



BCT (MPF) Industry Choice

2021

Reports and Financial Statements
(From 1 January to 31 December 2021)

BCT (MPF) INDUSTRY CHOICE

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

BCT (MPF) INDUSTRY CHOICE

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BCT (MPF) INDUSTRY CHOICE

PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. Overview

The BCT (MPF) Industry Choice (the “Plan”), an Industry Scheme, was established by Bank Consortium Trust Company Limited (the “Trustee” or “BCT”) with the contribution commencement date of 1 December 2000. The Plan was registered under the Mandatory Provident Fund Schemes Ordinance (“MPFSO”) with the Mandatory Provident Fund Schemes Authority (“MPFA”) and authorised by the Securities and Futures Commission (“SFC”) in April 2000*. It is constituted by a trust deed (the “Deed”) dated 12 April 2000 and is governed by the laws of the Hong Kong SAR. The Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 5 March 2018, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020.

The Plan is a defined contribution provident fund scheme that is open for participation by all employers, employees, self-employed persons in the catering and construction industries in Hong Kong and personal account members in Hong Kong. The Plan has introduced Default Investment Strategy under the MPFSO. As at 31 December 2021, the Plan offered twelve constituent funds, namely, BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund. Each of them, with a different investment objective and risk profile, is offered to Plan members exclusively. Plan members can choose to invest their accrued benefit balances in any combination of the above.

*[*Such registration and authorisation do not constitute official recommendation of the Plan by the MPFA and the SFC.]*

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

2. Financial Highlights

During the year ended 31 December 2021, the total contributions received and receivable including transfers in from participating employers and members of the Plan amounted to HK\$592 million, while the total benefits paid and payable including transfers out and forfeitures amounted to HK\$604 million. As at 31 December 2021, the market values of the Plan's constituent funds were as follows:

	<u>Market Value</u> (HK\$)
BCT (Industry) MPF Conservative Fund	1,444,090,514
BCT (Industry) E30 Mixed Asset Fund	589,220,014
BCT (Industry) E50 Mixed Asset Fund	482,423,226
BCT (Industry) E70 Mixed Asset Fund	663,165,555
BCT (Industry) Global Bond Fund	138,766,481
BCT (Industry) Global Equity Fund	327,620,865
BCT (Industry) Hong Kong Equity Fund	756,414,933
BCT (Industry) Asian Equity Fund	464,417,532
BCT (Industry) Flexi Mixed Asset Fund	178,583,431
BCT (Industry) RMB Bond Fund	138,391,984
BCT (Industry) Core Accumulation Fund	500,473,562
BCT (Industry) Age 65 Plus Fund	378,902,842
	<hr/>
Total	6,062,470,939
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After taking into account the operating expenses of HK\$56.0 million, the net loss of the Plan during the year ended 31 December 2021 was HK\$57.9 million.

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3. Changes to the Governing Rules of the Plan

Set out below is a brief summary of the key amendments to the governing rules / MPF scheme brochure of the Plan in relation to:

- the changes made to the investment policy of the underlying APIF of the BCT (Industry) RMB Bond Fund; and
- the enhancement of disclosures relating to increase in fees of the underlying APIF to enhance clarity.

After the end of the financial year, there have also been certain key changes to the governing rules / MPF scheme brochure of the Plan for, with effect from 14 March 2022:

- the disclosures relating to the “risks of China A shares market and Stock Connect” are updated and the new risk factors “Mainland China business and investment risk” and “concentration risk” are added; and
- the amendment of disclosures regarding notice requirement for making modifications to the Trust Deed.

For the details, please refer to the relevant parts of the MPF scheme brochure.

4. Client Services

BCT and/or BCT Financial Limited* (“BCTF”) provide(s) a wide range of client services to support employers and members in managing their MPF accounts. Key services provided through various channels include:

- 4.1 The branch network of the servicing banks (as set out below) where employers can make contribution payments through Direct Deposit (by cash, cheque or bank transfer) at the teller counter, Cheque Drop-in Box or Internet Banking of “Designated Banks”. The branches also help to refer clients to contact BCT directly for services that they cannot render.

The “Designated Banks” are Chong Hing Bank Limited, Fubon Bank (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited, Public Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Bank Limited.

*(*Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)*

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- 4.2 The Customer Service Counter at the BCT office where employers and members can enjoy one-stop MPF services in relation to managing their MPF accounts, obtaining Plan information and other MPF related administrative information and support.
- 4.3 Direct Debit Authorization (DDA), Internet Banking Bill Payment Service and PPS where employers can make contribution payments.
- 4.4 The BCT client relationship teams which are dedicated to providing quality services and assistance to employers in matters relating to MPF management as well as latest information about their participating plans and MPF regulation.
- 4.5 Employer Hotline 2298 9388 and Member Hotline 2298 9333 where employers and members can enquire about their accounts, obtain Plan information, performance of investment funds and other related information.
- 4.6 A 24-hour interactive voice response system which members can access their accounts with their PINs to obtain administrative forms and fund information via fax-on-demand facility.
- 4.7 The BCT website (www.bcthk.com) where employers and members can manage their accounts online with their PINs, such as checking contribution history, download related statements / receipts, member can also check account balances as well as performing change of investment mandate and fund switching. They can also access comprehensive plan information, fund prices and investment knowledge, as well as download statements, MPF scheme brochure, administrative guides, forms, fund performance publications, newsletters and leaflets etc. BCT website also provides “Retirement Calculator” and “Risk Assessment” to help members understand their financial needs. The interactive Chatbot service, “BCT Smart Assistant – Macy” featuring Artificial Intelligence (AI) technology on BCT website and BCT MPF app to answer MPF enquiries in 24 x 7, alongside the customer hotline during business hours. On top of it, “Live Chat” function for customers to talk to on-duty customer service officer directly to cater some complicated enquiries.
- 4.8 Smart phone apps which allow members access their accounts with their PINs, for checking account balance and transaction history as well as performing change of investment mandate and fund switching. Monthly SMS service for account balance is available for members’ subscription.
- 4.9 E-Alert service is offered to employers who subscribed the service. E-mail and SMS are sent to employers for reminding them to make timely contributions before the statutory due day in order

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to avoid late contribution surcharge. Employers could also make contribution payment conveniently via PPS/ Direct Debit Authorisation / Internet Banking Bill Payment Service/ Direct Deposit at branch of “Designated Banks” / E-Cheque / Post to BCT office etc.

4.10 E-news covering the latest corporate, MPF and fund performance information updated on participating plans services and MPF regulatory changes are regularly sent to employers and members who have registered their e-mail addresses with BCT.

4.11 Regular publications, member communications and investor education information are available for employers and members to better understand the features, fund performance, investment basics and latest financial market outlook and other relevant information of their participating plans. These include Monthly Fund Performance Table, Fund Performance Fact Sheet, BCT eConnect, MPF service days, member briefings, seminars and investment forums.

5. Trustee, Administrator, Custodian, Sponsor, Auditor, Legal Adviser, Investment Managers, Sub-custodian and Banks

5.1 Trustee, Administrator and Custodian

Bank Consortium Trust Company Limited
18/F, Cosco Tower, 183 Queen’s Road Central, Hong Kong

5.2 Sponsor

BCT Financial Limited*
18/F, Cosco Tower, 183 Queen’s Road Central, Hong Kong

5.3 Auditor

PricewaterhouseCoopers
22/F, Prince’s Building, Central, Hong Kong

(*Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)

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5.4 Legal Adviser

Deacons

5/F, Alexandra House, 18 Chater Road, Central, Hong Kong

5.5 Investment Managers

- ◆ Invesco Hong Kong Limited
41/F, Champion Tower, 3 Garden Road, Central, Hong Kong
- ◆ Franklin Templeton Investments (Asia) Limited
17/F, Chater House, 8 Connaught Road Central, Hong Kong
- ◆ FIL Investment Management (Hong Kong) Limited
Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- ◆ Schroder Investment Management (Hong Kong) Limited
Suites 3301, Level 33, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- ◆ Allianz Global Investors Asia Pacific Limited
32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
(formerly: 27/F, ICBC Tower, 3 Garden Road, Central, Hong Kong)

5.6 Sub-custodian

The following sub-custodian has been appointed by the Trustee:

- ◆ The Bank of New York Mellon Corporation
240 Greenwich Street, New York, NY 10286, United States of America

5.7 Banks

The following are the principal banks with which accounts have been maintained in connection with the operation of the Plan:

- ◆ Chong Hing Bank Limited
Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong
- ◆ Dah Sing Bank, Limited
26/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

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- ◆ Fubon Bank (Hong Kong) Limited
Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
- ◆ Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong
- ◆ Public Bank (Hong Kong) Limited
Public Bank Centre, 120 Des Voeux Road Central, Hong Kong
- ◆ Shanghai Commercial Bank Limited
Shanghai Commercial Bank Tower, 12 Queen's Road Central, Hong Kong
- ◆ OCBC Wing Hang Bank Limited*
161 Queen's Road Central, Hong Kong
- ◆ CMB Wing Lung Bank Limited
45 Des Voeux Road Central, Hong Kong

*(*Associate of the Trustee and wholly-owned subsidiary of OCBC Bank)*

6. Board of Directors of the Trustee

Mr. TAN Stephen	Executive Director Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong
Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)	Chief Operating Officer & Senior Executive Vice President Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong
Mr. LAU Wai Man	Executive Director & Deputy Chief Executive Chong Hing Bank Limited 26/F, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong

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Mr. WONG Hon Hing	Vice Chairman, Managing Director and Chief Executive Dah Sing Bank, Limited 26/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong
Mr. WANG Pak Ling Gary (Alternate Director to Mr. WONG Hon Hing)	Executive Director, Deputy Chief Executive & Group Chief Financial and Operating Officer Dah Sing Bank, Limited 26/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong
Mr. KWOK Sek-chi, David	Deputy Chairman, Managing Director & Chief Executive Shanghai Commercial Bank Limited 7/F, Shanghai Commercial Bank Tower 12 Queen's Road Central Hong Kong
Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)	Head of MPF Service Centre Department Shanghai Commercial Bank Limited 28/F, Landmark East 100 How Ming Street, Kwun Tong, Kowloon Hong Kong
Ms. AU-YEUNG Lai Ling Ivy	Chief Executive OCBC Wing Hang Bank Limited 5/F, 161 Queen's Road Central Hong Kong
Mr. TAN You Leong (Alternate Director to Ms. AU-YEUNG Lai Ling Ivy) (Appointed on 21 December 2021)	Alternate Chief Executive & Chief Risk Officer, North Asia OCBC Wing Hang Bank Limited 4/F, 161 Queen's Road Central Hong Kong

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Mr. WOO Lap Hoi	Director & Chief Executive Officer CMB Wing Lung Insurance Brokers Limited 1/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
Mr. HUI Cheong Ming (Alternate Director to Mr. WOO Lap Hoi)	Head of Life Insurance and MPF CMB Wing Lung Bank Limited 1/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
Ms. LAU Ka Shi (Ceased/Resigned on 1 June 2022)	Managing Director & CEO Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong
Ms. LEE Mei Yi (Appointed on 1 June 2022)	Managing Director & CEO Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong
Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)	Chairman Stirling Finance Limited 2207 Tower 2, Lippo Centre, 89 Queensway Hong Kong
Mr. TAM Po Chiu (Independent Director)	c/o Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong

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PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

7. Board of Directors of the Sponsor

Mr. TAN Stephen

Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)

Mr. LAU Wai Man

Mr. WONG Hon Hing

Mr. WANG Pak Ling Gary (Alternate Director to Mr. WONG Hon Hing)

Mr. KWOK Sek-chi, David

Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)

Ms. AU-YEUNG Lai Ling Ivy

Mr. TAN You Leong (Alternate Director to Ms. AU-YEUNG Lai Ling Ivy)

(Appointed on 21 December 2021)

Mr. WOO Lap Hoi

Mr. HUI Cheong Ming (Alternate Director to Mr. WOO Lap Hoi)

Ms. LAU Ka Shi (Ceased/Resigned on 1 June 2022)

Ms. LEE Mei Yi (Appointed on 1 June 2022)

Mr. LEE Tak Luen (Appointed on 1 June 2022)

Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)

Mr. TAM Po Chiu (Independent Director)

Please refer to the item 6 above for the business address of the directors.

8. Board of Directors of OCBC Wing Hang Bank Limited

Dr. FUNG Yuk Bun Patrick

Ms. AU-YEUNG Lai Ling Ivy

Mr. Samuel TSIEN

Ms. WONG Pik Kuen Helen

Mr. CHIM Wai Kin

Dr. KHOO Cheng Hoe Andrew

Mr. OOI Sang Kuang

Mr. SOON Tit Koon

The business address of the above directors in item 8 is 161 Queen's Road Central, Hong Kong.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. Overview

Constituent Funds

The Plan has introduced Default Investment Strategy under the MPFSO. During the reporting year, the Plan offered twelve constituent funds for the Plan members to choose from. Each member may invest his or her accrued benefit balance in one or more of the following twelve constituent funds:

1. BCT (Industry) MPF Conservative Fund (“MPF Conservative Fund”)
2. BCT (Industry) E30 Mixed Asset Fund (“E30 Mixed Asset Fund”)
3. BCT (Industry) E50 Mixed Asset Fund (“E50 Mixed Asset Fund”)
4. BCT (Industry) E70 Mixed Asset Fund (“E70 Mixed Asset Fund”)
5. BCT (Industry) Global Bond Fund (“Global Bond Fund”)
6. BCT (Industry) Global Equity Fund (“Global Equity Fund”)
7. BCT (Industry) Hong Kong Equity Fund (“Hong Kong Equity Fund”)
8. BCT (Industry) Asian Equity Fund (“Asian Equity Fund”)
9. BCT (Industry) Flexi Mixed Asset Fund (“Flexi Mixed Asset Fund”)
10. BCT (Industry) RMB Bond Fund (“RMB Bond Fund”)
11. BCT (Industry) Core Accumulation Fund (“Core Accumulation Fund”)
12. BCT (Industry) Age 65 Plus Fund (“Age 65 Plus Fund”)

The four constituent funds (1) to (4) were launched on 1 December 2000, three constituent funds (5) to (7) on 1 October 2002, constituent fund (8) on 1 May 2004, constituent fund (9) on 1 August 2005, constituent fund (10) on 4 March 2013 and the remaining two constituent funds (11) and (12) on 1 April 2017.

The investment objective and other relevant information relating to each of the constituent funds have been set out in the MPF scheme brochure of the Plan. The operation of each of the constituent funds during the year is discussed in the following sections.

Investment Managers

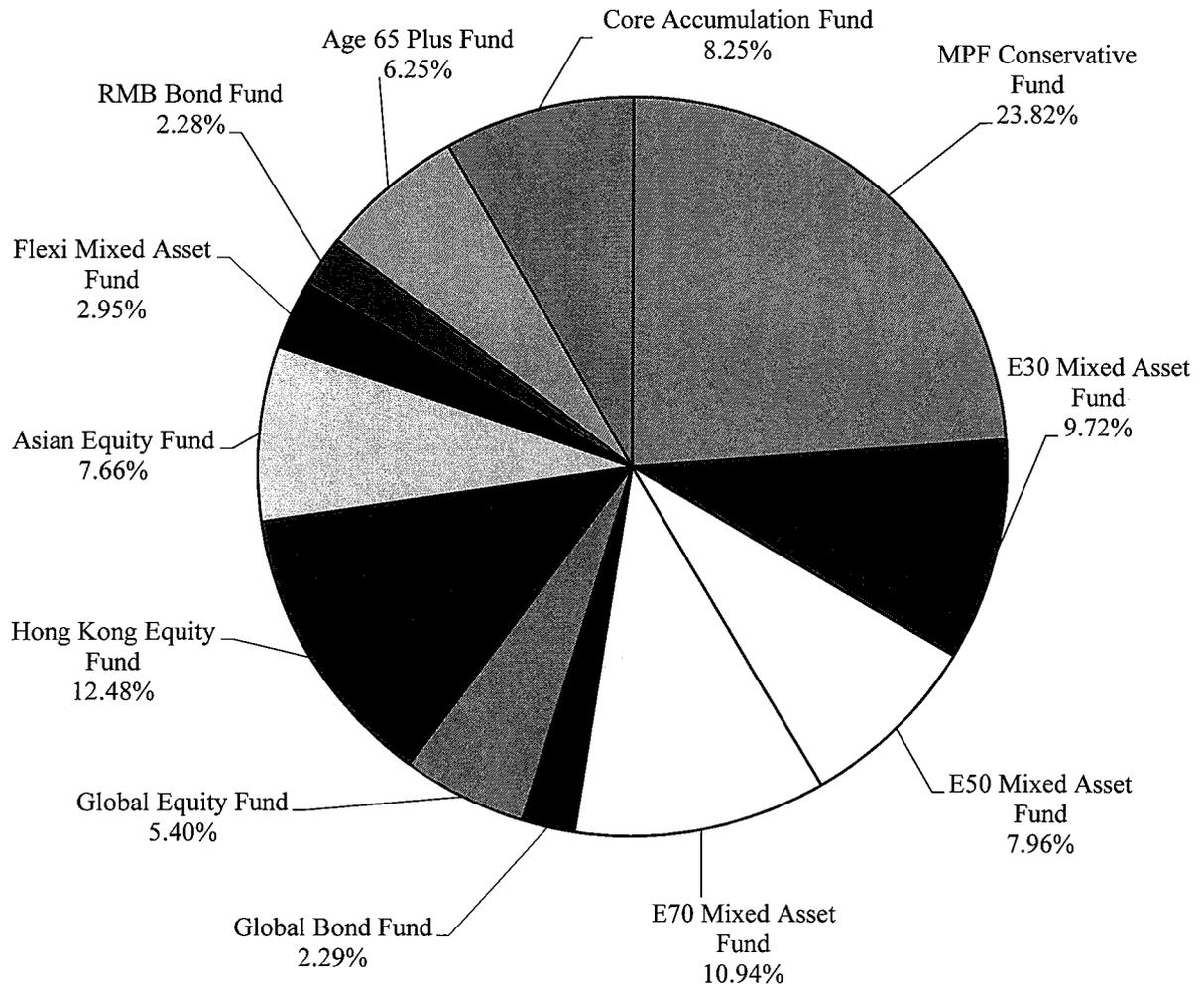
Invesco Hong Kong Limited has been appointed as the investment manager to carry out the investment management functions of the constituent funds (1) to (4) and (10) to (12). Franklin Templeton Investments (Asia) Limited has been appointed as the investment manager of the Global Bond Fund and Global Equity Fund, FIL Investment Management (Hong Kong) Limited has been appointed as the investment manager of the Hong Kong Equity Fund, Schroder Investment Management (Hong Kong) Limited has been appointed as the investment manager of the Asian Equity Fund and Allianz Global Investors Asia Pacific Limited has been appointed as the investment manager of the Flexi Mixed Asset Fund.

