



BEA (MPF) Industry Scheme

31 March 2024

Contents	Page(s)
Scheme report	1 - 4
Investment report	
- Investment analysis	5 - 7
- Trustee's commentary	8 - 15
- Investment objectives and policies of the Scheme and the constituent funds	16 - 28
- Investment income and performance	29 - 30
- Breakdown of income derived from investments and bank balances	31 - 32
- Performance table	33 - 37
- Investment portfolio	38 - 56
- Statement of movements in investment portfolio	57 - 74
Independent auditor's report	75 - 78
Independent auditor's assurance report	79 - 81
Industry Scheme	
- Statement of changes in net assets available for benefits	82 - 84
- Statement of net assets available for benefits	85
- Cash flow statement	86
Constituent funds	
- Statement of comprehensive income	87 - 88
- Statement of assets and liabilities	89 - 92
- Statement of changes in net assets attributable to members	93 - 94
Notes to the financial statements	95 - 142

Scheme report

The Trustee has pleasure in presenting the annual reports and the financial statements of the BEA (MPF) Industry Scheme (the “Scheme”) for the year ended 31 March 2024.

The Scheme

The Scheme is an industry scheme for the purpose of providing benefits to members in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”). The Scheme was established under the trust deed dated 12 April 2000 between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee (the “Trustee”). There have been no amendments to the trust deed other than the variations made on 23 October 2000, 13 November 2001, 11 July 2002, 11 October 2004, 21 December 2005, 6 July 2009, 31 January 2012, 1 November 2012, 18 December 2015, 12 December 2016, 10 January 2018, 18 April 2019 and 9 April 2020 (“as amended”). The Scheme is registered under section 21A of the MPF Ordinance.

Financial development

The Scheme commenced operations on 1 December 2000. The total contributions received and receivable including contribution surcharge and transfers in and benefits paid and payable including transfers out, forfeitures, long service and severance payments and other payments during the year were HK\$1,912.0 million (2023: HK\$1,776.8 million) and HK\$1,113.7 million (2023: HK\$1,007.2 million) respectively. The net asset value as at 31 March 2024 was HK\$15,900.0 million (2023: HK\$14,527.0 million).

Changes to the governing rules

The governing rules were not amended during the year.

Scheme report (continued)

Particulars of the service providers

Particulars of the Trustee and service providers engaged by the Trustee for the purposes of the Scheme during the year ended 31 March 2024 are set below.

Trustee, Custodian and Administrator

Bank of East Asia (Trustees) Limited

32nd Floor, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Investment Manager

BEA Union Investment Management Limited (an associate of the Trustee)

5th Floor, The Bank of East Asia Building
10 Des Voeux Road Central
Hong Kong

Sponsor and Banker

The Bank of East Asia, Limited (the holding company of the Trustee)

The Bank of East Asia Building
10 Des Voeux Road Central
Hong Kong

Legal Adviser

Baker & McKenzie

14th Floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Scheme report (continued)

Particulars of the service providers (continued)

Auditor

KPMG

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Directors of the Trustee, Custodian and Administrator

Adrian David Li Man Kiu	
Tong Hon Shing	
Joseph Pang Yuk Wing	(Resigned on 2 January 2024)
Ng Kai Man	(Appointed on 1 August 2023)
Henry Chan Cho Yip	
Cheung Man Kok	
Winnie Cheung Chi Woon	

Business address of the Directors of the Trustee, Custodian and Administrator

32nd Floor, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Directors of the Investment Manager

Brian David Li Man Bun	
Gunter Karl HAUEISEN	
Samson Li Kai Cheong	
Eleanor Wan Yuen Yung	(Resigned on 1 November 2023 and re-appointed on 1 April 2024 for a term of 2 years)
André HAAGMANN	
Janet Li Tze Yan	(Appointed on 1 November 2023)

Business address of the Directors of the Investment Manager

5th Floor, The Bank of East Asia Building
10 Des Voeux Road Central
Hong Kong

Scheme report (continued)

Particulars of the service providers (continued)

Directors of the Sponsor and Banker

David Li Kwok Po
Arthur Li Kwok Cheung
Allan Wong Chi Yun
Aubrey Li Kwok Sing
Winston Lo Yau Lai
Stephen Charles Li Kwok Sze
Adrian David Li Man Kiu
Brian David Li Man Bun
Daryl Ng Win Kong
Masayuki Oku
Rita Fan Hsu Lai Tai
Meocre Li Kwok Wing
Henry Tang Ying Yen
Delman Lee
William Junior Guilherme DOO
David Mong Tak Yeung
Francisco Javier SERRADO TREPAT

Business address of the Directors of the Sponsor and Banker

The Bank of East Asia Building
10 Des Voeux Road Central
Hong Kong

Further information

Scheme members can obtain further information about the Scheme and its operations from Mr Goran Lam Ka Chun, Senior MPF Marketing and Customer Services Manager, at the Trustee. Scheme members can also contact BEA (MPF) hotline (operated by Bank of East Asia (Trustees) Limited) on 2211 1777 or visit the website at <http://www.hkbea.com> for queries or further information.

Investment report for the year ended 31 March 2024

Investment analysis

United States

- The US banking crisis in the first quarter of 2023 raised concerns about the US credit and the financial conditions. However, with the announcement of the Bank Term Funding Program (BTFP), the Federal Reserve provided liquidity to stabilize market confidence. The Fed raised interest rates four times in 2023, pushing the rate to a range of 5.25-5.5%, a 22-year high. It aimed to tighten monetary policy and keep inflation under control at a 2% level. Currently, inflation has dropped from its peak of over 9% to below 3.5%, marking the lowest level in two years. The US latest Core consumer price index (CPI) year-on-year growth rate remains steady at 3.8%. Although the core Personal Consumption Expenditure price index (PCE) continues its downward trend towards the Fed's target, the Fed is in no rush to initiate rate cuts amid sticky inflation data. The stronger-than-expected Purchasing Managers' Index (PMI) and nonfarm payrolls in March further support our view on the strength of the US economy, with US Gross Domestic Product (GDP) expected to reach 2.7% in 2024.
- The US economy experienced continuous improvements in economic growth, inflation, monetary policy, and financial market stability. With a robust economy, better-than-expected corporate profits, and the Fed's decision to halt interest rate hikes, the S&P 500 index rose by 24% in 2023. The index surged more than 10% again in the first quarter of 2024, with the energy and communication services sectors performing outstandingly. Both technology stocks and most growth stocks saw gains, benefiting from expectations of interest rate cuts and the rise of artificial intelligence technology.

Europe

- Over the past year and a half, the European Central Bank (ECB) has raised interest rates to a historic high of 4.5%. In 2023, the Eurozone economy continued to be troubled by geopolitical instability, high inflation, and rapid tightening of monetary policy. The Euro Area's full-year GDP growth fell sharply from 3.4% in 2022 to 0.40 % in 2023. Germany, the largest economy in the Eurozone, contracted 0.3% in 2023. Germany faced the challenge of weak global demand for commodities, while heavy industries were affected by rising energy prices, leading to ongoing economic sluggishness. Additionally, prices of core goods and services have dropped for nine consecutive months. Eurozone inflation dropped from a peak of 10.6% in 2022 to 2.4% in November 2023, the lowest level since August 2021. In March 2024, the European Central Bank (ECB) left the key interest rate unchanged at 4% and significantly revised its inflation expectations downwards. It is expected that the inflation rate will reach the target of 2% by 2025, providing room for interest rate cuts. The ECB president emphasized that wage trends will play an increasingly important role in shaping inflation dynamics in the coming quarters.

Investment report for the year ended 31 March 2024 (continued)

Investment analysis (continued)

Japan

- The MSCI Japan Index rose 11.01% in the first quarter of 2024. Japan's economy exhibited strong growth after reopening, and its stock market demonstrated resilience among developed markets. Strong domestic demand, steady corporate earnings, and the Tokyo Stock Exchange's call for corporate governance reforms continued to support the Japanese market.
- After 25 years of deflation, Japan has maintained an inflation rate of 2% or higher since April 2022. In July 2023, Bank of Japan decided to adopt a more flexible approach to its yield curve control with the upper limit on the tolerable band raised to 1% in response to the current economic situation. In March 2024, the Bank of Japan decided to end its eight-year-long negative interest rate policy and abandon yield curve control (YCC), while pledging to maintain accommodative financial conditions. Wage negotiations have resulted in significant wage increases of over 5%. We believe that these robust wage hikes can support a virtuous cycle between wages and prices in Japan, shifting the country towards a growth-oriented economy. The Bank of Japan has also become more affirmative on inflation and may consider raising its inflation forecast in the future.

Asia

- The MSCI Asia Pacific ex-Japan index recorded a 7.36% increase in 2023 and continued its momentum with another 2.08% rise in the first quarter of 2024.
- India's Nifty 50 index saw a significant 19% increase in 2023. The Indian economy expanded by 8.4% year-on-year in Q4 2023, marking the strongest growth since Q2 2022. India's structural growth trend continues, driven by prospects of government reforms, middle-class population expansion, domestic investor growth, and increased personal investments. Prime Minister Modi's advantageous position in the upcoming presidential elections has sparked investor optimism and raised expectations for the continuation of current policies to further stimulate the economy.
- Indonesia's economic outlook remained stable, with a 5.11% year-on-year growth in the 1st quarter. Despite the impact of slowing fixed investment and exports, the Indonesian economy continues to demonstrate solid growth, supported by increased domestic consumption and hopes of a smooth transition with the new government.
- In 2023, Taiwan experienced a slowdown in exports due to weak global demand and destocking in the industrial chain. Additionally, cautious corporate investment led to a full-year economic growth rate of only 1.4%, the lowest in 14 years. As we entered 2024, Taiwan benefited from the ramp-up of AI inference in the data center and the preparation for integrating AI into edge computing. The demand for AI-related technologies surged, making Taiwan the best-performing market in the Asia-Pacific region (excluding Japan) in the first quarter. However, the industry performance has been highly polarized, with only IT and financial sector delivering positive returns.

Investment report for the year ended 31 March 2024 (continued)

Investment analysis (continued)

Mainland China & Hong Kong

- China started 2023 with strong economic growth after the COVID-19 pandemic, with the purchasing managers' index far exceeding market expectations. Nevertheless, the pace of China's recovery slowed down due to subdued housing demand, weakened export momentum, and a significant slowdown in service sector activities. Last August, authorities lowered down payments and policy loan rates while pledging to enhance monetary support and capital market liquidity, providing temporary momentum to the market. However, due to the lack of effective policy support, the MSCI China index ended the year down over 11%. In March of this year, Fitch revised China's outlook from stable to negative, citing concerns that the government is likely to pile on debt as it seeks to pull the economy out of a real estate-driven slowdown. However, there are some signs of stabilization emerging from the latest PMIs and New Orders print.
- Hong Kong's real GDP grew by 3.2% in 2023 and 2.7% in the first quarter of 2024, recovering from a contraction of 3.7% in 2022. Export performance continued to be impacted by geopolitical tensions, financial instability, and a volatile external environment. Both investment and consumption sentiment remained under pressure, indicating ongoing weakness in the Hong Kong economy.

Global Bonds

- The US inflation rate has declined from its peak of 9% two years ago to the current level of 3%. While the job market continues to show resilience, wage growth has gradually slowed down and adjusted. The Fed hinted at a shift towards rate cuts during the December 2023 meeting. The expectation of declining US bond yields boosted the performance of Global bonds in December 2023, stimulating demand for long-duration bonds. However, given that the overall US core consumer price index (CPI) has maintained a year-on-year growth rate of around 3.8% in recent months, the Fed is cautious about lowering interest rates despite the continued decline in the core personal consumption expenditure price index (PCE) towards the Fed's target.
- Federal Open Market Committee kept the 2024 dot plot at three rate cuts for 2024 while revised GDP higher, unemployment lower and core PCE higher in March meeting. The Fed also moved up 2025 and 2026 dot plot by 25 basis points. The Fed did not provide a policy statement on the slowdown and end of quantitative tightening which is expected to taper in June by the market. Strong activity data combined with higher term premium due to supply can push Treasury yields higher than the trading range in the first quarter of 2024.

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) MPF Conservative Fund <i>Launch date: 01/12/2000</i>	3.48 ¹	1.29 ¹	0.94 ¹	1.35 ¹
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.83	0.23	0.12	0.40 ²
Deviation from the Benchmark/Performance Target ⁴	+2.65	+1.06	+0.82	+0.95 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns were above the benchmark/performance target due to higher deposit rate secured by the Fund. 			
BEA (Industry Scheme) Growth Fund <i>Launch date: 01/12/2000</i>	4.97	1.84	2.72	3.89
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	3.10	1.86	2.74	3.75 ²
Deviation from the Benchmark/Performance Target ⁴	+1.87	-0.02	-0.02	+0.14 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to overweighting in equities. The 5-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022. The 10-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Balanced Fund <i>Launch date: 01/12/2000</i>	3.58	0.91	1.96	3.18
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	2.08	0.71	1.71	3.18 ²
Deviation from the Benchmark/Performance Target ⁴	+1.50	+0.20	+0.25	0.00 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to overweighting in equities. The 5-year annualized return was above the benchmark/performance target due to overweighting in equities. The 10-year annualized return was above the benchmark/performance target due to overweighting in equities. 			
BEA (Industry Scheme) Stable Fund <i>Launch date: 01/12/2000</i>	2.07	-0.14	1.04	2.67
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	1.22	-0.14	0.85	2.63 ²
Deviation from the Benchmark/Performance Target ⁴	+0.85	0.00	+0.19	+0.04 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to overweighting in equities. The 5-year annualized return was in line with the benchmark/performance target due to overweighting in equities. The 10-year annualized return was above the benchmark/performance target due to overweighting in equities. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Greater China Equity Fund <i>Launch date: 04/01/2010</i>	-9.32	-0.93	2.60	2.46
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	-14.02	-1.09	2.44	2.99 ²
Deviation from the Benchmark/Performance Target ⁴	+4.70	+0.16	+0.16	-0.53 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. The 5-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. The 10-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. 			
BEA (Industry Scheme) Hong Kong Equity Fund <i>Launch date: 04/01/2010</i>	-17.14	-9.21	-1.92	-1.03
Benchmark/Performance Target (Lipper MPF Hong Kong Equity Fund Category Median)	-19.77	-8.02	-0.73	2.23 ²
Deviation from the Benchmark/Performance Target ⁴	+2.63	-1.19	-1.19	-3.26 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to a more neutral bias in both asset allocation and stock selection during falling market. The 5-year annualized return was below the benchmark/performance target due to overweighting in China A-Share and consumption sector in 2022, which were hard hit by the lockdown in China in the first quarter of 2022. The 10-year annualized return was below the benchmark/performance target due to overweighting in China A-Share and consumption sector in 2022, which were hard hit by the lockdown in China in the first quarter of 2022. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Asian Equity Fund <i>Launch date: 31/01/2012</i>	10.93	3.56	3.98	3.92
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	0.50	0.79	3.22	3.61 ²
Deviation from the Benchmark/Performance Target ⁴	+10.43	+2.77	+0.76	+0.31 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. The 5-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. The 10-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks. 			
BEA China Tracker Fund <i>Launch date: 31/01/2012</i>	-14.94	-10.83	-3.40	-3.58
Benchmark/Performance Target (Hang Seng China Enterprises Index)	-13.47	-9.45	-1.77	-1.73 ²
Deviation from the Benchmark/Performance Target ⁴	-1.47	-1.38	-1.63	-1.85 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index-tracking collective investment scheme, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 31/01/2012</i>	-15.96	-8.29	-0.32	0.36
Benchmark/Performance Target (Hang Seng Index)	-15.68	-7.63	0.60	1.81 ²
Deviation from the Benchmark/Performance Target ⁴	-0.28	-0.66	-0.92	-1.45 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%. 			
BEA (Industry Scheme) RMB & HKD Money Market Fund <i>Launch date: 03/07/2012</i>	-0.51	0.59	0.65	0.68
Benchmark/Performance Target (Lipper MPF RMB and HKD Money Market Fund Category Median)	-1.07	0.50	0.65	0.65 ²
Deviation from the Benchmark/Performance Target ⁴	+0.56	+0.09	0.00	+0.03 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to relatively lower exposure to RMB. The 5-year annualized return was above the benchmark/performance target due to relatively lower exposure to RMB. The 10-year annualized return was in line with the benchmark/performance target due to similar exposure to RMB compared with the peers. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %) ⁵			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	5.35	1.50	N/A	2.11
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	4.45	1.11	N/A	1.66
Deviation from the Benchmark/Performance Target ⁴	+0.90	+0.39	N/A	+0.45
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. 			
BEA (Industry Scheme) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	15.19	6.42	N/A	6.25
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	12.87	5.81	N/A	5.76
Deviation from the Benchmark/Performance Target ⁴	+2.32	+0.61	N/A	+0.49
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was unable to correspond to the reference portfolio due to positive asset allocation and stock selection. The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. 			

