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The Sponsor accepts responsibility for the information contained in this offering document as being accurate at the date of publication. However, neither the delivery of this offering document nor the offer or agreement to participate in the Plan shall under any circumstances constitute a representation that the information contained in this offering document is correct as of any time subsequent to such date. This offering document may from time to time be updated. Intending participants in the Plan should ask the Sponsor if any supplement to this offering document or any later offering document has been issued.

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

1. DIRECTORY OF PARTIES

Trustee

AXA CHINA REGION TRUSTEES LIMITED
Registered Office
20/F AXA Centre
151 Gloucester Road, Wanchai
Hong Kong

Sponsor and Administrator

AXA CHINA REGION INSURANCE COMPANY (BERMUDA) LIMITED
Registered Office
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Hong Kong Office
20/F AXA Centre
151 Gloucester Road, Wanchai
Hong Kong

Legal Advisers

DEACONS
5/F Alexandra House
16-20 Chater Road
Central
Hong Kong

Auditors

DELOITTE TOUCHE TOHMATSU
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

2. WHAT IS MPF?

In 1995, the Hong Kong Government passed the Mandatory Provident Fund Schemes Ordinance (MPF Ordinance), effectively establishing a framework for a compulsory and privately managed provident fund scheme system for Hong Kong's entire workforce.

All employees and self-employed persons between the ages of 18 and 65 (subject to certain limited exceptions) will be required to join a Mandatory Provident Fund (MPF) scheme to which contributions will be made.

Double Easy Mandatory Provident Fund (Plan), a readymade provident fund provided by AXA China Region Trustees Limited, is designed to facilitate easy compliance by employers, employees and self-employed persons with the MPF Ordinance.

3. DOUBLE EASY MANDATORY PROVIDENT FUND

The Plan is established by a trust deed dated 27 January 2000 (as amended from time to time, Trust Deed) and is governed by the laws of the Hong Kong Special Administrative Region. It has a highly flexible structure that offers a wide range of investment options under one master trust. Any employer or self-employed person can easily join the Plan without going through the procedures of setting up a new scheme. They can then concentrate on what they do best with ease of mind – managing their own businesses.

The Plan has been authorised by the Securities and Futures Commission (Commission) and approved by the Mandatory Provident Fund Schemes Authority (Authority). Such authorisation and approval by the Commission and the Authority do not imply official recommendation.

3.1 The Trustee

The Trustee and the custodian of assets of the constituent funds of the Plan is AXA China Region Trustees Limited (Trustee). The Trustee has been registered as a trust company in Hong Kong since 1989, and has been approved by the Authority as an approved trustee for MPF schemes.

The Trustee is responsible for a number of functions, including:

- safekeeping of the assets of the Plan;
- keeping of member records and establishing separate accounts for members in respect of their contributions;
- processing payment of contributions and benefits;
- effecting investment of contributions in constituent funds;
- processing transfers; and
- compliance with the MPF Ordinance, the MPF Schemes (General) Regulation (Regulation) and the Trust Deed.

3.2 The Sponsor and Administrator

The Sponsor and Administrator is AXA China Region Insurance Company (Bermuda) Limited which was incorporated in Bermuda in 1968. It is an insurer authorised to carry on, amongst others, life insurance business and retirement scheme management business in and from Hong Kong.

The Sponsor is also the issuer of approved pooled investment funds policies (APIFs) in which the constituent funds of the Plan invest.

The Sponsor is a member of the worldwide AXA Group. It has a history dating back to the early 19th century. The AXA Group is an international provider in provident funds, life and non-life insurance, reinsurance and related financial services. The AXA Group had assets valued at over US\$1,149.7 billion under its management as at 31 December 2004.

3.3 Investment Manager of APIFs

AXA Investment Managers Asia Limited (AXA IM) is the investment manager of the APIFs and provides investment advice on the management of investments of the APIFs.

AXA IM is the Asian specialist asset management arm of the AXA Group. It manages investments locally on behalf of institutional and retail investors, as well as the assets of provident funds, making it a major fund manager in Hong Kong.

AXA IM is research driven and takes a "top-down bottom-up" approach in investment, so that it can add value at every stage of the investment process. AXA IM believes that only a disciplined investment process can provide consistent investment performance that clients expect.

AXA IM currently has the following delegates:

AXA Rosenberg Investment Management Asia Pacific Limited
Suite 2201-5, 22/F One Pacific Place
88 Queensway
Hong Kong

AXA Investment Managers, Paris
Coeur Défense-Tour B
100 Esplanade du Général de Gaulle
92932 Paris La Défense cedex

AXA Rosenberg Investment Management LLC

4 Orinda Way, Building E
Orinda, California
United States of America

3.4 Custodian of APIFs

Citibank N.A. is the custodian of the assets of the APIFs. As a leading financial institution, it had US\$6.4 trillion in assets under custody as at 31 December 2003.

3.5 How to Join the Plan

To participate in the Plan, an employer or self-employed person needs simply

- execute a participation agreement (agreeing to be bound by the Trust Deed)
- execute a schedule to the participation agreement (if you wish to make voluntary contributions in respect of your employees or transfer benefits accrued in respect of your employees in other provident fund schemes to the Plan)

Members, including inactive members (in respect of whom no mandatory and voluntary contributions are made to the Plan), who wish to participate in the Plan are also required to complete an application for membership.

The Plan offers numerous advantages including:

Choice

- 7 constituent funds with assets of underlying investments managed by AXA IM
- different combinations of constituent funds to create a personal investment strategy
- option to make voluntary contributions

Ease

- specially designed MPF computer and administration systems to provide efficient and friendly customer services
- a 24 hours automatic phone enquiry system
- high quality customer services provided by a pool of well-trained call centre representatives

Flexibility

- freedom to alter investment strategy
- capacity to apply different rules for different groups of members on contribution rates, vesting scales etc in respect of voluntary contributions
- ability of members transferring within the Plan to maintain original investment strategy without administrative difficulties

Control

- members' choice of their own investment strategies based on their own needs
- instructions and correspondence relating to rules on voluntary contributions must be authorised by officers nominated by the employer
- periodical reports to employers and members

Value

- no switching fee for investment switches between constituent funds
- potential tax benefits for both employers and members
- preliminary charges for constituent funds and APIFs currently do not apply (Please refer to the section headed "Fees, Charges and Expenses")

4. FEATURES AT A GLANCE

Eligibility for Membership	All self-employed persons and employees (including temporary and part-time workers) of an employer
Type of Contributions Accepted	<ul style="list-style-type: none">Employer's mandatory contributionsMember's mandatory contributionsEmployer's voluntary contributionsMember's voluntary contributionsTransfers from other provident fund schemes
Mandatory Contributions	<p>Subject to minimum and maximum levels of relevant income specified by the MPF Ordinance</p> <ul style="list-style-type: none">Employers and members between the ages of 18 and 65 (other than inactive members) will each have to contribute 5% of relevant income of the employeeSelf-employed persons between the ages of 18 and 65 will have to contribute 5% of his/her relevant incomeNo mandatory contributions are required from members earning below the minimum level of relevant incomeNo mandatory contributions are required from either the employer or member on relevant income above the maximum level
Voluntary Contributions	<ul style="list-style-type: none">Employers, employees and self-employed persons may elect to make voluntary contributions in addition to mandatory contributions
Investment Options	<p>Individual member choice of 7 constituent funds</p> <ul style="list-style-type: none">Double Easy Top Select FundDouble Easy Growth FundDouble Easy Balanced FundDouble Easy Stable FundDouble Easy Guaranteed FundDouble Easy Capital Preservation FundDouble Easy Cash Fund
Benefits	<ul style="list-style-type: none">All mandatory contributions (net of charges) as adjusted by investment performance are fully and immediately vested in the member. They are payable as accrued benefits in the circumstance set out in the MPF Ordinance.Voluntary contributions made by a member (net of charges) as adjusted by investment performance are fully and immediately vested in the member. Voluntary contributions made by an employer (net of charges) as adjusted by investment performance are vested in the member according to the rules chosen by the employer. Subject to such rules, vested voluntary contributions are usually payable upon the termination of employment of a member.