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Distribution of Constituent Funds

As at 31 December 2021, the proportion of each constituent fund in comparison with the total constituent funds is as follows:



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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

2. Investment Income and Performance

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	3,579,299	17,430,299	22,520,823	170	441	389
Other income	-	-	-	-	-	5,597
Total income	<u>3,579,299</u>	<u>17,430,299</u>	<u>22,520,823</u>	<u>170</u>	<u>441</u>	<u>5,986</u>
Net income/(loss) – excluding capital appreciation and depreciation	(771,342)	3,836,187	7,798,506	(9,449,642)	(9,294,425)	(9,819,682)
Net investment appreciation/ (depreciation) – realised and unrealised	786,054	5,707,600	7,029,032	(8,440,955)	64,345,484	59,921,488
	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	133	330	298	230	424	365
Other income	-	-	4,283	-	-	5,653
Total income	<u>133</u>	<u>330</u>	<u>4,581</u>	<u>230</u>	<u>424</u>	<u>6,018</u>
Net income/(loss) – excluding capital appreciation and depreciation	(7,680,205)	(7,141,694)	(7,599,587)	(10,593,630)	(9,518,113)	(10,156,844)
Net investment appreciation/ (depreciation) – realised and unrealised	(1,417,542)	50,961,752	56,745,108	5,035,072	68,831,836	89,808,202

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	181	429	351	311	638	314
Other income	354,338	339,645	318,096	719,043	519,206	483,502
Total income	<u>354,519</u>	<u>340,074</u>	<u>318,447</u>	<u>719,354</u>	<u>519,844</u>	<u>483,816</u>
Net income/(loss) – excluding capital appreciation and depreciation	(875,958)	(854,883)	(895,348)	(1,823,567)	(1,297,835)	(1,352,663)
Net investment appreciation/ (depreciation) – realised and unrealised	(5,351,719)	2,289,129	3,163,543	57,517,465	23,588,280	31,416,801
	<u>Hong Kong Equity Fund</u>			<u>Asian Equity Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	2,184	4,456	3,297	266	409	234
Other income	60,150	59,660	130,880	-	-	3,575
Total income	<u>62,334</u>	<u>64,116</u>	<u>134,177</u>	<u>266</u>	<u>409</u>	<u>3,809</u>
Net income/(loss) – excluding capital appreciation and depreciation	(6,489,968)	(5,527,065)	(5,607,323)	(4,567,304)	(3,414,010)	(3,439,482)
Net investment appreciation/ (depreciation) – realised and unrealised	(133,241,223)	135,885,964	98,187,285	11,439,321	90,862,460	42,666,691

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Flexi Mixed Asset Fund</u>			<u>RMB Bond Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	57	166	113	93	177	142
Other income	-	-	-	-	-	14,773
Total income	57	166	113	93	177	14,915
Net income/(loss) – excluding capital appreciation and depreciation	(1,926,101)	(1,754,675)	(1,795,865)	(1,463,842)	(1,195,249)	(1,029,652)
Net investment appreciation/(depreciation) – realised and unrealised	11,074,052	14,156,979	13,830,097	4,312,217	8,044,273	2,222,644
	<u>Core Accumulation Fund</u>			<u>Age 65 Plus Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Interest income	513	1,178	889	418	1,127	1,042
Other income	-	-	-	-	-	-
Total income	513	1,178	889	418	1,127	1,042
Net income/(loss) – excluding capital appreciation and depreciation	(3,134,166)	(2,288,817)	(1,965,242)	(2,463,130)	(2,145,657)	(2,159,675)
Net investment appreciation/(depreciation) – realised and unrealised	46,862,454	49,454,560	40,401,346	4,795,837	33,204,275	27,334,499

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The year 2021 was punctuated by the vaccination campaign balanced by the resurgence of the COVID-19 virus, the reactions of central banks to the high inflation figures and the risk in China with regulatory crackdowns and Evergrande marking the end of the Chinese real estate boom. Despite this, market optimism was more than marked as evidenced by the major indices.

United States

At the start of the year, the U.S. S&P 500 had its fourth positive month in a row with a growth of +5.3% in April, continued the rally started in Q2 2020 with a growth of +8.5% in Q2 2021, and finished September down -4.7% for its worst month since March 2020 but over Q3 the performance was up +0.6%, thanks to the large gain occurred in July and August. U.S. stocks ended the year with a rally few predicted back in January, finishing 2021 with a +28.7% return. Despite a slide at the end of November and in mid-December, the S&P 500 grew +11% in total return terms in Q4 and marked its strongest quarterly performance of 2021, extending its run of seven consecutive quarterly gains since the pandemic correction of Q1 2020. Confidence in recovery from post-vaccination and positive earnings seasons helped driving the market higher.

Europe

Global economic activities continued to bounce back in 2021, largely driven by ongoing monetary and fiscal support, relaxation of COVID-19 restrictions and pent-up demand. Aside from a strong economic recovery, the acceleration of inflation was the other key theme of the year as commodity prices continued to rise and supply chain disruptions continued. Towards year-end, the combination of these factors gave some central banks enough confidence to start scaling back (taper) their level of emergency asset purchases and announced their intentions to normalise policy rates in 2022. Against this backdrop, 2021 was a rewarding year for risk takers. Sectors with a more cyclical bias such as energy, industrials and financials outperformed. Meanwhile, traditionally defensive sectors such as real estate, utilities and communication services lagged the broad market most.

Japan

Japan started the year by underperforming the other developed countries with the Nikkei falling by -1.3% in total return in April after Q1 and continue to decline by -1.2% over Q2. Among the major developed Asian indices, in Q3 top of the table was the Nikkei growing +2.8% and lagged in Q4 performing -2.1%. Japan, which has been a laggard in the recovery so far and is trading at attractive relative valuations, imported its first known case of Omicron in December, but overall infection rates remain remarkably low, as they had throughout 2021. The December Purchasing Managers Index (PMI), although weaker than expected, rounds off the best quarter since Q4 2018. Fumio Kishida took office as Japan's new Prime Minister, setting up the prospect of a continuation in supportive monetary and fiscal policies. The Bank of Japan (BoJ) decided to partially extend COVID-19 supports. It will end purchases of corporate bonds and commercial papers at the end of March, but will continue to provide interest-free loans to banks, aiding pandemic-hit SMEs by another six months till the end of September.

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Asia ex Japan

Asia ex Japan equities fell in 2021 (in USD terms), as gains seen in the earlier part of the year led by a global re-opening narrative and recovering growth prospects were erased with the emergence of the Omicron variant and hawkish commentary from the U.S. Federal Reserve. The Chinese equity market was the standout laggard over the year, as increasing regulatory noise across various sectors and in particular, the internet sector, dragged on sentiment. Conversely, the Taiwan and Indian equity markets were the best-performing markets over 2021, with semiconductor plays driving returns for the former while hopes over economic normalisation drove returns for the latter.

China and Hong Kong

2021 was a very challenging year to Chinese equities market. Expectations of policy normalisation, together with regulatory uncertainty for certain industries and ongoing geopolitical concerns, have dampened sentiment. A resurgence of COVID-19 infections in some areas of China weighed on investor optimism further. The debt debacle of property group Evergrande has renewed market concerns on Chinese property sector's debt crisis, which triggered a massive selloff in not only the property sector but also the industries along the property supply chain. Lastly, the more hawkish tone from the US Federal Reserve and growing concerns over inflation throughout the year have only led to more selloff in the market.

Global Bond

While the macro backdrop has evolved over the past six months, it remains consistent with a global economy that is growing above potential, supported by still very easy financial conditions, though facing some growing headwinds. Central banks has acknowledged that inflation pressures have been stronger than previously projected and that the risks to the outlook for 2022 are skewed more in the direction of higher inflation. The Fed announced that it would double the pace of tapering to \$30 billion per month, with its median forecast projecting three interest rate increases in 2022. In response, U.S. Treasury yields rose across all maturities. Developed government bond yields ended up higher on the year following the lifting of restrictions and a strong economic recovery which also put pressure on inflation targets.

Note: Index performance is expressed on a total return basis, in local currency terms for 2021 (from the closing price of the last trading day of December 2020 to the closing price of the last trading day of December 2021) unless otherwise stated.

[Note: The above market commentary was prepared by Bank Consortium Trust Company Limited and only reflects the situation as of the approval date of the financial statements. Please be reminded that past performance is not indicative of future performance.]

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) MPF Conservative Fund <i>Launch date: 01/12/2000</i>	0.000	0.48	0.28	0.62
Performance Target <i>[MPF Prescribed Savings Rates]</i>	0.001	0.03	0.02	0.41
Deviation from the performance target	-0.001	0.45	0.26	0.21
Trustee's commentary According to the Investment Manager/Sponsor, subject to the statutory fee control, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly resulted from out-of-pocket expenses (especially, the miscellaneous costs and fees i.e. legal & printing fees, bank charges) being fully charged to the fund.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E30 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-2.90	3.93	3.17	3.65
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 20%-40%) (FER adjusted[^])]</i>	-3.40	3.59	2.26	3.26
Deviation from the performance target	0.50	0.34	0.91	0.39
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to an overweight position in North American and European equities and an underweight position in global bond. Favourable stock selection in North American and European equities also contributed to fund performance. As of 31 December 2021, the fund's exposure through investment in underlying APIF to these equity markets/asset class amounted to about 78.9%.				

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E50 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-1.89	5.16	4.41	4.06
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 40%-60%) (FER adjusted[^])]</i>	-1.64	5.35	3.95	4.08
Deviation from the performance target	-0.25	-0.19	0.46	-0.02
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to the unfavourable security selection from China/Hong Kong, Asia and Japan equities and global bond. The asset allocation of an overweight position in China/Hong Kong equity also detracted from overall fund performance. As of 31 December 2021, the fund's exposure through investment in underlying APIF to these equity markets/asset class amounted to about 72.7%.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) E70 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-0.95	6.34	5.66	4.32
Performance Target <i>[Willis Towers Watson MPF Benchmark (Equity 60%-80%) (FER adjusted[^])]</i>	0.41	6.92	5.53	4.61
Deviation from the performance target	-1.36	-0.58	0.13	-0.29
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to the unfavourable security selection under the equity sleeve of the fund, primarily from China/Hong Kong, Asia and Japan. The asset allocation of an overweight position in China/Hong Kong equity also detracted from overall fund performance. As of 31 December 2021, the fund's equity exposure through investment in underlying APIF to these markets amounted to about 42.7%.				

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Global Bond Fund <i>Launch date: 01/10/2002</i>	-4.31	0.00	-0.69	1.90
Performance Target <i>[FTSE World Government Bond Index TR USD 35% Hedged HKD (FER adjusted[^])]</i>	-7.02	1.22	0.10	2.02
Deviation from the performance target	2.71	-1.22	-0.79	-0.12
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to its asset allocation with an underweight position in Euro and an overweight position in Japanese Yen, relative to the benchmark, that contributed to the overall fund's return.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Global Equity Fund <i>Launch date: 01/10/2002</i>	21.61	8.82	8.77	7.05
Performance Target <i>[FTSE MPF All World Hedged TR (FER adjusted[^])]</i>	18.50	12.89	10.78	8.11
Deviation from the performance target	3.11	-4.07	-2.01	-1.06
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to the strong security selection in United States and Japan, and asset allocation with an underweight position in China also contributed to the fund's relative return.				

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Hong Kong Equity Fund <i>Launch date: 01/10/2002</i>	-16.08	6.81	5.85	7.99
Performance Target <i>[FTSE MPF Hong Kong TR (FER adjusted[^])]</i>	-16.16	4.69	4.85	7.60
Deviation from the performance target	0.08	2.12	1.00	0.39
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to stock selection in the Consumer Staples, Technology and Real Estate sectors and sector allocation with, relative to the benchmark, an underweight in the Consumer Discretionary and Telecommunications sectors.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Asian Equity Fund <i>Launch date: 01/05/2004</i>	1.54	11.05	7.86	8.67
Performance Target <i>[FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR (FER adjusted[^])]</i>	-1.26	9.80	6.65	7.50
Deviation from the performance target	2.80	1.25	1.21	1.17
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to positive security selection in Taiwan and India, and asset allocation with an overweight position in Taiwan and underweight position in China which contributed to the overall fund's return.				

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Flexi Mixed Asset Fund <i>Launch date: 01/08/2005</i>	5.34	4.38	3.35	3.44
Performance Target <i>[Year End 5-Year Average Composite Consumer Price Index Hong Kong (FER adjusted[^])]</i>	1.28	1.33	1.66	1.60
Deviation from the performance target	4.06	3.05	1.69	1.84
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to outperformance of the global bonds, as well as the North American, Japanese and Asian equities exposure over the period.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) RMB Bond Fund <i>Launch date: 04/03/2013</i>	2.23	3.09	n/a	0.75
Performance Target <i>[Markit iBoxx ALBI China Offshore Non-Government Investment Grade 30% Hedged HKD (FER adjusted[^])]</i>	2.51	3.86	n/a	1.12
Deviation from the performance target	-0.28	-0.77	n/a	-0.37
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to the negative contributions from credit selection primarily in the Gas and Diversified Financial Services sectors, as well as duration and yield curve positioning in CNH bonds.				

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	9.95	n/a	n/a	8.06
Performance Target <i>[FTSE MPF Default Investment Strategy Core Accumulation Fund Reference Portfolio]</i>	9.43	n/a	n/a	8.66
Deviation from the performance target	0.52	n/a	n/a	-0.60
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to positive contribution from the selection in the United States, Japan and China equities, which was offset by negative contribution from the duration and yield curve positioning of Norwegian Krone and Polish Zloty bonds, overweight position in fixed income as well as currency position in Euro. As of 31 December 2021, the asset allocation between equities, and fixed income securities and cash were about 60.7% and 39.3% respectively.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Industry) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	0.64	n/a	n/a	4.22
Performance Target <i>[FTSE MPF Default Investment Strategy Age 65 Plus Fund Reference Portfolio]</i>	0.71	n/a	n/a	4.27
Deviation from the performance target	-0.07	n/a	n/a	-0.05
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2021 was mainly due to positive contribution from the selection in the United States, Japan and China equities, which was offset by negative contribution from the duration and yield curve positioning of Norwegian Krone and Polish Zloty bonds as well as currency position in Euro. As of 31 December 2021, the asset allocation between equities and fixed income securities and cash were about 20.8% and 79.2% respectively.				

^ FER adjustment was done by simple deduction of 2021 FER from the benchmark of the respective periods of the fund.

* The above one year annualized return is calculated with a simple return on a unit NAV-to-NAV basis based on the last dealing day of the relevant year while the net annualized investment return as shown in the performance table is calculated based on the last calendar day of the relevant year if the year-end day is not a dealing day.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

B. Supporting information in relation to trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concerns raised in its commentary in Section A

Fund performance is monitored by the trustee on a regular basis and which involves a BCT's Board committee composed of members with experience in investment, including Board members. In the event of underperformance of fund(s), the trustee would routinely (and with the involvement of the Board committee, as appropriate) follow up with relevant sponsor/investment manager(s) to ensure that appropriate action(s) are taken to enhance investment returns.

Our performance monitoring mechanism operates in such a way that for any of the constituent funds, if its 1-year performance is below the benchmark/target and the market median, no immediate action would be required unless the underperformance persists.

We also monitor performance of appointed investment managers from perspectives other than fund performance. Other factors such as compliance cultures and experience/investment philosophy of the investment managers for delivering sustainable performance to scheme members on a long-term basis are also taken into account.

To seek to enhance the fund performance, the following measures have been/will be considered by the investment manager.

In relation to BCT (Industry) E70/E50 Mixed Asset Fund, the underperformance was mainly due to the global equity portion of the underlying APIF which undermined performance of the global bond portion. To provide enhanced investment flexibility, ITCISs have been allowed for global equity investments with the amended investment objective and policy at the underlying fund level effective 29 April 2022.

In relation to BCT (Industry) Age 65 Plus Fund, its performance was slightly below the target by 0.07% whereas it had outperformed the target by 1.46% in the previous reporting year ended 2020. The Trustee and Sponsor will continue monitor the situation and take actions as appropriate.

In relation to BCT (Industry) RMB Bond Fund, investment opportunities in onshore bond markets will continue to be explored (as permitted by the amended investment objective and policy effective 2 July 2021). Portfolio duration will also be reviewed/modified to cope with the monetary policy of invested market(s).

For BCT (Industry) MPF Conservative Fund (which also invests in bank deposits), the fund performance may be improved in the anticipation of rate hike in 2022.

The investment objectives and policies for all the constituent funds have been complied with in all material respects and that the general market climate which impacts the financial performance of the fund (as set out in this report) is true and accurate as of the reporting date.

BCT (MPF) INDUSTRY CHOICE
INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The following tables summarise the performance of the twelve constituent funds:

MPF Conservative Fund

(Date of launch: 1 December 2000)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	1,444.09	1,491.35	1,442.59	1,377.29	1,257.26	1,243.06	1,158.08	1,078.33	1,006.50	929.84
Net asset value per unit (HK\$)	1.1401	1.1401	1.1326	1.1208	1.1134	1.1131	1.1131	1.1129	1.1108	1.1108
Highest issue price (HK\$)	1.1401	1.1402	1.1326	1.1208	1.1135	1.1132	1.1131	1.1130	1.1110	1.1108
Lowest redemption price (HK\$)	1.1401	1.1327	1.1209	1.1134	1.1131	1.1129	1.1129	1.1109	1.1108	1.1082
Net annualised investment return	0.00%	0.66%	1.05%	0.66%	0.03%	0.00%	0.02%	0.19%	0.00%	0.23%

E30 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	589.22	647.04	624.61	595.98	656.41	792.80	715.20	668.75	603.23	538.39
Net asset value per unit (HK\$)	2.1321	2.1958	2.0095	1.8521	1.9780	1.7583	1.7459	1.7895	1.7545	1.7030
Highest issue price (HK\$)	2.2531	2.1958	2.0108	2.0366	1.9782	1.8566	1.8688	1.8290	1.7595	1.7056
Lowest redemption price (HK\$)	2.1131	1.7820	1.8485	1.8342	0.9170	1.6844	1.7238	1.7356	1.6514	1.5628
Net annualised investment return	-2.90%	9.27%	8.50%	-6.37%	12.50%	0.71%	-2.44%	1.99%	3.02%	9.15%

BCT (MPF) INDUSTRY CHOICE

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E50 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	482.42	512.71	487.83	454.08	508.45	433.90	421.87	429.24	414.10	378.04
Net asset value per unit (HK\$)	2.3154	2.3601	2.1556	1.9434	2.1240	1.8007	1.7825	1.8381	1.8054	1.6858
Highest issue price (HK\$)	2.4835	2.3601	2.1576	2.2194	2.1242	1.8862	1.9682	1.8947	1.8054	1.6898
Lowest redemption price (HK\$)	2.2756	1.7935	1.9312	1.9167	1.4154	1.6730	1.7349	1.7601	1.6479	1.5087
Net annualised investment return	-1.89%	9.49%	10.92%	-8.50%	17.95%	1.02%	-3.02%	1.81%	7.09%	12.10%

E70 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	663.17	698.74	663.11	597.86	688.00	560.95	543.53	557.93	540.40	476.05
Net asset value per unit (HK\$)	2.4386	2.4619	2.2495	1.9831	2.2157	1.7930	1.7637	1.8314	1.8021	1.6196
Highest issue price (HK\$)	2.6561	2.4619	2.2527	2.3470	2.2159	1.8636	2.0080	1.9026	1.8021	1.6249
Lowest redemption price (HK\$)	2.3764	1.7436	1.9620	1.9477	1.7879	1.6002	1.6906	1.7312	1.5958	1.3973
Net annualised investment return	-0.95%	9.44%	13.43%	-10.50%	23.58%	1.66%	-3.70%	1.63%	11.27%	15.13%

BCT (MPF) INDUSTRY CHOICE
INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Global Bond Fund

(Date of launch: 1 October 2002)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	138.77	145.44	132.94	121.32	110.71	91.64	83.99	81.74	73.85	66.02
Net asset value per unit (HK\$)	1.4364	1.5011	1.4866	1.4602	1.4818	1.4364	1.4856	1.5905	1.6301	1.6563
Highest issue price (HK\$)	1.5051	1.5011	1.4866	1.5034	1.5068	1.5040	1.5923	1.6635	1.6761	1.6566
Lowest redemption price (HK\$)	1.4290	1.4220	1.4594	1.4321	1.4327	1.4343	1.4802	1.5891	1.5935	1.5434
Net annualised investment return	-4.31%	0.98%	1.81%	-1.46%	3.16%	-3.31%	-6.60%	-2.43%	-1.58%	7.54%

Global Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	327.62	254.40	222.09	168.84	186.57	145.65	120.15	113.64	100.20	70.64
Net asset value per unit (HK\$)	3.7151	3.0549	2.8074	2.4009	2.8364	2.4348	2.2692	2.3738	2.3608	1.8896
Highest issue price (HK\$)	3.7717	3.0549	2.8180	3.0286	2.8401	2.4600	2.6125	2.5088	2.3608	1.9018
Lowest redemption price (HK\$)	3.0512	1.9223	2.3882	2.3406	1.8537	1.9245	2.1315	2.2220	1.9190	1.5367
Net annualised investment return	21.61%	8.82%	16.93%	-15.35%	16.49%	7.30%	-4.41%	0.55%	24.94%	17.87%

