals. Therefore, for the purpose of reflecting our current practice, with effect from 1st July 2012, the restriction imposed on the withdrawal amount of voluntary contributions by Employee Members, VC Employee Members, SEP Members and Preserved Members (i.e. the amount of benefits withdrawn under each request be within the range of HK\$100 to HK\$500,000, or such other range as MassMutual Trustees Limited may in its discretion agree) shall be removed.

Amendments to the Trust Deed, Principal Brochure and other relevant documents of the Scheme

Amendments are made to the Trust Deed, Principal Brochure and other relevant documents (for the Principal Brochure, amendments are made by way of the “Second Addendum to the Principal Brochure”) to reflect the above changes. The latest version of the Trust Deed will be available for inspection at our head office during normal business hours (9:00 a.m. to 5:30 p.m.) from Monday to Friday after 1st July 2012. The latest version of the Principal Brochure, including the First and Second Addenda to the Principal Brochure, updated version of the Illustrative example for MPF Conservative Fund of the Scheme and other relevant documents can be obtained after 1st July 2012 at our head office or by contacting our MASS MPF Hotline or can be downloaded from our website www.massmutualasia.com.

Should you have any queries, please do not hesitate to contact our MASS MPF Hotline at 2919 9115. If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

MassMutual Trustees Ltd.



Jonas Wong
President