5. CONSTITUENT FUNDS

The Plan provides flexibility in the choice of investment options. The Trustee has initially established 7 constituent funds in which contributions may be invested.

Name	Type
Double Easy Top Select Fund	Equities
Double Easy Growth Fund	Equities and Bonds
Double Easy Balanced Fund	Equities and Bonds
Double Easy Stable Fund	Equities and Bonds
Double Easy Guaranteed Fund	Guaranteed
Double Easy Capital Preservation Fund	Capital Preservation
Double Easy Cash Fund	Money Market

All constituent funds are currently denominated in Hong Kong dollars. Each of the constituent funds is currently a feeder fund and invests entirely in a single APIF issued by the Sponsor.

5.1 Investment Objectives and Policies

Each constituent fund has a separate and distinct investment objective and policy.

Investors should note that the risk and return profile for each of the constituent funds represents the Sponsor's expectations based on past experience. However, there is no guarantee that such return will be achieved. In addition, the return of a constituent fund over the short term may be greater than or less than its return over the long term due to market fluctuations and other factors.

(1) Double Easy Top Select Fund

Investment Objective: The fund aims to achieve long-term capital growth while accepting high levels of volatility in returns.

Investment Policy: The fund may itself or through an APIF invest in a diversified portfolio of global equities and deposits. Normally not less than 70% of the assets will be invested in global equities. The remaining assets will be invested in deposits as appropriate.

Risk and Return Profile: The fund, due to its very high exposure to equities, has a high risk profile in terms of fluctuation in the value of the assets of the fund. Therefore, the return on the fund may fluctuate significantly, particularly in the short term. In the long term, however, the return is expected to be in line with the fund's investment objective.

(2) Double Easy Growth Fund

Investment Objective: The fund aims to achieve significant long-term capital growth.

Investment Policy: The fund may itself or through an APIF invest in a diversified portfolio of equities, bonds and deposits, with heavier weighting in equities. Normally around 75% to 100% of the assets will be invested in global equities and up to 20% in global bonds. The remaining assets will be invested in deposits as appropriate.

Risk and Return Profile: The fund, due to its very high exposure to equities, has a high risk profile in terms of fluctuation in the value of the assets of the fund. Therefore, the return on the fund may fluctuate significantly, particularly in the short term. In the long term, however, the return is expected to be in line with the fund's investment objective.

(3) Double Easy Balanced Fund

Investment Objective: The fund aims to achieve long-term capital growth.

Investment Policy: The fund may itself or through an APIF invest in a diversified portfolio of equities, bonds and deposits. Normally around 55% to 85% of the assets will be invested in global equities and around 10% to 35% in global bonds. The remaining assets will be invested in deposits as appropriate.

Risk and Return Profile: The fund, due to its high exposure to equities, has a medium to high risk profile in terms of fluctuation in the value of the assets of the fund. Therefore, the return on the fund may fluctuate significantly, particularly in the short term. In the long term, however, the return is expected to be in line with the fund's investment objective.

(4) Double Easy Stable Fund

Investment Objective: The fund aims to achieve stable long-term capital growth.

Investment Policy: The fund may itself or through an APIF invest in a diversified portfolio of equities, bonds and deposits. Normally around 15% to 45% of the assets will be invested in global equities and around 45% to 75% in global bonds. The remaining assets will be invested in deposits as appropriate.

Risk and Return Profile: The fund has a low to medium risk profile in terms of fluctuation in the value of the assets of the fund. However, the return on the fund may still fluctuate significantly, particularly in the short term. In the long term, however, the return is expected to be in line with the fund's investment objective.

(5) Double Easy Guaranteed Fund

Investment Objective: The fund aims to achieve a return in excess of the 'prescribed savings rate' (i.e. broadly the average rate of interest on a Hong Kong dollar savings account) published by the Authority.

Investment Policy: The fund may itself or through an APIF invest in a diversified portfolio of bonds, equities and deposits, with heavier weighting in bonds. Normally around 60% to 90% of the assets will be invested in bonds, 10% to 25% in equities and up to 25 % in deposits.

Risk and Return Profile: The fund has a low risk profile in terms of fluctuations in the value of the assets of the fund. In the short term, the return on the fund may fluctuate. In the long term, however, the return is expected to be in line with the fund's investment objective.

This is a non-unitised fund and the use of units is for administrative purpose only. The calculation of offer and bid prices of a unit of the fund and the APIF is not based on the value of assets held in respect of the APIF. For further details, see sections below headed "Calculation of Offer and Bid Prices of Constituent Funds" and "Calculation of Offer and Bid Prices of APIFs" respectively.

The rate of return of the APIF is determined by the Sponsor at its absolute discretion through a declared crediting rate and is independent of the value of assets held in respect of the APIF. The declared crediting rate is reviewed regularly by the Sponsor having regard to various matters including actual return, value and nature of assets, the level of guarantee, investment and operating expenses, market conditions and taxes.

The account balance of a member in the APIF is the amount in Hong Kong dollars invested in the APIF (net of Contribution charges and Offer spread, if any, as set out in the Fee Table) for that member accrued with the declared crediting rate as determined by the Sponsor. For administrative purpose, such account balance is calculated at the bid price per unit.

Guarantee:

The APIF in which the fund invests offers a guarantee given by the Sponsor on amounts invested in the APIF (net of Contribution charges and Offer spread, if any).

The Sponsor guarantees, through the APIF, that the amount payable under the APIF for the member shall be the account balance of that member in the APIF in the following events:

- death;
- retirement; or
- total incapacity

In the following events, the Sponsor guarantees, through the APIF, that the amount payable under the APIF for the member shall be the greater of the amount in Hong Kong dollars invested in the APIF (net of Contribution charges and Offer spread, if any) for that member and the account balance of that member in the APIF after applying a reduction, if any, as explained below:

- termination of the APIF by the Sponsor;
- termination of employment of the member with or without payment of severance payment or long service payment out of accrued benefits derived from the employer's voluntary or mandatory contributions; or
- circumstances set out in the MPF Ordinance and Regulation in which accrued benefits derived from mandatory contributions are payable in respect of the member's permanent departure from Hong Kong or a small balance account;
- Intra-group employment transfer which results in the transfer of the member to another provident fund scheme.

No guarantee shall be applied in other events and the amount payable under the APIF for the member shall be the account balance (or the relevant part of the account balance) of that member in the APIF after applying a reduction, if any, as explained below in the events such as:

- a member switches all or part of the amount invested in the fund to another constituent fund;
- a member elects to have amount held for his account under the Plan transferred to other provident fund scheme; or
- the employer terminates its participation in the Plan.

Upon realisation of units in the APIF, the Sponsor may reduce the proceeds of realisation of such units by an amount at its absolute discretion having regard to various factors including market conditions, the level of guarantee being provided and market value of the underlying assets. The reduction will not exceed 5% (or such higher percentage as decided by the Sponsor with the approval of the Authority) of the account balance (or the relevant part of the account balance) of the member in the APIF. The extent of reduction will be the same for the investments realised in respect of members resulting from the same reason on the same valuation date.

There will be a dilution of performance due to the guaranteed structure in place. A guarantee fee may be imposed in the APIF to cover the cost of guarantee. The Sponsor, as the issuer of the APIF, is entitled to receive out of the APIF each month a monthly guarantee fee currently up to 1% per annum of the net asset value of the APIF.

The Sponsor has the right to retain investment income in respect of the APIF in excess of that required to be set aside to meet the guarantee under the APIF. Please refer to the section below headed "Calculation of Offer and Bid Prices of APIFs" on the reserve in respect of the APIF.