BCT (MPF) INDUSTRY CHOICE

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Hong Kong Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	756.41	860.38	714.13	600.55	668.49	462.96	412.21	381.60	327.91	269.94
Net asset value per unit (HK\$)	4.3934	5.2353	4.4619	3.8733	4.4675	3.1605	3.1462	3.3134	3.2191	2.9953
Highest issue price (HK\$)	6.3099	5.2353	4.5740	4.9506	4.4735	3.4821	4.0501	3.4610	3.2845	2.9963
Lowest redemption price (HK\$)	4.2655	3.4977	3.7548	3.7107	2.5453	2.5947	2.9259	2.9460	2.7069	2.4198
Net annualised investment return	-16.08%	17.33%	15.20%	-13.30%	41.35%	0.45%	-5.05%	2.93%	7.47%	20.35%

Asian Equity Fund

(Date of launch: 1 May 2004)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	464.42	454.15	356.23	304.93	349.46	237.15	209.31	206.90	169.38	150.75
Net asset value per unit (HK\$)	4.3484	4.2823	3.4484	3.0607	3.5888	2.5749	2.4961	2.7302	2.4880	2.5126
Highest issue price (HK\$)	4.9241	4.2823	3.4854	3.8529	3.6154	2.8340	3.0113	2.8293	2.6132	2.5156
Lowest redemption price (HK\$)	4.1563	2.4875	2.9855	2.9356	1.8686	2.2218	2.3861	2.3529	2.2664	2.0600
Net annualised investment return	1.54%	24.18%	12.67%	-14.72%	39.38%	3.16%	-8.57%	9.73%	-0.98%	23.17%

BCT (MPF) INDUSTRY CHOICE

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Flexi Mixed Asset Fund

(Date of launch: 1 August 2005)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	178.58	172.64	161.18	142.07	136.09	114.99	98.59	85.09	67.79	51.30
Net asset value per unit (HK\$)	1.7439	1.6555	1.5343	1.4171	1.4948	1.4075	1.3982	1.4165	1.3793	1.3501
Highest issue price (HK\$)	1.7522	1.6555	1.5353	1.5184	1.4949	1.4343	1.4654	1.4189	1.3924	1.3503
Lowest redemption price (HK\$)	1.6572	1.3575	1.4137	1.4086	1.4099	1.3752	1.3650	1.3632	1.3269	1.2554
Net annualised investment return	5.34%	7.90%	8.27%	-5.20%	6.20%	0.67%	-1.29%	2.70%	2.16%	7.67%

RMB Bond Fund

(Date of launch: 4 March 2013)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	138.39	121.60	99.57	83.36	64.10	41.33	29.07	16.34	6.85	-
Net asset value per unit (HK\$)	1.0678	1.0445	0.9825	0.9685	0.9722	0.9171	0.9443	0.9926	1.0038	-
Highest issue price (HK\$)	1.0704	1.0445	0.9981	1.0017	0.9747	0.9581	0.9999	1.0087	1.0066	-
Lowest redemption price (HK\$)	1.0423	0.9725	0.9633	0.9571	0.9155	0.9171	0.9442	0.9863	0.9847	-
Net annualised investment return	2.23%	6.31%	1.45%	-0.38%	6.01%	-2.88%	-4.87%	-1.12%	0.38%*	-

BCT (MPF) INDUSTRY CHOICE
INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Core Accumulation Fund

(Date of launch: 1 April 2017)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	500.47	427.00	329.14	215.43	156.00	-	-	-	-	-
Net asset value per unit (HK\$)	1.4457	1.3149	1.1691	1.0104	1.0823	-	-	-	-	-
Highest issue price (HK\$)	1.4498	1.3149	1.1725	1.1285	1.1133	-	-	-	-	-
Lowest redemption price (HK\$)	1.3096	0.9506	1.0025	0.9847	0.9989	-	-	-	-	-
Net annualised investment return	9.95%	12.47%	15.71%	-6.64%	8.23%*	-	-	-	-	-

Age 65 Plus Fund

(Date of launch: 1 April 2017)

Financial year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value (HK\$ million)	378.90	358.78	315.13	278.85	258.04	-	-	-	-	-
Net asset value per unit (HK\$)	1.2174	1.2096	1.1029	1.0120	1.0298	-	-	-	-	-
Highest issue price (HK\$)	1.2346	1.2096	1.1063	1.0403	1.0318	-	-	-	-	-
Lowest redemption price (HK\$)	1.1819	1.0501	1.0127	1.0022	0.9999	-	-	-	-	-
Net annualised investment return	0.64%	9.67%	8.98%	-1.73%	2.98%*	-	-	-	-	-

*[Note: the net annualised investment return is based on the percentage change in net asset value per unit for the financial year. For the constituent fund launched in its first year (marked with an asterisk *), it is based on the percentage change in net asset value per unit from its launch date to the year-end date.]*

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The following table summarises the fund expense ratio (“FER”) and transaction costs of the twelve constituent funds:

	<u>2021</u>	
	<u>FER</u>	<u>Transaction costs</u> (HK\$)
MPF Conservative Fund	0.30%	-
E30 Mixed Asset Fund	1.69%	-
E50 Mixed Asset Fund	1.71%	-
E70 Mixed Asset Fund	1.71%	-
Global Bond Fund	1.66%	-
Global Equity Fund	1.76%	-
Hong Kong Equity Fund	1.64%	-
Asian Equity Fund	1.73%	-
Flexi Mixed Asset Fund	1.62%	-
RMB Bond Fund	1.25%	-
Core Accumulation Fund	0.87%	-
Age 65 Plus Fund	0.86%	-

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

3. Investment Policies

MPF Conservative Fund

The objective of the MPF Conservative Fund is to provide members with a rate of return which matches or exceeds the Hong Kong dollar savings rate with a view to minimising the exposure of the principal amount invested to market fluctuation and volatility.

The fund seeks to achieve its investment objective by investing in a portfolio of Hong Kong dollar denominated bank deposits and short-term debt securities in conformity to the requirements set out in section 37(2) of the Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”). In summary, these include:

- (i) deposits, less than 12 months’ maturity with banks meeting specific requirements; or
- (ii) debt securities, with a remaining maturity of 2 years or less issued by or guaranteed by the Hong Kong Government; the Exchange Fund; a company wholly owned by the Hong Kong Government; or a government, the central bank of a country or a multilateral international agency (such as the World Bank) all with the highest credit rating determined by a credit rating agency approved by the Mandatory Provident Fund Schemes Authority (“the Authority”); or
- (iii) debt securities, with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by a credit rating agency approved by the Authority.

The average remaining maturity of all securities must not exceed 90 days. The direct holdings of the fund must be wholly in Hong Kong dollars.

The fund is designed as a low risk investment option with minimal exposure to market fluctuations or volatility. The return of the fund over the long term is expected to approximate the interest rate payable from time to time by major banks in Hong Kong on Hong Kong dollar savings accounts.

E30 Mixed Asset Fund

The objective of the E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view to minimizing the risk of capital loss by investing solely in “Invesco Pooled Investment Fund – Global Stable Fund” which is an APIF, the investment policy of which is consistent with that of the E30 Mixed Asset Fund. The underlying APIF will in turn invest in other APIFs or in fixed income securities and maintain a limited exposure to global equities.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

It is expected that the E30 Mixed Asset Fund will achieve a long term return in line with Hong Kong's price inflation. (Note: short term performance of the E30 Mixed Asset Fund may be higher or lower than the long term expected return.)

Investors should regard the E30 Mixed Asset Fund as a low to medium risk investment. As the majority of the underlying APIF will be invested in fixed income securities, the E30 Mixed Asset Fund is expected to exhibit a relatively lower level of risk in the investment in the short term.

E50 Mixed Asset Fund

The objective of the E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over the long term by investing solely in "Invesco Pooled Investment Fund – Global Stable Growth Fund" which is an APIF, the investment policy of which is consistent with that of the E50 Mixed Asset Fund. The underlying APIF may in turn invest in other APIFs or in bank deposits, global bonds and global equities.

It is expected that the E50 Mixed Asset Fund will achieve a long term return which exceeds Hong Kong's price inflation. (Note: short term performance of the E50 Mixed Asset Fund may be higher or lower than the long term expected return.)

As the underlying APIF will be invested equally in fixed income securities and equities, the E50 Mixed Asset Fund is suitable for investors who are willing to assume a moderate level of risk to achieve higher returns in the medium to long term.

E70 Mixed Asset Fund

The objective of the E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available by investing solely in "Invesco Pooled Investment Fund – Global Balanced Fund" which is an APIF, the investment policy of which is consistent with that of the E70 Mixed Asset Fund. The underlying APIF may in turn invest in other APIFs or in bank deposits, global bonds and global equities. In addition, the underlying APIF will also maintain a limited exposure to global fixed income securities.

It is expected that the E70 Mixed Asset Fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the E70 Mixed Asset Fund may be higher or lower than the long term expected return.)

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

As a substantial portion of the underlying APIF will be invested in the equities market, the E70 Mixed Asset Fund is expected to be subject to the higher level of volatility of the equity markets in the short to medium term. Accordingly, the E70 Mixed Asset Fund is suitable for members who are willing to take a relatively longer term of investment and assume a higher level of risk to achieve potentially higher returns in the long term.

Global Bond Fund

The objective of the Global Bond Fund is to provide members with total investment return over the medium to longer term by investing solely in the Templeton MPF Global Bond Fund which is an APIF and in turn invests primarily into fixed income securities issued by governments and governmental agencies globally.

The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.

It is expected that the Global Bond Fund will achieve a long term return in line with Hong Kong's price inflation. (Note: short term performance of the Global Bond Fund may be higher or lower than the long term expected return.)

Global Equity Fund

The objective of the Global Equity Fund is to provide members with capital growth over the medium to longer term by investing solely in the Templeton MPF Global Equity Fund which is an APIF and in turn invests primarily in securities of companies listed on the global stock markets.

The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.

It is expected that the Global Equity Fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the Global Equity Fund may be higher or lower than the long term expected return.)

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Hong Kong Equity Fund

The objective of the Hong Kong Equity Fund is to provide members with long term capital appreciation by investing solely in “Fidelity Global Investment Fund – Hong Kong Equity Fund” which is an APIF and in turn invests in equity market of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong.

It is expected that the Hong Kong Equity Fund will achieve long term return which follows the major stock market indices of Hong Kong. (Note: short term performance of the Hong Kong Equity Fund may be higher or lower than the long term expected return.)

Asian Equity Fund

The objective of the Asian Equity Fund is to provide members with long term capital growth by investing solely in the Schroder MPF Asian Fund which is an APIF and in turn invests primarily in securities of companies in Asian equity markets (excluding Japan).

It is expected that the Asian Equity Fund will achieve a long-term capital growth which modestly exceeds Hong Kong price inflation (as measured by the Consumer Price Index Type A).

Flexi Mixed Asset Fund

The objective of the Flexi Mixed Asset Fund is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Flexi Balanced Fund which is an APIF which in turn invests primarily in a diversified portfolio of global equities and fixed-interest securities. The underlying APIF adopts a dynamic asset allocation strategy.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

RMB Bond Fund

Prior to 2 July 2021, the objective of the RMB Bond Fund, a bond fund, is to provide members with steady growth over the long term by investing solely in “Invesco Pooled Investment Fund – RMB Bond Fund”, an APIF (which is denominated in HKD and not in RMB) which in turn invests primarily into RMB denominated debt instruments and money market instruments (including but not limited to commercial papers, certificates of deposit and bank deposits) issued or distributed outside the mainland China.

With effect from 2 July 2021, the objective of the RMB Bond Fund, a bond fund, is to provide members with steady growth over the long term by investing solely in “Invesco Pooled Investment Fund – RMB Bond Fund”, an APIF (which is denominated in HKD only and not in RMB) which in turn invests primarily into RMB denominated debt instruments and money market instruments (including but not limited to commercial papers, certificates of deposit and bank deposits) issued or distributed outside and within the mainland China, with a primary focus on RMB denominated bonds issued in Hong Kong.

It is expected that the RMB Bond Fund will achieve a long term return which exceeds Hong Kong inflation. (Note: short term performance of the RMB Bond Fund may be higher or lower than the long-term expected return).

Core Accumulation Fund

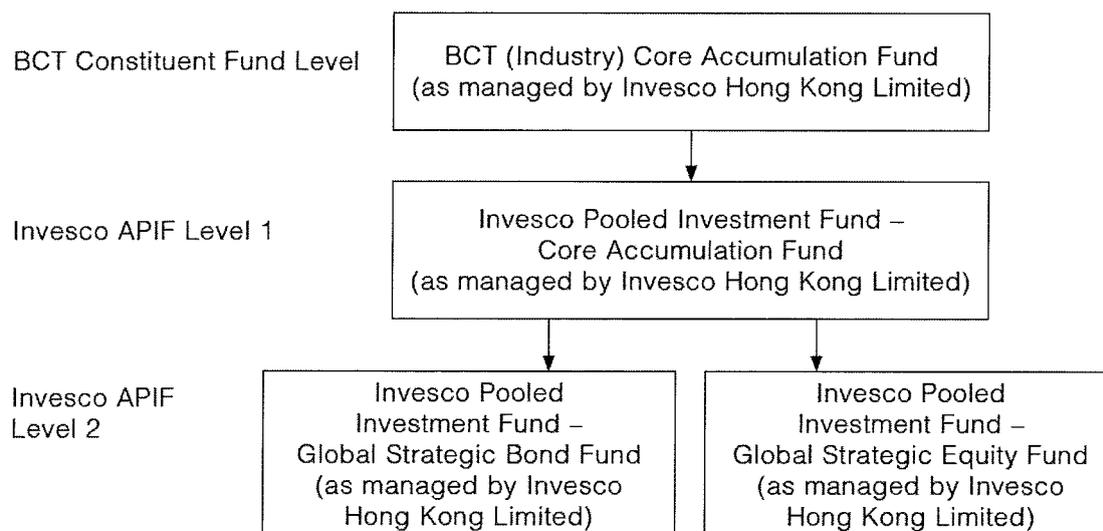
The objective of the Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner.

The Core Accumulation Fund will invest solely in “Invesco Pooled Investment Fund – Core Accumulation Fund” an underlying APIF which, in turn (through its investment in two other APIFs, namely Invesco Pooled Investment Fund – Global Strategic Equity Fund and Invesco Pooled Investment Fund – Global Strategic Bond Fund (the “DIS Underlying APIFs”, and each of them an “DIS Underlying APIF”)) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The investment structure of the Core Accumulation Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Core Accumulation Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Core Accumulation Fund.

The Core Accumulation Fund is designated as a medium risk investment option. It is expected that the return of the Core Accumulation Fund over the long term will be at least similar to the return of the Reference Portfolio of the Core Accumulation Fund.

The risk profile designated for the Core Accumulation Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

Age 65 Plus Fund

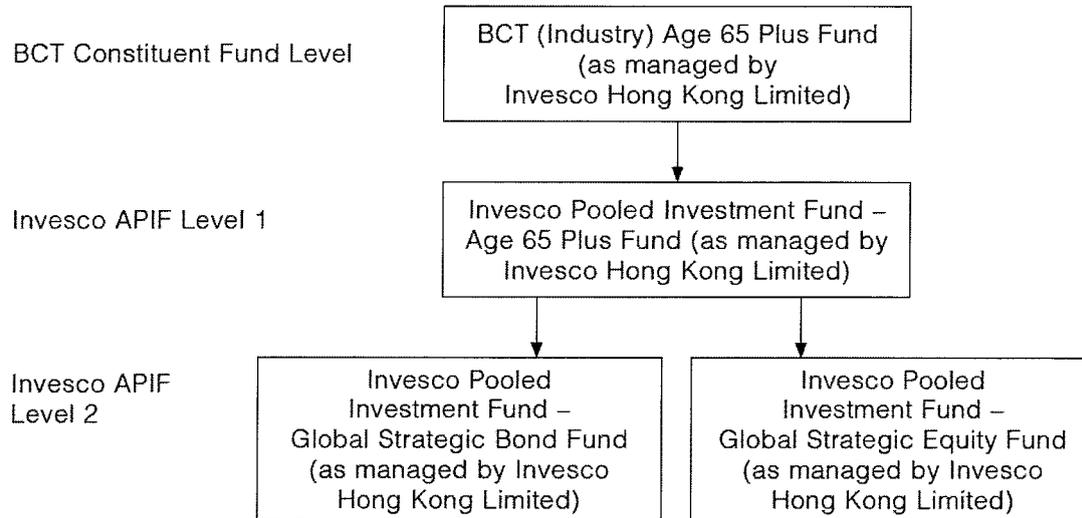
The objective of the Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner.

The Age 65 Plus Fund will invest solely in “Invesco Pooled Investment Fund – Age 65 Plus Fund” an underlying APIF which, in turn (through its investment in the DIS Underlying APIFs) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The investment structure of the Age 65 Plus Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Age 65 Plus Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and to seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Age 65 Plus Fund.

The Age 65 Plus Fund is designated as a low to medium risk investment option. It is expected that the return of the Age 65 Plus Fund over the long term will be at least similar to the return of the Reference Portfolio of the Age 65 Plus Fund.

The risk profile designated for the Age 65 Plus Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

The statement of movements in portfolio holdings for these twelve constituent funds during the year is included in Schedule 1 of this report.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

4. Investments Held

The net assets of the constituent funds as at 31 December 2021, 2020 and 2019 are summarised below:

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	1,386,342,325	1,473,934,944	1,425,975,790	590,023,113	648,205,863	625,895,189
Other net assets/(liabilities)	57,748,189	17,414,049	16,619,149	(803,099)	(1,167,140)	(1,281,098)
Total	<u>1,444,090,514</u>	<u>1,491,348,993</u>	<u>1,442,594,939</u>	<u>589,220,014</u>	<u>647,038,723</u>	<u>624,614,091</u>
Investments, at cost	<u>1,386,359,461</u>	<u>1,473,112,590</u>	<u>1,422,852,231</u>	<u>411,941,903</u>	<u>435,244,973</u>	<u>457,178,037</u>

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	483,193,213	513,791,553	489,036,779	664,165,874	700,407,911	664,292,636
Other net assets/(liabilities)	(769,987)	(1,077,863)	(1,209,511)	(1,000,319)	(1,665,462)	(1,186,275)
Total	<u>482,423,226</u>	<u>512,713,690</u>	<u>487,827,268</u>	<u>663,165,555</u>	<u>698,742,449</u>	<u>663,106,361</u>
Investments, at cost	<u>288,632,037</u>	<u>293,002,623</u>	<u>298,774,868</u>	<u>373,555,807</u>	<u>372,639,626</u>	<u>375,995,620</u>

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	138,721,214	144,600,770	132,984,667	326,752,420	254,199,276	221,074,412
Other net assets/(liabilities)	45,267	842,808	(40,082)	868,445	199,002	1,013,140
Total	<u>138,766,481</u>	<u>145,443,578</u>	<u>132,944,585</u>	<u>327,620,865</u>	<u>254,398,278</u>	<u>222,087,552</u>
Investments, at cost	<u>140,112,842</u>	<u>140,150,100</u>	<u>130,483,383</u>	<u>223,041,989</u>	<u>194,152,916</u>	<u>180,138,141</u>

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Hong Kong Equity Fund</u>			<u>Asian Equity Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	756,497,710	859,882,603	714,874,170	464,685,553	453,273,707	356,413,761
Other net assets/(liabilities)	(82,777)	500,589	(746,307)	(268,021)	874,100	(183,277)
Total	<u>756,414,933</u>	<u>860,383,192</u>	<u>714,127,863</u>	<u>464,417,532</u>	<u>454,147,807</u>	<u>356,230,484</u>
Investments, at cost	<u>705,003,440</u>	<u>619,696,568</u>	<u>577,988,504</u>	<u>313,718,673</u>	<u>284,392,951</u>	<u>266,340,929</u>

	<u>Flexi Mixed Asset Fund</u>			<u>RMB Bond Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	178,679,859	172,285,200	161,414,843	138,487,769	121,672,998	99,812,518
Other net assets/(liabilities)	(96,428)	354,589	(234,039)	(95,785)	(69,431)	(238,208)
Total	<u>178,583,431</u>	<u>172,639,789</u>	<u>161,180,804</u>	<u>138,391,984</u>	<u>121,603,567</u>	<u>99,574,310</u>
Investments, at cost	<u>141,676,963</u>	<u>141,117,358</u>	<u>141,518,048</u>	<u>122,593,240</u>	<u>108,992,237</u>	<u>97,061,782</u>

	<u>Core Accumulation Fund</u>			<u>Age 65 Plus Fund</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investments, at fair value	499,450,000	425,551,027	326,192,507	377,313,894	357,129,911	313,803,440
Other net assets/(liabilities)	1,023,562	1,451,043	2,947,866	1,588,948	1,652,749	1,321,816
Total	<u>500,473,562</u>	<u>427,002,070</u>	<u>329,140,373</u>	<u>378,902,842</u>	<u>358,782,660</u>	<u>315,125,256</u>
Investments, at cost	<u>400,436,051</u>	<u>352,577,945</u>	<u>295,626,851</u>	<u>334,510,789</u>	<u>309,359,130</u>	<u>291,457,232</u>

The investment portfolio for these constituent funds as at 31 December 2021 is included in Schedule 2 of this report.