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

B. Trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concern raised in its commentary in Section A

Bank of East Asia (Trustees) Limited ("BEA Trustees") has established an on-going mechanism on fund monitoring in order to monitor and review the performance of constituent funds ("CFs"). BEA Trustees identifies (i) underperformance issues by referencing to the benchmark of non-index tracking CFs; (ii) performance differences or abnormal tracking error by referencing the corresponding index of the index-tracking CFs; and (iii) outperformance and underperformance by referencing the recognized reference portfolio for the Default Investment Strategy ("DIS") CFs (collectively "performance issues").

On a regular basis, BEA Trustees holds review meetings with the investment manager to discuss the overall performance of the CFs. Comprehensive assessment on CF level in different horizons will be reviewed during the meeting. When any performance issues are identified, the investment manager is required to provide explanation and BEA Trustees will determine whether follow-up action has to be taken based on the explanation.

In addition to regular monitoring, BEA Trustees will update the Board of BEA Trustees regarding the fund performance of CFs and/or other issues through different channels including regular reports and meetings.

For the financial year ended 31 March, 2024, the following DIS CF triggered the performance monitoring in various time intervals based on the existing fund performance monitoring mechanism:

- (i) BEA (Industry Scheme) Core Accumulation Fund

In this regard, BEA Trustees requested the investment manager to provide explanation or the outperformance of the CF concerned. The 1-year annualized return outperformed the return of the Reference Portfolio by over 2% mainly due to positive asset allocation and stock selection. BEA Trustees would continue to monitor the fund performance of CFs according to the existing fund performance monitoring mechanism.

Investment report for the year ended 31 March 2024 (continued)

Trustee's Commentary (continued)

Note:

- ¹ Fees and charges of MPF conservative fund can be deducted from either (i) the assets of such fund or (ii) Member's account by way of unit deduction. From 1 April, 2022, the fees and charges deduction method of the BEA (Industry Scheme) MPF Conservative Fund has changed from (ii) to (i).
Before 1 April, 2022, BEA (Industry Scheme) MPF Conservative Fund uses method (ii) and fund performance quoted in this Trustee's Commentary has already reflected the impact of fees and charges.
- ² The benchmark/performance target may not be meaningful as different funds may have different launch dates.
- ³ The deviation from the benchmark/performance target may not be meaningful due to different funds may have different launch dates.
- ⁴ The figures of the performance and the benchmark/performance target were rounded to 2 decimal places which may derive a rounding difference in deviation.
- ⁵ The annualised return represents the percentage change in unit price at last dealing date during each of these years except for the net investment return in the first financial period which was calculated as the percentage change in unit price between the unit price at last dealing date and the initial offer price.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds

The Scheme commenced operations on 1 December 2000. The Scheme offers 12 constituent funds with different investment policies. The constituent funds of the Scheme are BEA (Industry Scheme) MPF Conservative Fund, BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Greater China Equity Fund, BEA (Industry Scheme) Hong Kong Equity Fund, BEA (Industry Scheme) Asian Equity Fund, BEA China Tracker Fund, BEA Hong Kong Tracker Fund, BEA (Industry Scheme) RMB & HKD Money Market Fund, BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund.

All constituent funds invest in Approved Pooled Investment Funds ("APIFs") and/or Approved Index-Tracking Collective Investment Schemes ("ITCISs") except for the BEA China Tracker Fund and the BEA Hong Kong Tracker Fund which invest in a single approved ITCIS, the BEA (Industry Scheme) Age 65 Plus Fund and the BEA (Industry Scheme) Core Accumulation Fund which invest in a single APIF, the BEA (Industry Scheme) MPF Conservative Fund which invests directly in a portfolio of Hong Kong dollar deposits and Hong Kong dollar denominated debt instruments and the BEA (Industry Scheme) RMB & HKD Money Market Fund which invests directly in a portfolio of mainly Hong Kong dollar and Renminbi deposits and Hong Kong dollar and Renminbi denominated debt instruments.

Separate and distinct investment policies are applied in the investments of each constituent fund. The respective investment objectives and policies are set out below.

BEA (Industry Scheme) MPF Conservative Fund

Investment objective:

To achieve a minimum rate of return while maintaining stability of the principal amount invested.

Investment policy:

The BEA (Industry Scheme) MPF Conservative Fund solely invests in Hong Kong dollar denominated instruments, namely, short-term deposits and debt securities issued by banks, corporations and governments. The BEA (Industry Scheme) MPF Conservative Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) MPF Conservative Fund will not enter into financial futures and options contracts for any purposes.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Growth Fund

Investment objective:

To achieve long-term capital appreciation within a controlled risk/return framework through investing mainly in global equities with some exposure in global debt securities/money market instruments.

Investment policy:

The BEA (Industry Scheme) Growth Fund will invest primarily in global equity and bond markets. The BEA (Industry Scheme) Growth Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Growth Fund are expected normally to be invested 60% to 90% in equities and 10% to 40% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Growth Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Growth Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Balanced Fund

Investment objective:

To achieve a stable rate of return with an opportunity for capital appreciation through a balanced weighting of investments in global equities and debt securities.

Investment policy:

The BEA (Industry Scheme) Balanced Fund will invest primarily in global equity and bond markets. The BEA (Industry Scheme) Balanced Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Balanced Fund are expected normally to be invested 40% to 60% in equities and 40% to 60% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Balanced Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Balanced Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Stable Fund

Investment objective:

To minimise short-term capital risk with modest capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and a lower exposure to global equities to provide modest potential for capital appreciation.

Investment policy:

The BEA (Industry Scheme) Stable Fund will invest primarily in the global equity and bond markets. The BEA (Industry Scheme) Stable Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Stable Fund are expected normally to be invested 10% to 40% in equities and 60% to 90% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Stable Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Stable Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Greater China Equity Fund

Investment objective:

To provide investors with long-term capital growth within a controlled risk/return framework through investing mainly in listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China (the “Greater China Securities”).

Investment policy:

The BEA (Industry Scheme) Greater China Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Greater China Securities, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Greater China Equity Fund are expected normally to be invested 70% to 100% in Greater China Securities and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Greater China Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Greater China Equity Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Hong Kong Equity Fund

Investment objective:

To achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Hong Kong equities, with some exposure in debt securities and/or money market instruments.

Investment policy:

The BEA (Industry Scheme) Hong Kong Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Hong Kong equity market, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Hong Kong Equity Fund are expected normally to be invested 70% to 100% in equities of companies that are listed in, or derive or are expected to derive a significant portion of their revenues from Hong Kong and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Hong Kong Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Hong Kong Equity Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Asian Equity Fund

Investment objective:

To achieve long-term capital appreciation within a controlled risk/return framework through investing mainly in Asian (ex-Japan) equities, with some exposure in debt securities and/or money market instruments.

Investment policy:

The BEA (Industry Scheme) Asian Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Asian (ex-Japan) equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Asian Equity Fund are expected normally to be invested at least 70% in equities of companies listed in the Asian equity markets (including but not limited to Singapore, Malaysia, Korea, Taiwan, Thailand, Indonesia, the Philippines, India, China and Hong Kong, but excluding Japan) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Asian Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Asian Equity Fund will enter into financial futures and options contracts for hedging purposes only.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA China Tracker Fund

Investment objective:

To provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable.

Investment policy:

The BEA China Tracker Fund will invest directly in a single approved ITCIS, namely the Hang Seng China Enterprises Index ETF. The Hang Seng China Enterprises Index ETF aims to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable. There can, however, be no assurance that the performance of the BEA China Tracker Fund and the approved ITCIS will at any time be identical to that of the Hang Seng China Enterprises Index. The BEA China Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA China Tracker Fund and the Hang Seng China Enterprises Index ETF will not engage in security lending and will not enter into repurchase agreements. The BEA China Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the Hang Seng China Enterprises Index ETF may use futures contracts, warrants and options for hedging purposes or to achieve its investment objective.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA Hong Kong Tracker Fund

Investment objective:

To provide investment returns that match the performance of the Hang Seng Index as closely as practicable.

Investment policy:

The BEA Hong Kong Tracker Fund will invest directly in a single approved ITCIS, namely the Tracker Fund of Hong Kong. The underlying approved ITCIS aims to provide investment results that closely correspond to the performance of the Hang Seng Index. There can, however, be no assurance that the performance of the BEA Hong Kong Tracker Fund and the underlying approved ITCIS will at any time be identical to that of the Hang Seng Index. The BEA Hong Kong Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA Hong Kong Tracker Fund and the underlying approved ITCIS will not engage in security lending and will not enter into repurchase agreements. The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the underlying approved ITCIS may use futures contracts and options for hedging purposes or to achieve its investment objective.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund

Investment objective:

To achieve a rate of return over the long term in line with the interest rate offered by authorised financial institutions in Hong Kong on HKD and RMB savings accounts while maintaining stability of the principal amount invested.

Investment policy:

The BEA (Industry Scheme) RMB & HKD Money Market Fund will primarily invest in HKD and RMB denominated instruments, namely short-term deposits (including certificates of deposits and term deposits) placed with authorised financial institutions in Hong Kong and debt securities (including bonds, fixed and floating rate securities, convertible bonds and notes with a remaining maturity period of two years or less) issued or distributed outside mainland China ("offshore RMB debt securities") by banks, corporations and governments. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not invest in securities issued within mainland China through any qualified foreign institutional investor quota. The target ranges of asset allocation of the BEA (Industry Scheme) RMB & HKD Money Market Fund (as a percentage of its net asset value) are as follows:

	<i>Min %</i>	<i>Max %</i>
Asset allocation		
Short-term deposits	90%	100%
Debt Securities	0%	10%

The BEA (Industry Scheme) RMB & HKD Money Market Fund is denominated in HKD only and not in RMB. However, the BEA (Industry Scheme) RMB & HKD Money Market Fund is expected under normal circumstances to hold at least 50% of its net asset value in assets denominated and settled in RMB, and up to 50% of its net asset value in assets denominated and settled in HKD. In addition, the BEA (Industry Scheme) RMB & HKD Money Market Fund will at all times maintain an effective currency exposure to HKD of not less than 30% by investing in HKD denominated instruments and/or through currency forward contracts.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

Investment policy: (continued)

Variations to this may occur due to the timing of cashflows to and from the BEA (Industry Scheme) RMB & HKD Money Market Fund. Further, the Investment Manager may, in its discretion, vary the percentage of the BEA (Industry Scheme) RMB & HKD Money Market Fund's holding in RMB and HKD should the Investment Manager determine, in its opinion, that variation is warranted due to market or other conditions such as changes in the exchange policy, currency control or a significant downturn in the economy. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not enter into financial futures and options contracts for any purposes.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Age 65 Plus Fund

Investment objective:

To provide stable growth by investing in a globally diversified manner.

Investment policy:

The BEA (Industry Scheme) Age 65 Plus Fund will invest in a single APIF, namely the BEA Union Investment Age 65 Plus Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the Mandatory Provident Fund Schemes (General) Regulation (“General Regulation”). The investment manager of the BEA Union Investment Age 65 Plus Fund will from time to time rebalance the allocation between the two APIFs.

Subject to the discretion of the investment manager of the BEA Union Investment Age 65 Plus Fund and through an active asset allocation strategy investing in the two APIFs (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the BEA (Industry Scheme) Age 65 Plus Fund will hold around 20% of its net asset value in Higher Risk Assets, with the remainder investing in Lower Risk Assets. The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies. Through the BEA (Industry Scheme) Age 65 Plus Fund’s investment in the BEA Union Investment Age 65 Plus Fund, at least 30% of the assets of the BEA (Industry Scheme) Age 65 Plus Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (Industry Scheme) Age 65 Plus Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Age 65 Plus Fund may allocate the assets among the two underlying APIF(s) at its discretion.

The BEA (Industry Scheme) Age 65 Plus Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Age 65 Plus Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. The BEA (Industry Scheme) Age 65 Plus Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Age 65 Plus Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Age 65 Plus Fund.

Investment report for the year ended 31 March 2024 (continued)

Investment objectives and policies of the Scheme and the constituent funds (continued)

BEA (Industry Scheme) Core Accumulation Fund

Investment objective:

To provide capital growth by investing in a globally diversified manner.

Investment policy:

The BEA (Industry Scheme) Core Accumulation Fund will invest in a single APIF, namely the BEA Union Investment Core Accumulation Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the General Regulation. The investment manager of the BEA Union Investment Core Accumulation Fund will from time to time rebalance the allocation between the two APIFs.

Subject to the discretion of the investment manager of the BEA Union Investment Core Accumulation Fund and through an active asset allocation strategy investing in the two APIFs (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the BEA (Industry Scheme) Core Accumulation Fund will hold around 60% of its net asset value in Higher Risk Assets, with the remainder investing in Lower Risk Assets. The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies. Through the BEA (Industry Scheme) Core Accumulation Fund's investment in the BEA Union Investment Core Accumulation Fund, at least 30% of the assets of the BEA (Industry Scheme) Core Accumulation Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (Industry Scheme) Core Accumulation Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Core Accumulation Fund may allocate the assets among the two underlying APIF(s) at its discretion.

The BEA (Industry Scheme) Core Accumulation Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Core Accumulation Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. The BEA (Industry Scheme) Core Accumulation Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Core Accumulation Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Core Accumulation Fund.