Examples of the way the guarantee works in respect of a member's account in the fund:

Situation	Column 1 Amount invested in the APIF (net of Contribution charges and Offer spread, if any)	Column 2 Account balance in the APIF	Column 3 Account balance in the APIF with reduction, if any, as explained above
	HK\$	HK\$	HK\$
A	10,000	10,400	10,400
B	10,000	10,400	10,192
C	10,000	10,400	9,880

A, B and C are situations where the reduction as determined by the Sponsor is 0%, 2% and 5% of the account balance respectively.

- In the event of death, retirement or total incapacity where the amount payable under the APIF for the member shall be the account balance (Column 2), the amount payable for situations A, B and C shall be the same: HK\$10,400.
- In the event such as termination of employment of the member where the amount payable under the APIF for the member shall be the greater of the amount invested in the APIF (net of Contribution charges and Offer spread, if any) (Column 1) and the account balance with reduction, if any, as explained above (Column 3), the amount payable
 - for situation A shall be HK\$10,400 (Column 3)
 - for situation B shall be HK\$10,192 (Column 3)
 - for situation C shall be HK\$10,000 (Column 1)
- In the event such as switching of all of the amount invested in the fund to another constituent fund where no guarantee shall be applied and the amount payable under the APIF for the member shall be the account balance with reduction, if any, as explained above (Column 3), the amount payable
 - for situation A shall be HK\$10,400
 - for situation B shall be HK\$10,192
 - for situation C shall be HK\$9,880

The examples shown above are for illustrative purposes only and are not based on past performance or indicative of future returns. For the latest available declared crediting rate, please call our Customer Services hotline at 2802 2812 or access our MPF eAdmin at our Internet.

(6) Double Easy Capital Preservation Fund

Investment Objective: The fund aims to achieve a return in line with the 'prescribed savings rate' (i.e. broadly the average rate of interest on a Hong Kong dollar savings account) published by the Authority.

Investment Policy: The fund may itself or through an APIF invest in Hong Kong dollar denominated deposits and debt securities issued by financial institutions, sovereign issuers and corporate issuers, subject to restrictions applicable to capital preservation funds imposed by the MPF Ordinance and Regulation.

Risk and Return Profile: The fund is not a guaranteed fund and does not provide any capital or income guarantee. The fund has a low risk profile and is expected to achieve its investment objective in most months. However, future fluctuations in interest rates and hence the value of the assets of the fund together with the possibility of defaults by institutions and issuers mean that in some months the return will inevitably fall below the prescribed savings rate.

(7) Double Easy Cash Fund

Investment Objective: The fund aims to provide a return higher than retail Hong Kong dollar savings deposit rate in Hong Kong.

Investment Policy: The fund may itself or through an APIF invest in a wide range of transferable securities including certificates of deposit, floating rate notes and commercial papers, with a diversified spread of high quality financial institutions, sovereign issuers and corporate issuers.

Risk and Return Profile: The fund has a low risk profile. The return on the fund is expected to be in line with its investment objective with minimal short-term fluctuations.

As each of the constituent funds is currently a feeder fund, the Trustee does not intend to enter into futures and options contracts or engage in securities lending activities for the account of the constituent funds. Although the Trust Deed does not prohibit the lending of assets of the constituent funds to third parties, the Trustee does not intend to exercise this power in the normal course of managing the constituent funds.

5.2 Asset Allocations

There is no fixed asset allocation by geographical locations for the constituent funds. The above expected asset allocations of the constituent funds are for indication only and may be changed as appropriate. In order to achieve the investment objectives, the actual asset allocations may at any time vary significantly from the expected asset allocations described above. The Trustee shall not incur any liability for not exercising or utilising its wide powers of investment other than in the manner indicated above. In particular, the Trustee shall not incur any liability if higher returns could have been achieved for any fund if different investments within the stated investment policy had been made.

5.3 Risk Factors

Each constituent fund is subject to market fluctuations and to risks inherent in all investments. **The prices of units of any constituent fund and the income from them may go down as well as up.**

Investment in the Double Easy Capital Preservation Fund and Double Easy Cash Fund are not equivalent to placing funds on deposit with a bank or deposit-taking company. A member's rights on redemption of any units held for the account of the member in these constituent funds are limited to the bid price of such units at the relevant time, which could be more or less than the offer price at which such units were purchased. These constituent funds are not subject to the supervision of the Hong Kong Monetary Authority.

5.4 Investment Restrictions

The Trust Deed imposes a number of restrictions and prohibitions on investment of the constituent funds. These are set out in detail below under the section headed "More on Investment".

5.5 Borrowing Restrictions

The Trustee may borrow for the account of a constituent fund for liquidity purposes to meet benefit payments and for other purposes and to the extent permitted under the MPF Ordinance and Regulation. The assets of the relevant constituent fund may be charged or pledged as security for any such borrowings as permitted under the MPF Ordinance and Regulation.

5.6 APIFs

The APIFs in which the constituent funds invest are as follows:

Constituent Fund	APIF
Double Easy Top Select Fund	Double Easy Top Select Fund Policy
Double Easy Growth Fund	Double Easy Growth Fund Policy
Double Easy Balanced Fund	Double Easy Balanced Fund Policy
Double Easy Stable Fund	Double Easy Stable Fund Policy
Double Easy Guaranteed Fund	Double Easy Guaranteed Fund Policy
Double Easy Capital Preservation Fund	Double Easy Capital Preservation Fund Policy
Double Easy Cash Fund	Double Easy Cash Fund Policy

The APIFs have been authorised by the Commission and approved by the Authority. Such authorisation and approval by the Commission and the Authority do not imply official recommendation.

Each APIF has equivalent provisions in relation to investment objectives and policies, expected asset allocation, risk factors, investment, borrowing restrictions and securities lending as those of the constituent fund which invests in it. However, the Sponsor (who is the issuer of the APIFs) may enter into futures and options contracts for the account of the APIFs (other than Double Easy Capital Preservation Fund Policy) for hedging purposes only.

All APIFs are governed by the laws of Hong Kong and are denominated in Hong Kong dollars.

Subject to the MPF Ordinance and Regulation, the terms of each APIF may be amended by the Sponsor by giving no less than 3 months' notice to the Trustee. Amendments may be made for any purpose decided by the Sponsor, including for the purpose of varying or imposing new charges or fees in respect of the APIF. Subject to the MPF Ordinance and Regulation, each APIF may also be terminated by the Sponsor by giving 1 month's notice to the Trustee in which event all units will be realised in accordance with the terms of the APIF.

6. CONTRIBUTIONS

6.1 Payment of Contributions

Mandatory contributions must be paid to the Trustee within 10 days (or such other period as specified by the MPF Ordinance and Regulation from time to time) after the relevant contribution period as required by the MPF Ordinance and Regulation.

An employer may by execution of a schedule to participation agreement and a member (other than an inactive member in

respect of whom no mandatory and voluntary contributions are made to the Plan) may by execution of an application for membership, elect to make voluntary contributions to the Plan in addition to mandatory contributions on a regular basis. Voluntary contributions must be paid at the same time and in the same manner as mandatory contributions. Voluntary contributions made by an employer in respect of a member are calculated and vested in the member in the manner stated in the relevant schedule.

The Sponsor may also from time to time specify restrictions in relation to voluntary contributions including calculation method, formula, contribution scales and vesting scales.

All contributions to the Plan shall only be paid to the Trustee.

6.2 Investment in Constituent Funds

The Trustee will apply amounts (net of charges) paid by or on behalf of a member to acquire units in the constituent funds pursuant to the instructions of the member given in an investment mandate executed by the member subject to the provisions of the Trust Deed. The Trustee will apply such net amounts to acquire units on a valuation date within 14 business days (excluding any period of suspension in the determination of the net asset value of the relevant constituent fund) of receiving cleared funds and information required by the Trustee.