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) MPF Conservative Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Debt Securities		
Hong Kong Dollar	8.80	0.47
Total Debt Securities	8.80	0.47
Certificates of Deposit		
Hong Kong Dollar	7.89	28.45
Total Certificates of Deposit	7.89	28.45
Fixed Deposits		
Hong Kong Dollar	79.31	69.91
Total Fixed Deposits	79.31	69.91
Total Investments	96.00	98.83

Statement of Movements in Portfolio Holdings - BCT (Industry) E30 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Stable Fund (Class B)	100.14	100.18
Total Investments	100.14	100.18

Statement of Movements in Portfolio Holdings - BCT (Industry) E50 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B)	100.16	100.21
Total Investments	100.16	100.21

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) E70 Mixed Asset Fund

	<u>% of Net Assets</u>	
	<u>Closing Balance 31/12/2021</u>	<u>Opening Balance 1/1/2021</u>
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Global Balanced Fund (Class B)	100.15	100.24
Total Investments	<u>100.15</u>	<u>100.24</u>

Statement of Movements in Portfolio Holdings - BCT (Industry) Global Bond Fund

	<u>% of Net Assets</u>	
	<u>Closing Balance 31/12/2021</u>	<u>Opening Balance 1/1/2021</u>
Approved Pooled Investment Fund		
Templeton MPF Global Bond Fund (Class A)	99.97	99.42
Total Investments	<u>99.97</u>	<u>99.42</u>

Statement of Movements in Portfolio Holdings - BCT (Industry) Global Equity Fund

	<u>% of Net Assets</u>	
	<u>Closing Balance 31/12/2021</u>	<u>Opening Balance 1/1/2021</u>
Approved Pooled Investment Fund		
Templeton MPF Global Equity Fund (Class A)	99.73	99.92
Total Investments	<u>99.73</u>	<u>99.92</u>

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 1

Statement of Movements in Portfolio Holdings – BCT (Industry) Hong Kong Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	100.01	99.94
Total Investments	100.01	99.94

Statement of Movements in Portfolio Holdings - BCT (Industry) Asian Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Schroder MPF Asian Fund (Class A)	100.06	99.81
Total Investments	100.06	99.81

Statement of Movements in Portfolio Holdings - BCT (Industry) Flexi Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Allianz Choice Flexi Balanced Fund (Class A)	100.05	99.79
Total Investments	100.05	99.79

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Industry) RMB Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	100.07	100.06
Total Investments	100.07	100.06

Statement of Movements in Portfolio Holdings – BCT (Industry) Core Accumulation Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	99.80	99.66
Total Investments	99.80	99.66

Statement of Movements in Portfolio Holdings - BCT (Industry) Age 65 Plus Fund

	% of Net Assets	
	Closing Balance 31/12/2021	Opening Balance 1/1/2021
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A)	99.58	99.54
Total Investments	99.58	99.54

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) MPF Conservative Fund

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Debt Securities			
Hong Kong Dollar			
HONG KONG T-BILLS 0% JAN 12 2022	30,000,000	29,999,550	2.08
HONG KONG T-BILLS 0% JAN 19 2022	33,000,000	32,999,175	2.29
HONG KONG T-BILLS 0% JAN 26 2022	28,000,000	27,998,880	1.94
HONG KONG T-BILLS 0% FEB 04 2022	36,000,000	35,997,120	2.49
Total Debt Securities		126,994,725	8.80
Certificates of Deposit			
Hong Kong Dollar			
AGRICULTURAL BANK CHINA/HK 0.15% FEB 07 2022	30,000,000	30,002,827	2.08
AGRICULTURAL BANK CHINA/HK 0.24% MAY 05 2022	30,000,000	29,995,644	2.08
BANK OF COMMUNICATIONS/MACAU 0% AUG 18 2022	22,000,000	21,933,560	1.52
CHINA CONSTRUCT BANK/MACAU 0.35% JUN 14 2022	15,000,000	14,991,867	1.04
CHINA CONSTRUCT BANK/TOKYO 0% MAY 27 2022	17,000,000	16,967,103	1.17
Total Certificates of Deposit		113,891,001	7.89
Fixed Deposits			
Hong Kong Dollar			
BANK OF EAST ASIA LTD DEPOSIT 0.38% JAN 20 2022	15,810,009	15,810,009	1.09
BANK OF EAST ASIA LTD DEPOSIT 0.38% JAN 21 2022	20,019,156	20,019,156	1.39
BANK OF EAST ASIA LTD DEPOSIT 0.39% JAN 27 2022	16,043,463	16,043,463	1.11
BANK OF EAST ASIA LTD DEPOSIT 0.39% FEB 17 2022	32,046,161	32,046,161	2.22
BANK OF EAST ASIA LTD DEPOSIT 0.4% FEB 11 2022	15,522,694	15,522,694	1.07
BANK OF EAST ASIA LTD DEPOSIT 0.43% JAN 19 2022	10,276,255	10,276,255	0.71
BANK OF EAST ASIA LTD DEPOSIT 0.49% FEB 25 2022	12,884,742	12,884,742	0.89
BANK OF EAST ASIA LTD DEPOSIT 0.57% MAR 09 2022	6,051,113	6,051,113	0.42
CMB WING LUNG BANK DEPOSIT 0.12% JAN 31 2022	28,002,532	28,002,532	1.94
CMB WING LUNG BANK DEPOSIT 0.38% MAR 29 2022	28,007,679	28,007,679	1.94
DAH SING BANK DEPOSIT 0.1% FEB 08 2022	32,018,661	32,018,661	2.22
DAH SING BANK DEPOSIT 0.16% JAN 26 2022	20,280,736	20,280,736	1.40
FIRST ABU DHABI BANK DEPOSIT 0.09% JAN 10 2022	30,001,726	30,001,726	2.08
FIRST ABU DHABI BANK DEPOSIT 0.12% FEB 10 2022	21,318,799	21,318,799	1.48
FIRST ABU DHABI BANK DEPOSIT 0.2% MAR 23 2022	25,003,822	25,003,822	1.73
FIRST ABU DHABI BANK DEPOSIT 0.2% APR 19 2022	15,004,586	15,004,586	1.04
FIRST ABU DHABI BANK DEPOSIT 0.25% MAR 21 2022	17,040,584	17,040,584	1.18
FUBON BANK DEPOSIT 0.2% JAN 04 2022	55,321,476	55,321,476	3.83
FUBON BANK DEPOSIT 0.35% JAN 06 2022	70,035,583	70,035,584	4.85
ICBC (ASIA) DEPOSIT 0.58% FEB 04 2022	20,689,873	20,689,873	1.43
ICBC (ASIA) DEPOSIT 0.58% MAR 04 2022	15,054,248	15,054,248	1.04
ICBC (ASIA) DEPOSIT 0.6% JAN 17 2022	37,727,548	37,727,548	2.61
ICBC (ASIA) DEPOSIT 0.6% JAN 19 2022	12,120,979	12,120,979	0.84
ICBC (ASIA) DEPOSIT 0.6% JAN 27 2022	23,738,599	23,738,599	1.64
OCBC WING HANG BANK DEPOSIT 0.12% FEB 04 2022	20,040,273	20,040,273	1.39
OCBC WING HANG BANK DEPOSIT 0.17% JAN 31 2022	18,016,452	18,016,452	1.25
OCBC WING HANG BANK DEPOSIT 0.2% FEB 28 2022	30,430,228	30,430,228	2.11
OCBC WING HANG BANK DEPOSIT 0.21% FEB 14 2022	25,287,016	25,287,016	1.75
PUBLIC BANK DEPOSIT 0.5% JAN 07 2022	28,542,230	28,542,230	1.98
PUBLIC BANK DEPOSIT 0.55% FEB 10 2022	6,092,879	6,092,879	0.42
PUBLIC BANK DEPOSIT 0.55% MAR 01 2022	20,208,137	20,208,137	1.40
PUBLIC BANK DEPOSIT 0.55% MAR 09 2022	38,991,968	38,991,968	2.70

[Note: Investments are accounted for on a trade date basis.]

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) MPF Conservative Fund (Continued)

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Fixed Deposits (Continued)			
Hong Kong Dollar (Continued)			
PUBLIC BANK DEPOSIT 0.55% MAR 21 2022	19,801,839	19,801,839	1.37
PUBLIC BANK DEPOSIT 0.55% MAR 23 2022	14,151,448	14,151,448	0.98
SHANGHAI COMMERCIAL BANK DEPOSIT 0.3% MAR 24 2022	13,135,465	13,135,465	0.91
SHANGHAI COMMERCIAL BANK DEPOSIT 0.35% JAN 12 2022	30,000,000	30,000,000	2.08
SHANGHAI COMMERCIAL BANK DEPOSIT 0.35% JAN 18 2022	30,000,000	30,000,000	2.08
SHANGHAI COMMERCIAL BANK DEPOSIT 0.4% FEB 28 2022	25,304,378	25,304,378	1.75
SHANGHAI COMMERCIAL BANK DEPOSIT 0.4% MAR 14 2022	15,377,612	15,377,612	1.06
SHANGHAI COMMERCIAL BANK DEPOSIT 0.7% MAR 30 2022	14,292,727	14,292,727	0.99
SUMITOMO MITSUI DEPOSIT 0.13% JAN 25 2022	32,163,474	32,163,474	2.23
SUMITOMO MITSUI DEPOSIT 0.13% FEB 08 2022	30,322,622	30,322,622	2.10
SUMITOMO MITSUI DEPOSIT 0.14% JAN 24 2022	15,500,357	15,500,357	1.07
SUMITOMO MITSUI DEPOSIT 0.14% JAN 31 2022	16,177,826	16,177,826	1.12
SUMITOMO MITSUI DEPOSIT 0.21% FEB 21 2022	10,291,740	10,291,740	0.71
SUMITOMO MITSUI DEPOSIT 0.22% FEB 28 2022	21,213,642	21,213,642	1.47
UNITED OVERSEAS BANK DEPOSIT 0.25% MAR 03 2022	30,066,002	30,066,002	2.08
UNITED OVERSEAS BANK DEPOSIT 0.25% MAR 07 2022	30,016,071	30,016,071	2.08
UNITED OVERSEAS BANK DEPOSIT 0.25% MAR 21 2022	30,011,188	30,011,188	2.08
Total Fixed Deposits		<u>1,145,456,599</u>	<u>79.31</u>
Total Investments		<u>1,386,342,325</u>	<u>96.00</u>
Total Investments, at cost		<u>1,386,359,461</u>	

[Note: Investments are accounted for on a trade date basis.]

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) E30 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Stable Fund (Class B)	20,168,283	590,023,113	100.14
Total Investments		590,023,113	100.14
Total Investments, at cost		411,941,903	

Investment Portfolio - BCT (Industry) E50 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B)	13,561,567	483,193,213	100.16
Total Investments		483,193,213	100.16
Total Investments, at cost		288,632,037	

Investment Portfolio - BCT (Industry) E70 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Global Balanced Fund (Class B)	19,903,560	664,165,874	100.15
Total Investments		664,165,874	100.15
Total Investments, at cost		373,555,807	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) Global Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Templeton MPF Global Bond Fund (Class A)	6,717,734	138,721,214	99.97
Total Investments		138,721,214	99.97
Total Investments, at cost		140,112,842	

Investment Portfolio - BCT (Industry) Global Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Templeton MPF Global Equity Fund (Class A)	9,880,630	326,752,420	99.73
Total Investments		326,752,420	99.73
Total Investments, at cost		223,041,989	

Investment Portfolio – BCT (Industry) Hong Kong Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	2,354,783	756,497,710	100.01
Total Investments		756,497,710	100.01
Total Investments, at cost		705,003,440	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) Asian Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Schroder MPF Asian Fund (Class A)	6,815,570	464,685,553	100.06
Total Investments		464,685,553	100.06
Total Investments, at cost		313,718,673	

Investment Portfolio - BCT (Industry) Flexi Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Allianz Choice Flexi Balanced Fund (Class A)	8,070,454	178,679,859	100.05
Total Investments		178,679,859	100.05
Total Investments, at cost		141,676,963	

Investment Portfolio - BCT (Industry) RMB Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	10,465,572	138,487,769	100.07
Total Investments		138,487,769	100.07
Total Investments, at cost		122,593,240	

BCT (MPF) INDUSTRY CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 2

Investment Portfolio - BCT (Industry) Core Accumulation Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	33,008,612	499,450,000	99.80
Total Investments		499,450,000	99.80
Total Investments, at cost		400,436,051	

Investment Portfolio - BCT (Industry) Age 65 Plus Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A)	29,855,743	377,313,894	99.58
Total Investments		377,313,894	99.58
Total Investments, at cost		334,510,789	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of BCT (MPF) Industry Choice (the "Plan"), which are set out on pages 57 to 140, comprise:

- the statement of net assets available for benefits of the Plan and statement of net assets of each of its constituent funds as at 31 December 2021;
- the statement of comprehensive income of each of the constituent funds for the year then ended;
- the statement of changes in net assets available for benefits of the Plan and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended;
- the statement of cash flows of the Plan for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Plan as at 31 December 2021, and of its financial transactions and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Plan in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Other Information

The Trustee is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.

In addition, the Trustee is required to ensure that the financial statements of the Plan have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) INDUSTRY CHOICE (Continued)

Report on Matters under the General Regulation

- (a) In our opinion, the financial statements of the Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- (b) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



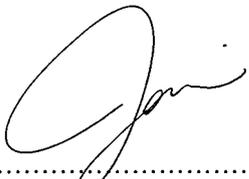
PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 June 2022

**BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> (HK\$)	<u>2020</u> (HK\$)
Assets			
Current assets			
Financial assets at fair value through profit or loss	8, 11	6,004,312,944	6,124,935,763
Amounts receivable on sale of financial assets at fair value through profit or loss		8,569,292	11,152,435
Interest receivable from fixed deposits	11	503,621	908,033
Contributions receivable			
From employers		24,397,044	19,027,330
From members		24,105,037	18,773,533
Other receivables		403	365
Bank balances	11	95,652,376	46,401,991
Total assets		<u>6,157,540,717</u>	<u>6,221,199,450</u>
Liabilities			
Current liabilities			
Derivative financial instruments	12	(962)	(286,409)
Benefits and forfeitures payable	6	(36,718,349)	(40,834,935)
Amounts received not yet recognised as contributions		(23,826,898)	(12,408,901)
Accruals and other payables		(7,948,932)	(8,715,788)
Total liabilities		<u>(68,495,141)</u>	<u>(62,246,033)</u>
Net assets available for benefits attributable to members		<u>6,089,045,576</u>	<u>6,158,953,417</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


.....
Director


.....
Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CASH FLOWS - PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> (HK\$)	<u>2020</u> (HK\$)
Investment income			
Bank interest	11	88,268	208,110
Interest income from fixed deposits	11	3,516,031	17,274,343
Other income	11	1,133,531	918,517
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		230,852,583	143,274,306
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(237,481,550)	404,058,286
Total investment (loss)/income		(1,891,137)	565,733,562
Expenses			
Investment management fees	4(a)	(9,523,226)	(11,001,777)
Trustee, administration and custodian fees	4(b)	(36,990,944)	(38,685,607)
Sponsor fees	4(b)	(4,257,960)	(4,815,609)
Safe custody and bank charges		(129,114)	(140,928)
Legal and other professional fees		(20,626)	(161,146)
Auditor's remuneration		(717,425)	(573,389)
Professional indemnity insurance		(58,095)	(42,357)
Miscellaneous expenses		(4,282,379)	(3,559,168)
Total operating expenses		(55,979,769)	(58,979,981)
Net (loss)/income		(57,870,906)	506,753,581
Contributions received and receivable	5		
From employers			
Mandatory		268,815,451	245,084,720
Additional voluntary		855,887	832,893
From members			
Mandatory		267,121,147	244,122,797
Additional voluntary		699,141	664,534
Tax deductible voluntary		1,183,484	535,134
		538,675,110	491,240,078
Transfers in			
Group transfers in from other schemes		2,911,742	421,011
Individual transfers in from other schemes		49,597,978	43,281,868
		52,509,720	43,702,879
Contribution surcharge received and receivable		534,828	836,502
		591,719,658	535,779,459

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CASH FLOWS - PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> (HK\$)	<u>2020</u> (HK\$)
Benefits paid and payable	6		
Retirement		(173,839,712)	(123,302,041)
Early retirement		(41,592,596)	(36,932,207)
Death		(8,583,442)	(7,252,986)
Permanent departure		(9,748,791)	(8,092,796)
Total incapacity		(4,157,307)	(2,281,416)
Small balance		(8,073)	(9,303)
Refund of additional voluntary contributions		(681,933)	(571,509)
Terminal illness		(738,564)	(2,177,415)
Long service payment		(31,967,491)	(12,060,214)
		<u>(271,317,909)</u>	<u>(192,679,887)</u>
Transfers out			
Group transfers out to other schemes		(10,837,611)	(14,839,169)
Individual transfers out to other schemes		(321,601,073)	(252,528,784)
		<u>(332,438,684)</u>	<u>(267,367,953)</u>
Forfeitures		-	-
		<u>(603,756,593)</u>	<u>(460,047,840)</u>
Movement during the year		(12,036,935)	75,731,619
Net (loss)/income for the year		<u>(57,870,906)</u>	<u>506,753,581</u>
Change in net assets available for benefits attributable to members		(69,907,841)	582,485,200
Net assets available for benefits attributable to members at the beginning of the year – members' accounts		<u>6,158,953,417</u>	<u>5,576,468,217</u>
Net assets available for benefits attributable to members at the end of the year – members' accounts		<u><u>6,089,045,576</u></u>	<u><u>6,158,953,417</u></u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CASH FLOWS - PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u> (HK\$)	<u>2020</u> (HK\$)
Cash flows from operating activities		
Net (loss)/income	(57,870,906)	506,753,581
Adjustment for		
-Bank interest	(88,268)	(208,110)
-Interest income from fixed deposits	(3,516,031)	(17,274,343)
Operating (loss)/profit before working capital changes	<u>(61,475,205)</u>	<u>489,271,128</u>
Net decrease/(increase) in financial assets at fair value through profit or loss – with original maturity of more than 3 months	96,300,305	(337,271,927)
Decrease/(increase) in amounts receivable on sale of financial assets at fair value through profit or loss	2,583,143	(386,017)
Net change in derivative financial instruments	(285,447)	83,374
Increase in other receivables	(38)	(49)
Increase in amounts received not yet recognised as contributions	11,417,997	10,285,095
Decrease in accruals and other payables	(766,856)	(2,993,569)
Cash generated from operating activities	<u>47,773,899</u>	<u>158,988,035</u>
Bank interest received	88,268	208,110
Interest income from fixed deposits received	3,920,443	20,523,185
Net cash generated from operating activities	<u>51,782,610</u>	<u>179,719,330</u>
Cash flows from financing activities		
Contributions received and transfers in	581,018,440	537,789,753
Benefits paid, transfers out and forfeitures	(607,873,179)	(442,731,457)
Net cash (used in)/generated from financing activities	<u>(26,854,739)</u>	<u>95,058,296</u>
Net increase in cash and cash equivalents	24,927,871	274,777,626
Cash and cash equivalents at the beginning of the year	<u>512,132,990</u>	<u>237,355,364</u>
Cash and cash equivalents at the end of the year	<u><u>537,060,861</u></u>	<u><u>512,132,990</u></u>
Analysis of balances of cash and cash equivalents:		
Financial assets at fair value through profit or loss	6,004,312,944	6,124,935,763
Less: Financial assets at fair value through profit or loss – with original maturity of more than 3 months	<u>(5,562,904,459)</u>	<u>(5,659,204,764)</u>
Financial assets at fair value through profit or loss – with original maturity of less than or equal to 3 months	441,408,485	465,730,999
Bank balances	95,652,376	46,401,991
	<u><u>537,060,861</u></u>	<u><u>512,132,990</u></u>