Investment report for the year ended 31 March 2024 (continued)

Investment income and performance

	<u>BEA (Industry Scheme) MPF Conservative Fund</u>			<u>BEA (Industry Scheme) Growth Fund</u>			<u>BEA (Industry Scheme) Balanced Fund</u>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	120,451,494	39,724,989	8,256,963	(21,589,678)	(15,877,542)	(21,733,463)	(15,416,611)	(12,456,691)	(15,797,838)
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	-	164,606,840	(209,804,315)	(199,274,051)	72,605,001	(122,500,481)	(109,275,580)
Value of scheme assets derived from investments as at 31 March	<u>3,310,469,152</u>	<u>3,129,696,501</u>	<u>2,994,243,530</u>	<u>2,970,207,664</u>	<u>2,818,221,568</u>	<u>2,792,910,875</u>	<u>1,657,841,361</u>	<u>1,610,685,993</u>	<u>1,622,540,505</u>
	<u>BEA (Industry Scheme) Stable Fund</u>			<u>BEA (Industry Scheme) Greater China Equity Fund</u>			<u>BEA (Industry Scheme) Hong Kong Equity Fund</u>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net loss excluding capital appreciation/(depreciation)	(27,252,765)	(23,279,098)	(27,439,297)	(4,525,432)	(3,814,082)	(7,364,085)	(3,774,863)	(4,017,239)	(5,406,935)
Capital appreciation/(depreciation) of investments - realised and unrealised	80,977,682	(184,176,423)	(153,479,041)	(44,961,530)	(70,879,979)	(116,683,709)	(77,681,543)	(47,646,147)	(146,681,516)
Value of scheme assets derived from investments as at 31 March	<u>2,581,802,287</u>	<u>2,516,271,629</u>	<u>2,470,839,401</u>	<u>517,248,926</u>	<u>527,737,617</u>	<u>556,805,650</u>	<u>432,691,102</u>	<u>452,093,043</u>	<u>437,887,754</u>

Investment report for the year ended 31 March 2024 (continued)

Investment income and performance (continued)

	<i>BEA (Industry Scheme) Asian Equity Fund</i>			<i>BEA China Tracker Fund</i>			<i>BEA Hong Kong Tracker Fund</i>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(2,767,772)	(2,611,663)	(3,472,081)	1,823,156	1,919,376	1,248,560	3,397,946	2,786,577	2,193,505
Capital appreciation/(depreciation) of investments - realised and unrealised	34,276,721	(40,577,882)	(21,634,526)	(16,495,956)	(6,043,156)	(35,953,893)	(23,219,055)	(7,271,660)	(27,336,900)
Value of scheme assets derived from investments as at 31 March	<u>305,797,621</u>	<u>236,873,775</u>	<u>237,005,315</u>	<u>93,715,216</u>	<u>93,719,520</u>	<u>84,677,740</u>	<u>116,395,750</u>	<u>117,779,340</u>	<u>107,902,040</u>
	<i>BEA (Industry Scheme) RMB & HKD Money Market Fund</i>			<i>BEA (Industry Scheme) Age 65 Plus Fund</i>			<i>BEA (Industry Scheme) Core Accumulation Fund</i>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(747,955)	(5,287,407)	5,086,765	(5,591,242)	(4,648,287)	(4,576,114)	(15,704,937)	(11,992,810)	(11,705,566)
Capital appreciation/(depreciation) of investments - realised and unrealised	19,705	21,295	-	44,799,382	(37,525,511)	(7,949,002)	311,050,287	(96,335,350)	54,891,287
Value of scheme assets derived from investments as at 31 March	<u>180,509,281</u>	<u>160,436,241</u>	<u>149,289,996</u>	<u>784,209,311</u>	<u>639,866,250</u>	<u>605,807,121</u>	<u>2,345,721,758</u>	<u>1,731,992,660</u>	<u>1,586,680,324</u>

Investment report for the year ended 31 March 2024 (continued)

Breakdown of income derived from investments and bank balances

For the year ended 31 March 2024

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (Industry Scheme) MPF Conservative Fund	-	2,196,832	147,710,302	149,907,134
BEA (Industry Scheme) Growth Fund	19,723,318	293,629	-	20,016,947
BEA (Industry Scheme) Balanced Fund	7,275,266	171,791	-	7,447,057
BEA (Industry Scheme) Stable Fund	7,039,916	362,901	-	7,402,817
BEA (Industry Scheme) Greater China Equity Fund	1,934,550	24,499	-	1,959,049
BEA (Industry Scheme) Hong Kong Equity Fund	1,642,875	23,476	-	1,666,351
BEA (Industry Scheme) Asian Equity Fund	519,085	78,185	-	597,270
BEA China Tracker Fund	2,326,176	1,225	-	2,327,401
BEA Hong Kong Tracker Fund	4,030,525	1,727	-	4,032,252
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	77,561	5,983,811	6,061,372
BEA (Industry Scheme) Age 65 Plus Fund	-	8,620	-	8,620
BEA (Industry Scheme) Core Accumulation Fund	-	18,717	-	18,717

Investment report for the year ended 31 March 2024 (continued)

Breakdown of income derived from investments and bank balances (continued)

For the year ended 31 March 2023

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (Industry Scheme) MPF Conservative Fund	-	593,896	77,301,768	77,895,664
BEA (Industry Scheme) Growth Fund	23,838,422	297,999	-	24,136,421
BEA (Industry Scheme) Balanced Fund	9,771,454	136,172	-	9,907,626
BEA (Industry Scheme) Stable Fund	10,277,633	308,840	-	10,586,473
BEA (Industry Scheme) Greater China Equity Fund	2,631,860	8,525	-	2,640,385
BEA (Industry Scheme) Hong Kong Equity Fund	1,188,160	6,388	-	1,194,548
BEA (Industry Scheme) Asian Equity Fund	186,781	18,840	-	205,621
BEA China Tracker Fund	2,396,490	278	-	2,396,768
BEA Hong Kong Tracker Fund	3,397,000	562	-	3,397,562
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	35,995	3,832,828	3,868,823
BEA (Industry Scheme) Age 65 Plus Fund	-	2,025	-	2,025
BEA (Industry Scheme) Core Accumulation Fund	-	4,467	-	4,467

Investment report for the year ended 31 March 2024 (continued)

Performance table

(a) **Total net asset value and net asset value per unit**

Name of constituent funds	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$
BEA (Industry Scheme) MPF Conservative Fund	3,596,342,486	14.5476	3,376,201,926	14.0545	3,216,368,962	13.8880
BEA (Industry Scheme) Growth Fund	3,026,473,049	24.3758	2,831,230,710	23.2239	3,013,640,467	25.1117
BEA (Industry Scheme) Balanced Fund	1,676,871,738	20.7690	1,625,112,393	20.0535	1,756,670,206	21.7180
BEA (Industry Scheme) Stable Fund	2,647,684,458	18.5085	2,553,477,491	18.1353	2,731,162,609	19.6272
BEA (Industry Scheme) Greater China Equity Fund	520,486,590	14.1388	530,171,946	15.5938	560,516,269	17.9934
BEA (Industry Scheme) Hong Kong Equity Fund	434,258,763	8.6291	454,126,325	10.4155	440,134,683	11.8353
BEA (Industry Scheme) Asian Equity Fund	317,780,165	15.9610	252,280,462	14.3904	270,100,451	17.1272
BEA China Tracker Fund	93,685,178	6.4139	93,682,810	7.5406	84,652,830	7.9730
BEA Hong Kong Tracker Fund	116,348,144	10.4426	117,729,830	12.4266	107,864,600	13.0866
BEA (Industry Scheme) RMB & HKD Money Market Fund	195,569,051	10.8253	174,622,945	10.8785	160,722,109	11.2566
BEA (Industry Scheme) Age 65 Plus Fund	783,836,362	11.5725	639,425,056	10.9857	605,417,039	11.8188
BEA (Industry Scheme) Core Accumulation Fund	2,344,295,870	15.2889	1,731,076,239	13.2736	1,585,623,520	14.3256
	<u>15,753,631,854</u>		<u>14,379,138,133</u>		<u>14,532,873,745</u>	

Investment report for the year ended 31 March 2024 (continued)

Performance table (continued)

(b) Highest and lowest prices

Highest issue price per unit (HK\$)	BEA (Industry Scheme) MPF Conservative Fund	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund	BEA China Tracker Fund	BEA Hong Kong Tracker Fund	BEA (Industry Scheme) RMB & HKD Money Market Fund	BEA (Industry Scheme) Age 65 Plus Fund ⁽¹⁾	BEA (Industry Scheme) Core Accumulation Fund ⁽¹⁾
2024	14.5434	24.4459	20.7954	18.5410	15.5561	10.5452	15.9626	7.6373	12.6891	10.9120	11.5783	15.2958
2023	14.0545	25.3617	21.8455	19.6669	18.3811	12.1423	17.3335	8.3884	13.7706	11.2500	11.8284	14.3960
2022	13.8880	28.3885	24.1869	21.5047	23.8444	17.5708	20.3842	11.6774	17.1987	11.2738	12.4789	15.0452
2021	13.8521	28.6123	24.4856	21.8169	25.1672	18.8174	21.0332	12.7690	17.9956	11.0054	12.2838	14.0464
2020	13.7219	23.8860	21.0922	19.5468	16.5557	14.5556	14.7415	11.8306	16.6915	10.5460	11.6011	12.3957
2019	13.4455	23.1788	20.3963	18.9791	16.3145	15.2194	15.1010	12.2441	17.0917	10.7755	10.7409	11.2941
2018	13.2168	24.2459	21.1157	19.3562	17.1542	16.0611	15.9979	13.4411	17.7884	10.7674	10.6019	11.4709
2017	13.0879	19.9191	18.1026	17.7368	12.5248	11.8709	11.9027	10.1898	12.9252	10.1839	-	-
2016	12.9802	20.7534	18.5391	17.5823	14.2344	13.7745	12.4573	13.5318	14.2322	10.3250	-	-
2015	12.8819	19.7096	17.8807	17.2569	12.4976	12.0507	11.9072	11.3299	12.6062	10.3147	-	-

⁽¹⁾ The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

Investment report for the year ended 31 March 2024 (continued)

Performance table (continued)

(b) Highest and lowest prices (continued)

Lowest redemption price per unit (HK\$)	BEA (Industry Scheme) MPF Conservative Fund	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund	BEA China Tracker Fund	BEA Hong Kong Tracker Fund	BEA (Industry Scheme) RMB & HKD Money Market Fund	BEA (Industry Scheme) Age 65 Plus Fund ⁽¹⁾	BEA (Industry Scheme) Core Accumulation Fund ⁽¹⁾
2024	14.0581	21.4848	18.6031	16.9139	12.6766	7.7301	13.2830	5.5395	9.4309	10.6079	10.5305	12.9216
2023	13.8880	20.2128	17.9213	16.6892	11.8248	7.8137	12.7312	5.3719	9.0399	10.4062	10.3861	11.8859
2022	13.8522	23.6539	20.8704	19.2298	15.7535	9.9349	16.0578	6.4738	10.9732	10.8655	11.7073	13.6780
2021	13.7226	19.8317	18.4630	18.0400	13.8289	11.9002	11.4330	9.5809	13.0822	10.2295	10.9744	10.4970
2020	13.4474	18.6557	17.6402	17.4495	12.6372	10.9771	10.4575	8.7971	12.3948	10.1824	10.6278	9.8606
2019	13.2189	20.2162	18.4273	17.6994	12.6910	11.9353	11.8030	9.8623	13.6585	10.1905	10.2138	10.1587
2018	13.0891	19.7123	17.9595	17.2019	12.1411	11.5166	11.6725	9.5137	12.5539	9.9586	9.9998	9.9802
2017	12.9805	17.8688	16.8609	16.5864	10.0397	9.5558	9.7112	7.7290	10.1432	9.8349	-	-
2016	12.8823	16.8559	16.0385	16.0533	9.3968	8.8241	9.0232	7.0739	9.3940	9.9229	-	-
2015	12.7376	18.3419	16.9743	16.6863	10.7693	10.2449	10.7461	8.7107	10.6268	10.1037	-	-

⁽¹⁾ The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

Investment report for the year ended 31 March 2024 (continued)

Performance table (continued)

(c) Net annualised investment return ⁽¹⁾

	BEA (Industry Scheme) MPF Conservative Fund ⁽³⁾	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund	BEA China Tracker Fund	BEA Hong Kong Tracker Fund	BEA (Industry Scheme) RMB & HKD Money Market Fund	BEA (Industry Scheme) Age 65 Plus Fund ⁽²⁾	BEA (Industry Scheme) Core Accumulation Fund ⁽²⁾
Net annualised investment return (%)												
2024	3.51	4.96	3.57	2.06	(9.33)	(17.15)	10.91	(14.94)	(15.97)	(0.49)	5.34	15.18
2023	1.20	(7.52)	(7.66)	(7.60)	(13.34)	(12.00)	(15.98)	(5.42)	(5.04)	(3.36)	(7.05)	(7.34)
2022	0.26	(6.88)	(6.68)	(6.23)	(18.37)	(26.78)	(8.56)	(30.53)	(20.66)	3.46	(1.82)	3.39
2021	0.95	33.23	24.13	14.86	57.71	33.47	60.61	17.49	22.76	5.78	9.04	29.28
2020	2.05	(9.04)	(5.56)	(2.25)	(5.69)	(13.43)	(12.96)	(14.16)	(16.50)	(2.10)	2.78	(4.32)
2019	1.73	(2.63)	(1.90)	(1.27)	(6.30)	(4.53)	(9.85)	(3.07)	(0.66)	(2.44)	2.68	2.32
2018	0.99	15.35	12.56	9.73	29.18	26.03	26.79	19.01	27.40	7.85	4.60	9.48
2017	0.83	8.80	5.41	1.81	14.68	16.00	13.97	16.79	19.22	(2.00)	-	-
2016	0.76	(6.98)	(3.81)	(0.94)	(14.58)	(16.83)	(11.49)	(25.45)	(14.47)	(0.88)	-	-
2015	1.14	5.01	3.67	2.26	14.21	15.05	7.61	24.97	15.62	1.33	-	-

⁽¹⁾ The net annualised investment return represents the percentage change in unit price at the year end during each of these years except for the net investment return in the first financial period which was calculated as the percentage change in unit price between the unit price at the period end date and the initial offer price.

⁽²⁾ The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

⁽³⁾ From 1 April 2022, the fees and charges deduction method of the BEA (Industry Scheme) MPF Conservative Fund has been changed from member level deduction to fund level deduction. The impact of fees and charges has been reflected in the unit price.

Investment report for the year ended 31 March 2024 (continued)

Performance table (continued)

(d) Fund Expense Ratio ("FER")

Name of constituent funds	2024	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA (Industry Scheme) MPF Conservative Fund	-	0.84154%
BEA (Industry Scheme) Growth Fund	587,200	1.41179%
BEA (Industry Scheme) Balanced Fund	372,217	1.38322%
BEA (Industry Scheme) Stable Fund	472,614	1.35086%
BEA (Industry Scheme) Greater China Equity Fund	-	1.34523%
BEA (Industry Scheme) Hong Kong Equity Fund	18,404	1.31960%
BEA (Industry Scheme) Asian Equity Fund	16,730	1.30420%
BEA China Tracker Fund	24,874	1.18791%
BEA Hong Kong Tracker Fund	39,478	0.59014%
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	0.79269%
BEA (Industry Scheme) Age 65 Plus Fund	-	0.80357%
BEA (Industry Scheme) Core Accumulation Fund	-	0.79552%

Investment report as at 31 March 2024 (continued)

Investment portfolio

BEA (Industry Scheme) MPF Conservative Fund

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollar</i>				
Australia And New Zealand Banking Group Limited F/D 4.65% 11 September 2024	102,475,942	102,475,942	102,475,942	2.85
Bank of East Asia, Limited (The) F/D 4.25% 17 July 2024	41,021,621	41,021,621	41,021,621	1.14
China CITIC Bank International Limited F/D 4.5% 26 June 2024	92,812,651	92,812,651	92,812,651	2.58
China Construction Bank Corporation F/D 4.43% 17 April 2024	85,383,847	85,383,847	85,383,847	2.37
China Construction Bank Corporation F/D 4.49% 22 May 2024	81,423,825	81,423,825	81,423,825	2.26
China Construction Bank Corporation F/D 4.49% 22 May 2024	98,735,256	98,735,256	98,735,256	2.75
China Construction Bank Corporation F/D 4.53% 26 June 2024	35,632,428	35,632,428	35,632,428	0.99
China Everbright Bank Co., Ltd. F/D 4.26% 12 June 2024	93,295,814	93,295,814	93,295,814	2.59
China Everbright Bank Co., Ltd. F/D 4.26% 12 June 2024	102,819,475	102,819,475	102,819,475	2.85
China Everbright Bank Co., Ltd. F/D 4.53% 26 June 2024	34,174,195	34,174,195	34,174,195	0.95
China Everbright Bank Co., Ltd. F/D 5.12% 21 August 2024	37,665,984	37,665,984	37,665,984	1.05
China Everbright Bank Co., Ltd. F/D 4.95% 11 September 2024	25,235,235	25,235,235	25,235,235	0.70
Chong Hing Bank Limited F/D 4.6% 08 May 2024	34,455,995	34,455,995	34,455,995	0.96
Chong Hing Bank Limited F/D 4.6% 08 May 2024	57,453,425	57,453,425	57,453,425	1.60
Chong Hing Bank Limited F/D 4.6% 08 May 2024	65,888,448	65,888,448	65,888,448	1.83
Chong Hing Bank Limited F/D 4.6% 08 May 2024	75,676,891	75,676,891	75,676,891	2.10
Chong Hing Bank Limited F/D 4.6% 08 May 2024	83,752,812	83,752,812	83,752,812	2.33
CMB Wing Lung Bank Limited F/D 4.89% 22 May 2024	88,067,769	88,067,769	88,067,769	2.45
CMB Wing Lung Bank Limited F/D 4.35% 12 June 2024	77,445,270	77,445,270	77,445,270	2.15
CMB Wing Lung Bank Limited F/D 4.87% 21 August 2024	38,826,083	38,826,083	38,826,083	1.08
CMB Wing Lung Bank Limited F/D 4.87% 21 August 2024	60,430,387	60,430,387	60,430,387	1.68
Credit Agricole Corporate and Investment Bank F/D 4.4% 22 May 2024	52,077,214	52,077,214	52,077,214	1.45
Credit Agricole Corporate and Investment Bank F/D 4.4% 22 May 2024	53,533,059	53,533,059	53,533,059	1.49