Pending the acquisition of units in the constituent funds, the Trustee will hold such net amounts in cash or on deposit.

All amounts relating to an employer's contributions (whether mandatory or voluntary contributions or balances of such contributions) must be invested in the same manner in the same constituent funds. Similarly, all amounts relating to a member's contributions (whether mandatory or voluntary contributions or balances of such contributions) must be invested in the same manner in the same constituent funds.

Currently, a member may invest contributions in up to 5 constituent funds. The minimum percentage of each payment of the member's mandatory contributions or member's voluntary contributions or each transfer of the member's mandatory contribution balance or member's voluntary contribution balance, or each payment of his/her employer's mandatory contributions or employer's voluntary contributions or each transfer of employer's mandatory contribution balance or employer's voluntary contribution balance that may be invested in a constituent fund is currently 10%.

Subject to the MPF Ordinance and Regulation, the Sponsor may from time to time restrict and vary the number of constituent funds in which a member may invest and the minimum amount or percentage of contributions and balances of contributions of a member that may be invested in or realised from a single constituent fund.

Units in a constituent fund shall be acquired at the offer price of such units. The calculation of the offer price of units of a constituent fund is set out in the section below headed "Calculation of Offer and Bid Prices of Constituent Funds".

A preliminary charge of currently up to 2% of the offer price may be levied by the Sponsor on the issue of units. The Sponsor may levy different rates of preliminary charges by reference to the constituent fund, employer, member, nature or amount of the sums to be invested in the constituent fund or otherwise. No preliminary charge will be levied on the issue of units relating to the Double Easy Capital Preservation Fund. Currently, no preliminary charge is levied by the Sponsor on other constituent funds either.

Fractions of less than one-tenth thousandth of a unit will not be issued and amounts representing such fractions of a unit will be retained by the relevant constituent fund. No units of a constituent fund will be issued where the determination of the net asset value of that constituent fund is suspended (for further details, see section below headed "Suspension of Determination of Net Asset Value").

6.3 Mandates to Invest

On becoming a member of the Plan, a member must give a written investment mandate to the Trustee by completing the investment mandate section on an application for membership setting out how amounts paid by or on behalf of the member to the Plan are to be invested in the constituent funds and returning it to the Trustee. In the absence of a member's valid investment mandate, the Trustee will invest such amounts (net of charges) in the default fund designated by the Trustee with the agreement of the Sponsor from time to time – currently the Double Easy Cash Fund.

A member can change the investment mandate by completing the investment mandate section on the change in investment form and returning it to the Trustee. Provided that the new mandate is valid, the new mandate will take effect within 14 business days (excluding any period of suspension in the determination of the net asset value of any relevant constituent fund) after receipt of the new mandate by the Trustee.

6.4 Switching Instructions

A member has the right to give a switching instruction to switch all or part of his/her units in a constituent fund into units in another constituent fund by giving a duly completed change in investment form to the Trustee. However, a member must switch no less than 20% of all amounts relating to employer's contributions (whether mandatory or voluntary contributions or balances of such contributions) or all amounts relating to member's contributions (whether mandatory or voluntary contributions or balances of such contributions) in that fund. Provided that the switching instruction is valid, the switching instruction will take effect within one calendar month (subject to any suspension in the determination of the net asset value of any relevant constituent fund) after receipt of the change in investment form by the Trustee.

Units of a fund (Existing Units) will be switched into units of another fund (New Units) according to the bid price of the Existing Units (but in the case of the Double Easy Guaranteed Fund Policy in which the Double Easy Guaranteed Fund invests, the proceeds of realisation of units in the APIF may be reduced by a amount determined at the Sponsor's absolute discretion. The reduction will not exceed 5% (or such higher percentage as decided by the Sponsor with the approval of the Authority) of the account balance (or the relevant part of account balance) of the member in the APIF.) and the offer price of the New Units on the relevant valuation dates (subject to any suspension in the determination of the net asset value of the relevant constituent fund). Pending the acquisition of New Units, the Trustee will hold the amounts received on the realisation of Existing Units in cash or on deposit.

The application for membership form and change in investment form are available from the Sponsor. The Sponsor may limit the number of investment mandates and change in investment forms or switching instructions that may be given by or in respect of a member in any accounting period of the Plan. Currently, switching may be performed up to four times in an accounting period. However, the Trustee will not be responsible to any member for any loss resulting from the non-receipt of an application for membership form, change in investment form, an investment mandate or switching instruction.

6.5 Interest

Any amount held by the Trustee pending acquisition of units, payment or transfer will be held in cash or on deposit. If any amount is placed on deposit, the Trustee will ensure that the rate of interest received for the deposit is reasonable. The interest earned will be used for the payment of any administrative expenses of the Plan or such other purpose as permitted by the MPF Ordinance and Regulation from time to time.

7. BENEFITS

7.1 Entitlement to Mandatory Contributions

A member will become entitled to receive benefits derived from mandatory contributions in the circumstances set out in the MPF Ordinance and Regulation. Currently, these circumstances relate to where the member (i) reaches the retirement age of 65 (ii) attains the age of 60 and retires early (iii) permanently departs from Hong Kong (iv) becomes totally incapacitated (v) dies or (vi) has a small balance account not exceeding HK\$5,000.

The benefits payable in respect of a member derived from mandatory contributions shall be the aggregate of all balances of mandatory contributions paid by or in respect of the member. Such balances will reflect the value of units of the relevant constituent funds acquired with such contributions, after taking into account charges and investment performance.

7.2 Entitlement to Voluntary Contributions

A member will become entitled to receive benefits derived from voluntary contributions in the circumstances set out in the Trust Deed and the schedule to the relevant participation agreement.

A member who is a self-employed person is entitled to receive benefits derived from his member's voluntary contributions at any time.

The benefits payable in respect of a member derived from voluntary contributions shall be the aggregate of all balances of voluntary contributions paid by the member and the vested portion of all balances of voluntary contributions paid by the employer of the member. Such balances will reflect the value of units of the relevant constituent funds acquired with such contributions, after taking into account charges and investment performance.

7.3 Realisation of Units

Where benefits are payable in respect of a member, the Trustee will realise all the units in the constituent funds held to the account of the member in respect of the benefits and pay the benefits in accordance with the MPF Ordinance and Regulation.

Units in a constituent fund realized on a valuation date will be realised at the bid price of such units (but in the case of the Double Easy Guaranteed Fund Policy in which the Double Easy Guaranteed Fund invests, the proceeds of realisation of units in the APIF may be reduced by an amount determined at the Sponsor's absolute discretion. The reduction will not exceed 5% (or such higher percentage as decided by the Sponsor with the approval of the Authority) of the account balance (or the relevant part of the account balance) of the member in the APIF. The calculation of the bid price of units is set out in the section below headed "Calculation of Offer and Bid Prices of Constituent Funds".

Realisation of units will be suspended and payment of benefits will be delayed where the determination of the net asset value of the relevant constituent fund is suspended (for further details, see the section below headed "Suspension of Determination of Net Asset Value").

Pending payment of benefits, the Trustee will hold the amounts received on realisation of units in cash or on deposit.

In addition, with a view to protecting the interests of members, the Trustee is entitled to limit the number of units of any constituent fund realised on any valuation date to 10% of the total number of units in that constituent fund in issue. In this event, the limitation will apply pro rata so that all members wishing to realise units in that constituent fund on that valuation date will realise the same proportion of such units and units not realised (but which would otherwise have been realised) will be carried forward for realisation, subject to the same limitation, on the next valuation date.

7.4 Payment of Benefits

Benefits in respect of mandatory contributions will be paid as soon as reasonably practicable and in any event within 30 days (or such other period specified by the MPF Ordinance and Regulation from time to time) after the date the Trustee receives the claim for payment in a duly completed specified form. Payment may be delayed by up to 60 days (or such other period specified by the MPF Ordinance and Regulation from time to time) in certain circumstances pursuant to the MPF Ordinance and Regulation, including where contributions in respect of the relevant member remain outstanding.