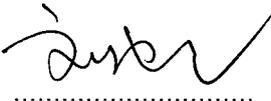
The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	Note	BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,386,342,325	1,473,934,944	590,023,113	648,205,863
Amounts receivable on sale of financial assets at fair value through profit or loss		-	-	823,828	1,431,991
Interest receivable from fixed deposits	11	503,621	908,033	-	-
Amounts receivable on subscription		300,352	56,223	46,702	13,487
Amounts receivable on funds switching		1,615,845	1,728,703	1,118	5,585
Bank balances	11	60,672,336	24,180,007	219,024	169,763
Total assets		1,449,434,479	1,500,807,910	591,113,785	649,826,689
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(3,592,053)	(5,097,113)	(811,928)	(1,325,030)
Amounts payable on funds switching		(756,383)	(2,183,875)	(35,928)	(309,237)
Accruals and other payables		(995,529)	(2,177,929)	(1,045,915)	(1,153,699)
Total liabilities		(5,343,965)	(9,458,917)	(1,893,771)	(2,787,966)
Net assets attributable to members		1,444,090,514	1,491,348,993	589,220,014	647,038,723
Units in issue		1,266,658,064	1,308,122,273	276,351,028	294,666,660
Net asset value per unit		1.1401	1.1401	2.1321	2.1958

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	Note	BCT (Industry) E50 Mixed Asset Fund		BCT (Industry) E70 Mixed Asset Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	483,193,213	513,791,553	664,165,874	700,407,911
Amounts receivable on sale of financial assets at fair value through profit or loss		687,771	423,820	603,193	1,177,472
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on subscription		33,204	9,266	50,585	38,589
Amounts receivable on funds switching		17,653	5,730	26,856	48,013
Bank balances	11	81,463	160,545	107,812	143,859
Total assets		484,013,304	514,390,914	664,954,320	701,815,844
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(686,422)	(771,089)	(516,533)	(1,611,670)
Amounts payable on funds switching		(51,509)	(15,329)	(103,730)	(260,389)
Accruals and other payables		(852,147)	(890,806)	(1,168,502)	(1,201,336)
Total liabilities		(1,590,078)	(1,677,224)	(1,788,765)	(3,073,395)
Net assets attributable to members		482,423,226	512,713,690	663,165,555	698,742,449
Units in issue		208,358,069	217,244,323	271,947,215	283,818,318
Net asset value per unit		2.3154	2.3601	2.4386	2.4619

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	<u>Note</u>	BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
		<u>2021</u> (HK\$)	<u>2020</u> (HK\$)	<u>2021</u> (HK\$)	<u>2020</u> (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	138,721,214	144,600,770	326,752,420	254,199,276
Amounts receivable on sale of financial assets at fair value through profit or loss		311,223	847,126	1,034,264	704,173
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on subscription		33,188	4,929	110,023	13,232
Amounts receivable on funds switching		14,376	812,256	727,809	170,621
Bank balances	11	181,909	186,244	403,813	320,094
Total assets		<u>139,261,910</u>	<u>146,451,325</u>	<u>329,028,329</u>	<u>255,407,396</u>
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(319,245)	(282,763)	(336,504)	(531,212)
Amounts payable on funds switching		(5,975)	(577,208)	(697,770)	(252,136)
Accruals and other payables		(170,209)	(147,776)	(373,190)	(225,770)
Total liabilities		<u>(495,429)</u>	<u>(1,007,747)</u>	<u>(1,407,464)</u>	<u>(1,009,118)</u>
Net assets attributable to members		<u>138,766,481</u>	<u>145,443,578</u>	<u>327,620,865</u>	<u>254,398,278</u>
Units in issue		<u>96,608,356</u>	<u>96,890,305</u>	<u>88,186,206</u>	<u>83,275,227</u>
Net asset value per unit		<u>1.4364</u>	<u>1.5011</u>	<u>3.7151</u>	<u>3.0549</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director

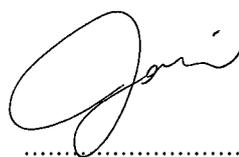

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Director

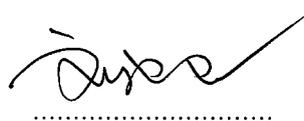
The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	Note	BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	756,497,710	859,882,603	464,685,553	453,273,707
Amounts receivable on sale of financial assets at fair value through profit or loss		706,238	1,796,695	528,902	1,137,236
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on subscription		146,257	66,169	87,579	32,756
Amounts receivable on funds switching		556,038	604,065	68,536	1,243,863
Bank balances	11	1,290,171	1,695,494	160,162	170,521
Total assets		759,196,414	864,045,026	465,530,732	455,858,083
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(878,225)	(1,260,045)	(285,603)	(1,006,993)
Amounts payable on funds switching		(1,014,348)	(1,692,418)	(232,277)	(274,067)
Accruals and other payables		(888,908)	(709,371)	(595,320)	(429,216)
Total liabilities		(2,781,481)	(3,661,834)	(1,113,200)	(1,710,276)
Net assets attributable to members		756,414,933	860,383,192	464,417,532	454,147,807
Units in issue		172,169,188	164,342,491	106,802,227	106,052,094
Net asset value per unit		4.3934	5.2353	4.3484	4.2823

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director

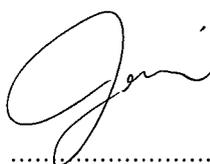

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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

**BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021**

	Note	BCT (Industry) Flexi Mixed Asset Fund		BCT (Industry) RMB Bond Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	178,679,859	172,285,200	138,487,769	121,672,998
Amounts receivable on sale of financial assets at fair value through profit or loss		265,161	398,452	292,695	114,279
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on subscription		30,428	45,560	36,244	3,724
Amounts receivable on funds switching		35,665	540,263	41,959	258,053
Bank balances	11	78,153	40,983	67,650	107,390
Total assets		179,089,266	173,310,458	138,926,317	122,156,444
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	(962)	(286,409)
Amounts payable on redemption		(147,318)	(401,635)	(270,974)	(130,792)
Amounts payable on funds switching		(110,595)	(73,950)	(126,553)	(7,729)
Accruals and other payables		(247,922)	(195,084)	(135,844)	(127,947)
Total liabilities		(505,835)	(670,669)	(534,333)	(552,877)
Net assets attributable to members		178,583,431	172,639,789	138,391,984	121,603,567
Units in issue		102,406,290	104,283,545	129,604,983	116,423,676
Net asset value per unit		1.7439	1.6555	1.0678	1.0445

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	Note	BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	499,450,000	425,551,027	377,313,894	357,129,911
Amounts receivable on sale of financial assets at fair value through profit or loss		1,954,664	1,785,505	1,361,353	1,335,686
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on subscription		103,190	48,343	53,048	16,484
Amounts receivable on funds switching		1,272,559	1,454,560	1,788,543	1,738,689
Bank balances	11	653,945	578,430	506,761	481,589
Total assets		503,434,358	429,417,865	381,023,599	360,702,359
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on redemption		(648,994)	(611,078)	(515,373)	(163,108)
Amounts payable on funds switching		(1,812,274)	(1,513,102)	(1,219,615)	(1,450,960)
Accruals and other payables		(499,528)	(291,615)	(385,769)	(305,631)
Total liabilities		(2,960,796)	(2,415,795)	(2,120,757)	(1,919,699)
Net assets attributable to members		500,473,562	427,002,070	378,902,842	358,782,660
Units in issue		346,187,335	324,750,540	311,243,287	296,614,448
Net asset value per unit		1.4457	1.3149	1.2174	1.2096

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> (HK\$)	Total <u>2020</u> (HK\$)
Assets			
Current assets			
Financial assets at fair value through profit or loss	8, 11	6,004,312,944	6,124,935,763
Amounts receivable on sale of financial assets at fair value through profit or loss		8,569,292	11,152,435
Interest receivable from fixed deposits	11	503,621	908,033
Amounts receivable on subscription		1,030,800	348,762
Amounts receivable on funds switching		6,166,957	8,610,401
Bank balances	11	64,423,199	28,234,919
Total assets		<u>6,085,006,813</u>	<u>6,174,190,313</u>
Liabilities			
Current liabilities			
Derivative financial instruments	12	(962)	(286,409)
Amounts payable on redemption		(9,009,172)	(13,192,528)
Amounts payable on funds switching		(6,166,957)	(8,610,400)
Accruals and other payables		(7,358,783)	(7,856,180)
Total liabilities		<u>(22,535,874)</u>	<u>(29,945,517)</u>
Net assets attributable to members		<u>6,062,470,939</u>	<u>6,144,244,796</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


.....
Director

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund		BCT (Industry) E50 Mixed Asset Fund	
		2021	2020	2021	2020	2021	2020
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Bank interest	11	63,268	155,956	170	441	133	330
Interest income from fixed deposits	11	3,516,031	17,274,343	-	-	-	-
Other income	11	-	-	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		1,625,544	8,008,805	26,438,725	20,101,746	24,810,212	20,434,733
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(839,490)	(2,301,205)	(34,879,680)	44,243,738	(26,227,754)	30,527,019
Total investment income/(loss)		4,365,353	23,137,899	(8,440,785)	64,345,925	(1,417,409)	50,962,082
Expenses							
Investment management fees	4(a)	(701,820)	(2,793,977)	(2,812,101)	(2,763,530)	(2,277,099)	(2,124,895)
Trustee, administration and custodian fees	4(b)	(2,035,278)	(8,102,533)	(5,499,219)	(5,404,237)	(4,452,994)	(4,155,350)
Sponsor fees	4(b)	(350,910)	(1,396,988)	(624,911)	(614,118)	(506,022)	(472,199)
Safe custody and bank charges		(54,759)	(65,080)	(5,202)	(5,324)	(4,906)	(4,934)
Legal and other professional fees		(4,842)	(42,747)	(2,101)	(18,144)	(1,665)	(13,975)
Auditor's remuneration		(174,008)	(176,257)	(74,003)	(73,645)	(59,883)	(56,726)
Professional indemnity insurance		(13,760)	(11,156)	(5,834)	(4,658)	(4,726)	(3,582)
Miscellaneous expenses		(1,015,264)	(1,005,374)	(426,441)	(411,210)	(373,043)	(310,363)
Total operating expenses		(4,350,641)	(13,594,112)	(9,449,812)	(9,294,866)	(7,680,338)	(7,142,024)
Total comprehensive income		14,712	9,543,787	(17,890,597)	55,051,059	(9,097,747)	43,820,058

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	BCT (Industry) E70 Mixed Asset Fund		BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
		2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Investment income							
Bank interest	11	230	424	181	429	311	638
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	354,338	339,645	719,043	519,206
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		42,193,290	29,360,567	490,579	339,743	13,853,394	4,478,191
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(37,158,218)	39,471,269	(5,842,298)	1,949,386	43,664,071	19,110,089
Total investment income/(loss)		5,035,302	68,832,260	(4,997,200)	2,629,203	58,236,819	24,108,124
Expenses							
Investment management fees	4(a)	(3,141,535)	(2,834,765)	-	-	-	-
Trustee, administration and custodian fees	4(b)	(6,143,446)	(5,543,539)	(962,994)	(932,595)	(2,003,002)	(1,432,688)
Sponsor fees	4(b)	(698,119)	(629,948)	(141,617)	(137,146)	(294,559)	(210,690)
Safe custody and bank charges		(5,367)	(5,355)	(5,668)	(5,680)	(6,007)	(5,871)
Legal and other professional fees		(2,269)	(18,744)	(472)	(3,975)	(826)	(6,218)
Auditor's remuneration		(82,596)	(75,745)	(16,757)	(16,518)	(34,618)	(25,568)
Professional indemnity insurance		(6,517)	(4,778)	(1,325)	(1,041)	(2,767)	(1,599)
Miscellaneous expenses		(514,011)	(405,663)	(101,644)	(98,002)	(201,142)	(135,045)
Total operating expenses		(10,593,860)	(9,518,537)	(1,230,477)	(1,194,957)	(2,542,921)	(1,817,679)
Total comprehensive income		(5,558,558)	59,313,723	(6,227,677)	1,434,246	55,693,898	22,290,445

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund		BCT (Industry) Flexi Mixed Asset Fund	
		2021	2020	2021	2020	2021	2020
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Bank interest	11	2,184	4,456	266	409	57	166
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	60,150	59,660	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		55,450,542	32,585,595	29,353,197	12,054,536	5,238,998	2,885,932
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(188,691,765)	103,300,369	(17,913,876)	78,807,924	5,835,054	11,271,047
Total investment income/(loss)		(133,178,889)	135,950,080	11,439,587	90,862,869	11,074,109	14,157,145
Expenses							
Investment management fees	4(a)	-	-	-	-	-	-
Trustee, administration and custodian fees	4(b)	(5,005,292)	(4,261,735)	(3,702,157)	(2,770,743)	(1,595,322)	(1,447,304)
Sponsor fees	4(b)	(855,606)	(728,502)	(477,698)	(357,515)	(177,258)	(160,812)
Safe custody and bank charges		(9,866)	(9,708)	(8,934)	(8,723)	(8,220)	(8,224)
Legal and other professional fees		(2,794)	(20,258)	(1,475)	(10,038)	(561)	(4,696)
Auditor's remuneration		(101,484)	(88,290)	(56,425)	(43,642)	(20,932)	(19,341)
Professional indemnity insurance		(7,974)	(5,527)	(4,463)	(2,714)	(1,659)	(1,220)
Miscellaneous expenses		(569,286)	(477,161)	(316,418)	(221,044)	(122,206)	(113,244)
Total operating expenses		(6,552,302)	(5,591,181)	(4,567,570)	(3,414,419)	(1,926,158)	(1,754,841)
Total comprehensive income		(139,731,191)	130,358,899	6,872,017	87,448,450	9,147,951	12,402,304

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	BCT (Industry) RMB Bond Fund		BCT(Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
		2021	2020	2021	2020	2021	2020
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Bank interest	11	93	177	513	1,178	418	1,127
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		813,002	(1,802,378)	20,821,587	7,047,134	9,763,513	7,779,702
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		3,499,215	9,846,651	26,040,867	42,407,426	(4,967,676)	25,424,573
Total investment income/(loss)		4,312,310	8,044,450	46,862,967	49,455,738	4,796,255	33,205,402
Expenses							
Investment management fees	4(a)	(590,671)	(484,610)	-	-	-	-
Trustee, administration and custodian fees	4(b)	(689,116)	(565,379)	(2,753,605)	(2,109,058)	(2,148,519)	(1,960,446)
Sponsor fees	4(b)	(131,260)	(107,691)	-	-	-	-
Safe custody and bank charges		(4,069)	(4,098)	(4,784)	(4,599)	(4,554)	(4,552)
Legal and other professional fees		(1,070)	(2,997)	(1,386)	(9,854)	(1,165)	(9,500)
Auditor's remuneration		-	-	(54,301)	-	(42,418)	-
Professional indemnity insurance		(1,232)	(818)	(4,404)	(2,728)	(3,434)	(2,536)
Miscellaneous expenses		(46,517)	(29,833)	(316,199)	(163,756)	(263,458)	(169,750)
Total operating expenses		(1,463,935)	(1,195,426)	(3,134,679)	(2,289,995)	(2,463,548)	(2,146,784)
Total comprehensive income		2,848,375	6,849,024	43,728,288	47,165,743	2,332,707	31,058,618

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Total 2021 (HK\$)	2020 (HK\$)
Investment income			
Bank interest	11	67,824	165,731
Interest income from fixed deposits	11	3,516,031	17,274,343
Other income	11	1,133,531	918,511
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		230,852,583	143,274,306
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(237,481,550)	404,058,286
Total investment income/(loss)		(1,911,581)	565,691,177
Expenses			
Investment management fees	4(a)	(9,523,226)	(11,001,777)
Trustee, administration and custodian fees	4(b)	(36,990,944)	(38,685,607)
Sponsor fees	4(b)	(4,257,960)	(4,815,609)
Safe custody and bank charges		(122,336)	(132,148)
Legal and other professional fees		(20,626)	(161,146)
Auditor's remuneration		(717,425)	(575,732)
Professional indemnity insurance		(58,095)	(42,357)
Miscellaneous expenses		(4,265,629)	(3,540,445)
Total operating expenses		(55,956,241)	(58,954,821)
Total comprehensive income		(57,867,822)	506,736,356

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	BCT (Industry) MPF Conservative Fund		BCT (Industry) E30 Mixed Asset Fund		BCT (Industry) E50 Mixed Asset Fund	
	2021	2020	2021	2020	2021	2020
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	1,491,348,993	1,442,594,939	647,038,723	624,614,091	512,713,690	487,827,268
Proceeds on units issued	301,918,757	339,066,403	32,681,469	31,652,861	28,851,270	28,553,155
Payments on units redeemed	(349,191,948)	(299,856,136)	(72,609,581)	(64,279,288)	(50,043,987)	(47,486,791)
	(47,273,191)	39,210,267	(39,928,112)	(32,626,427)	(21,192,717)	(18,933,636)
Total comprehensive income	14,712	9,543,787	(17,890,597)	55,051,059	(9,097,747)	43,820,058
Balance at the end of the year	1,444,090,514	1,491,348,993	589,220,014	647,038,723	482,423,226	512,713,690
Units outstanding at the beginning of the year	1,308,122,273	1,273,678,316	294,666,660	310,837,477	217,244,323	226,304,683
Units issued	264,817,786	297,877,127	14,942,658	15,659,250	12,094,210	13,363,914
Units redeemed	(306,281,995)	(263,433,170)	(33,258,290)	(31,830,067)	(20,980,464)	(22,424,274)
Units outstanding at the end of the year	1,266,658,064	1,308,122,273	276,351,028	294,666,660	208,358,069	217,244,323

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	BCT (Industry) E70 Mixed Asset Fund		BCT (Industry) Global Bond Fund		BCT (Industry) Global Equity Fund	
	2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Balance at the beginning of the year	698,742,449	663,106,361	145,443,578	132,944,585	254,398,278	222,087,552
Proceeds on units issued	48,717,218	39,880,957	32,543,812	38,058,999	62,223,904	57,556,276
Payments on units redeemed	(78,735,554)	(63,558,592)	(32,993,232)	(26,994,252)	(44,695,215)	(47,535,995)
	(30,018,336)	(23,677,635)	(449,420)	11,064,747	17,528,689	10,020,281
Total comprehensive income	(5,558,558)	59,313,723	(6,227,677)	1,434,246	55,693,898	22,290,445
Balance at the end of the year	<u>663,165,555</u>	<u>698,742,449</u>	<u>138,766,481</u>	<u>145,443,578</u>	<u>327,620,865</u>	<u>254,398,278</u>
Units outstanding at the beginning of the year	283,818,318	294,777,364	96,890,305	89,429,957	83,275,227	79,107,805
Units issued	19,288,320	18,456,542	22,077,367	25,777,151	17,930,820	22,940,225
Units redeemed	(31,159,423)	(29,415,588)	(22,359,316)	(18,316,803)	(13,019,841)	(18,772,803)
Units outstanding at the end of the year	<u>271,947,215</u>	<u>283,818,318</u>	<u>96,608,356</u>	<u>96,890,305</u>	<u>88,186,206</u>	<u>83,275,227</u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	BCT (Industry) Hong Kong Equity Fund		BCT (Industry) Asian Equity Fund		BCT (Industry) Flexi Mixed Asset Fund	
	2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)	2021 (HK\$)	2020 (HK\$)
Balance at the beginning of the year	860,383,192	714,127,863	454,147,807	356,230,484	172,639,789	161,180,804
Proceeds on units issued	247,628,577	208,071,966	77,156,732	60,694,864	20,673,246	21,549,621
Payments on units redeemed	(211,865,645)	(192,175,536)	(73,759,024)	(50,225,991)	(23,877,555)	(22,492,940)
	35,762,932	15,896,430	3,397,708	10,468,873	(3,204,309)	(943,319)
Total comprehensive income	(139,731,191)	130,358,899	6,872,017	87,448,450	9,147,951	12,402,304
Balance at the end of the year	<u>756,414,933</u>	<u>860,383,192</u>	<u>464,417,532</u>	<u>454,147,807</u>	<u>178,583,431</u>	<u>172,639,789</u>
Units outstanding at the beginning of the year	164,342,491	160,048,708	106,052,094	103,303,582	104,283,545	105,053,661
Units issued	48,017,179	48,086,643	17,082,023	17,676,574	12,031,155	13,935,681
Units redeemed	(40,190,482)	(43,792,860)	(16,331,890)	(14,928,062)	(13,908,410)	(14,705,797)
Units outstanding at the end of the year	<u>172,169,188</u>	<u>164,342,491</u>	<u>106,802,227</u>	<u>106,052,094</u>	<u>102,406,290</u>	<u>104,283,545</u>

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	BCT (Industry) RMB Bond Fund		BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	2021	2020	2021	2020	2021	2020
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	121,603,567	99,574,310	427,002,070	329,140,373	358,782,660	315,125,256
Proceeds on units issued	43,825,867	36,115,618	132,978,852	123,670,930	94,113,810	86,911,053
Payments on units redeemed	(29,885,825)	(20,935,385)	(103,235,648)	(72,974,976)	(76,326,335)	(74,312,267)
	13,940,042	15,180,233	29,743,204	50,695,954	17,787,475	12,598,786
Total comprehensive income	2,848,375	6,849,024	43,728,288	47,165,743	2,332,707	31,058,618
Balance at the end of the year	138,391,984	121,603,567	500,473,562	427,002,070	378,902,842	358,782,660
Units outstanding at the beginning of the year	116,423,676	101,345,702	324,750,540	281,538,298	296,614,448	285,711,410
Units issued	41,497,789	36,047,722	95,566,401	105,015,829	77,651,796	75,606,099
Units redeemed	(28,316,482)	(20,969,748)	(74,129,606)	(61,803,587)	(63,022,957)	(64,703,061)
Units outstanding at the end of the year	129,604,983	116,423,676	346,187,335	324,750,540	311,243,287	296,614,448

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Total 2021 (HK\$)	2020 (HK\$)
Balance at the beginning of the year	6,144,244,796	5,548,553,886
Proceeds on units issued	1,123,313,514	1,071,782,703
Payments on units redeemed	(1,147,219,549)	(982,828,149)
	(23,906,035)	88,954,554
Total comprehensive income	(57,867,822)	506,736,356
Balance at the end of the year	6,062,470,939	6,144,244,796

The notes on pages 78 to 140 are an integral part of the financial statements.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

1. The Plan

BCT (MPF) Industry Choice (the “Plan”) was established on 13 April 2000 and is governed by its Trust Deed dated 12 April 2000. The Trust Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 5 March 2018, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020. The Plan is registered under Section 21A of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance” or “MPFSO”) and is required to comply with the Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority.