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) MPF Conservative Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 4.35% 26 June 2024	92,894,475	92,894,475	92,894,475	2.58
Dah Sing Bank, Limited F/D 4.7% 17 April 2024	98,589,413	98,589,413	98,589,413	2.74
Dah Sing Bank, Limited F/D 4.55% 22 May 2024	21,094,395	21,094,395	21,094,395	0.59
Dah Sing Bank, Limited F/D 4.55% 22 May 2024	77,343,327	77,343,327	77,343,327	2.15
Dah Sing Bank, Limited F/D 4.55% 22 May 2024	31,509,680	31,509,680	31,509,680	0.88
Dah Sing Bank, Limited F/D 5.06% 22 May 2024	15,791,553	15,791,553	15,791,553	0.44
Dah Sing Bank, Limited F/D 4.9% 11 September 2024	46,498,179	46,498,179	46,498,179	1.29
Dah Sing Bank, Limited F/D 4.81% 02 October 2024	16,402,704	16,402,704	16,402,704	0.46
Fubon Bank (Hong Kong) Limited F/D 4.6% 17 April 2024	77,522,405	77,522,405	77,522,405	2.16
Fubon Bank (Hong Kong) Limited F/D 4.6% 17 April 2024	89,338,818	89,338,818	89,338,818	2.48
Industrial and Commercial Bank of China (Asia) Limited F/D 4.6% 08 May 2024	49,697,385	49,697,385	49,697,385	1.38
Industrial and Commercial Bank of China (Asia) Limited F/D 4.53% 26 June 2024	11,921,054	11,921,054	11,921,054	0.33
Industrial and Commercial Bank of China (Asia) Limited F/D 4.53% 26 June 2024	76,844,299	76,844,299	76,844,299	2.14
Industrial and Commercial Bank of China (Asia) Limited F/D 4.53% 26 June 2024	80,205,772	80,205,772	80,205,772	2.23
Industrial and Commercial Bank of China (Asia) Limited F/D 4.53% 26 June 2024	98,999,780	98,999,780	98,999,780	2.75
MUFG Bank, Ltd. F/D 5.2% 25 April 2024	9,997,666	9,997,666	9,997,666	0.28
MUFG Bank, Ltd. F/D 5.2% 25 April 2024	62,131,649	62,131,649	62,131,649	1.73
MUFG Bank, Ltd. F/D 5.2% 25 April 2024	63,873,467	63,873,467	63,873,467	1.78
MUFG Bank, Ltd. F/D 4.52% 12 June 2024	97,685,850	97,685,850	97,685,850	2.72
MUFG Bank, Ltd. F/D 4.57% 27 November 2024	70,840,815	70,840,815	70,840,815	1.97
OCBC Bank (Hong Kong) Limited F/D 5.04% 25 April 2024	38,590,494	38,590,494	38,590,494	1.07
OCBC Bank (Hong Kong) Limited F/D 4.48% 26 June 2024	42,858,873	42,858,873	42,858,873	1.19
OCBC Bank (Hong Kong) Limited F/D 4.95% 26 June 2024	83,006,294	83,006,294	83,006,294	2.31
OCBC Bank (Hong Kong) Limited F/D 4.6% 03 July 2024	18,992,936	18,992,936	18,992,936	0.53

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) MPF Conservative Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
OCBC Bank (Hong Kong) Limited F/D 4.6% 03 July 2024	52,504,034	52,504,034	52,504,034	1.46
OCBC Bank (Hong Kong) Limited F/D 4.53% 02 October 2024	52,691,933	52,691,933	52,691,933	1.47
Sumitomo Mitsui Banking Corporation F/D 4.51% 26 June 2024	25,674,339	25,674,339	25,674,339	0.71
Sumitomo Mitsui Banking Corporation F/D 4.51% 26 June 2024	48,115,039	48,115,039	48,115,039	1.34
Sumitomo Mitsui Banking Corporation F/D 4.69% 03 July 2024	70,120,105	70,120,105	70,120,105	1.95
Sumitomo Mitsui Banking Corporation F/D 4.76% 03 July 2024	29,636,821	29,636,821	29,636,821	0.82
Sumitomo Mitsui Banking Corporation F/D 4.76% 03 July 2024	76,821,916	76,821,916	76,821,916	2.14
Sumitomo Mitsui Banking Corporation F/D 4.49% 17 July 2024	63,990,056	63,990,056	63,990,056	1.78
Total investments		<u>3,310,469,152</u>	<u>3,310,469,152</u>	<u>92.05</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Growth Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,183,449.9180	168,984,814	140,034,155	5.58
BEA Union Investment Asia Strategic Growth Fund - Class A	737,833.9300	334,976,604	244,669,721	11.07
BEA Union Investment China A Opportunities Fund - Class A	1,335,084.1180	125,244,241	126,635,175	4.14
BEA Union Investment Europe Fund - Class A	806,081.7510	85,235,084	81,428,867	2.82
BEA Union Investment Global Bond Fund - Class A	3,880,219.5000	449,484,627	468,282,917	14.85
BEA Union Investment Global Equity Fund - Class A	1,627,803.9420	487,055,218	341,371,903	16.09
BEA Union Investment Greater China Growth Fund - Class A	168,795.6630	48,167,530	46,372,134	1.59
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	92,068.6500	13,871,984	11,293,732	0.46
BEA Union Investment Hong Kong Growth Fund - Class A	1,206,587.4250	262,094,920	343,569,869	8.66
BEA Union Investment Japan Fund - Class A	1,309,938.9330	141,931,883	132,788,192	4.69
BEA Union Investment Money Market Fund - Class A	314,009.6040	34,820,525	31,402,018	1.15
BEA Union Investment US Fund - Class A	600,857.6210	61,539,838	59,713,375	2.03
Fidelity Global Investment Fund - European Equity Fund - Class B	266,943.5340	5,907,460	5,454,964	0.20
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	141,426.3640	3,251,392	2,890,890	0.11
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	702,179.0848	62,761,188	54,283,499	2.07
Schroder Institutional Pooled Funds - European Equity Fund - Class B	157,632.3061	6,465,857	5,395,406	0.21
Approved Index-Tracking Collective Investment Schemes				
<i>Hong Kong</i>				
ChinaAMC HSI ESG ETF	6,810.0000	237,669	287,979	0.01
ChinaAMC MSCI Japan Hedged to USD ETF	1,795,600.0000	37,312,568	36,179,589	1.23
Hang Seng China Enterprises Index ETF	855,800.0000	50,201,228	50,490,537	1.66
iShares Core MSCI Asia ex Japan ETF	5,661.0000	289,730	292,717	0.01
iShares Hang Seng TECH ETF	39,100.0000	285,821	310,773	0.01
Tracker Fund of Hong Kong	4,697,500.0000	78,683,125	82,225,784	2.60

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Growth Fund (continued)

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Index-Tracking Collective Investment Schemes (continued)				
<i>The United Kingdom</i>				
HSBC Europe Sustainable Equity UCITS ETF	2,331.0000	303,147	278,197	0.01
HSBC Japan Sustainable Equity UCITS ETF	69,367.0000	9,657,601	8,347,171	0.32
<i>The United States of America</i>				
BNY Mellon US Large Cap Core Equity ETF	25,806.0000	20,156,543	16,777,440	0.67
BNY Mellon US Mid Cap Core Equity ETF	407.0000	315,606	272,336	0.01
Invesco QQQ Trust, Series 1	1,401.0000	4,868,506	4,314,415	0.16
iShares Core MSCI Europe ETF	189,001.0000	85,572,118	76,243,886	2.83
iShares Europe ETF	217,301.0000	94,677,714	80,546,920	3.13
iShares Global Energy ETF	907.0000	304,884	284,479	0.01
iShares Global Tech ETF	20,575.0000	12,046,595	11,346,347	0.40
iShares MSCI Australia ETF	1,654.0000	319,222	298,288	0.01
iShares MSCI Eurozone ETF	114,828.0000	45,887,397	43,642,290	1.52
iShares MSCI Japan ETF	207,375.0000	115,801,768	101,478,099	3.82
iShares Russell 2000 ETF	187.0000	307,784	272,971	0.01
iShares S&P 500 Value ETF	12,661.0000	18,511,131	18,065,852	0.61
iShares U.S. Financials ETF	25,084.0000	18,777,881	18,063,908	0.62
iShares U.S. Technology ETF	8,120.0000	8,583,168	8,235,489	0.28
SPDR S&P 500 ETF Trust	18,397.0000	75,313,293	63,015,123	2.49
Total investments		<u>2,970,207,664</u>	<u>2,716,857,407</u>	<u>98.14</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Balanced Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	963,701.7960	137,606,979	107,228,807	8.21
BEA Union Investment Asia Strategic Growth Fund - Class A	311,681.1820	141,503,257	106,681,762	8.44
BEA Union Investment China A Opportunities Fund - Class A	612,085.4810	57,419,739	58,055,790	3.42
BEA Union Investment Europe Fund - Class A	290,766.7540	30,745,676	29,533,370	1.83
BEA Union Investment Global Bond Fund - Class A	4,567,313.4720	529,077,593	549,974,572	31.55
BEA Union Investment Global Equity Fund - Class A	803,105.5470	240,297,211	171,439,854	14.33
BEA Union Investment Greater China Growth Fund - Class A	68,629.0250	19,583,978	18,996,762	1.17
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,696.9350	13,213,297	10,337,462	0.79
BEA Union Investment Hong Kong Growth Fund - Class A	475,997.9290	103,396,270	129,560,463	6.17
BEA Union Investment Japan Fund - Class A	575,601.3850	62,366,410	58,605,715	3.72
BEA Union Investment Money Market Fund - Class A	198,787.8030	22,043,579	19,879,448	1.31
BEA Union Investment US Fund - Class A	167,240.2650	17,128,748	16,620,396	1.02
Fidelity Global Investment Fund - European Equity Fund - Class B	160,228.4220	3,545,855	3,274,232	0.21
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	51,877.4190	1,192,662	1,055,541	0.07
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	292,722.4988	26,163,713	22,772,510	1.56
Schroder Institutional Pooled Funds - European Equity Fund - Class B	132,937.7974	5,452,922	4,548,958	0.33
Approved Index-Tracking Collective Investment Schemes				
<i>Hong Kong</i>				
ChinaAMC HSI ESG ETF	3,850.0000	134,365	162,808	0.01
ChinaAMC MSCI Japan Hedged to USD ETF	715,400.0000	14,866,012	14,573,769	0.89
Hang Seng China Enterprises Index ETF	475,800.0000	27,910,428	28,075,033	1.66
iShares Core MSCI Asia ex Japan ETF	3,233.0000	165,465	167,164	0.01
iShares Hang Seng TECH ETF	22,200.0000	162,282	176,224	0.01
Tracker Fund of Hong Kong	875,500.0000	14,664,625	14,749,359	0.87

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Balanced Fund (continued)

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Index-Tracking Collective Investment Schemes (continued)				
<i>The United Kingdom</i>				
HSBC Europe Sustainable Equity UCITS ETF	1,314.0000	170,886	156,858	0.01
HSBC Japan Sustainable Equity UCITS ETF	26,220.0000	3,650,472	3,154,227	0.22
<i>The United States of America</i>				
BNY Mellon US Large Cap Core Equity ETF	14,590.0000	11,395,953	9,485,406	0.68
BNY Mellon US Mid Cap Core Equity ETF	231.0000	179,128	154,569	0.01
Invesco QQQ Trust, Series 1	681.0000	2,366,490	2,119,364	0.14
iShares Core MSCI Europe ETF	66,204.0000	29,974,532	27,067,154	1.79
iShares Europe ETF	76,862.0000	33,488,656	29,295,939	2.00
iShares Global Energy ETF	513.0000	172,443	162,508	0.01
iShares Global Tech ETF	11,563.0000	6,770,099	6,375,884	0.40
iShares MSCI Australia ETF	935.0000	180,455	168,621	0.01
iShares MSCI Eurozone ETF	48,685.0000	19,455,428	18,885,724	1.16
iShares MSCI Japan ETF	81,455.0000	45,485,874	40,526,897	2.71
iShares Russell 2000 ETF	106.0000	174,466	154,732	0.01
iShares S&P 500 Value ETF	7,046.0000	10,301,669	10,053,865	0.62
iShares U.S. Financials ETF	13,961.0000	10,451,204	10,053,829	0.62
iShares U.S. Technology ETF	162.0000	171,240	162,136	0.01
SPDR S&P 500 ETF Trust	3,618.0000	14,811,300	13,138,744	0.89
Total investments		<u>1,657,841,361</u>	<u>1,537,586,456</u>	<u>98.87</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Stable Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,599,266.0250	228,359,196	187,045,429	8.62
BEA Union Investment Asia Strategic Growth Fund - Class A	256,764.3420	116,571,011	93,781,189	4.40
BEA Union Investment China A Opportunities Fund - Class A	720,393.2190	67,580,088	68,726,219	2.55
BEA Union Investment Europe Fund - Class A	384,857.1480	40,694,795	39,207,660	1.54
BEA Union Investment Global Bond Fund - Class A	10,637,827.8050	1,232,285,973	1,278,841,782	46.54
BEA Union Investment Global Equity Fund - Class A	1,004,600.5850	300,586,541	231,755,649	11.35
BEA Union Investment Greater China Growth Fund - Class A	107,297.8570	30,618,517	30,082,952	1.16
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	108,185.0140	16,300,236	13,452,614	0.62
BEA Union Investment Hong Kong Growth Fund - Class A	331,686.3950	72,048,919	81,565,768	2.72
BEA Union Investment Japan Fund - Class A	657,515.0270	71,241,753	67,484,133	2.69
BEA Union Investment Money Market Fund - Class A	1,200,431.2340	133,115,820	120,048,285	5.03
BEA Union Investment US Fund - Class A	132,101.0680	13,529,791	13,144,545	0.51
Fidelity Global Investment Fund - European Equity Fund - Class B	112,813.8370	2,496,570	2,305,313	0.09
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	77,230.3370	1,775,525	1,568,793	0.07
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	464,327.7962	41,501,897	36,129,721	1.57
Schroder Institutional Pooled Funds - European Equity Fund - Class B	84,074.3128	3,448,611	2,874,795	0.13
Approved Index-Tracking Collective Investment Schemes				
<i>Hong Kong</i>				
ChinaAMC HSI ESG ETF	6,100.0000	212,890	257,955	0.01
ChinaAMC MSCI Japan Hedged to USD ETF	1,041,200.0000	21,636,136	21,403,611	0.82
Hang Seng China Enterprises Index ETF	264,400.0000	15,509,704	15,600,409	0.59
iShares Core MSCI Asia ex Japan ETF	4,938.0000	252,727	256,574	0.01
iShares Hang Seng TECH ETF	35,400.0000	258,774	279,875	0.01
Tracker Fund of Hong Kong	112,000.0000	1,876,000	1,856,080	0.07