Benefits in respect of voluntary contributions will be paid at the same time as benefits in relation to the mandatory contributions are paid. If no benefits in relation to mandatory contributions will be paid, benefits in respect of voluntary contributions will be paid as soon as reasonably practicable within 30 days after the date the Trustee receives the claim for payment in a duly completed specified form. Payment may be delayed by up to 60 days if contributions in respect of the relevant member remain outstanding.

Benefits will be paid in Hong Kong dollars to the relevant recipient by cheque or telegraphic transfer. Bank charges (if any) incurred in making payment will be borne by the relevant recipient and accordingly will be deducted from the amount of the benefits.

8. TRANSFERS TO AND FROM OTHER SCHEMES

8.1 Transfers to Other Schemes

An employer or a self-employed person may by notice in writing personally or through the transferee trustee to have amounts held for the accounts of its employees or his/her account under the Plan transferred to another MPF scheme.

When a member who is an employee of an employer ceases to be employed, the member may elect (except in certain situations as specified by the MPF Ordinance and Regulation from time to time) to have amounts held for the account of the member under the Plan transferred to another account in the Plan by notice in writing to the Trustee or to:

- another MPF master trust scheme nominated by the member or an existing account of the member in an industry scheme by notice in writing to the transferee trustee; or
- the MPF scheme in which the member's new employer participates by notice in writing to the transferee trustee.

A member who is a self-employed person or an inactive member may elect by notice in writing to the transferee trustee to have amounts held for the account of the member under the Plan transferred to:

- another MPF master trust scheme nominated by the member or an existing account of the member in an industry scheme; or
- where the member is subsequently employed by an employer, the MPF scheme in which the member's employer participates.

On receipt of a duly completed election form, the Trustee will realise the units in respect of the transfer and arrange for transfer in accordance with the MPF Ordinance and Regulation. In normal circumstances, the Trustee will effect a transfer within 30 days (or such other period specified by the MPF Ordinance and Regulation from time to time) of receipt of a duly completed election form. Transfers may be delayed in certain circumstances specified under the MPF Ordinance and Regulation, including where contributions are outstanding.

Pending the transfer, the Trustee will hold the amount received on realisation of units relating to the transfer in cash or on deposit.

8.2 Transfers from Other Schemes

The Trustee has power to accept transfers from other provident fund schemes in respect of a member. The Trustee will apply amounts received from other provident fund schemes (net of charges) to acquire units in the constituent funds pursuant to the instructions of the member given in accordance with the Trust Deed within 14 business days (excluding any period of suspension in the determination of the net asset value of any relevant constituent fund) following receipt of such amounts in cleared funds and information the Trustee may require. Pending the acquisition of units in the constituent funds, the Trustee will hold such amounts in cash or on deposit.

9. MORE ON INVESTMENT

9.1 Establishment and Termination of Constituent Funds

Subject to the MPF Ordinance and Regulation, the Trustee may with the agreement of the Sponsor (and shall at the request of the Sponsor) establish new constituent funds in future.

Subject to the MPF Ordinance and Regulation, the Trustee may with the agreement of the Sponsor (and shall at the request of the Sponsor) terminate a constituent fund on giving not less than 3 months' notice (or such shorter period as agreed with the Commission) to employers and members of the Plan. On receipt of such notice, the relevant member shall be entitled to instruct the Trustee to switch amounts invested in the constituent fund to be terminated and to invest future contributions into another constituent fund or funds chosen by the relevant member. If the relevant member fails to make a choice when entitled to do so, the member's units in the terminated constituent fund will be switched into the default fund designated by the Trustee with the agreement of the Sponsor from time to time (currently the Double Easy Cash Fund) and future contributions or other amounts paid by or on behalf of the member to the Plan which would otherwise be invested in the terminated constituent fund will be invested in that default fund.

Any of the constituent funds which is a feeder fund shall terminate on the termination of the APIF in which the constituent fund invests.

9.2 Investment Restrictions

The constituent funds will be subject to the applicable investment restrictions under the MPF Ordinance and Regulation.

The Trustee is not immediately required to sell investments if any of the investment restrictions are exceeded as a result of changes in the value of a constituent fund's investments, or the constituent fund receiving, taking up or participating in any rights, bonuses or benefits, or reconstructions, conversions, exchanges or amalgamations or payments out of the assets of the constituent fund or realisations of units but for so long as such limits are exceeded, the Trustee will not acquire any further investments subject to the relevant restrictions and will take all reasonable steps to restore the position so that the limits are no longer exceeded.

Subject to the MPF Ordinance and Regulation, the Trustee may change the investment objective and policy of a constituent fund by giving 3 month's notice (or such shorter notice as agreed with the Commission) to members and employers of the Plan.

9.3 Determination of Net Asset Value

The value of each constituent fund and offer and bid prices shall be determined as at the close of business in the last relevant market to close (or such other time as may be agreed between the Trustee and the Sponsor) on each valuation date by the Trustee subject, amongst others, to the following:

- (a) the value of any unit, share or other interest in a collective investment scheme shall (except in limited circumstances) be calculated by reference to the latest available net asset value per unit, share or other interest of such collective investment scheme (where available) or (if the same is not available) the latest available bid price for such unit, share or other interest;
- (b) the value of any investment not included in paragraph (a) above and excluding any commodity which is listed, quoted or normally dealt in on a securities market shall (except in limited circumstances) be calculated by reference to the last closing price of such investment or (if no such price is available) midway between the latest available market dealing offer price and the latest market dealing bid price;
- (c) amounts expressed in currencies other than Hong Kong dollars shall be converted to Hong Kong dollars at such prevailing rates of exchange as the Trustee and Sponsor shall consider appropriate; and
- (d) notwithstanding the foregoing, the Trustee may adjust the value of any asset or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Trustee deems relevant, the Trustee considers that such adjustment or use of such other method is required to reflect the fair value thereof.

Units in constituent funds shall be issued and realised on the appropriate valuation date. The valuation date shall be such date as the Trustee and the Sponsor shall determine in respect of each constituent fund. Currently, each business day is a valuation date for all constituent funds.

9.4 Calculation of Offer and Bid Prices of Constituent Funds

The offer price of a unit in a constituent fund on a valuation date is the aggregate of a preliminary charge and net asset value per unit rounded up to the nearest cent plus an allowance for fiscal and purchase charges which might be payable to buy investments for the account of the relevant constituent fund. A preliminary charge of currently up to 2% of the offer price may be levied by the Sponsor. Currently, no preliminary charge is levied.

The bid price of a unit in a constituent fund on a valuation date is the net asset value per unit rounded down to the nearest cent less an allowance for fiscal and sale charges which might be payable to sell investments for the account of the relevant constituent fund.

If from the time the bid price is calculated up to the time the proceeds of realisation are converted from any other currency to Hong Kong dollars, there is an officially announced devaluation of that other currency, the proceeds shall be reduced as the Trustee and the Sponsor shall consider appropriate.

The net asset value per unit in a constituent fund is calculated by valuing the assets of that constituent fund, deducting the liabilities attributable to the relevant constituent fund and dividing the resultant sum by the number of units of the fund issue.

9.5 Calculation of Offer and Bid Prices of APIFs

The APIFs in which the constituent funds invest, other than the Double Easy Capital Preservation Fund Policy and the Double Easy Guaranteed Fund Policy, have equivalent provisions in relation to calculation of offer and bid prices. A preliminary charge of currently up to 3% of the offer price may be levied by the Sponsor. Currently, no preliminary charge is levied.

