

Dear Scheme Participants,

Thank you for your continued support of Principal Trust Company (Asia) Limited Retirement Scheme ("Scheme"). **Principal Long Term Guaranteed Fund ("LTGF") and Principal Capital Guaranteed Fund ("CGF") (collectively, the "Terminating CFs")** will be terminated on 20 June 2024 (the "Effective Date"). This keynote summarises the changes to the Scheme. Please read the attached termination notice for further details.

For Employers – Employers need to take prompt action through instructions for Paper as described below. In case employers do not take relevant action by the following Key Dates, all units your employees hold relating to the Terminating CFs will be redeemed and used to purchase units in **Principal Stable Yield Fund and Principal Asset Accumulation Fund ("Default CFs") respectively**. In addition, any future contribution payment or transfer-in benefits received will be invested in the Default CFs.

For Members – Members need to take prompt action as described below. In case they do not take relevant action by the following Key Dates, all units they hold relating to the Terminating CFs will be redeemed and used to purchase units in **Principal Stable Yield Fund and Principal Asset Accumulation Fund ("Default CFs") respectively**. In addition, any future contribution payment or transfer-in benefits received will be invested in the Default CFs unless valid instructions are given to invest in fund(s) other than the Default CFs.

For new enrolment – All valid enrolment forms received after 4:00pm on 7 June 2024 will be handled after 20 June 2024. **If an employer has chosen the Terminating CFs and has not provided an updated future investment mandate or a new member has chosen the Terminating CFs on the enrolment form, all the future investment option will change to Principal Money Market Fund which is default fund of the Scheme.** Invalid enrolment forms will be rejected.

Fund Switching and Change of Investment Mandate	Key Dates
Instructions for Paper should be posted to 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong	At or before 4:00 pm on 7 June 2024
Instructions for Fax should be submitted to 2827 1707	At or before 4:00 pm on 7 June 2024
Instructions for Online Service Portal and Interactive Voice Response System (IVRS)	At or before 4:00 pm on 7 June 2024
Termination of Principal Long Term Guaranteed Fund and Principal Capital Guaranteed Fund	20 June 2024

Members' Options

If members wish to transfer their investment in Terminating CF(s) to the respective Default CFs, they do not need to take any action. The transfer will happen automatically on the Effective Date.

Important Notice – One-off Arrangement for LTGF

In case members switch **ALL** units of the "Principal Long Term Guaranteed Fund" ("LTGF") to other Constituent Funds under the Scheme or transfer out the accrued benefits in full to other registered MPF schemes during the period **from 20 March 2024 to 7 June 2024 (the "Notice Period")**, or accept the transfer to Default CFs automatically on 20 June 2024 (i.e. the Effective Date), they will still be entitled to the guaranteed balance as a one-time special arrangement ("One-off Arrangement") subject to the conditions set out in paragraph 3.2 of the termination notice. However, if members only switch out or transfer out **PART** of the accrued benefits of LTGF during the Notice Period, then only their remaining portion of the accrued benefits that are switched or transferred out in **FULL** are entitled to the One-off Arrangement subject to the conditions set out in paragraph 3.2 of the termination notice.

Members other than employee members who do not wish to be involved in the termination may transfer out of the Scheme. However, a member who is an employee member will not be entitled to transfer out of the Scheme unless his/her participating employer elects to do so.

There will be no fees, penalty, bid/offer spread or transfer fee imposed on any transfer out of the Scheme or switching / change of investment mandate instruction.

Enquiries

Please visit principal.com.hk for FAQs, details on the termination of the Terminating CFs and investment choices available to members under the Scheme. Members can also access their account to view their investment portfolios through our Retirement Service Centre, IVRS or contact our Customer Service Hotline at 2827 1233. For Employers, please contact our Employer Hotline at 2251 9322.

You should read all terms and conditions under the Scheme and Constituent Funds. We recommend that you seek advice from your usual investment adviser(s) before making any investment decisions.