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Stable Fund (continued)

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Index-Tracking Collective Investment Schemes (continued)				
<i>The United Kingdom</i>				
HSBC Europe Sustainable Equity UCITS ETF	2,095.0000	272,455	250,261	0.01
HSBC Japan Sustainable Equity UCITS ETF	20,990.0000	2,922,327	2,522,209	0.11
<i>The United States of America</i>				
BNY Mellon US Large Cap Core Equity ETF	12,594.0000	9,836,918	8,187,156	0.37
BNY Mellon US Mid Cap Core Equity ETF	369.0000	286,139	246,909	0.01
Invesco QQQ Trust, Series 1	77.0000	267,577	251,427	0.01
iShares Core MSCI Europe ETF	28,168.0000	12,753,347	11,984,507	0.48
iShares Europe ETF	42,262.0000	18,413,489	16,497,772	0.70
iShares Global Energy ETF	818.0000	274,967	257,452	0.01
iShares Global Tech ETF	9,988.0000	5,847,941	5,509,246	0.22
iShares MSCI Australia ETF	1,463.0000	282,359	263,842	0.01
iShares MSCI Eurozone ETF	79,676.0000	31,840,007	30,828,439	1.20
iShares MSCI Japan ETF	81,162.0000	45,322,257	41,253,870	1.71
iShares Russell 2000 ETF	169.0000	278,158	246,695	0.01
iShares S&P 500 Value ETF	11,138.0000	16,284,415	15,892,698	0.62
iShares U.S. Financials ETF	22,067.0000	16,519,355	15,891,254	0.62
iShares U.S. Technology ETF	256.0000	270,602	256,209	0.01
SPDR S&P 500 ETF Trust	2,010.0000	8,228,500	8,166,857	0.31
Total investments		<u>2,581,802,287</u>	<u>2,466,176,154</u>	<u>97.51</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Greater China Equity Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	50,942.1310	15,242,395	14,233,741	2.94
BEA Union Investment Greater China Growth Fund - Class A	1,614,296.4430	460,655,633	361,165,282	88.50
BEA Union Investment Hong Kong Growth Fund - Class A	110,476.9260	23,997,798	28,016,473	4.61
Approved Index-Tracking Collective Investment Schemes				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	23,046.0000	386,021	592,605	0.07
<i>The United States of America</i>				
iShares MSCI Taiwan ETF	44,534.0000	16,967,079	16,818,842	3.26
Total investments		<u>517,248,926</u>	<u>420,826,943</u>	<u>99.38</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Hong Kong Equity Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	82,807.1860	23,629,859	26,596,215	5.44
BEA Union Investment Hong Kong Growth Fund - Class A	1,767,807.9530	384,003,243	469,761,721	88.43
Approved Index-Tracking Collective Investment Scheme				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	1,496,000.0000	25,058,000	33,214,329	5.77
Total investments		<u>432,691,102</u>	<u>529,572,265</u>	<u>99.64</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Asian Equity Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	612,290.2540	277,979,775	220,798,983	87.48
Approved Index-Tracking Collective Investment Schemes				
<i>Hong Kong</i>				
iShares Core MSCI Asia ex Japan ETF	54,700.0000	2,799,546	2,747,510	0.88
<i>The United States of America</i>				
iShares MSCI India ETF	32,947.0000	13,302,897	11,367,405	4.19
iShares MSCI South Korea ETF	7,168.0000	3,764,871	3,505,255	1.18
iShares MSCI Taiwan ETF	20,868.0000	7,950,532	7,312,793	2.50
Total investments		<u>305,797,621</u>	<u>245,731,946</u>	<u>96.23</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA China Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Collective Investment Scheme				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	1,597,600.0000	93,715,216	145,866,497	100.03
Total investment		<u>93,715,216</u>	<u>145,866,497</u>	<u>100.03</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Collective Investment Scheme				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	6,949,000.0000	116,395,750	160,282,714	100.04
Total investment		<u>116,395,750</u>	<u>160,282,714</u>	<u>100.04</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollar</i>				
Australia And New Zealand Banking Group Limited F/D 4.26% 13 June 2024	5,167,521	5,167,521	5,167,521	2.64
Australia And New Zealand Banking Group Limited F/D 4.76% 12 September 2024	1,728,848	1,728,848	1,728,848	0.88
Australia And New Zealand Banking Group Limited F/D 4.76% 12 September 2024	2,580,828	2,580,828	2,580,828	1.32
Australia And New Zealand Banking Group Limited F/D 4.76% 12 September 2024	3,100,420	3,100,420	3,100,420	1.59
Bank of East Asia, Limited (The) F/D 4.47% 13 June 2024	451,884	451,884	451,884	0.23
China Construction Bank Corporation F/D 4.35% 20 June 2024	4,265,327	4,265,327	4,265,327	2.18
China Construction Bank Corporation F/D 4.53% 27 June 2024	1,579,804	1,579,804	1,579,804	0.81
China Everbright Bank Co., Ltd. F/D 5.15% 20 June 2024	912,771	912,771	912,771	0.47
Chong Hing Bank Limited F/D 4.50% 06 June 2024	2,634,651	2,634,651	2,634,651	1.35
Chong Hing Bank Limited F/D 4.50% 06 June 2024	2,689,139	2,689,139	2,689,139	1.38
CMB Wing Lung Bank Limited F/D 4.47% 11 July 2024	2,121,066	2,121,066	2,121,066	1.08
CMB Wing Lung Bank Limited F/D 4.68% 26 September 2024	3,764,627	3,764,627	3,764,627	1.92
Credit Agricole Corporate and Investment Bank F/D 4.65% 23 May 2024	2,432,371	2,432,371	2,432,371	1.24
Credit Agricole Corporate and Investment Bank F/D 4.50% 04 July 2024	3,962,675	3,962,675	3,962,675	2.03
Credit Agricole Corporate and Investment Bank F/D 4.50% 11 July 2024	2,402,258	2,402,258	2,402,258	1.23
Dah Sing Bank, Limited F/D 5.00% 23 May 2024	1,636,643	1,636,643	1,636,643	0.84
Dah Sing Bank, Limited F/D 4.48% 13 June 2024	3,427,353	3,427,353	3,427,353	1.75
Dah Sing Bank, Limited F/D 4.85% 04 July 2024	1,116,177	1,116,177	1,116,177	0.57
Dah Sing Bank, Limited F/D 4.85% 04 July 2024	3,599,296	3,599,296	3,599,296	1.84
Dah Sing Bank, Limited F/D 5.05% 05 September 2024	2,413,454	2,413,454	2,413,454	1.23
Dah Sing Bank, Limited F/D 4.84% 12 September 2024	2,499,771	2,499,771	2,499,771	1.28
MUFG Bank, Ltd. F/D 4.65% 11 July 2024	3,566,449	3,566,449	3,566,449	1.82
MUFG Bank, Ltd. F/D 5.45% 05 September 2024	3,214,597	3,214,597	3,214,597	1.64

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
OCBC Bank (Hong Kong) Limited F/D 4.80% 20 June 2024	3,335,045	3,335,045	3,335,045	1.71
Sumitomo Mitsui Banking Corporation F/D 4.56% 26 April 2024	1,355,417	1,355,417	1,355,417	0.69
Sumitomo Mitsui Banking Corporation F/D 4.56% 26 April 2024	1,971,893	1,971,893	1,971,893	1.01
Sumitomo Mitsui Banking Corporation F/D 4.55% 06 June 2024	2,670,505	2,670,505	2,670,505	1.37
Sumitomo Mitsui Banking Corporation F/D 4.55% 06 June 2024	3,521,087	3,521,087	3,521,087	1.80
Sumitomo Mitsui Banking Corporation F/D 4.87% 20 June 2024	2,209,834	2,209,834	2,209,834	1.13
Sumitomo Mitsui Banking Corporation F/D 4.50% 04 July 2024	4,900,378	4,900,378	4,900,378	2.51
<i>Renminbi</i>				
China CITIC Bank International Limited F/D 2.44% 30 May 2024	5,993,559	6,460,457	6,500,614	3.30
China CITIC Bank International Limited F/D 2.90% 04 July 2024	2,042,474	2,201,582	2,202,399	1.13
China Construction Bank Corporation F/D 2.50% 26 April 2024	3,257,078	3,510,804	3,559,661	1.80
China Construction Bank Corporation F/D 2.50% 26 April 2024	4,363,199	4,703,092	4,768,540	2.40
China Construction Bank Corporation F/D 2.55% 13 June 2024	1,268,700	1,367,532	1,376,857	0.70
China Everbright Bank Co., Ltd. F/D 2.50% 26 April 2024	486,456	524,351	531,648	0.27
China Everbright Bank Co., Ltd. F/D 2.63% 23 May 2024	3,680,411	3,967,115	3,998,030	2.03
China Everbright Bank Co., Ltd. F/D 2.63% 23 May 2024	4,629,501	4,990,139	5,029,027	2.55
China Everbright Bank Co., Ltd. F/D 2.63% 23 May 2024	4,767,780	5,139,190	5,179,240	2.63
CMB Wing Lung Bank Limited F/D 2.80% 23 May 2024	1,693,829	1,825,778	1,840,006	0.93
CMB Wing Lung Bank Limited F/D 2.75% 30 May 2024	1,528,608	1,647,687	1,657,929	0.84
CMB Wing Lung Bank Limited F/D 2.75% 30 May 2024	2,923,188	3,150,904	3,170,490	1.61
CMB Wing Lung Bank Limited F/D 2.75% 30 May 2024	4,062,989	4,379,495	4,406,717	2.24
Credit Agricole Corporate and Investment Bank F/D 2.51% 25 April 2024	1,744,259	1,880,137	1,889,295	0.96
Credit Agricole Corporate and Investment Bank F/D 2.30% 20 June 2024	2,093,554	2,256,641	2,276,635	1.15

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Renminbi (continued)</i>				
DBS Bank (Hong Kong) Limited F/D 2.60% 09 May 2024	1,727,056	1,861,593	1,881,973	0.95
DBS Bank (Hong Kong) Limited F/D 2.61% 23 May 2024	3,531,650	3,806,765	3,836,431	1.95
DBS Bank (Hong Kong) Limited F/D 2.66% 30 May 2024	2,592,586	2,794,549	2,811,919	1.43
DBS Bank (Hong Kong) Limited F/D 2.66% 30 May 2024	3,748,642	4,040,662	4,065,778	2.07
DBS Bank (Hong Kong) Limited F/D 2.55% 13 June 2024	407,963	439,744	442,742	0.23
DBS Bank (Hong Kong) Limited F/D 2.55% 13 June 2024	1,018,869	1,098,238	1,105,727	0.56
DBS Bank (Hong Kong) Limited F/D 2.46% 27 June 2024	2,465,683	2,657,760	2,672,554	1.36
Fubon Bank (Hong Kong) Limited F/D 2.50% 30 May 2024	2,309,616	2,489,535	2,505,009	1.27
Fubon Bank (Hong Kong) Limited F/D 2.50% 30 May 2024	2,651,970	2,858,559	2,876,327	1.46
Fubon Bank (Hong Kong) Limited F/D 2.50% 30 May 2024	3,972,609	4,282,075	4,308,692	2.19
Fubon Bank (Hong Kong) Limited F/D 2.10% 20 June 2024	1,789,762	1,929,185	1,940,818	0.99
MUFG Bank, Ltd. F/D 2.59% 09 May 2024	1,018,328	1,097,656	1,103,969	0.56
MUFG Bank, Ltd. F/D 2.70% 30 May 2024	1,344,095	1,448,800	1,457,805	0.74
MUFG Bank, Ltd. F/D 2.70% 30 May 2024	7,227,073	7,790,062	7,838,483	3.98
OCBC Bank (Hong Kong) Limited F/D 2.60% 26 April 2024	2,906,191	3,132,583	3,176,176	1.60
OCBC Bank (Hong Kong) Limited F/D 2.60% 26 April 2024	4,260,400	4,592,286	4,656,191	2.35
OCBC Bank (Hong Kong) Limited F/D 2.60% 26 April 2024	4,594,337	4,952,236	5,021,150	2.53
Total investments		<u>180,509,281</u>	<u>181,320,921</u>	<u>92.30</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Age 65 Plus Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	6,393,358.1540	784,209,311	712,707,496	100.05
Total investment		<u>784,209,311</u>	<u>712,707,496</u>	<u>100.05</u>

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

Investment report as at 31 March 2024 (continued)

Investment portfolio (continued)

BEA (Industry Scheme) Core Accumulation Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	14,408,610.3070	<u>2,345,721,758</u>	<u>1,795,669,926</u>	<u>100.06</u>
Total investment		<u><u>2,345,721,758</u></u>	<u><u>1,795,669,926</u></u>	<u><u>100.06</u></u>

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

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio

BEA (Industry Scheme) MPF Conservative Fund

	% of net assets	
	As at 31 March 2024	As at 31 March 2023
Short-term deposits		
Hong Kong Dollar	<u>92.05</u>	<u>92.70</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Growth Fund

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,183,449.9180	-	-	1,183,449.9180
BEA Union Investment Asia Strategic Growth Fund - Class A	755,403.1590	141,942.4640	159,511.6930	737,833.9300
BEA Union Investment China A Opportunities Fund - Class A	-	1,448,859.0810	113,774.9630	1,335,084.1180
BEA Union Investment Europe Fund - Class A	-	806,081.7510	-	806,081.7510
BEA Union Investment Global Bond Fund - Class A	4,665,467.0080	1,168,970.5250	1,954,218.0330	3,880,219.5000
BEA Union Investment Global Equity Fund - Class A	1,068,013.2180	864,378.8290	304,588.1050	1,627,803.9420
BEA Union Investment Greater China Growth Fund - Class A	287,245.1960	272,863.0080	391,312.5410	168,795.6630
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	92,068.6500	-	-	92,068.6500
BEA Union Investment Hong Kong Growth Fund - Class A	945,214.7330	510,202.0200	248,829.3280	1,206,587.4250
BEA Union Investment Japan Fund - Class A	-	1,309,938.9330	-	1,309,938.9330
BEA Union Investment Money Market Fund - Class A	314,009.6040	-	-	314,009.6040
BEA Union Investment US Fund - Class A	-	600,857.6210	-	600,857.6210
Fidelity Global Investment Fund - European Equity Fund - Class B	-	1,812,219.6760	1,545,276.1420	266,943.5340
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	705,753.4900	6,349,895.2890	6,914,222.4150	141,426.3640
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	224,787.7660	772,105.5179	294,714.1991	702,179.0848
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,898,835.4412	-	1,741,203.1351	157,632.3061

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Growth Fund (continued)