(a) Double Easy Capital Preservation Fund

Under the terms of the Double Easy Capital Preservation Fund Policy, if the actual return per unit of the APIF on a valuation date is higher than zero, the offer and bid prices of a unit in the APIF on the valuation date shall be the net asset value (net of scheme administration expenses) of a unit as at the last valuation date of the preceding month multiplied by the sum of one plus the lower of the actual return per unit and the notional return per unit on the valuation date. Otherwise, the offer and bid prices of a unit in the APIF on a valuation date shall be the net asset value of a unit on the valuation date (ignoring the effect of any issue and realisation of units during the period).

The actual return per unit of the APIF on a valuation date shall be the percentage change in the net asset value of a unit from the last valuation date of the preceding month (ignoring the effect of any issue and realisation of units during the period). The notional return of a unit of the APIF on a valuation date shall be the proportion of the notional savings rate determined by the Sponsor after taking into consideration the average of the Hong Kong Dollar savings rates for the period since the last valuation date of the preceding month.

(b) Double Easy Guaranteed Fund

Under the terms of the Double Easy Guaranteed Fund Policy, the offer price of a unit in the APIF on a valuation date shall be the aggregate of a preliminary charge and the bid price of a unit on the valuation date rounded up to the nearest cent. A preliminary charge of currently up to 3% of the offer price may be levied by the Sponsor. Currently, no preliminary charge is levied.

The bid price of a unit in the APIF on a valuation date shall be the bid price of a unit on the preceding valuation date as increased by such rate as determined by the Sponsor in its absolute discretion rounded down to the nearest cent. In determining such rate of increase, the Sponsor may consider various matters including actual return, value and nature of assets, the level of the guarantee, investment and operating expenses, market conditions and taxes.

There will be a reserve in respect of the APIF which will be the difference between the value of assets held in respect of the APIF and the multiplication of bid price by the number of outstanding units in issue. This reserve is the property of the Sponsor which has the sole discretion to retain all or part of it or to use it to smooth the bid price of the APIF.

9.6 Suspension of Determination of Net Asset Value

Subject to the MPF Ordinance and Regulation, the Trustee may declare a suspension of the determination of the net asset value of any constituent fund:

- (a) during any period when any securities market or commodities market on which any of the investments for the time being held for the account of the fund is quoted is closed otherwise than for ordinary holidays;
- (b) during any period when any dealing on any such securities market or commodities market are restricted or suspended;
- (c) during the existence of any state of affairs as a result of which acquisition or disposal of investments for the time being comprised in the fund cannot in the opinion of the Trustee be effected normally;
- (d) during any breakdown in the means of communication normally employed in determining the net asset value of the fund or part thereof or the offer price or bid price of units or when for any other reason the value of any investment for the time being comprised in the fund and representing a significant part of the value thereof cannot in the opinion of the Trustee be promptly and accurately ascertained;
- (e) during any period when the acquisition or realisation of any investment for the time being comprised in the fund or the transfer of funds involved in such acquisition or realisation cannot be effected at normal prices or normal rates of exchange respectively; or
- (f) during any period in which the determination of the net asset value of the APIF in which the fund invests is suspended.

There shall be no determination of the net asset value of the constituent fund and no units in the fund may be issued or realised or switched during such period of suspension. The suspension shall continue until with the agreement of the Sponsor the Trustee declares the suspension at the end.

9.7 APIFs

The APIFs in which the constituent funds invest have equivalent provisions in relation to investment restrictions, determination of net asset value and suspension of determination of net asset value as those of the constituent funds.

10. FEES, CHARGES AND EXPENSES

Fees, charges and expenses will be payable out of the Plan to the extent permitted by the MPF Ordinance and Regulation.

10.1 Fee Table

The following table describes the fees, charges and expenses that employers and members may pay upon and after joining the Plan. Important explanatory notes and definitions are set out at the bottom of the table.

(A) JOINING FEE & ANNUAL FEE

Type of fees	Current amount (HK\$)	Payable by
Joining fee ¹ (Note a)	CURRENTLY WAIVED	Employer/Self-employed person
Annual fee ²	N/A	

(B) FEES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMBER'S ACCOUNT

Type of fees & charges	Name of constituent fund	Current level	Payable by
Contribution charge ³ (Note b)	Double Easy Capital Preservation Fund	N/A	
	All other constituent funds	1% of contribution amount	Deduct from contributions
Offer spread ⁴ (Note c)	Double Easy Capital Preservation Fund	N/A	
	All other constituent funds	CURRENTLY WAIVED	Deduct from contributions
Bid spread ⁵ (Note d)	Double Easy Capital Preservation Fund	N/A	
	All other constituent funds	Nil	Deduct from redemptions
Withdrawal charge ⁶	Double Easy Capital Preservation Fund	N/A	
	All other constituent funds	N/A	

(C) ANNUAL FUND OPERATING CHARGES & EXPENSES OF CONSTITUENT FUNDS

Type of charges & expenses	Name of constituent fund	Current Level	Deducted from
Management fee ⁷ (Note e)	Double Easy Capital Preservation Fund	N/A	
	All other constituent funds	CURRENTLY WAIVED	Relevant APIFs' assets

Other expenses

- * Fees, charges and expenses will only be payable out of the Double Easy Capital Preservation Fund to the extent permitted by the MPF Ordinance and Regulation. Please refer to "Other expenses" in section D for information on deduction of scheme administrative expenses from the Double Easy Capital Preservation Fund Policy.
- * Subject as provided above in relation to the Double Easy Capital Preservation Fund, each constituent fund will bear the charges and expenses which are directly attributable to it. Where such charges and expenses are not directly attributable to a constituent fund, each constituent fund will bear such charges and expenses in proportion to its respective net asset value or in such manner as the Trustee with the agreement of the Sponsor shall consider fair. For such charges and expenses, please refer to Note h.
- * The Sponsor may also from time to time specify any other fee or charge in relation to the Plan or any constituent fund to be paid by the employers or members or out of any constituent fund.
- * Currently, such charges and expenses of the constituent funds are borne by the APIFs in which the constituent funds invest. The terms of the APIFs have equivalent provisions in relation to such charges and expenses.
- * Out of the establishment costs of the Plan and constituent funds, HK\$2 million will be written off against the constituent funds as part of operation and administrative expenses of the Plan and constituent funds to the extent allowed under the Regulation, and will be amortised in proportion to their respective net asset values over 5 accounting periods immediately after 1 December 2000. However, the costs of advertising and promotion in relation to the Plan, constituent funds and APIFs will not be written off against the Plan, constituent funds or APIFs.

(D) FEES AND CHARGES PAYABLE OUT OF THE UNDERLYING FUNDS

Type of fees & charges	Name of APIF	Current level	Payable by
Offer spread ⁴ (Note c)	Double Easy Capital Preservation Fund Policy	N/A	
	All other APIFs	CURRENTLY WAIVED	Deduct from subscriptions
Bid spread ⁵ (Note d)	Double Easy Capital Preservation Fund Policy	N/A	
	All other APIFs	Nil	Deduct from redemptions

Type of charges & expenses	Name of APIF	Current Level	Deducted from
Management fee ⁷ (Note e)	Double Easy Capital Preservation Fund Policy	Please refer to "Other expenses" below	
	Double Easy Cash Fund Policy and Double Easy Guaranteed Fund Policy	1% p.a. of NAV	Relevant APIF's assets
	All other APIFs	2% p.a. of NAV	Relevant APIF's assets
Guarantee fee ⁸ (Note g)	Double Easy Guaranteed Fund Policy	1% p.a. of NAV	Relevant APIF's assets

Other expenses

- * Fees, charges and expenses will only be payable out of the Double Easy Capital Preservation Fund Policy to the extent permitted by the MPF Ordinance and Regulation. If the APIF's return in a month exceeds the prescribed savings rate for that month, 100% of the excess will be deducted from the assets of the APIF as scheme administrative expenses and paid to the Sponsor in its capacity as issuer of the APIF. Scheme administrative expenses are accrued on a daily basis.
- * Subject as provided above in relation to the Double Easy Capital Preservation Fund Policy, each APIF will bear the charges and expenses which are directly attributable to it. Where such charges and expenses are not directly attributable to a APIF, each APIF will bear such charges and expenses in proportion to its respective net asset value or in such manner as the relevant parties shall consider fair. For such charges and expenses, please refer to note h.
- * Expenses are accrued daily and deducted from the relevant APIFs' assets.

