

28 August 2009

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

This notice should be read by all the participating employers, employee members, self-employed persons and preserved account holders of Principal MPF Scheme Series 500. Participating employers should notify their employees of the content of this notice upon receipt.

Dear Participating Employers and Scheme Members,

Re: Principal MPF Scheme Series 500 (the "Scheme")

Thank you for your continual support to the Principal MPF Scheme Series 500. We would like to inform you that the following changes shall be made to the Scheme :

(I) Amendments to the Explanatory Memorandum

(a) Name change in respect of the Capital Preservation Fund

With effect from 30 September 2009, the Capital Preservation Fund shall be renamed as MPF Conservative Fund. All references to "Capital Preservation Fund" in the Explanatory Memorandum shall be amended to "MPF Conservative Fund".

The above change will not affect the investment objectives or fees and charges of the fund.

(b) Change of Risk and Return Profile of the Stable Growth Fund

With immediate effect, the last paragraph of the Stable Growth Fund on page 9 shall be deleted in its entirety and replaced by the following:

"Risk and Return Profile: Investors should regard the Stable Growth Fund as a low to moderate risk investment. The Investment Manager expects the return of the Stable Growth Fund over the long term to exceed the Hong Kong inflation rate."

(c) Others

The following important notes shall be added on the reverse side of the front cover of the Explanatory Memorandum with immediate effect:

IMPORTANT NOTES

1. Principal MPF Scheme Series 500 ("Scheme") is an MPF Scheme.
2. All constituent funds under this Scheme invest solely or partly in insurance policies issued by Principal Insurance Company (Hong Kong) Limited ("Principal"). Your investment in these funds is therefore subject to the credit risk of Principal.
3. Principal, the Guarantor of the Guaranteed Fund under this Scheme, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please refer to page 31 of this Explanatory Memorandum under the section "Provision of Guarantee" for details of the guarantee conditions.
4. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The MPF Conservative Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
5. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you, taking into account your own circumstances.
6. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the Stable Growth Fund, and such fund may not necessarily be a suitable investment for you.

(II) Amendment to the Trust Deed

The following amendment shall be made to the Trust Deed of the Scheme by the Trustee:

- (a) With effect from 30 September 2009, the Capital Preservation Fund shall be renamed as MPF Conservative Fund. All references to "Capital Preservation Fund" in the Trust Deed shall be amended to "MPF Conservative Fund".

Participating Employers and Scheme Members may request a copy of the latest Explanatory Memorandum by contacting our Customer Hotline at the telephone number set out below. A copy of the latest Trust Deed will also be available for inspection at our office at 11/F, Island Place Tower, 510 King's Road, North Point, Hong Kong during normal office hours.

If you have any queries on the changes made to the Scheme, please contact our Customer Hotline at 2827-1233.

Yours faithfully,

Principal Asset Management Company (Asia) Limited

This is a computer generated printout and no signature is required.

PRINCIPAL MPF SCHEME SERIES 500
信安強積金計劃 500 系列 (the “SCHEME”)
THIRD ADDENDUM

This Third Addendum should be read in conjunction with and form part of the Explanatory Memorandum dated 17 February 2006 (the “**Explanatory Memorandum**”), the First Addendum dated 30 November 2007 and the Second Addendum dated 4 September 2008 for the Principal MPF Scheme Series 500. All capitalised terms in this Third Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise stated.

The change set out in Section (A) below shall take effect from 30 September 2009:

(A) Name change in respect of the Capital Preservation Fund

The Capital Preservation Fund shall be renamed as MPF Conservative Fund. All references to “Capital Preservation Fund” in the Explanatory Memorandum shall be amended to “MPF Conservative Fund”.

The above change will not affect the investment objectives or fees and charges of the fund.

(B) Change of Risk and Return Profile of Stable Growth Fund

With immediate effect, the last paragraph of the Stable Growth Fund on page 9 shall be deleted in its entirety and replaced by the following:

“Risk and Return Profile: Investors should regard the Stable Growth Fund as a low to moderate risk investment. The Investment Manager expects the return of the Stable Growth Fund over the long term to exceed the Hong Kong inflation rate.”

(C) Others

The following important notes shall be added on the reverse side of the front cover of the Explanatory Memorandum with immediate effect:

IMPORTANT NOTES

1. Principal MPF Scheme Series 500 (“Scheme”) is an MPF Scheme.
2. All constituent funds under this Scheme invest solely or partly in insurance policies issued by Principal Insurance Company (Hong Kong) Limited (“Principal”). Your investment in these funds is therefore subject to the credit risk of Principal.
3. Principal, the Guarantor of the Guaranteed Fund under this Scheme, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please refer to page 31 of this Explanatory Memorandum under the section “Provision of Guarantee” for details of the guarantee conditions.
4. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members’ account by way of unit deduction. The MPF Conservative Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and

charges.

5. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you, taking into account your own circumstances.
6. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the Stable Growth Fund, and such fund may not necessarily be a suitable investment for you.

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