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Index-Tracking Collective Investment Schemes				
BNY Mellon US Large Cap Core Equity ETF	-	46,256.0000	20,450.0000	25,806.0000
BNY Mellon US Mid Cap Core Equity ETF	-	8,309.0000	7,902.0000	407.0000
ChinaAMC Hong Kong Banks ETF	-	4,826,600.0000	4,826,600.0000	-
ChinaAMC HSI ESG ETF	-	325,180.0000	318,370.0000	6,810.0000
ChinaAMC MSCI Japan Hedged to USD ETF	-	11,113,200.0000	9,317,600.0000	1,795,600.0000
Hang Seng China Enterprises Index ETF	449,600.0000	1,056,000.0000	649,800.0000	855,800.0000
HSBC Europe Sustainable Equity UCITS ETF	-	426,073.0000	423,742.0000	2,331.0000
HSBC Japan Sustainable Equity UCITS ETF	-	475,758.0000	406,391.0000	69,367.0000
Invesco QQQ Trust, Series 1	15,437.0000	58,845.0000	72,881.0000	1,401.0000
iShares Core MSCI Asia ex Japan ETF	886,161.0000	720,000.0000	1,600,500.0000	5,661.0000
iShares Core MSCI Europe ETF	296,588.0000	164,289.0000	271,876.0000	189,001.0000
iShares Europe ETF	251,712.0000	129,009.0000	163,420.0000	217,301.0000
iShares Global Energy ETF	13,706.0000	113,319.0000	126,118.0000	907.0000
iShares Global Tech ETF	70,849.0000	20,575.0000	70,849.0000	20,575.0000
iShares Hang Seng TECH ETF	1,929,100.0000	12,997,600.0000	14,887,600.0000	39,100.0000
iShares MSCI Australia ETF	-	30,886.0000	29,232.0000	1,654.0000
iShares MSCI Eurozone ETF	122,134.0000	320,467.0000	327,773.0000	114,828.0000
iShares MSCI Japan ETF	509,827.0000	270,486.0000	572,938.0000	207,375.0000
iShares MSCI South Korea ETF	-	39,029.0000	39,029.0000	-
iShares MSCI Taiwan ETF	79,888.0000	38,045.0000	117,933.0000	-
iShares Russell 2000 ETF	1,242.0000	7,678.0000	8,733.0000	187.0000
iShares S&P 500 Value ETF	-	12,661.0000	-	12,661.0000
iShares U.S. Financials ETF	-	57,040.0000	31,956.0000	25,084.0000
iShares U.S. Technology ETF	-	93,154.0000	85,034.0000	8,120.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Growth Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Index-Tracking Collective Investment Schemes (continued)				
Premia CSI Caixin China New Economy ETF	937,250.0000	-	937,250.0000	-
SPDR S&P 500 ETF Trust	57,045.0000	18,513.0000	57,161.0000	18,397.0000
Tracker Fund of Hong Kong	9,062,500.0000	17,730,500.0000	22,095,500.0000	4,697,500.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Balanced Fund

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	963,701.7960	-	-	963,701.7960
BEA Union Investment Asia Strategic Growth Fund - Class A	334,237.9760	72,382.06	94,938.85	311,681.1820
BEA Union Investment China A Opportunities Fund - Class A	-	676,420.7890	64,335.3080	612,085.4810
BEA Union Investment Europe Fund - Class A	-	290,766.7540	-	290,766.7540
BEA Union Investment Global Bond Fund - Class A	5,075,886.4610	593,453.3880	1,102,026.3770	4,567,313.4720
BEA Union Investment Global Equity Fund - Class A	498,922.1460	476,242.5560	172,059.1550	803,105.5470
BEA Union Investment Greater China Growth Fund - Class A	148,744.7030	141,807.2220	221,922.9000	68,629.0250
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,696.9350	-	-	87,696.9350
BEA Union Investment Hong Kong Growth Fund - Class A	333,593.3910	267,902.5090	125,497.9710	475,997.9290
BEA Union Investment Japan Fund - Class A	-	575,601.3850	-	575,601.3850
BEA Union Investment Money Market Fund - Class A	198,787.8030	-	-	198,787.8030
BEA Union Investment US Fund - Class A	-	167,240.2650	-	167,240.2650
Fidelity Global Investment Fund - European Equity Fund - Class B	-	1,039,062.5620	878,834.1400	160,228.4220
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	408,062.5050	2,629,097.1880	2,985,282.2740	51,877.4190
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	64,402.0157	353,649.9440	125,329.4609	292,722.4988
Schroder Institutional Pooled Funds - European Equity Fund - Class B	819,581.0260	-	686,643.2286	132,937.7974

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Balanced Fund (continued)

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Index-Tracking Collective Investment Schemes				
BNY Mellon US Large Cap Core Equity ETF	-	26,141.0000	11,551.0000	14,590.0000
BNY Mellon US Mid Cap Core Equity ETF	-	4,698.0000	4,467.0000	231.0000
ChinaAMC Hong Kong Banks ETF	-	2,748,000.0000	2,748,000.0000	-
ChinaAMC HSI ESG ETF	-	146,810.0000	142,960.0000	3,850.0000
ChinaAMC MSCI Japan Hedged to USD ETF	-	5,102,600.0000	4,387,200.0000	715,400.0000
Hang Seng China Enterprises Index ETF	283,200.0000	588,400.0000	395,800.0000	475,800.0000
HSBC Europe Sustainable Equity UCITS ETF	-	215,928.0000	214,614.0000	1,314.0000
HSBC Japan Sustainable Equity UCITS ETF	-	256,863.0000	230,643.0000	26,220.0000
Invesco QQQ Trust, Series 1	8,928.0000	30,375.0000	38,622.0000	681.0000
iShares Core MSCI Asia ex Japan ETF	448,433.0000	411,100.0000	856,300.0000	3,233.0000
iShares Core MSCI Europe ETF	93,715.0000	88,850.0000	116,361.0000	66,204.0000
iShares Europe ETF	85,658.0000	72,637.0000	81,433.0000	76,862.0000
iShares Global Energy ETF	5,505.0000	61,908.0000	66,900.0000	513.0000
iShares Global Tech ETF	32,833.0000	11,563.0000	32,833.0000	11,563.0000
iShares Hang Seng TECH ETF	1,114,100.0000	6,569,100.0000	7,661,000.0000	22,200.0000
iShares MSCI Australia ETF	-	17,717.0000	16,782.0000	935.0000
iShares MSCI Eurozone ETF	70,395.0000	186,204.0000	207,914.0000	48,685.0000
iShares MSCI Japan ETF	202,586.0000	142,398.0000	263,529.0000	81,455.0000
iShares MSCI South Korea ETF	-	22,072.0000	22,072.0000	-
iShares MSCI Taiwan ETF	32,029.0000	21,538.0000	53,567.0000	-
iShares Russell 2000 ETF	851.0000	4,361.0000	5,106.0000	106.0000
iShares S&P 500 Value ETF	-	7,046.0000	-	7,046.0000
iShares U.S. Financials ETF	-	26,846.0000	12,885.0000	13,961.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Balanced Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Index-Tracking Collective Investment Schemes (continued)				
iShares U.S. Technology ETF	-	37,362.0000	37,200.0000	162.0000
Premia CSI Caixin China New Economy ETF	542,250.0000	-	542,250.0000	-
SPDR S&P 500 ETF Trust	18,358.0000	9,215.0000	23,955.0000	3,618.0000
Tracker Fund of Hong Kong	3,336,500.0000	9,880,500.0000	12,341,500.0000	875,500.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Stable Fund

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,543,171.3830	56,094.6420	-	1,599,266.0250
BEA Union Investment Asia Strategic Growth Fund - Class A	296,694.1270	113,710.8170	153,640.6020	256,764.3420
BEA Union Investment China A Opportunities Fund - Class A	-	821,447.1150	101,053.8960	720,393.2190
BEA Union Investment Europe Fund - Class A	-	384,857.1480	-	384,857.1480
BEA Union Investment Global Bond Fund - Class A	11,269,375.2850	1,102,354.6880	1,733,902.1680	10,637,827.8050
BEA Union Investment Global Equity Fund - Class A	459,463.8420	818,069.4990	272,932.7560	1,004,600.5850
BEA Union Investment Greater China Growth Fund - Class A	234,676.4710	223,521.0300	350,899.6440	107,297.8570
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	108,185.0140	-	-	108,185.0140
BEA Union Investment Hong Kong Growth Fund - Class A	166,961.3260	359,435.5500	194,710.4810	331,686.3950
BEA Union Investment Japan Fund - Class A	-	657,515.0270	-	657,515.0270
BEA Union Investment Money Market Fund - Class A	1,200,431.2340	-	-	1,200,431.2340
BEA Union Investment US Fund - Class A	-	132,101.0680	-	132,101.0680
Fidelity Global Investment Fund - European Equity Fund - Class B	-	1,633,173.0060	1,520,359.1690	112,813.8370
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	645,006.9840	3,514,387.0050	4,082,163.6520	77,230.3370
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	101,115.3069	559,909.0523	196,696.5630	464,327.7962
Schroder Institutional Pooled Funds - European Equity Fund - Class B	757,360.7221	-	673,286.4093	84,074.3128

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Stable Fund (continued)

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Index-Tracking Collective Investment Schemes				
BNY Mellon US Large Cap Core Equity ETF	-	41,688.0000	29,094.0000	12,594.0000
BNY Mellon US Mid Cap Core Equity ETF	-	7,503.0000	7,134.0000	369.0000
ChinaAMC Hong Kong Banks ETF	-	4,317,000.0000	4,317,000.0000	-
ChinaAMC HSI ESG ETF	-	174,200.0000	168,100.0000	6,100.0000
ChinaAMC MSCI Japan Hedged to USD ETF	-	7,872,400.0000	6,831,200.0000	1,041,200.0000
Hang Seng China Enterprises Index ETF	633,400.0000	935,600.0000	1,304,600.0000	264,400.0000
HSBC Europe Sustainable Equity UCITS ETF	-	296,796.0000	294,701.0000	2,095.0000
HSBC Japan Sustainable Equity UCITS ETF	-	301,170.0000	280,180.0000	20,990.0000
Invesco QQQ Trust, Series 1	10,811.0000	49,492.0000	60,226.0000	77.0000
iShares Core MSCI Asia ex Japan ETF	653,238.0000	640,500.0000	1,288,800.0000	4,938.0000
iShares Core MSCI Europe ETF	51,771.0000	165,741.0000	189,344.0000	28,168.0000
iShares Europe ETF	60,734.0000	128,875.0000	147,347.0000	42,262.0000
iShares Global Energy ETF	10,110.0000	89,234.0000	98,526.0000	818.0000
iShares Global Tech ETF	38,967.0000	18,887.0000	47,866.0000	9,988.0000
iShares Hang Seng TECH ETF	1,758,800.0000	9,146,400.0000	10,869,800.0000	35,400.0000
iShares MSCI Australia ETF	-	27,830.0000	26,367.0000	1,463.0000
iShares MSCI Eurozone ETF	139,198.0000	229,851.0000	289,373.0000	79,676.0000
iShares MSCI Japan ETF	179,502.0000	227,026.0000	325,366.0000	81,162.0000
iShares MSCI South Korea ETF	-	34,743.0000	34,743.0000	-
iShares MSCI Taiwan ETF	50,182.0000	33,725.0000	83,907.0000	-
iShares Russell 2000 ETF	1,415.0000	6,906.0000	8,152.0000	169.0000
iShares S&P 500 Value ETF	-	11,138.0000	-	11,138.0000
iShares U.S. Financials ETF	-	42,389.0000	20,322.0000	22,067.0000
iShares U.S. Technology ETF	-	58,626.0000	58,370.0000	256.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Stable Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Index-Tracking Collective Investment Schemes (continued)				
Premia CSI Caixin China New Economy ETF	828,500.0000	-	828,500.0000	-
SPDR S&P 500 ETF Trust	19,090.0000	15,988.0000	33,068.0000	2,010.0000
Tracker Fund of Hong Kong	2,564,000.0000	15,418,500.0000	17,870,500.0000	112,000.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Greater China Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Global Equity Fund - Class A	-	50,942.1310	-	50,942.1310
BEA Union Investment Greater China Growth Fund - Class A	1,515,230.7140	99,065.7290	-	1,614,296.4430
BEA Union Investment Hong Kong Growth Fund - Class A	151,437.4220	29,333.0540	70,293.5500	110,476.9260
Approved Index-Tracking Collective Investment Schemes				
iShares MSCI Taiwan ETF	44,534.0000	-	-	44,534.0000
Tracker Fund of Hong Kong	23,046.0000	-	-	23,046.0000

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Hong Kong Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Greater China Growth Fund - Class A	26,739.2760	65,288.3470	9,220.4370	82,807.1860
BEA Union Investment Hong Kong Growth Fund - Class A	1,537,135.6810	230,672.2720	-	1,767,807.9530
Approved Index-Tracking Collective Investment Scheme				
Tracker Fund of Hong Kong	<u>2,097,000.0000</u>	<u>479,500.0000</u>	<u>1,080,500.0000</u>	<u>1,496,000.0000</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Asian Equity Fund

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	544,525.8540	67,764.4000	-	612,290.2540
Approved Index-Tracking Collective Investment Schemes				
Global X Hang Seng High Dividend Yield ETF	-	364,000.0000	364,000.0000	-
iShares Core MSCI Asia ex Japan ETF	-	148,700.0000	94,000.0000	54,700.0000
iShares Hang Seng TECH ETF	138,500.0000	-	138,500.0000	-
iShares MSCI AC Far East ex-Japan UCITS ETF	21,747.0000	15,887.0000	37,634.0000	-
iShares MSCI India ETF	-	40,634.0000	7,687.0000	32,947.0000
iShares MSCI Singapore ETF	7,929.0000	-	7,929.0000	-
iShares MSCI South Korea ETF	-	7,168.0000	-	7,168.0000
iShares MSCI Taiwan ETF	14,836.0000	18,700.0000	12,668.0000	20,868.0000
Tracker Fund of Hong Kong	129,500.0000	-	129,500.0000	-

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA China Tracker Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Index-Tracking Collective Investment Scheme				
Hang Seng China Enterprises Index ETF	<u>1,332,000.0000</u>	<u>290,400.0000</u>	<u>24,800.0000</u>	<u>1,597,600.0000</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Index-Tracking Collective Investment Scheme				
Tracker Fund of Hong Kong	<u>5,723,000.0000</u>	<u>1,463,000.0000</u>	<u>237,000.0000</u>	<u>6,949,000.0000</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund

	% of net assets	
	As at 31 March 2024	As at 31 March 2023
Bonds		
Hong Kong Dollar	-	0.58
Short-term deposits		
Hong Kong Dollar	41.54	40.82
Renminbi	50.76	50.48
	<u>92.30</u>	<u>91.88</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Age 65 Plus Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Age 65 Plus Fund - Class I	<u>5,539,967.5290</u>	<u>931,003.4780</u>	<u>77,612.8530</u>	<u>6,393,358.1540</u>

Investment report for the year ended 31 March 2024 (continued)

Statement of movements in investment portfolio (continued)

BEA (Industry Scheme) Core Accumulation Fund

	Portfolio holdings			
	As at 31 March 2023 units	Additions units	Disposals units	As at 31 March 2024 units
Approved Pooled Investment Fund				
BEA Union Investment Core Accumulation Fund - Class I	12,351,965.9120	2,177,885.1250	121,240.7300	14,408,610.3070

Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme (the "Scheme")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Scheme set out on pages 82 to 142, which comprise the statement of net assets available for benefits of the Scheme and the statement of assets and liabilities of each of its constituent funds as at 31 March 2024, and the statement of changes in net assets available for benefits and the cash flow statement of the Scheme, and the statement of comprehensive income and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended, and notes, comprising material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 March 2024, and of its financial transactions and 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 ("HKSAAs") 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 are independent of the Scheme 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Investment Manager and the Trustee of the Scheme are responsible for the other information. The other information comprises all 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.

Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme (the "Scheme") (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Investment Manager and Trustee for the financial statements

The Investment Manager and the Trustee of the Scheme are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Investment Manager and the Trustee of the Scheme determine 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 Investment Manager and the Trustee of the Scheme are responsible for assessing the Scheme'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 Investment Manager and the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

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. This report is made solely to you, 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 HKSAAs 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 Scheme have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme (the "Scheme") (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Investment Manager and the Trustee of the Scheme.
- Conclude on the appropriateness of the Investment Manager's and 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 Scheme'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 Scheme 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 Investment Manager and the Trustee of the Scheme 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 BEA (MPF) Industry Scheme (the "Scheme") (continued)

Report on matters under the Mandatory Provident Fund Schemes (General) Regulation

- a. In our opinion, the financial statements 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.