(E) OTHER FEES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES

Type of charges & expenses	Name of APIF	Current Level	Deducted from
Other expenses	There are currently no fees charged upon switching of units between constituent funds by a scheme member (Note f).		

DEFINITIONS

The following are the definitions of the different types of fees and charges.

1. **"Joining fee"** means the one-off fee charged by the Sponsor of the Plan and payable by the employers and/or self-employed person upon joining the Plan. Joining fee is the establishment fee as stated in the Trust Deed.
2. **"Annual fee"** means the fee charged by the Trustee/Sponsor of the Plan on an annual basis and payable by the employers and/or members of the Plan.
3. **"Contribution charge"** means the fee charged by the Sponsor of the Plan against any contributions paid to the Plan. This fee is usually charged as a percentage of contributions and will be deducted from contributions. This charge does not apply to the Double Easy Capital Preservation Fund. Contribution charge is the initial charge as stated in the Trust Deed.
4. **"Offer spread"** is charged by the Sponsor and investment manager upon subscription of units of a constituent fund by a scheme member or units of an APIF. Offer spread does not apply to the Double Easy Capital Preservation Fund. Offer spread is the aggregate of preliminary charge as stated in the Trust Deed and the insurance policy of APIF, and an allowance for transaction costs (which is the surcharge as stated in the Trust Deed and the insurance policy of APIF).
5. **"Bid spread"** is charged by the Sponsor and investment manager upon redemption of units of a constituent fund by a scheme member or an APIF Bid spread does not apply to the Double Easy Capital Preservation Fund. Bid spread is an allowance for transaction costs (which is the deduction as stated in the Trust Deed and the insurance policy of APIF).
6. **"Withdrawal charge"** means the fee charged by the Trustee/Sponsor of the Plan upon withdrawal of accrued benefits from the Plan. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to the Double Easy Capital Preservation Fund.
7. **"Management fee"** includes fees paid to the Trustee, Sponsor and investment manager of the Plan (including fees based on fund performance, if any) for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund.
8. **"Guarantee fee"** refers to an amount that is deducted out of the assets of a guaranteed fund for the purpose of providing the guarantee. This fee is usually charged as a percentage of the net asset value of Double Easy Guaranteed Fund.

Explanatory Notes

In respect of any increase in fees and charges from the current level as stated, at least three months' prior notice (or such shorter notice as agreed with the Commission) must be given to all members and employers.

Note:

- a. Joining fee of currently up to HK\$5,000 per employer/self-employed person and HK\$100 per member may be levied by the Sponsor. No joining fee will be charged in respect of an inactive member, or an employer/self-employed person joining the Plan in connection with a transfer from another MPF scheme. Currently, no joining fee is levied.
- b. Contribution charge of up to 1% of contribution amount may be levied by the Sponsor. Pursuant to the MPF Ordinance and Regulation, no contribution charge will apply to amounts invested in the Double Easy Capital Preservation Fund or transferred from another MPF scheme.
- c. Offer spread is the aggregate of the preliminary charge and an allowance for transaction costs. Subject to the MPF Ordinance and Regulation, a preliminary charge of currently up to 2% of the offer price may be levied by the Sponsor at the constituent fund level, and up to 3% of the offer price may be levied at the APIFs level. Currently, no preliminary charge and allowance for transaction costs are levied.
- d. Bid spread is an allowance for transaction costs at the constituent fund and APIFs level. Currently, no allowance for transaction costs is levied at the constituent fund and APIFs level.
- e. At the constituent fund level, management fee is the aggregate of Trustee fee of currently up to 1% p.a. of net asset value of the constituent fund and Sponsor fee, which may be levied at the constituent fund level. Currently, no management fee is levied at the constituent fund level.
At the APIFs level, management fee is payable to the investment manager of currently up to 2% p.a. of net asset value of the APIFs respectively. Currently, management fee payable to the investment manager is levied at the APIFs level.
The management fee is accrued on a daily basis and is paid monthly in arrears by the relevant constituent fund/APIF.
- f. Subject to the MPF Ordinance, a switching fee of up to 1% of redemption amount may be levied by the Trustee and paid to the Sponsor upon switching of units between constituent funds by a scheme member. This fee does not apply to the Double Easy Capital Preservation Fund.
- g. At the APIF level, guarantee fee of currently up to 1% of net asset value of the Double Easy Guaranteed Fund Policy may be levied. The guarantee fee is payable to the guarantor, accrued on a daily basis and is paid monthly in arrears by the relevant APIF.
- h. Charges and expenses include but are not limited to the charges and expenses of investing and realising the investments of the constituent funds/APIFs, fees and expenses of the custodians of the assets of the Plan/APIFs, fees and expenses of the auditors, establishment costs of the Plan and constituent funds/APIFs, valuation costs, legal fees, charges and expenses incurred in connection with any regulatory approval, costs and expenses incurred to effect any indemnity insurance, compensation levy, and charges and expenses incurred in the preparation and printing of any offering document, accounts and reports of the Plan/APIFs.

A document that illustrates the on-going costs on contributions to the constituent funds in the Plan (except for the Double Easy Capital Preservation Fund) will be available from 1 July 2006 onwards. An illustrative example for the Double Easy Capital Preservation Fund is currently available for distribution with this Offering Document. Before making any investment decisions concerning investments in the Plan, you should ensure that you have the latest version of these documents. A copy of these documents can be obtained from Customer Services Center at G/F, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong.

10.2 Cash Commission Rebates and Soft Dollar Benefits

Neither AXA IM nor any of its connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions to them.

AXA IM and any of its connected persons may effect transactions by or through the agency of another person with whom AXA IM or any of its connected persons have an arrangement under which that party will from time to time provide to or procure for AXA IM or any of its connected persons, goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc., the nature of which is such that their provision can reasonably be expected to benefit the relevant APIF as a whole and may contribute to an improvement in the APIF's performance and that of AXA IM or any of its connected persons in providing services in respect of the APIF and for which no direct payment is made but instead AXA IM or any of its connected persons undertake to place business with that party.

Please refer to the Fee Tables for current fees and charges.

The fees and charges stated above may not be increased unless 3 months' notice (or such shorter period as agreed with the Commission) has been given.

11. TAXATION

The following statements regarding taxation are based on advice received by the Sponsor regarding the law and practice in force in Hong Kong at the date of this document.

Employers and members should appreciate that as a result of changing law or practice, the taxation consequences of participating in the Plan may be otherwise than as stated below. This summary is not intended to be comprehensive and should not be relied upon as a substitute for detailed and specific advice. Employers and members should seek professional advice regarding their particular tax circumstances.

11.1 For Employers

Provided that they are not excessive in all the circumstances, initial and special lump sum contributions are allowable for profits tax purposes in five equal instalments over five years.

Annual contributions made by the employer in respect of an employee of up to 15% of the total emoluments of such employee are allowable as a deduction for profits tax purposes. Excess contributions are not deductible.

Refunds of voluntary contributions to the employer will be treated as taxable receipts in the hands of the employer for profits tax purposes. Forfeited voluntary contributions are permitted to revert to the Plan to be used to reduce contributions by the employer or, alternatively, to increase the benefits available to employees.

11.2 For Employees

Lump sum benefits on retirement or incapacity or death are not subject to salaries tax in the hands of the employee. "Retirement" for tax purposes is defined as meaning:

- Retirement from the service of the employer at a specified age of not less than 45 years;
- Retirement after a period of service with the employer of not less than 10 years; or
- Attainment of a specified age of retirement or 60 years, whichever is later (whether or not the employee has in fact retired from his employment at such age).