The financial information of the Plan comprises (i) the statement of net assets available for benefits as at 31 December 2021, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2021 of the Plan on a standalone basis; and (ii) the statement of net assets as at 31 December 2021, and the statement of comprehensive income and statement of changes in net assets attributable to members for the year ended 31 December 2021 of each of its constituent funds.

The Plan has introduced Default Investment Strategy under the MPFSO in 2017. As at 31 December 2021, the Plan offered twelve constituent funds (2020: twelve), namely, BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgment in the process of applying the Plan's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All references to net assets throughout the financial statements refer to net assets attributable to members unless otherwise stated.

Standards and amendments to existing standards effective for the financial year beginning 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for the financial period beginning on 1 January 2021 that have a material effect on the financial statements of the Plan and its constituent funds.

New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for the financial period beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Plan and its constituent funds.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Plan and its constituent funds are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The financial statements are presented in Hong Kong dollars, which is the functional and presentation currency of the Plan and its constituent funds.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(ii) Transactions and balances (continued)

Foreign exchange gains and losses arising from translations are included in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

Foreign exchange gains and losses relating to bank balances are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on exchange”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments”.

(c) **Financial assets at fair value through profit or loss**

(i) Classification

The Plan and its constituent funds classify their investments based on both the Plan's and its constituent funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Plan and its constituent funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Plan and its constituent funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Plan's and its constituent funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's and its constituent funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Plan's and its constituent funds' policy requires the investment managers and the Trustee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(ii) Recognition/derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Plan and its constituent funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Plan and its constituent funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and statement of comprehensive income for the constituent funds within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Debt securities are fair valued based on quoted market price inclusive of accrued interest. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments” and “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments”.

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

The Plan and its constituent funds utilise the last traded price for both financial assets and financial liabilities where the last traded price falls within the bid-offer spread. In circumstances where the last traded price is not within the bid-offer spread, investment managers of the constituent funds will determine the point within the bid-offer spread that is most representative of fair value.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(iii) Fair value estimation (continued)

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Plan and its constituent funds use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in approved pooled investment funds are valued at their respective closing net asset value per unit as provided by their respective fund administrators.

(iv) Transfer between levels

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(d) Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts. Derivatives are recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value.

Outstanding forward foreign exchange contracts are fair valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contract. Unrealised gains or losses on outstanding contracts and realised gains and losses on closed contracts are recognised as “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments” respectively in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits for the Plan and its constituent funds and statement of net assets for the constituent funds when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Income and expenses

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Other income and expenses accounted for on an accrual basis.

(g) Subscription and redemption of units

The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the constituent funds.

(h) Cash and cash equivalents

Cash comprises bank balances. Cash equivalents comprise fixed deposits which were within three months of maturity at the time of placement, and short term, highly liquid investments which are readily converted into known amounts of cash without notice and which were within three months of maturity when acquired.

(i) Amounts receivable on sale/payable on purchase of financial assets at fair value through profit or loss

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Plan and its constituent funds shall measure the loss allowance on amounts due from counterparties at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Plan and its constituent funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A significant increase in credit risk is defined by the Trustee as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Amounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

Accounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss are classified as current assets or liabilities if the collection of receivable or payment is due within one year or less. If not, they are presented as non-current assets or liabilities.

(j) Contributions and benefits

Contributions and benefits are accounted for on an accrual basis.

The amounts received not yet recognised as contributions recognised in the statement of net assets available for benefits represent the receipts of contributions from the employers and employees of which the enrolment process for the employees has not been completed.

(k) Transfers in and transfers out

Transfers in amounts are accounted for when the right to receive payment is established.

Transfers out amounts are accounted for when the obligation to make payment is established.

(l) Forfeitures

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Plan may be applied in reducing the future contributions of the employer, or in such other manner as the Trustee may determine, having consulted the employers (including payment to the employers). Forfeitures arising from such cases which have not been designated for the benefit of existing members and which have not been returned to the employers would be treated as liabilities of the Plan.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(m) Redeemable units

The constituent funds issue redeemable units, which are redeemable at the members' option represents puttable financial instruments of the constituent funds. The puttable financial instruments are classified as equity in accordance with HKAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- (i) The puttable instruments entitle the holder to a pro-rata share of net assets
- (ii) The puttable instruments are the most subordinated unit in issue and unit features are identical
- (iii) There are no contractual obligations to deliver cash or another financial assets
- (iv) The total expected cash flows from the puttable instrument over its life are based substantially on the profit or loss of these constituent funds.

The BCT (Industry) MPF Conservative Fund, BCT (Industry) E30 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) Global Bond Fund, BCT (Industry) Global Equity Fund, BCT (Industry) Hong Kong Equity Fund, BCT (Industry) Asian Equity Fund, BCT (Industry) Flexi Mixed Asset Fund, BCT (Industry) RMB Bond Fund, BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund issue one class of redeemable units, which are redeemable at the member's option and are classified as equity.

Redeemable units can be put back to the constituent funds at any time for cash equal to a proportionate share of each constituent fund's net asset value attributable to members in accordance with the Trust Deed and MPF scheme brochure.

Redeemable units are issued or redeemed at the members' option at prices based on the respective constituent funds' net asset value per unit as at the close of business on the relevant dealing day. The net asset value per unit of the respective constituent funds is calculated by dividing the net assets attributable to members with the total number of outstanding units of the respective constituent funds.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Plan and its constituent funds consider all of their investments in Approved Pooled Investment Funds (“APIFs”) to be investments in unconsolidated structured entities. The Plan and its constituent funds invest in APIFs whose objectives are specified in Note 7. The APIFs are managed by unrelated investment managers and apply various investment strategies to accomplish their respective investment objectives. The APIFs finance their operations by issuing redeemable units which are puttable at the holder’s option and entitle the holder to a proportional stake in the respective fund’s net assets. The Plan and its constituent funds hold redeemable units in each of its APIFs.

The change in fair value of each APIF is recognised as “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

3. Critical accounting estimates and assumptions

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of unlisted / quoted investments

The Plan and its constituent funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Trustee exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the investments could actually be traded as of 31 December 2021 and 2020. Actual transacted prices may differ from the quotes provided by the brokers. The Trustee considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

4. Fees

(a) Investment management fees

The investment manager, Invesco Hong Kong Limited, is entitled to receive a fee calculated on the daily net asset value of the respective constituent funds other than the Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, Core Accumulation Fund and Age 65 Plus Fund (collectively, the “other constituent funds”) at an annual rate between 0.2% and 0.45% (2020: between 0.2% and 0.45%).

The investment management fees for other constituent funds, managed by Franklin Templeton Investments (Asia) Limited, FIL Investment Management (Hong Kong) Limited, Schroder Investment Management (Hong Kong) Limited, Allianz Global Investors Asia Pacific Limited and Invesco Hong Kong Limited, are charged at their respective underlying approved pooled investment funds.

BCT (MPF) INDUSTRY CHOICE
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The investment management fees payable as at year end were as follows:

	2021 HK\$	2020 HK\$
BCT (Industry) MPF Conservative Fund	48,665	325,238
BCT (Industry) E30 Mixed Asset Fund	225,401	244,083
BCT (Industry) E50 Mixed Asset Fund	183,854	192,384
BCT (Industry) E70 Mixed Asset Fund	251,980	261,406
BCT (Industry) Global Bond Fund	-	-
BCT (Industry) Global Equity Fund	-	-
BCT (Industry) Hong Kong Equity Fund	-	-
BCT (Industry) Asian Equity Fund	-	-
BCT (Industry) Flexi Mixed Asset Fund	-	-
BCT (Industry) RMB Bond Fund	52,761	45,984
BCT (Industry) Core Accumulation Fund	-	-
BCT (Industry) Age 65 Plus Fund	-	-

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(b) Trustee, administration, custodian and sponsor fees

The Trustee, Administrator and Custodian is entitled to receive a fee calculated between 0.525% to 0.90% (2020: 0.525% to 0.90%) per annum of the daily net asset value of the respective constituent funds.

The Sponsor is entitled to receive a fee calculated at 0.10% (2020: 0.10%) per annum of the daily net asset value of the respective constituent funds except for Core Accumulation Fund and Age 65 Plus Fund which no sponsor fees are charged to the funds.

The fees payable as at year end were as follows:

	Sponsor fees payable HK\$	2021 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$	Sponsor fees payable HK\$	2020 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$
BCT (Industry) MPF Conservative Fund	24,332	141,128	165,460	162,618	943,189	1,105,807
BCT (Industry) E30 Mixed Asset Fund	50,090	440,784	490,874	54,241	477,318	531,559
BCT (Industry) E50 Mixed Asset Fund	40,856	359,537	400,393	42,751	376,217	418,968
BCT (Industry) E70 Mixed Asset Fund	55,996	492,761	548,757	58,091	511,194	569,285
BCT (Industry) Global Bond Fund	11,821	80,380	92,201	12,243	83,256	95,499
BCT (Industry) Global Equity Fund	27,226	185,138	212,364	20,957	142,502	163,459
BCT (Industry) Hong Kong Equity Fund	64,604	377,931	442,535	69,285	405,320	474,605

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	Sponsor fees payable HK\$	2021 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$	Sponsor fees payable HK\$	2020 Trustee, Administration and Custodian fees payable HK\$	Total fees payable HK\$
BCT (Industry) Asian Equity Fund	39,110	303,107	342,217	36,877	285,793	322,670
BCT (Industry) Flexi Mixed Asset Fund	15,088	135,792	150,880	14,474	130,273	144,747
BCT (Industry) RMB Bond Fund	11,725	61,554	73,279	10,219	53,648	63,867
BCT (Industry) Core Accumulation Fund	-	246,643	246,643	-	176,605	176,605
BCT (Industry) Age 65 Plus Fund	-	188,465	188,465	-	208,988	208,988

5. Contributions received and receivable

Mandatory contributions for both non-casual employees and their employers are calculated at 5% of the non-casual employees' relevant income up to HK\$30,000 per month (2020: HK\$30,000 per month) but in respect of non-casual employees earning less than HK\$7,100 per month (2020: HK\$7,100 per month), the employees' mandatory contribution is nil.

Casual employees and their employers are required to contribute to the Plan in accordance with the Schedule to the Hong Kong Mandatory Provident Fund Schemes (Contributions for Casual Employees) Order.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month (2020: HK\$1,500 per month) to the Plan unless their relevant income is less than HK\$7,100 per month (2020: HK\$7,100 per month).

Any contributions made to the Plan by the employers or members in excess of their mandatory contributions are additional voluntary contributions (including tax deductible voluntary contributions).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

6. Benefits paid and payable

Members will become entitled to benefits in respect of mandatory contributions and tax deductible voluntary contribution to the Plan in the circumstances set out in the Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment after reaching the age of 60; (iii) become totally incapacitated; (iv) permanently depart from Hong Kong; (v) die; (vi) get terminal illness; or (vii) have the right to claim a small balance pursuant to the Ordinance.

Employers are permitted to offset the long service payment with the accrued benefits derived from the employer's contributions. However, the amount offset from the member's account in the Plan cannot exceed the amount of the long service payment payable to the member.

Members will become entitled to benefits in respect of additional voluntary contributions to the Plan in circumstances set out in the Trust Deed and the relevant participation agreement.

The following table shows the reconciliation of movement in benefits and forfeitures payable for the year ended 31 December 2021 and 2020:

	2021	2020
	HK\$	HK\$
Beginning balance as at 1 January	40,834,935	23,518,552
Charged to statement of changes in net asset available for benefits	603,756,593	460,047,840
Cash outflow	(607,873,179)	(442,731,457)
Ending balance as at 31 December	<u>36,718,349</u>	<u>40,834,935</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

7. Financial risk management

I. Financial risk factors

The activities of the Plan and its constituent funds expose them to a variety of financial risks: market risk (including price risk, interest rate risk, and currency risk), credit risk and liquidity risk. The constituent funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the constituent funds' financial performance. The investment objectives of the constituent funds are as follows:

MPF Conservative Fund is to provide members with a rate of return which matches or exceeds the Hong Kong dollar savings rate. It invests in Hong Kong dollar denominated bank deposits and short term debt securities. The remaining constituent funds invest in APIFs. The investments in APIFs are to accomplish the respective investment objectives of the constituent funds.

E30 Mixed Asset Fund is to provide members with capital growth over long term by investing indirectly in fixed income securities and maintaining a limited exposure to global equities. E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over long term. It indirectly invests in bank deposits, global bonds and global equities. E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversification and indirectly invests in global equities with higher rates of returns. The fund is subject to higher level of volatility of equity markets in short to medium term.

Global Bond Fund is to provide members with total investment return over the medium to longer term by indirectly investing primarily into fixed income securities issued by governments and governmental agencies globally.

Global Equity Fund is to provide members with capital growth over the medium to longer term by indirectly investing primarily in securities of companies listed on the global stock markets.

Hong Kong Equity Fund is to provide members with long term capital appreciation by indirectly investing in equity market of Hong Kong.

Asia Equity Fund is to provide members with long term capital growth by indirectly investing primarily in securities of companies in Asian equity markets (excluding Japan).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund is to provide members with long term capital preservation not related to an index by indirectly investing primarily in diversified portfolio of global equities and fixed interest securities.

Prior to 2 July 2021, RMB Bond Fund aims to provide members with steady growth over the long term by indirectly investing primarily in RMB denominated debt instruments and money market instruments issued or distributed outside the mainland China.

With effect from 2 July 2021, RMB Bond Fund is to provide members with steady growth over the long term by indirectly investing primarily in RMB denominated debt instruments and money market instruments issued or distributed outside and within the mainland China, with a primary focus on RMB denominated bonds issued in Hong Kong.

Core Accumulation Fund and Age 65 Plus Fund are to provide members with capital growth and stable growth respectively by investing in a globally diversified manner.

The investments in APIFs are subject to the terms and conditions of the respective APIF's offering documents and are susceptible to market price risk arising from uncertainties about future values of those APIFs. The investment managers make investment decisions after extensive due diligence of the underlying APIFs and their strategy. All of the APIFs in the investment portfolio are managed by portfolio managers who are compensated by the respective APIFs or constituent funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the constituent funds' investment in each of the APIFs or valuation of the constituent funds.

The right of the Plan and its constituent funds to request redemption of their investments in APIFs is on a daily basis.

The exposure to investments in APIFs at fair value is disclosed in Note 7I(a)(i). These investments are included in financial assets at fair value through profit or loss in the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(a) Market risk

Refer to Note 8 for the overall market exposures of the constituent funds.

(i) Price risk

The MPF Conservative Fund only invests in debt securities, certificates of deposit and fixed deposits with original maturity terms of not exceeding 12 months and the average portfolio remaining maturity period of not more than 90 days. The investment manager of the fund considers that the fund has no significant exposure to market price fluctuations due to short term in nature of the investments and therefore the price sensitivity analysis is not necessary. The fund is exposed to the interest rate risk and refers to Note 7I(a)(ii).

Other constituent funds of the Plan are subject to market price risk arising from uncertainties about future prices of the investments. All investments present a risk of loss of capital. The constituent funds' market price risk is managed through a careful selection of securities and diversification of the underlying investment portfolio of the APIFs held.