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

12 September 2024

Independent auditor's assurance report

To the Trustee of BEA (MPF) Industry Scheme (the "Scheme")

We have audited the financial statements of the Scheme for the year ended 31 March 2024 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 12 September 2024.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") 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 Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
- b. the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority ("MPFA") under section 28 of the MPFSO 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 MPFSO are complied with; and
- d. the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our independence and quality management

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.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's assurance report (continued)

Auditor's responsibility

Our responsibility is to report solely to you, on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, 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.

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 PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

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

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

Opinion

Based on the foregoing:

1. In our opinion:
 - a. proper accounting and other records have been kept during the year ended 31 March 2024 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
 - b. the requirements specified in the guidelines made by the MPFA under section 28 of the MPFSO 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 July 2023, 29 December 2023 and 31 March 2024;
 - c. the requirements specified in the MPFSO under section 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 BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund have been complied with, in all material respects, as at 31 July 2023, 29 December 2023 and 31 March 2024; and
 - d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2024.

Independent auditor's assurance report (continued)

Opinion (continued)

Based on the foregoing: (continued)

2. As at 31 March 2024, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Other matter

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund are not applicable to the Trustee during the year ended 31 March 2024 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 were not guaranteed funds. 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 purposes.



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

12 September 2024

Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2024

	Note	2024 HK\$	2023 HK\$
Income			
Net gain/(loss) on investments in constituent funds	8	574,278,875	(862,293,486)
Interest on bank deposits	9(b)	4,245,145	3,639,043
Total investment income/(loss)		<u>578,524,020</u>	<u>(858,654,443)</u>
Expenses			
Administrative and other expenses		<u>4,245,145</u>	<u>3,639,045</u>
Total operating expenses		<u>4,245,145</u>	<u>3,639,045</u>
Net profit/(loss)		<u>574,278,875</u>	<u>(862,293,488)</u>
Contributions received and receivable	11		
From employers			
- Mandatory		896,840,705	839,861,914
- Additional voluntary		1,574,075	1,806,765
From members			
- Mandatory		898,483,727	842,547,604
- Additional voluntary		2,048,638	2,746,800
		<u>1,798,947,145</u>	<u>1,686,963,083</u>
Contribution surcharge		<u>1,525,307</u>	<u>1,433,297</u>

Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2024 (continued)

	Note	2024 HK\$	2023 HK\$
Transfers in			
Group transfers in from other schemes		103,808,508	80,148,884
Individual transfers in from other schemes		7,732,854	8,266,310
		<u>111,541,362</u>	<u>88,415,194</u>
Benefits paid and payable	12		
Retirement		599,018,880	467,561,521
Early retirement		68,194,864	56,848,257
Terminal illness		4,469,150	4,413,472
Death		21,016,281	20,376,655
Permanent departure		29,530,989	24,290,803
Total incapacity		4,141,336	5,994,482
Small balance		13,624	9,627
Refund of contribution to leavers or employers		218,345	108,334
		<u>726,603,469</u>	<u>579,603,151</u>
Transfers out			
Group transfers out to other schemes		63,296,504	66,295,092
Individual transfers out to other schemes		288,948,060	332,298,393
		<u>352,244,564</u>	<u>398,593,485</u>
Forfeitures		<u>22,789</u>	<u>-</u>

Statement of changes in net assets available for benefits
- Industry Scheme
for the year ended 31 March 2024 (continued)

	<i>Note</i>	2024 HK\$	2023 HK\$
Long service and severance payments and other payments		<u>34,830,895</u>	<u>28,971,487</u>
Changes in net assets available for benefits attributable to members		<u>1,372,590,972</u>	<u>(92,650,037)</u>
Net assets available for benefits attributable to members at the beginning of the year		<u>14,526,994,870</u>	<u>14,619,644,907</u>
Net assets available for benefits attributable to members at the end of the year		<u>15,899,585,842</u>	<u>14,526,994,870</u>

The notes on pages 95 to 142 form part of these financial statements.

Statement of net assets available for benefits - Industry Scheme as at 31 March 2024

	Note	2024 HK\$	2023 HK\$
Assets			
Investments	6	15,753,631,854	14,379,138,133
Contributions receivable			
- from employers		40,795,257	45,798,432
- from members		40,921,381	45,927,983
Interest receivable		349,309	262,605
Other receivables		69,827	95,989
Bank balances	7, 9(b)	87,495,477	70,296,167
Total assets		<u>15,923,263,105</u>	<u>14,541,519,309</u>
Liabilities			
Benefits payable	7	16,197,705	9,116,524
Accruals and other payables		7,479,558	5,407,915
Total liabilities (excluding net assets available for benefits attributable to members)		<u>23,677,263</u>	<u>14,524,439</u>
Net assets available for benefits attributable to members		<u>15,899,585,842</u>	<u>14,526,994,870</u>

Approved and authorised for issue by the Trustee on 12 September 2024.




)
)
) For and on behalf of
) Bank of East Asia (Trustees) Limited
) 東亞銀行 (信託) 有限公司
)
)

The notes on pages 95 to 142 form part of these financial statements.

Cash flow statement - Industry Scheme for the year ended 31 March 2024

	Note	2024 HK\$	2023 HK\$
Cash flows from operating activities			
Net profit/(loss)		574,278,875	(862,293,488)
Adjustments for:			
Net (gain)/loss on investments in constituent funds		(574,278,875)	862,293,486
Interest on bank deposits		(4,245,145)	(3,639,043)
		(4,245,145)	(3,639,045)
Payments on purchase of investments		(2,104,457,625)	(1,976,665,351)
Proceeds from sale of investments		1,304,242,779	1,268,107,477
Decrease/(increase) in other receivables		26,162	(20,706)
Increase/(decrease) in accruals and other payables		2,071,643	(397,026)
Interest received on bank deposits		4,158,441	3,560,857
Net cash used in operating activities		(798,203,745)	(709,053,794)
Cash flows from financing activities			
Contributions and transfers in received		1,922,023,591	1,762,483,413
Benefits paid, transfers out, long service and severance payments and other payments		(1,106,597,747)	(1,011,426,685)
Forfeitures paid		(22,789)	-
Net cash generated from financing activities		815,403,055	751,056,728
Net increase in cash and cash equivalents		17,199,310	42,002,934
Cash and cash equivalents at the beginning of the year		70,296,167	28,293,233
Cash and cash equivalents at the end of the year		87,495,477	70,296,167
Analysis of balance of cash and cash equivalents			
Bank balances		87,495,477	70,296,167

The notes on pages 95 to 142 form part of these financial statements.

Statement of comprehensive income - Constituent funds for the year ended 31 March 2024

		2024											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Income													
Net gain/(loss) on investments	8	-	164,606,840	72,605,001	80,977,682	(44,961,530)	(77,681,543)	34,276,721	(16,495,956)	(23,219,055)	19,705	44,799,382	311,050,287
Dividend income		-	19,723,318	7,275,266	7,039,916	1,934,550	1,642,875	519,085	2,326,176	4,030,525	-	-	-
Interest income	9(b)	2,196,832	293,629	171,791	362,901	24,499	23,476	78,185	1,225	1,727	77,561	8,620	18,717
Interest income from financial assets at fair value through profit or loss	9(c)	147,710,302	-	-	-	-	-	-	-	-	5,983,811	-	-
Exchange (loss)/gain		-	(415,680)	(350,892)	(335,945)	4,403	-	(64,978)	-	-	(5,346,376)	-	-
Other income		-	90,824	39,675	49,372	-	-	-	-	-	-	-	-
Total investment income/(loss)		149,907,134	184,298,931	79,740,841	88,093,926	(42,998,078)	(76,015,192)	34,809,013	(14,168,555)	(19,186,803)	734,701	44,808,002	311,069,004
Expenses													
Trustee, administration and custodian fees	9(a)	15,702,069	12,761,299	7,223,200	11,423,608	2,251,776	1,938,600	1,206,455	236,035	297,479	825,977	2,051,884	5,819,625
Investment management fees	9(a)	10,815,784	8,790,797	4,976,544	7,870,864	1,551,176	1,335,598	830,635	181,581	228,835	568,963	1,112,861	3,155,063
Sponsor fees	9(a)	1,048,001	12,478,034	7,062,122	11,168,483	2,201,784	1,895,403	1,180,125	27,220	34,319	55,109	2,051,884	5,819,625
Auditor's remuneration		94,740	94,740	94,044	94,735	11,512	11,512	-	-	-	-	40,706	40,708
Safe custody and bank charges		12,346	159,536	95,035	90,114	9,232	6,026	13,645	4,771	5,532	12,902	-	-
License and registration fees		4,500	4,500	4,500	4,500	4,500	4,500	-	29,764	28,663	-	-	-
Printing and postage expenses		1,598,070	1,321,114	768,521	1,213,661	233,616	195,300	-	-	-	-	296,945	790,850
Fund price publication expenses		14,711	14,711	14,711	14,711	14,711	14,711	-	-	-	-	14,711	14,710
Professional indemnity insurance		165,419	133,973	77,121	121,909	24,308	21,160	-	-	-	-	30,871	83,073
Transaction costs		-	587,200	372,217	472,614	-	18,404	16,730	24,874	39,478	-	-	-
Miscellaneous expenses		-	753,105	317,865	403,320	-	-	-	-	-	-	-	-
Total operating expenses		29,455,640	37,099,009	21,005,880	32,878,519	6,302,615	5,441,214	3,247,590	504,245	634,306	1,462,951	5,599,862	15,723,654
Profit/(loss) before taxation		120,451,494	147,199,922	58,734,961	55,215,407	(49,300,693)	(81,456,406)	31,561,423	(14,672,800)	(19,821,109)	(728,250)	39,208,140	295,345,350
Overseas withholding tax	14	-	(4,182,760)	(1,546,571)	(1,490,490)	(186,269)	-	(52,474)	-	-	-	-	-
Changes in net assets attributable to members from operations		120,451,494	143,017,162	57,188,390	53,724,917	(49,486,962)	(81,456,406)	31,508,949	(14,672,800)	(19,821,109)	(728,250)	39,208,140	295,345,350

The notes on pages 95 to 142 form part of these financial statements.

Statement of comprehensive income - Constituent funds for the year ended 31 March 2024 (continued)

		2023											
	Note	BEA (Industry Scheme) MPF Conservative Fund ⁽¹⁾ HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Income													
Net (loss)/gain on investments	8	-	(209,804,315)	(122,500,481)	(184,176,423)	(70,879,979)	(47,646,147)	(40,577,882)	(6,043,156)	(7,271,660)	21,295	(37,525,511)	(96,335,350)
Dividend income		-	23,838,422	9,771,454	10,277,633	2,631,860	1,188,160	186,781	2,396,490	3,397,000	-	-	-
Interest income	9(b)	593,896	297,999	136,172	308,840	8,525	6,388	18,840	278	562	35,995	2,025	4,467
Interest income from financial assets at fair value through profit or loss	9(c)	77,301,768	-	-	-	-	-	-	-	-	3,832,828	-	-
Exchange gain/(loss)		-	128,622	3,299	(210,135)	1,901	-	232,079	-	-	(7,855,748)	-	-
Total investment income/(loss)		77,895,664	(185,539,272)	(112,589,556)	(173,800,085)	(68,237,693)	(46,451,599)	(40,140,182)	(3,646,388)	(3,874,098)	(3,965,630)	(37,523,486)	(96,330,883)
Expenses													
Trustee, administration and custodian fees	9(a)	21,280,010	12,291,713	7,172,747	11,304,197	2,268,886	1,895,323	1,088,623	217,319	275,730	734,074	1,754,293	4,562,571
Investment management fees	9(a)	10,163,659	8,472,571	4,943,923	7,790,987	1,564,626	1,306,563	750,362	167,295	212,181	505,714	951,746	2,475,201
Sponsor fees	9(a)	5,914,570	12,013,618	7,010,655	11,049,342	2,216,850	1,852,308	1,064,010	24,948	31,734	48,920	1,754,293	4,562,570
Auditor's remuneration		87,761	115,268	103,816	112,637	16,060	15,094	-	-	-	-	42,607	49,085
Safe custody and bank charges		7,470	160,138	79,587	87,430	9,836	6,282	6,067	4,664	5,824	11,774	-	-
License and registration fees		4,500	4,500	4,500	4,500	4,500	4,500	-	30,254	26,512	-	-	-
Printing and postage expenses		560,481	480,274	281,675	442,883	89,996	73,410	-	-	-	-	101,302	259,970
Fund price publication expenses		14,795	14,795	14,795	14,795	14,795	14,795	-	-	-	-	14,795	14,795
Professional indemnity insurance		137,096	130,096	75,524	117,022	24,810	19,932	-	-	-	-	25,730	67,446
Transaction costs		-	965,789	499,949	729,206	-	23,548	126,332	32,912	59,004	-	-	-
Miscellaneous expenses		333	347,039	130,450	69,985	39	32	10,175	-	-	-	5,546	5,639
Total operating expenses		38,170,675	34,995,801	20,317,621	31,722,984	6,210,398	5,211,787	3,045,569	477,392	610,985	1,300,482	4,650,312	11,997,277
Profit/(loss) before taxation		39,724,989	(220,535,073)	(132,907,177)	(205,523,069)	(74,448,091)	(51,663,386)	(43,185,751)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)
Overseas withholding tax	14	-	(5,146,784)	(2,049,995)	(1,932,452)	(245,970)	-	(3,794)	-	-	-	-	-
Changes in net assets attributable to members from operations		39,724,989	(225,681,857)	(134,957,172)	(207,455,521)	(74,694,061)	(51,663,386)	(43,189,545)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)

⁽¹⁾ Change of the fees and charges deduction method for the BEA (Industry Scheme) MPF Conservative Fund from member level deduction to fund level deduction effective from 1 April 2022.

The notes on pages 95 to 142 form part of these financial statements.



Statement of assets and liabilities - Constituent funds as at 31 March 2024

		2024											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Assets													
Investments	6,9(c)	3,310,469,152	2,970,207,664	1,657,841,361	2,581,802,287	517,248,926	432,691,102	305,797,621	93,715,216	116,395,750	180,509,281	784,209,311	2,345,721,758
Amounts receivable on sale of investments		-	30,244,331	13,408,144	21,132,817	-	-	-	-	49,860	-	-	-
Amounts receivable on subscriptions		-	15,433	-	-	64	73,914	31,390	128	2,929	2,088	162,753	91,918
Interest, dividend and other receivables		28,760,036	251,377	69,603	65,743	4,463	6,201	20,321	249	377	1,167,438	2,370	5,341
Prepayments		-	98,302	55,568	88,635	17,112	14,483	-	-	-	-	-	-
Bank balances	9(b)	261,443,943	46,807,533	13,862,490	56,649,319	3,971,831	3,972,831	12,437,483	127,208	2,683	14,235,202	864,137	2,268,948
Total assets		<u>3,600,673,131</u>	<u>3,047,624,640</u>	<u>1,685,237,166</u>	<u>2,659,738,801</u>	<u>521,242,396</u>	<u>436,758,531</u>	<u>318,286,815</u>	<u>93,842,801</u>	<u>116,451,599</u>	<u>195,914,009</u>	<u>785,238,571</u>	<u>2,348,087,965</u>
Liabilities													
Amounts payable on purchase of investments		-	15,145,285	5,034,148	7,946,695	-	1,690,842	-	11,747	16,836	-	390,624	1,211,804
Amounts payable on redemptions		1,817,409	2,706,974	1,486,985	1,277,922	216,658	357,503	186,969	101,818	31,365	213,778	474,186	1,059,382
Accruals and other payables	9(a)	2,513,236	3,299,332	1,844,295	2,829,726	539,148	451,423	319,681	44,058	55,254	131,180	537,399	1,520,909
Total liabilities (excluding net assets attributable to members)		<u>4,330,645</u>	<u>21,151,591</u>	<u>8,365,428</u>	<u>12,054,343</u>	<u>755,806</u>	<u>2,499,768</u>	<u>506,650</u>	<u>157,623</u>	<u>103,455</u>	<u>344,958</u>	<u>1,402,209</u>	<u>3,792,095</u>
Net assets attributable to members	4(b)	<u>3,596,342,486</u>	<u>3,026,473,049</u>	<u>1,676,871,738</u>	<u>2,647,684,458</u>	<u>520,486,590</u>	<u>434,258,763</u>	<u>317,780,165</u>	<u>93,685,178</u>	<u>116,348,144</u>	<u>195,569,051</u>	<u>783,836,362</u>	<u>2,344,295,870</u>

Statement of assets and liabilities - Constituent funds as at 31 March 2024 (continued)

		2024											
Note		BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Represented by:													
Number of units outstanding	4(a)	247,211,549.223	124,158,686.159	80,739,192.102	143,052,415.342	36,812,725.636	50,324,952.958	19,909,764.747	14,606,538.562	11,141,735.832	18,065,887.064	67,732,726.213	153,333,672.150
Net asset value per unit	4(b)	14.5476	24.3758	20.7690	18.5085	14.1388	8.6291	15.9610	6.4139	10.4426	10.8253	11.5725	15.2889

Approved and authorised for issue by the Trustee on 12 September 2024.