If an employee leaves service otherwise than on retirement, death or incapacity, a proportion of the employee's accrued benefits paid deriving from his employer's voluntary contributions may be subject to salaries tax.

Salaries tax is not payable on the portion of any payment that represents either the employee's contributions or the investment earnings of the Plan on those contributions.

The employer's contributions are not taxable on the employee. For salaries tax purposes, a deduction from salary is allowed for the amount of the employee's mandatory contributions into the Plan (up to a maximum of HK\$12,000 per annum). However, employees will remain liable to salaries tax on voluntary contributions they make into the Plan.

11.3 For Self-employed Persons

Mandatory contributions paid into the Plan by self-employed persons (up to a maximum of HK\$12,000 per annum) may be deducted from assessable profits for determining the liability of those persons to profits tax. Profits tax is not payable on the portion of any benefits that represents either the self-employed person's contributions or the investment earnings of the Plan.

11.4 For the Plan

The Plan is not expected to be subject to Hong Kong tax in respect of any of its authorised activities.

12. GENERAL INFORMATION

12.1 Reserve Account

Whenever an employee is paid less than 100% of the employer's voluntary contribution balance held in respect of him / her, the balance is credited to the reserve account established for the employer within the Plan.

Upon request by the employer and provided that the request complies with the minimum amount or percentage specified, monies in the reserve account can be used to pay fees and charges, offset future employer's contributions, increase benefits of members through distribution to members or refund to the employer.

The Trustee will comply with such request within one month (excluding any period of suspension in determination of the net asset value of the relevant constituent fund) from the date of receiving such request and information required by the Trustee.

The balance of the reserve account is automatically invested in the default fund designated by the Trustee with the agreement of the Sponsor from time to time, currently the Double Easy Cash Fund.

The Trust Deed has equivalent provisions for a self-employed member.

12.2 Accounts, Reports and Statements

Before joining the Plan, an employee will be given information about the Plan to facilitate his/her application. Within 60 days after he/she joins the Plan, he/she will also be given a membership certificate evidencing the membership.

As soon as practicable after each accounting period of the Plan and the APIFs (currently 31 December each year), the Trustee will prepare a consolidated report consisting of

- (a) the audited accounts of the Plan;
- (b) the Trustee's report on the Plan for the relevant accounting period

This consolidated report will be open for inspection by members free of charge at any time during normal business hours on any business day at the offices of the Sponsor in Hong Kong (G/F AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong).

The Trustee will send each member a member's statement within 3 months of the end of the accounting period of the Plan. The member's statement will include details of the contributions to the Plan in respect of the member during the year, units held for the account of the member in each relevant constituent fund and the value of the accrued benefits of the member under the Plan as at the start and end of the relevant accounting period.

Any notice or other document to be given to a member may be forwarded to the employer for transmission to the member and in that case shall be deemed to have been duly served on the member.

12.3 Trust Deed

All members and participating employers are entitled to the benefit of, are bound by and are deemed to have notice of provisions of the Trust Deed.

The Trust Deed contains provisions for the indemnification of the Trustee, the Sponsor and their delegates and agents and their relief from liability in certain circumstances. Members, participating employers and intending applicants are advised to consult the terms of the Trust Deed. In the event of any conflict between any of the provisions of this offering document and the Trust Deed, the provisions of the Trust Deed prevail.

The terms of the APIFs also contain equivalent provisions for the indemnification of the Sponsor and its delegates and agents and their relief from liability in certain circumstances. In the event of any conflict between any of the provisions of this offering document and the provisions of any APIF policy, the provisions of the APIF policy prevail.

12.4 Modification of Trust Deed and Participation Agreement

Subject to the MPF Ordinance and Regulation, the Trustee and the Sponsor may agree to modify the Trust Deed by supplemental deed (including to give effect to any relaxation or release of any requirement imposed by the MPF Ordinance and Regulation or official requirements relating thereto), either generally so as to apply to all employers and members or so as to apply specifically to a particular member or members or a particular employer or employers and members employed by such employer or employers.

Subject to the MPF Ordinance and Regulation, the Trustee and the relevant employer (or member in the case of a self-employed person), may agree to modify the participation agreement (and/or the schedule) applicable to that employer (or self-employed person) and members employed by that employer by supplemental agreement.

Any modifications to the Trust Deed or the participation agreement will be notified to the relevant employers and members.

12.5 Merger, Division or Termination of the Plan

Subject to the MPF Ordinance and Regulation, the Plan may be merged with one or more other schemes or sub-divided into 2 or more other schemes or terminated in accordance with the MPF Ordinance. 3 months' notice (or such shorter period as agreed with the Commission) will be given to relevant employers and members.

12.6 Documents available for Inspection

Copies of the Trust Deed and the latest consolidated report for the Plan (if any) are available for inspection free of charge at any time during normal business hours on any business day at the offices of the Sponsor in Hong Kong (G/F AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong).

Intending participants are welcome to call our Customer Services Hotline 2802 2812.

13. ABOUT THE AXA GROUP

AXA China Region is a part of AXA Asia Pacific Holdings, a member of the global AXA Group, a worldwide leader in financial protection and wealth management.

International strength and experience

- The AXA Group has a history dating back to the early 19th century.
- The AXA Group had assets under management valued at over US\$1,149.7 billion as at 31 December 2004*.
- AXA has a strong presence in more than 60 countries worldwide. This includes the United States, Europe, Africa, Middle East and, of course, Asia Pacific.

* Calculated based on the exchange rate of 1 Euro = US\$1.323

Trusted by more than 50 million people

- Throughout the world, more than 50 million people trust the AXA Group for their financial protection.

Committed to Hong Kong and Macau

- As AXA China Region, the AXA Group came to Hong Kong in 1986.
- In 1989, we expanded our business into Macau.
- More than 1 million customers rely on us for the security and peace of mind they need in Hong Kong and Macau.
- In 1997, we became the first insurance group ever to be awarded the "Asian Life Insurance Company of the Year"* and remain the only insurance group in Hong Kong to have received this award.
- In 2002, we were privileged to gain the award the 'Best Insurance Company' in Capital Magazine's "Outstanding Information Technology & Financial Enterprise Awards", the third consecutive year that we have gained this award.
- In 2004, we won the Bronze of the "Award for Excellence in Training" awarded by the Hong Kong Management Association which was given to an insurance company in Hong Kong for the first time.

* Awarded by The Review and Asia Insurance Review in Asia Insurance Industry Awards 1997

14. ILLUSTRATIVE EXAMPLE ON DOUBLE EASY CAPITAL PRESERVATION FUND

This example is intended to help you compare the total amounts of annual fees and charges payable under the Plan with those under other registered schemes.

This example assume that:

Your MPF Account Activities

- (a) your monthly relevant income is HK\$8,000.
- (b) you have put all your accrued benefits into the Double Easy Capital Preservation Fund; you have not switched your accrued benefits to other constituent funds during the financial period.
- (c) you have not transferred any accrued benefits into or out of the Plan during the financial period.

Your Company Profile

- (d) 5 employees (including yourself) of your employer participate in the Plan.
- (e) the monthly relevant income of each employee is HK\$8,000.
- (f) no voluntary contribution is made.
- (g) each of the other 4 employees has the same MPF account activities as yours.

Investment Return and Savings Rate

- (h) the monthly rate of investment return is 0.5% on total assets.
- (i) the prescribed savings rate is 3.25% per annum throughout the financial period.

Based on these assumptions, the **total amounts of annual fees** (including those payable to the underlying approved pooled investment fund) you need to pay under the Plan in one financial period would be: HK\$144.

Warning : This is just an illustrative example. The actual amounts of fees you need to pay may be **higher** or **lower**, depending on your choice of investments and activities taken during the financial period.

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