The overall market exposures for the constituent funds were as follows:

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E30 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Fund (Class B)	590,023	100.14	Willis Towers Watson MPF Benchmark (Equity 20% - 40%)	5%	32,168
Total investments	590,023	100.14			32,168

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Global Stable Fund (Class B)	648,206	100.18	Willis Towers Watson MPF Benchmark (Equity 20% - 40%)	5%	34,730
Total investments	648,206	100.18			34,730

E30 Mixed Asset Fund invests in Invesco Pooled Investment Fund – Global Stable Fund (Class B) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	33%	32%
Bonds	64%	65%
Cash and other net assets	3%	3%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	23%	24%
Japan	10%	11%
Asia Pacific ex Japan ex Hong Kong	13%	15%
North America	26%	25%
Europe	24%	20%
Other	1%	2%
Total investments	97%	97%
Cash and other net assets	3%	3%
Net assets attributable to unitholders	100%	100%

The net asset value of the underlying APIF as at 31 December 2021 is HK\$1,257 million (2020: HK\$1,374 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Stable Growth Fund (Class B)	483,193	100.16	Willis Towers Watson MPF Benchmark (Equity 40% - 60%)	5%	25,660
Total investments	<u>483,193</u>	<u>100.16</u>			<u>25,660</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Global Stable Growth Fund (Class B)	513,792	100.21	Willis Towers Watson MPF Benchmark (Equity 40% - 60%)	5%	27,306
Total investments	<u>513,792</u>	<u>100.21</u>			<u>27,306</u>

E50 Mixed Asset Fund invests in Invesco Pooled Investment Fund – Global Stable Growth Fund (Class B) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	56%	52%
Bonds	42%	45%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	24%	26%
Japan	11%	11%
Asia Pacific ex Japan ex Hong Kong	14%	14%
North America	26%	25%
Europe	23%	20%
Other	-	1%
Total investments	<u>98%</u>	<u>97%</u>
Cash and other net assets	2%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$612 million (2020: HK\$643 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E70 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u>					
(HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Global Balanced Fund (Class B)	664,166	100.15	Willis Towers Watson MPF Benchmark (Equity 60% - 80%)	5%	35,040
Total investments	664,166	100.15			35,040

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Global Balanced Fund (Class B)	700,408	100.24	Willis Towers Watson MPF Benchmark (Equity 60% - 80%)	5%	36,702
Total investments	700,408	100.24			36,702

E70 Mixed Asset Fund invests in Invesco Pooled Investment Fund – Global Balanced Fund (Class B) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	78%	73%
Bonds	20%	25%
Cash and other net assets	2%	2%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	25%	29%
Japan	11%	11%
Asia Pacific ex Japan ex Hong Kong	15%	14%
North America	25%	24%
Europe	22%	19%
Other	-	1%
Total investments	98%	98%
Cash and other net assets	2%	2%
Net assets attributable to unitholders	100%	100%

The net asset value of the underlying APIF as at 31 December 2021 is HK\$700 million (2020: HK\$700 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Templeton MPF Global Bond Fund (Class A)	138,721	99.97	Custom 65% FTSE World Government Bond Index + 35% HSBC HK Govt Bond Index	5%	2,718
Total investments	<u>138,721</u>	<u>99.97</u>			<u>2,718</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Templeton MPF Global Bond Fund (Class A)	144,601	99.42	Custom 65% FTSE World Government Bond Index + 35% HSBC HK Govt Bond Index	5%	2,877
Total investments	<u>144,601</u>	<u>99.42</u>			<u>2,877</u>

Global Bond Fund invests in Templeton MPF Global Bond Fund (Class A) (the "underlying APIF").
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Bonds	95%	86%
Cash and other net assets	5%	14%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	28%	21%
Japan	9%	8%
Asia Pacific ex Japan ex Hong Kong	3%	20%
North America	30%	16%
Europe	24%	17%
Other	1%	4%
Total investments	<u>95%</u>	<u>86%</u>
Cash and other net assets	5%	14%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$277 million (2020: HK\$286 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Templeton MPF Global Equity Fund (Class A)	326,752	99.73	FTSE MPF All World Hedged TR	5%	17,416
Total investments	<u>326,752</u>	<u>99.73</u>			<u>17,416</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Templeton MPF Global Equity Fund (Class A)	254,199	99.92	FTSE MPF All World Hedged TR	5%	13,435
Total investments	<u>254,199</u>	<u>99.92</u>			<u>13,435</u>

Global Equity Fund invests in Templeton MPF Global Equity Fund (Class A) (the “underlying APIF”). The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	96%	97%
Cash and other net assets	4%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	1%	2%
Japan	5%	22%
Asia Pacific ex Japan ex Hong Kong	3%	14%
North America	61%	42%
Europe	25%	17%
Other	1%	-
Total investments	<u>96%</u>	<u>97%</u>
Cash and other net assets	4%	3%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$625 million (2020: HK\$479 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	756,498	100.01	FTSE MPF Hong Kong TR	5%	36,912
Total investments	<u>756,498</u>	<u>100.01</u>			<u>36,912</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	859,883	99.94	FTSE MPF Hong Kong TR	5%	42,446
Total investments	<u>859,883</u>	<u>99.94</u>			<u>42,446</u>

Hong Kong Equity Fund invests in Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	98%	99%
Cash and other net assets	2%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	85%	87%
China	9%	7%
Other	4%	5%
Total investments	<u>98%</u>	<u>99%</u>
Cash and other net assets	2%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$32,924 million (2020: HK\$34,759 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Asian Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Schroder MPF Asian Fund (Class A)	464,686	100.06	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR	5%	21,832
Total investments	<u>464,686</u>	<u>100.06</u>			<u>21,832</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Schroder MPF Asian Fund (Class A)	453,274	99.81	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR	5%	21,698
Total investments	<u>453,274</u>	<u>99.81</u>			<u>21,698</u>

Asian Equity Fund invests in Schroder MPF Asian Fund (Class A) (the "underlying APIF").
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	97%	98%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	37%	46%
Asia Pacific ex Japan ex Hong Kong	60%	52%
Total investments	<u>97%</u>	<u>98%</u>
Cash and other net assets	3%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$1,239 million (2020: HK\$1,224 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund

<u>As at 31 December 2021</u> (HK\$'000)	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
Approved Pooled Investment Funds					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A)	178,680	100.05	FTSE All World	5%	8,934
Total investments	<u>178,680</u>	<u>100.05</u>			<u>8,934</u>
<u>As at 31 December 2020</u> (HK\$'000)					
Approved Pooled Investment Funds					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A)	172,285	99.79	FTSE All World	5%	8,614
Total investments	<u>172,285</u>	<u>99.79</u>			<u>8,614</u>

Flexi Mixed Asset Fund invests in Allianz Choice Flexi Balanced Fund (Class A) (the “underlying APIF”).
The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	21%	27%
Bonds	73%	66%
Cash and other net assets	6%	7%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	9%	10%
Japan	3%	2%
Asia Pacific ex Japan ex Hong Kong	5%	4%
North America	64%	63%
Europe	6%	7%
Other	7%	7%
Total investments	<u>94%</u>	<u>93%</u>
Cash and other net assets	<u>6%</u>	<u>7%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$2,420 million (2020: HK\$2,407 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

RMB Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	138,488	100.07	Markit iBoxx ALBI China Offshore Non-Gov't	5%	6,173
Total investments	<u>138,488</u>	<u>100.07</u>			<u>6,173</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	121,673	100.06	Markit iBoxx ALBI China Offshore Non-Gov't	5%	5,310
Total investments	<u>121,673</u>	<u>100.06</u>			<u>5,310</u>

RMB Bond Fund invests in Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB) (the “underlying APIF”). The overall market exposures for this underlying APIF were as follows:

	% of net assets of underlying APIF	
	2021	2020
Bonds	99%	99%
Cash and other net assets	1%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	% of net assets of underlying APIF	
	2021	2020
China	99%	99%
Total investments	99%	99%
Cash and other net assets	1%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$1,348 million (2020: HK\$1,243 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Core Accumulation Fund (Class A)	499,450	99.80	60% FTSE MPF All-World Index (Unhedged Total Return) + 37% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	24,676
Total investments	<u>499,450</u>	<u>99.80</u>			<u>24,676</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Core Accumulation Fund (Class A)	425,551	99.66	60% FTSE MPF All-World Index (Unhedged Total Return) + 37% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	21,017
Total investments	<u>425,551</u>	<u>99.66</u>			<u>21,017</u>

Core Accumulation Fund invests in Invesco Pooled Investment Fund – Core Accumulation Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The overall market exposures for this underlying APIF were as follows:

	% of net assets of underlying APIF	
	<u>2021</u>	<u>2020</u>
Listed equities	61%	62%
Bonds	36%	37%
Cash and other net assets	3%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	% of net assets of underlying APIF	
	<u>2021</u>	<u>2020</u>
Hong Kong	2%	3%
Japan	6%	6%
Asia Pacific ex Japan ex Hong Kong	8%	7%
North America	55%	52%
Europe	24%	29%
Other	2%	2%
Total investments	<u>97%</u>	<u>99%</u>
Cash and other net assets	<u>3%</u>	<u>1%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$4,422 million (2020: HK\$3,231 million).

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Age 65 Plus Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2021</u> (HK\$'000)					
Approved Pooled Investment Funds					
Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	377,314	99.58	20% FTSE MPF All-World Index (Unhedged Total Return) + 77% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	18,287
Total investments	<u>377,314</u>	<u>99.58</u>			<u>18,287</u>

As at 31 December 2020
(HK\$'000)

Approved Pooled Investment Funds

Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	357,130	99.54	20% FTSE MPF All-World Index (Unhedged Total Return) + 77% FTSE MPF World Government Bond Index (HKD Hedged Total Return) + 3% MPFA Prescribed Savings Rate	5%	17,189
Total investments	<u>357,130</u>	<u>99.54</u>			<u>17,189</u>

Age 65 Plus Fund invests in Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation.

The overall market exposures for this underlying APIF were as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Listed equities	21%	22%
Bonds	76%	76%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2021</u>	<u>2020</u>
Hong Kong	1%	1%
Japan	5%	5%
Asia Pacific ex Japan ex Hong Kong	9%	8%
North America	46%	41%
Europe	33%	40%
Other	3%	3%
Total investments	<u>97%</u>	<u>98%</u>
Cash and other net assets	<u>3%</u>	<u>2%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The net asset value of the underlying APIF as at 31 December 2021 is HK\$1,844 million (2020: HK\$1,603 million).

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Notes

- ¹ Relevant index for the investments represents the relevant market index which has similar investment portfolio composition as the underlying investments.
- ² The analysis is based on the assumption that the relevant index increased/decreased by 5% (2020: 5%), with all other variables held constant and that the fair value of the constituent funds' investments moved according to the historical correlation with the index. The investment managers have used their view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis. Changes in market index % are revised annually depending on investment managers' current view of market volatility and other relevant factors.
- ³ Change in net asset value of the constituent funds is calculated based on the fair value of investments multiplied by the estimated % of reasonable possible change of the relevant index and the historical correlation of the constituent funds' investments with the index. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

The constituent funds' maximum exposure to loss from their interests in APIFs is equal to the total fair value of their investments in the APIFs.

Once the constituent funds have disposed of their units in APIFs, the constituent funds cease to be exposed to any risk from the APIFs.

The constituent funds' investment strategies entail trading on other funds on a regular basis. As at 31 December 2021 and 2020 the constituent funds had no capital commitment obligations and no amounts due to APIFs for unsettled purchases.

The net gain/(loss) incurred on investments in APIFs during the year ended 31 December 2021 and 2020 are stated in the respective constituent funds' statement of comprehensive income.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(ii) Interest rate risk

The constituent funds of the Plan which invested in interest bearing financial assets are subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash of the constituent funds are invested in short-term commercial papers or deposits.

The majority of the financial assets and liabilities of E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund are non-interest bearing. Their interest bearing financial assets comprise bank balances. The investment managers consider these funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. As a result, no sensitivity analysis on interest rate movements is required.

The majority of the financial assets and liabilities of the Plan are non-interest bearing. The only interest bearing financial assets comprise bank balances. Any excess cash and cash equivalents of the Plan are placed with banks and have no significant exposure to interest rate risk. As such, no interest rate risk sensitivity is disclosed.

The table below summarised the exposure to bank balances of E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund as at 31 December 2021 and 2020:

	As at 31 December 2021		As at 31 December 2020	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
E30 Mixed Asset Fund - Bank balances	219,024	0.04	169,763	0.03
E50 Mixed Asset Fund - Bank balances	81,463	0.02	160,545	0.03
E70 Mixed Asset Fund - Bank balances	107,812	0.02	143,859	0.02
Global Bond Fund - Bank balances	181,909	0.13	186,244	0.13
Global Equity Fund - Bank balances	403,813	0.12	320,094	0.13

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

	As at 31 December 2021		As at 31 December 2020	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
Hong Kong Equity Fund				
- Bank balances	1,290,171	0.17	1,695,494	0.20
Asian Equity Fund				
- Bank balances	160,162	0.03	170,521	0.04
Flexi Mixed Asset Fund				
- Bank balances	78,153	0.04	40,983	0.02
RMB Bond Fund				
- Bank balances	67,650	0.05	107,390	0.09
Core Accumulation Fund				
- Bank balances	653,945	0.13	578,430	0.14
Age 65 Plus Fund				
- Bank balances	506,761	0.13	481,589	0.13

The table below summarised the MPF Conservative Fund's exposure to interest rate risk, categorised by remaining maturity period:

MPF Conservative Fund

At 31 December 2021
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	60,672	-	-	-	60,672
Financial assets at fair value through profit or loss	1,287,449	98,893	-	-	1,386,342
Other assets	-	-	-	2,420	2,420
Total assets	1,348,121	98,893	-	2,420	1,449,434
Total liabilities	-	-	-	(5,344)	(5,344)
Total interest sensitivity gap	1,348,121	98,893	-		

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2020
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	24,180	-	-	-	24,180
Financial assets at fair value through profit or loss	1,128,066	345,869	-	-	1,473,935
Other assets	-	-	-	2,693	2,693
Total assets	1,152,246	345,869	-	2,693	1,500,808
Total liabilities	-	-	-	(9,459)	(9,459)
Total interest sensitivity gap	1,152,246	345,869	-		

At 31 December 2021, should interest rates have changed by 1% (2020: 1%) with all other variables remaining constant, the change in net assets attributable to members would be as follows:

	As at 31 December 2021		As at 31 December 2020	
	Estimated % change in interest rate	Change in net assets attributable to members HK\$'000	Estimated % change in interest rate	Change in net assets attributable to members HK\$'000
MPF Conservative Fund	± 1%	14,470	± 1%	14,981

The investment managers monitor the constituent funds' overall interest sensitivity on a daily basis.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(iii) Currency risk

As at 31 December 2021 and 2020, the Plan and all of the constituent funds, except for the RMB Bond Fund, did not have any assets or liabilities denominated in currencies other than their functional currency, Hong Kong dollar. As a result, the Plan and all of the constituent funds, except for RMB Bond Fund, are not subject to significant currency risk.

The table below summarises the RMB Bond Fund's monetary and non-monetary exposures to currency risk and impact on net assets should the currencies have strengthened or weakened by 5% against the Hong Kong dollar, with all other variables remaining constant, as at 31 December 2021 and 2020.

RMB Bond Fund

At 31 December 2021	
Original currencies	
Hong Kong dollar equivalent (HK\$'000)	CNY
Assets	
Monetary assets	-
Non-monetary assets	-
Liabilities	
Monetary liabilities	(1)
Non-monetary liabilities	-
Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar	±5%
Impact on net assets attributable to members	
Monetary	-
Non-monetary	-
	<u><u> </u></u>

At 31 December 2020	
Original currencies	
Hong Kong dollar equivalent (HK\$'000)	CNY
Assets	
Monetary assets	-
Non-monetary assets	-
Liabilities	
Monetary liabilities	(286)
Non-monetary liabilities	-
Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar	±5%
Impact on net assets attributable to members	
Monetary	±14
Non-monetary	-
	<u><u> </u></u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(b) Credit risk

The Plan and its constituent funds are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Plan and its constituent funds are exposed arises from the investments in debt securities. The Plan and its constituent funds are also exposed to counterparty credit risk on trading derivative products, bank balances, amounts receivable on sale of financial assets at fair value through profit or loss, interest receivable, contributions receivable and other receivables.

The MPF Conservative Fund also invests in debt securities, certificates of deposit and fixed deposits and it therefore exposed to credit risk if the issuers default and will not repay the principal amount at maturity and interest as scheduled. Investment transactions are settled upon delivery using approved brokers. The credit risk of default is considered minimal, and the counterparty risk is mitigated as delivery of investments sold is only made to brokers against payment. In a purchase, payment is made when the securities have been received from the broker. The transaction will fail if either party fails to meet their respective obligations.

The credit risk is mitigated as the debt securities held are subject to the requirements of (i) minimum credit rating, and (ii) maximum holding of 10% of net asset value of any single issuer except for those issued or guaranteed by the government and other bodies permitted by the Mandatory Provident Fund Schemes Authority of Hong Kong.

As at 31 December 2021, MPF Conservative Fund's financial assets which were potentially subject to concentrations of credit risk consisted of investments held with the sub-custodian. As at 31 December 2021, the sub-custodian had a credit rating of Aa2 (2020: Aa2).

As at 31 December 2021 and 2020, the Plan and its constituent funds held debt securities, certificates of deposit, fixed deposits and bank balances with the following credit ratings, which are rated by well-known rating agencies and the table below sets out credit rating as a percentage of the respective asset balances of the Plan and each constituent fund respectively.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>The Plan</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	99%	99%
P-2/A-2/F2	1%	1%
	<u>100%</u>	<u>100%</u>

	<u>MPF Conservative Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
P-1/A-1+/F1+	100%	100%
	<u>100%</u>	<u>100%</u>
 <u>Bank Balances and Fixed Deposits</u>		
P-1/A-1+/F1+	64%	57%
P-2/A-2/F2	36%	43%
	<u>100%</u>	<u>100%</u>

	<u>E30 Mixed Asset Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u>100%</u>	<u>100%</u>

	<u>E50 Mixed Asset Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u>100%</u>	<u>100%</u>

BCT (MPF) INDUSTRY CHOICE

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	<u>E70 Mixed Asset Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u> </u>	<u> </u>

	<u>Global Bond Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u> </u>	<u> </u>

	<u>Global Equity Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u> </u>	<u> </u>

	<u>Hong Kong Equity Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u> </u>	<u> </u>

	<u>Asian Equity Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u> </u>	<u> </u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>Flexi Mixed Asset Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>RMB Bond Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Core Accumulation Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Age 65 Plus Fund</u>	
	2021	2020
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

The Plan and its constituent funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Trustee considers both historical analysis and forward looking information in determining any expected credit loss.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021 and 31 December 2020, bank balances were held with counterparties with credit rating of P-2/A-2/F2 or higher and the remaining balance of receivables mainly comprised amounts receivable on sale of financial assets at fair value through profit or loss, interest receivable, amounts receivable on subscription, contributions receivable, amounts receivable on funds switching and other receivables which were due to be settled within of 3-6 months. The Trustee considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Plan and its constituent funds.

(c) Liquidity risk

The constituent funds are exposed to daily cash redemptions of units. The constituent funds therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. All investments in APIFs permit redemptions on a daily basis and with a short settlement period. The investment managers consider the liquidity risk is low.

The table below analyses the Plan's and constituent funds' financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

The Plan

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Derivative financial instruments	-	962	-
Benefits and forfeitures payable	36,718,349	-	-
Amounts received not yet recognised as contributions	23,826,898	-	-
Accruals and other payables	4,713,962	315,915	2,919,055
	<u>65,259,209</u>	<u>316,877</u>	<u>2,919,055</u>
Total financial liabilities	<u>65,259,209</u>	<u>316,877</u>	<u>2,919,055</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Derivative financial instruments	-	286,409	-
Benefits and forfeitures payable	40,834,935	-	-
Amounts received not yet recognised as contributions	12,408,901	-	-
Accruals and other payables	6,209,497	221,215	2,285,076
	<u>59,453,333</u>	<u>507,624</u>	<u>2,285,076</u>
Total financial liabilities	<u>59,453,333</u>	<u>507,624</u>	<u>2,285,076</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

MPF Conservative Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	215,816	73,393	706,320
Amounts payable on redemption	3,592,053	-	-
Amounts payable on funds switching	756,383	-	-
Total financial liabilities	<u>4,564,252</u>	<u>73,393</u>	<u>706,320</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	1,432,218	84,868	660,843
Amounts payable on redemption	5,097,113	-	-
Amounts payable on funds switching	2,183,875	-	-
Total financial liabilities	<u>8,713,206</u>	<u>84,868</u>	<u>660,843</u>

E30 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	716,966	29,764	299,185
Amounts payable on redemption	811,928	-	-
Amounts payable on funds switching	35,928	-	-
Total financial liabilities	<u>1,564,822</u>	<u>29,764</u>	<u>299,185</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	776,144	51,270	326,285
Amounts payable on redemption	1,325,030	-	-
Amounts payable on funds switching	309,237	-	-
Total financial liabilities	<u>2,410,411</u>	<u>51,270</u>	<u>326,285</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	584,811	24,936	242,400
Amounts payable on redemption	686,422	-	-
Amounts payable on funds switching	51,509	-	-
Total financial liabilities	<u>1,322,742</u>	<u>24,936</u>	<u>242,400</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	611,748	15,566	263,492
Amounts payable on redemption	771,089	-	-
Amounts payable on funds switching	15,329	-	-
Total financial liabilities	<u>1,398,166</u>	<u>15,566</u>	<u>263,492</u>

E70 Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	801,510	32,849	334,143
Amounts payable on redemption	516,533	-	-
Amounts payable on funds switching	103,730	-	-
Total financial liabilities	<u>1,421,773</u>	<u>32,849</u>	<u>334,143</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	831,229	16,479	353,628
Amounts payable on redemption	1,611,670	-	-
Amounts payable on funds switching	260,389	-	-
Total financial liabilities	<u>2,703,288</u>	<u>16,479</u>	<u>353,628</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	92,364	9,821	68,024
Amounts payable on redemption	319,245	-	-
Amounts payable on funds switching	5,975	-	-
Total financial liabilities	<u>417,584</u>	<u>9,821</u>	<u>68,024</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	95,612	4,759	47,405
Amounts payable on redemption	282,763	-	-
Amounts payable on funds switching	577,208	-	-
Total financial liabilities	<u>955,583</u>	<u>4,759</u>	<u>47,405</u>

Global Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	212,739	17,318	143,133
Amounts payable on redemption	336,504	-	-
Amounts payable on funds switching	697,770	-	-
Total financial liabilities	<u>1,247,013</u>	<u>17,318</u>	<u>143,133</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	163,653	2,882	59,235
Amounts payable on redemption	531,212	-	-
Amounts payable on funds switching	252,136	-	-
Total financial liabilities	<u>947,001</u>	<u>2,882</u>	<u>59,235</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	443,429	38,144	407,335
Amounts payable on redemption	878,225	-	-
Amounts payable on funds switching	1,014,348	-	-
Total financial liabilities	<u>2,336,002</u>	<u>38,144</u>	<u>407,335</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	475,245	14,513	219,613
Amounts payable on redemption	1,260,045	-	-
Amounts payable on funds switching	1,692,418	-	-
Total financial liabilities	<u>3,427,708</u>	<u>14,513</u>	<u>219,613</u>

Asian Equity Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	342,757	23,814	228,749
Amounts payable on redemption	285,603	-	-
Amounts payable on funds switching	232,277	-	-
Total financial liabilities	<u>860,637</u>	<u>23,814</u>	<u>228,749</u>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	323,011	7,776	98,429
Amounts payable on redemption	1,006,993	-	-
Amounts payable on funds switching	274,067	-	-
Total financial liabilities	<u>1,604,071</u>	<u>7,776</u>	<u>98,429</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	151,088	11,471	85,363
Amounts payable on redemption	147,318	-	-
Amounts payable on funds switching	110,595	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	409,001	11,471	85,363
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	144,881	5,135	45,068
Amounts payable on redemption	401,635	-	-
Amounts payable on funds switching	73,950	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	620,466	5,135	45,068
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RMB Bond Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Derivative financial instruments	-	962	-
Accruals and other payables	126,202	9,642	-
Amounts payable on redemption	270,974	-	-
Amounts payable on funds switching	126,553	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	523,729	10,604	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Derivative financial instruments	-	286,409	-
Accruals and other payables	109,946	341	17,660
Amounts payable on redemption	130,792	-	-
Amounts payable on funds switching	7,729	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	248,467	286,750	17,660
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	247,223	24,835	227,470
Amounts payable on redemption	648,994	-	-
Amounts payable on funds switching	1,812,274	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	2,708,491	24,835	227,470
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	209,318	8,056	74,241
Amounts payable on redemption	611,078	-	-
Amounts payable on funds switching	1,513,102	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	2,333,498	8,056	74,241
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Age 65 Plus Fund

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
Liabilities:			
Accruals and other payables	188,908	19,928	176,933
Amounts payable on redemption	515,373	-	-
Amounts payable on funds switching	1,219,615	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	1,923,896	19,928	176,933
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
Liabilities:			
Accruals and other payables	176,884	9,570	119,177
Amounts payable on redemption	163,108	-	-
Amounts payable on funds switching	1,450,960	-	-
	<hr/>	<hr/>	<hr/>
Total financial liabilities	1,790,952	9,570	119,177
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

The investment managers manage the liquidity risk of each constituent fund by investing predominantly in investments that they expect to be able to liquidate normally, within 7 days or less. The table below analyses the constituent funds' expected liquidity of financial assets held.

	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2021			
MPF Conservative Fund	1,449,195,008	233,058	6,413
E30 Mixed Asset Fund	591,113,785	-	-
E50 Mixed Asset Fund	484,013,304	-	-
E70 Mixed Asset Fund	664,954,320	-	-
Global Bond Fund	139,261,910	-	-
Global Equity Fund	329,028,329	-	-
Hong Kong Equity Fund	759,196,414	-	-
Asian Equity Fund	465,530,732	-	-
Flexi Mixed Asset Fund	179,089,266	-	-
RMB Bond Fund	138,926,317	-	-
Core Accumulation Fund	503,434,358	-	-
Age 65 Plus Fund	381,023,599	-	-
	Less than 1 month HK\$	1-3 months HK\$	Over 3 months HK\$
At 31 December 2020			
MPF Conservative Fund	1,500,520,322	199,576	88,012
E30 Mixed Asset Fund	649,826,689	-	-
E50 Mixed Asset Fund	514,390,914	-	-
E70 Mixed Asset Fund	701,815,844	-	-
Global Bond Fund	146,451,325	-	-
Global Equity Fund	255,407,396	-	-
Hong Kong Equity Fund	864,045,026	-	-
Asian Equity Fund	455,858,083	-	-
Flexi Mixed Asset Fund	173,310,458	-	-
RMB Bond Fund	122,156,444	-	-
Core Accumulation Fund	429,417,865	-	-
Age 65 Plus Fund	360,702,359	-	-

At 31 December 2021 and 2020, no individual member held more than 10% of each constituent fund's units.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

II. Capital risk management

The capital of the constituent funds is represented by the net assets attributable to members. Subscriptions and redemptions during the year are shown in the statement of changes in net assets attributable to members of the respective constituent funds. The amount of net assets attributable to members can change significantly on a daily basis as the constituent funds are subject to daily subscriptions and redemptions at the discretion of members. The objective of the constituent funds when managing capital is to safeguard the constituent funds' ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the constituent funds.

In order to maintain or adjust the capital structure, the policy of the constituent funds is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the trust deed of the constituent funds.

The Trustee monitors capital on the basis of the value of net assets attributable to members.

III. Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Plan and its constituent funds utilise the last traded price for both financial assets and financial liabilities where the last traded price falls within the bid-offer spread. In circumstances where the last traded price is not within the bid-offer spread, investment managers of the constituent funds will determine the point within the bid-offer spread that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the constituent funds for similar financial instruments.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

HKFRS 13 requires the constituent funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the constituent funds. The constituent funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

The following tables analyse within the fair value hierarchy the constituent funds' investments (by class) measured at fair value at 31 December 2021 and 2020:

MPF Conservative Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Debt securities and certificates of deposit	-	240,885,726	240,885,726
- Fixed deposits	1,145,456,599	-	1,145,456,599
	<u>1,145,456,599</u>	<u>240,885,726</u>	<u>1,386,342,325</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Debt securities and certificates of deposit	-	431,339,873	431,339,873
- Fixed deposits	1,042,595,071	-	1,042,595,071
	<u>1,042,595,071</u>	<u>431,339,873</u>	<u>1,473,934,944</u>

E30 Mixed Asset Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	590,023,113	-	590,023,113
	<u>590,023,113</u>	<u>-</u>	<u>590,023,113</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	648,205,863	-	648,205,863
	<u>648,205,863</u>	<u>-</u>	<u>648,205,863</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	483,193,213	-	483,193,213
	<u>483,193,213</u>	<u>-</u>	<u>483,193,213</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	513,791,553	-	513,791,553
	<u>513,791,553</u>	<u>-</u>	<u>513,791,553</u>

E70 Mixed Asset Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	664,165,874	-	664,165,874
	<u>664,165,874</u>	<u>-</u>	<u>664,165,874</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	700,407,911	-	700,407,911
	<u>700,407,911</u>	<u>-</u>	<u>700,407,911</u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	138,721,214	-	138,721,214
	<u>138,721,214</u>	<u>-</u>	<u>138,721,214</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	144,600,770	-	144,600,770
	<u>144,600,770</u>	<u>-</u>	<u>144,600,770</u>

Global Equity Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	326,752,420	-	326,752,420
	<u>326,752,420</u>	<u>-</u>	<u>326,752,420</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	254,199,276	-	254,199,276
	<u>254,199,276</u>	<u>-</u>	<u>254,199,276</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	756,497,710	-	756,497,710
	<u>756,497,710</u>	<u>-</u>	<u>756,497,710</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	859,882,603	-	859,882,603
	<u>859,882,603</u>	<u>-</u>	<u>859,882,603</u>

Asian Equity Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	464,685,553	-	464,685,553
	<u>464,685,553</u>	<u>-</u>	<u>464,685,553</u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	453,273,707	-	453,273,707
	<u>453,273,707</u>	<u>-</u>	<u>453,273,707</u>

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	178,679,859	-	178,679,859
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	172,285,200	-	172,285,200
	<u> </u>	<u> </u>	<u> </u>

RMB Bond Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	138,487,769	-	138,487,769
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Financial liabilities held for trading			
- Derivative financial instruments	-	(962)	(962)
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	121,672,998	-	121,672,998
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Financial liabilities held for trading			
- Derivative financial instruments	-	(286,409)	(286,409)
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	499,450,000	-	499,450,000

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	425,551,027	-	425,551,027

Age 65 Plus Fund

As at 31 December 2021

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	377,313,894	-	377,313,894

As at 31 December 2020

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
- Approved pooled investment fund	357,129,911	-	357,129,911

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. The constituent funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31 December 2021 and 2020, the constituent funds did not hold any investments classified in level 3.

There were no transfers between levels of investments held by the constituent funds for the years ended 31 December 2021 and 2020.

The assets and liabilities of the constituent funds in the statement of net assets excluding financial assets at fair value through profit or loss at 31 December 2021 and 2020 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other financial assets and liabilities not carrying at fair value but for which the fair value is disclosed.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
BCT (Industry) Flexi Mixed Asset Fund Approved pooled investment fund, at fair value (at cost: 2021: HK\$141,676,963; 2020: HK\$141,117,358)	178,679,859	172,285,200
	-----	-----
BCT (Industry) RMB Bond Fund Approved pooled investment fund, at fair value (at cost: 2021: HK\$122,593,240; 2020: HK\$108,992,237) (Refer to Note 12 for the investment in derivative financial instruments)	138,487,769	121,672,998
	-----	-----
BCT (Industry) Core Accumulation Fund Approved pooled investment fund, at fair value (at cost: 2021: HK\$400,436,051; 2020: HK\$352,577,945)	499,450,000	425,551,027
	-----	-----
BCT (Industry) Age 65 Plus Fund Approved pooled investment fund, at fair value (at cost: 2021: HK\$334,510,789; 2020: HK\$309,359,130)	377,313,894	357,129,911
	-----	-----
Total investments, at fair value	<u>6,004,312,944</u>	<u>6,124,935,763</u>
Total investments, at cost	<u>4,841,583,195</u>	<u>4,724,439,017</u>

9. Accrued benefits

The total accrued benefits vested in the members' accounts amounted to HK\$6,034,880,348 as at 31 December 2021 (2020: HK\$6,116,642,573).

10. Taxation

The Plan is not subject to Hong Kong profits tax as it is not considered to be carrying on a business in Hong Kong.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

11. Transactions with related parties/associates

Certain constituent funds invest directly in the units of other unit trusts managed by the investment managers as disclosed in Note 4. Connected persons of the investment managers are those as defined in the Code on Unit Trust and Mutual Funds established by the Securities & Futures Commission of Hong Kong.

Except as disclosed in Note 4 and below, the Plan and its constituent funds did not have any transactions with related parties including the Sponsor, Trustee, the investment managers and their associates or delegates of the investment managers during the years ended 31 December 2021 and 2020. All transactions were entered into in the ordinary course of business and on normal commercial terms.

At the year end date, the Plan and its constituent funds had bank balances with, and investments issued by the shareholders of the Trustee as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank balances	95,319,502	46,399,395
Certificates of deposit and fixed deposits	564,882,067	598,549,129

Income earned by the Plan and its constituent funds from the shareholders of the Trustee for the year ended 31 December 2021 and 2020 was as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank interest	86,256	190,444
Interest income from fixed deposits	1,927,888	9,280,847

Interest receivable from the shareholders of the Trustee at the year end date was as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Interest receivable from fixed deposits	276,500	480,924

During the year, the Plan and its constituent funds did not receive fee expenses rebate from the Trustee (2020: Nil).

During the year, certain expenses of RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund, three constituent funds of the Plan of which BCT Financial Limited acts as the sponsor, were borne by BCT Financial Limited amounted to HK\$65,044 (2020: HK\$78,943), HK\$ Nil (2020: HK\$89,013), HK\$ Nil (2020: HK\$51,599) respectively.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

12. Derivative financial instruments

Outstanding forward foreign exchange contracts as at the year end were as follows:

RMB Bond Fund

Contract to deliver	In exchange for	Settlement date	Unrealised loss HK\$
<u>2021</u>			
Open contracts: CNY44,000,000	HK\$53,499,600	29 March 2022	(962)
		Total unrealised loss	(962)
			=====
Contract to deliver	In exchange for	Settlement date	Unrealised loss HK\$
<u>2020</u>			
Open contracts: CNY35,700,000	HK\$42,043,890	29 March 2021	(286,409)
		Total unrealised loss	(286,409)
			=====

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

13. Payments charged to default investments strategy (“DIS”) constituent funds or scheme or members who invest the constituent funds

In accordance with the Mandatory Provident Fund legislation, the aggregate of the payments for services of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund divided by the number of days in the year.

The above aggregate of the payments for services include, but are not limited to, the fees paid or payable for the services provided by the Trustee, the Administrator, the Investment Manager, the Custodian and the Sponsor and/or promoter (if any) of each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and its underlying investment fund(s), and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and its underlying investment fund(s), but do not include any out-of-pocket expenses incurred by each of BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund and their underlying investment fund(s).

In accordance with the Mandatory Provident Fund legislation, the total amount of all payments that are charged to or imposed on a DIS constituent fund or members who invest in a DIS constituent fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS constituent fund, shall not in a single year exceed 0.2% per annum of the net asset value (the sum of net asset value of the relevant DIS constituent fund as at the last dealing day of each month of the relevant year divided by the number of months) of each of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund.

For this purpose, out-of-pocket expenses include; for example; annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of the net asset value and transaction costs incurred by a DIS constituent fund in connection with recurrent acquisition of investments for the DIS constituent fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS constituent fund.

Out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS constituent fund and such out-of-pocket expenses are not subject to the above statutory limit.

Payment for services, out-of-pocket expenses and other payment charged to the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

During the year ended 31 December 2021 and 2020

	BCT (Industry) Core Accumulation Fund		BCT (Industry) Age 65 Plus Fund	
	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$
Payment for services				
- Trustee, administration and custodian fees	2,753,605	2,109,058	2,148,519	1,960,446
Total payment for services of each DIS Fund	<u>2,753,605</u>	<u>2,109,058</u>	<u>2,148,519</u>	<u>1,960,446</u>
Total payment for services of each DIS Fund*	0.59%	0.59%	0.59%	0.59%
Proportionate of the underlying investment funds fee rate of the underlying investment funds of each DIS Fund**	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
Total Payment for Services expressed as a percentage of net asset value of the DIS Fund	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>
	HK\$	HK\$	HK\$	HK\$
Out-of-pocket expenses				
- Safe custody and bank charges	4,784	4,599	4,554	4,552
- Auditors' remuneration	54,301	-	42,418	-
- Professional indemnity insurance	4,404	2,728	3,434	2,536
- Miscellaneous expenses	316,199	163,756	263,458	169,750
Total payment for out-of-pocket expenses	<u>379,688</u>	<u>171,083</u>	<u>313,864</u>	<u>176,838</u>
Other payments				
- Legal and other professional fees (non-recurring)	1,386	9,854	1,165	9,500
Total payments on each DIS Fund	<u>3,134,679</u>	<u>2,289,995</u>	<u>2,463,548</u>	<u>2,146,784</u>
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the DIS Fund	<u>0.08%</u>	<u>0.05%</u>	<u>0.09%</u>	<u>0.05%</u>

**The payment for service fees of 0.59%, which represents daily payment for services of each DIS Fund as a percentage of daily NAV, is the maximum fee rate allowed to charge to each DIS Fund on a daily basis.*

***The proportionate of the underlying investment fund fee rate paid to the specified person as disclosed in the prospectus of the underlying investment funds*

During the year ended 31 December 2020, certain expenses of Core Accumulation Fund and Age 65 Plus Fund, two constituent funds of BCT (MPF) Industry Choice of which BCT Financial Limited acts as the sponsor, were borne by the BCT Financial Limited, see Note 11. No expense of Core Accumulation Fund and Age 65 Plus Fund were borne by BCT Financial Limited for the year ended 31 December 2021.

BCT (MPF) INDUSTRY CHOICE

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments by category

For the year ended 31 December 2021, apart from financial assets at fair value through profit or loss and derivative financial instruments as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets which are classified as "financial assets at fair value through profit or loss" (2020: "financial assets at fair value through profit or loss"), all other financial assets as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including amounts receivable on sale of financial assets at fair value through profit or loss, interest receivable, contribution receivables, amounts receivable on subscription, amounts receivable on funds switching, other receivables and bank balances, are categorised as "financial assets at amortised cost" (2020: "financial assets at amortised cost").

In addition, all other financial liabilities as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including benefits and forfeitures payable, amounts payable on redemption, amounts payable on funds switching, accruals and other payables and amounts received not yet recognised as contributions, are categorised as "other financial liabilities" (2020: "other financial liabilities").

15. Deferred expenses

In accordance with section 37 of the General Regulation, administrative expenses for the MPF Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. As at 31 December 2021, the deferred administrative expenses of the MPF Conservative Fund amounted to HK\$9,854,574 (2020: HK\$640,880) was not recognised in the statement of comprehensive income.

16. Soft commission arrangements

During the year, certain investment managers had entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making were received. These investment managers did not make direct payments for these services but transacted an agreed amount of business with the brokers on behalf of the funds under their management including the Plan and its constituent funds and commissions were paid on these transactions.

The goods and services received include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

BCT (MPF) INDUSTRY CHOICE
NOTES TO THE FINANCIAL STATEMENTS

17. Security lending arrangements

The Plan and its constituent funds had no security lending arrangements as at 31 December 2021 (2020: Nil).

18. Bank loans and other borrowings

As at 31 December 2021, The Plan and its constituent funds had no bank loans or other borrowings (2020: Nil).

19. Negotiability of assets

As at 31 December 2021, there were no statutory or contractual requirements restricting the negotiability of the assets of the Plan and its constituent funds (2020: Nil).

20. Commitments

The Plan and its constituent funds had no commitments as at 31 December 2021 (2020: Nil).

21. Contingent liabilities

The Plan and its constituent funds had no contingent liabilities as at 31 December 2021 (2020: Nil).

22. Marketing expenses

There have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Plan or its constituent funds during the year ended 31 December 2021 (2020: Nil).

23. Approval of financial statements

The financial statements were approved for issue by the Trustee on 15 June 2022.

BCT (MPF) INDUSTRY CHOICE

INDEPENDENT AUDITOR'S ASSURANCE REPORT

FOR THE YEAR ENDED

31 DECEMBER 2021

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) INDUSTRY CHOICE (THE "PLAN")

We have audited the financial statements of the Plan for the year ended 31 December 2021 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised) "The Audit of Retirement Schemes" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have issued an unqualified auditor's report thereon dated 15 June 2022.

Pursuant to section 102 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), we are required to report whether the Plan complied with certain requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "Ordinance") and the General Regulation.

Trustee's Responsibility

The General Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the constituent funds of the Plan, the Plan assets and all financial transactions entered into in relation to the Plan;
- (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority (the "MPFA") under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- (c) the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the Ordinance are complied with; and
- (d) the Plan assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to report solely to the Trustee, in accordance with section 102 of the General Regulation, on the Plan's compliance with the above requirements based on the results of the procedures performed by us, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) INDUSTRY CHOICE ("THE PLAN") (CONTINUED)

Auditor's Responsibility (Continued)

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 860.1 (Revised) "The Audit of Retirement Schemes" issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Plan has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended in Practice Note 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Plan's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing:

- (a) in our opinion:
 - (i) proper accounting and other records have been kept during the year ended 31 December 2021 in respect of the constituent funds of the Plan, the Plan assets and all financial transactions entered into in relation to the Plan; and
 - (ii) the requirements specified in the guidelines made by the MPFA under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2021, 31 August 2021 and 31 March 2021; and
 - (iii) the requirements specified in the Ordinance under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2021, 31 August 2021 and 31 March 2021; and
 - (iv) the requirements specified in section 34DD(4)(b) of the Ordinance with respect to the controls of out-of-pocket expenses of the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2021.
- (b) as at 31 December 2021, the Plan assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) INDUSTRY CHOICE ("THE PLAN") (CONTINUED)

Other Matter

The requirements specified in the Ordinance under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and sections 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund are not applicable to the Trustee for the year ended 31 December 2021 as the Trustee has completed the relevant transitional provisions during the year ended 31 December 2017. Accordingly, there is no reporting on these sections.

Intended Users and Purpose

This report is intended solely for submission by the Trustee to the MPFA pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purpose.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 June 2022