) For and on behalf of
) Bank of East Asia (Trustees) Limited
) 東亞銀行 (信託) 有限公司
)
)

The notes on pages 95 to 142 form part of these financial statements.

Statement of assets and liabilities - Constituent funds as at 31 March 2024 (continued)

		2023											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Assets													
Investments	6,9(c)	3,129,696,501	2,818,221,568	1,610,685,993	2,516,271,629	527,737,617	452,093,043	236,873,775	93,719,520	117,779,340	160,436,241	639,866,250	1,731,992,660
Amounts receivable on sale of investments		-	-	-	-	-	-	-	-	41,040	-	98,595	-
Amounts receivable on subscriptions		113,970	-	-	-	-	17,900	-	-	-	-	-	197,572
Interest, dividend and other receivables		25,965,798	775,536	272,704	322,423	5,514	4,470	11,974	186	377	913,922	1,417	3,140
Prepayments		-	101,205	58,598	92,364	18,604	16,333	-	-	-	-	-	-
Bank balances	9(b)	225,350,884	40,041,544	30,229,612	61,086,006	3,534,569	2,702,826	15,835,606	98,588	67,268	13,454,159	678,749	1,293,904
Total assets		<u>3,381,127,153</u>	<u>2,859,139,853</u>	<u>1,641,246,907</u>	<u>2,577,772,422</u>	<u>531,296,304</u>	<u>454,834,572</u>	<u>252,721,355</u>	<u>93,818,294</u>	<u>117,888,025</u>	<u>174,804,322</u>	<u>640,645,011</u>	<u>1,733,487,276</u>
Liabilities													
Amounts payable on purchase of investments		-	22,776,483	13,102,259	20,622,039	-	-	-	56,148	51,615	-	124,451	908,743
Amounts payable on redemptions		2,554,488	1,952,802	1,221,369	921,787	587,842	246,930	188,409	36,380	51,922	64,519	652,314	386,627
Accruals and other payables	9(a)	2,370,739	3,179,858	1,810,886	2,751,105	536,516	461,317	252,484	42,956	54,658	116,858	443,190	1,115,667
Total liabilities (excluding net assets attributable to members)		<u>4,925,227</u>	<u>27,909,143</u>	<u>16,134,514</u>	<u>24,294,931</u>	<u>1,124,358</u>	<u>708,247</u>	<u>440,893</u>	<u>135,484</u>	<u>158,195</u>	<u>181,377</u>	<u>1,219,955</u>	<u>2,411,037</u>
Net assets attributable to members	4(b)	<u>3,376,201,926</u>	<u>2,831,230,710</u>	<u>1,625,112,393</u>	<u>2,553,477,491</u>	<u>530,171,946</u>	<u>454,126,325</u>	<u>252,280,462</u>	<u>93,682,810</u>	<u>117,729,830</u>	<u>174,622,945</u>	<u>639,425,056</u>	<u>1,731,076,239</u>

Statement of assets and liabilities - Constituent funds as at 31 March 2024 (continued)

		2023											
Note		BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Represented by:													
Number of units outstanding	4(a)	240,222,340.309	121,910,097.944	81,038,894.698	140,801,124.539	33,998,889.828	43,600,936.298	17,531,128.862	12,423,835.180	9,474,031.203	16,052,099.194	58,204,962.138	130,414,721.418
Net asset value per unit	4(b)	14.0545	23.2239	20.0535	18.1353	15.5938	10.4155	14.3904	7.5406	12.4266	10.8785	10.9857	13.2736

Approved and authorised for issue by the Trustee on 12 September 2024.




) For and on behalf of
) Bank of East Asia (Trustees) Limited
) 東亞銀行 (信託) 有限公司
)
)

The notes on pages 95 to 142 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2024

	2024											
	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Net assets attributable to members at the beginning of the year	3,376,201,926	2,831,230,710	1,625,112,393	2,553,477,491	530,171,946	454,126,325	252,280,462	93,682,810	117,729,830	174,622,945	639,425,056	1,731,076,239
Proceeds on subscription of units	465,467,723	269,885,224	146,898,974	272,114,778	78,583,297	109,010,951	52,197,349	21,197,928	32,470,311	33,824,478	169,058,125	453,748,486
Payments on redemption of units	(365,778,657)	(217,660,047)	(152,328,019)	(231,632,728)	(38,781,691)	(47,422,107)	(18,206,595)	(6,522,760)	(14,030,888)	(12,150,122)	(63,854,959)	(135,874,205)
Net subscription/(redemption)	99,689,066	52,225,177	(5,429,045)	40,482,050	39,801,606	61,588,844	33,990,754	14,675,168	18,439,423	21,674,356	105,203,166	317,874,281
Changes in net assets attributable to members from operations	120,451,494	143,017,162	57,188,390	53,724,917	(49,486,962)	(81,456,406)	31,508,949	(14,672,800)	(19,821,109)	(728,250)	39,208,140	295,345,350
Net assets attributable to members at the end of the year	3,596,342,486	3,026,473,049	1,676,871,738	2,647,684,458	520,486,590	434,258,763	317,780,165	93,685,178	116,348,144	195,569,051	783,836,362	2,344,295,870

The notes on pages 95 to 142 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2024 (continued)

	2023											
	<i>BEA (Industry Scheme) MPF Conservative Fund</i> HK\$	<i>BEA (Industry Scheme) Growth Fund</i> HK\$	<i>BEA (Industry Scheme) Balanced Fund</i> HK\$	<i>BEA (Industry Scheme) Stable Fund</i> HK\$	<i>BEA (Industry Scheme) Greater China Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Hong Kong Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Asian Equity Fund</i> HK\$	<i>BEA China Tracker Fund</i> HK\$	<i>BEA Hong Kong Tracker Fund</i> HK\$	<i>BEA (Industry Scheme) RMB & HKD Money Market Fund</i> HK\$	<i>BEA (Industry Scheme) Age 65 Plus Fund</i> HK\$	<i>BEA (Industry Scheme) Core Accumulation Fund</i> HK\$
Net assets attributable to members at the beginning of the year	3,216,368,962	3,013,640,467	1,756,670,206	2,731,162,609	560,516,269	440,134,683	270,100,451	84,652,830	107,864,600	160,722,109	605,417,039	1,585,623,520
Proceeds on subscription of units	482,792,367	259,305,160	143,393,043	259,690,220	86,739,094	125,100,835	45,205,684	21,116,240	34,704,121	32,529,232	126,703,356	359,385,999
Payments on redemption of units	(362,684,392)	(216,033,060)	(139,993,684)	(229,919,817)	(42,389,356)	(59,445,807)	(19,836,128)	(7,962,480)	(20,353,808)	(13,362,284)	(50,521,541)	(105,605,120)
Net subscription	120,107,975	43,272,100	3,399,359	29,770,403	44,349,738	65,655,028	25,369,556	13,153,760	14,350,313	19,166,948	76,181,815	253,780,879
Changes in net assets attributable to members from operations	39,724,989	(225,681,857)	(134,957,172)	(207,455,521)	(74,694,061)	(51,663,386)	(43,189,545)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)
Net assets attributable to members at the end of the year	3,376,201,926	2,831,230,710	1,625,112,393	2,553,477,491	530,171,946	454,126,325	252,280,462	93,682,810	117,729,830	174,622,945	639,425,056	1,731,076,239

The notes on pages 95 to 142 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 The Scheme

BEA (MPF) Industry Scheme (the “Scheme”) is established and governed by its trust deed dated 12 April 2000, as amended (the “Trust Deed”). The Scheme is registered under section 21A of the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”) and is required to comply with the MPF Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority (the “MPFA”).

Under the Trust Deed, Bank of East Asia (Trustees) Limited (the “Trustee”) is required to establish and maintain separate constituent funds into which contributions may be invested. The constituent funds established within the Scheme are only available for investment by members of the Scheme.

The Scheme had 12 constituent funds as at 31 March 2024:

- BEA (Industry Scheme) MPF Conservative Fund
- BEA (Industry Scheme) Growth Fund
- BEA (Industry Scheme) Balanced Fund
- BEA (Industry Scheme) Stable Fund
- BEA (Industry Scheme) Greater China Equity Fund
- BEA (Industry Scheme) Hong Kong Equity Fund
- BEA (Industry Scheme) Asian Equity Fund
- BEA China Tracker Fund
- BEA Hong Kong Tracker Fund
- BEA (Industry Scheme) RMB & HKD Money Market Fund
- BEA (Industry Scheme) Age 65 Plus Fund
- BEA (Industry Scheme) Core Accumulation Fund

2 Material accounting policies

Changes to material accounting policies are described in note 3.

(a) *Statement of compliance*

The financial statements for the Scheme and its constituent funds have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, and sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”) and the requirements of the MPF Ordinance. Material accounting policies adopted by the Scheme and its constituent funds are set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting year. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Scheme and its constituent funds for the current and prior accounting years reflected in these financial statements.

The Scheme and its constituent funds have consistently applied the accounting policies during the year and are consistent with the prior year.

(b) *Basis of preparation of the financial statements*

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Material accounting policies (continued)

(c) Investments

(i) Classification of financial assets

On initial recognition, the Scheme and its constituent funds classify financial assets as measured at amortised cost or fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

All other financial assets of the Scheme and its constituent funds are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Scheme and its constituent funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Scheme’s and its constituent funds’ management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Scheme and its constituent funds’ continuing recognition of the assets.

The Scheme and its constituent funds have determined that they have two business models.

2 Material accounting policies (continued)

(c) Investments (continued)

(i) Classification of financial assets (continued)

- Held-to-collect business model: this includes contributions receivables, interest receivable, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, prepayments, interest, dividend and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes approved pooled investment funds and approved index-tracking collective investment schemes. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Scheme and its constituent funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Scheme and its constituent funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Scheme and its constituent funds’ claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

The Scheme and its constituent funds classify their investments based on the business model and contractual cash flows assessment. Accordingly, the Scheme and its constituent funds classify all their approved pooled investment funds, approved index-tracking collective investment schemes and short-term deposits into financial assets at FVTPL category. Financial assets measured at amortised cost include contributions receivables, interest receivable, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, prepayments, interest, dividend and other receivables.

2 Material accounting policies (continued)

(c) Investments (continued)

(i) Classification of financial assets (continued)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Scheme and its constituent funds were to change their business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities measured at amortised cost include amounts payable on purchase of investments, amounts payable on redemptions, benefits payables, accruals and other payables.

(iii) Recognition

The Scheme and its constituent funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets or financial liabilities at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of HKFRS 9.

(iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

2 Material accounting policies (continued)

(c) Investments (continued)

(iv) Measurement (continued)

Financial assets classified as financial assets measured at amortised cost are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

(v) Fair value measurement principles

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 in the principal or, in its absence, the most advantageous market to which the Scheme and its constituent funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Scheme and its constituent funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Investments in constituent funds, approved pooled investment funds and approved index-tracking collective investment schemes are valued at their respective closing net asset value per unit or quoted last-traded prices, if any.

If there is no quoted price in an active market, then the Scheme and its constituent funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Scheme and its constituent funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealized gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

(vi) Amortised cost measurement

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

2 Material accounting policies (continued)

(c) Investments (continued)

(vii) Impairment

The Scheme and its constituent funds recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Scheme and its constituent funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme and its constituent funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Scheme and its constituent funds’ historical experience and informed credit assessment and including forward-looking information.

The Scheme and its constituent funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Scheme and its constituent funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Scheme and its constituent funds in full, without recourse by the Scheme and its constituent funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Scheme and its constituent funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of “investment grade”. The Scheme and its constituent funds consider this to be Baa3 or higher per Moody’s or BBB- or higher per Standard & Poor’s.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Scheme and its constituent funds are exposed to credit risk.

2 Material accounting policies (continued)

(c) Investments (continued)

(vii) Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Scheme and its constituent funds in accordance with the contract and the cash flows that the Scheme and its constituent funds expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Scheme and its constituent funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Scheme and its constituent funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

2 Material accounting policies (continued)

(c) Investments (continued)

(viii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Financial assets measured at FVTPL that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Scheme and its constituent funds commit to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

(d) Income and expenses

Interest income is recognised as it accrues under the effective interest method. Dividend income is recognised when the underlying securities are quoted ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are presented separately in the statement of comprehensive income of the respective constituent funds. Interest income on bank deposits is disclosed separately on the face of the statement of changes in net assets available for benefits of the Scheme and the statement of comprehensive income of the constituent funds. Interest income on debt securities is included in gain/(loss) in investments. All other income and expenses are accounted for on an accruals basis.

(e) Units in issue

The Scheme and its constituent funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Scheme and its constituent funds' net assets in the event of the Scheme and its constituent funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Scheme and its constituent funds' net assets.

2 Material accounting policies (continued)

(e) Units in issue (continued)

- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

In addition to the instrument having all the above features, the Scheme and its constituent funds must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme and its constituent funds; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The redeemable units are not in the class of instruments that are subordinate to all other classes of instruments which have identical features. Therefore, they do not meet the criteria for equity classification and are classified as financial liabilities. They are measured at the redemption amounts.

(f) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Scheme 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 dollar (“HKD”), which is the functional and presentation currency of the Scheme 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 exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income of the constituent funds.

(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.

2 Material accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, net of bank overdrafts that are repayable on demand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, if any.

(i) Financial assets and liabilities not at fair value

Financial assets that are classified as financial assets measured at amortised cost include contributions receivables, interest receivable, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, prepayment, interest, dividend and other receivables.

Financial liabilities that are not at fair value through profit or loss include benefits payables, accruals and other payables, amounts payable on purchase of investments and amounts payable on redemptions.

(j) Contributions

Contributions are accounted for on an accruals basis.

(k) Benefits

Benefits are accounted for on an accruals basis.

(l) Transfer values

Transfer values are accounted for on the effective date of transfer.

(m) 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 Scheme would be returned to the employer. Forfeitures arising from such cases which have not been returned to the employers would be treated as liabilities of the Scheme.

(n) Related parties

- (a) A person, or a close member of that person's family, is related to the Scheme and its constituent funds if that person:
 - (i) has control or joint control over the Scheme and its constituent funds;
 - (ii) has significant influence over the Scheme and its constituent funds; or
 - (iii) is a member of the key management personnel of the Scheme and its constituent funds or the Scheme and its constituent funds' parent.

2 Material accounting policies (continued)

(n) Related parties (continued)

- (b) An entity is related to the Scheme and its constituent funds if any of the following conditions applies:
- (i) The entity and the Scheme and its constituent funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Scheme and its constituent funds;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Scheme and its constituent funds or to the Scheme and its constituent funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(o) Segment reporting

An operating segment is a component of the Scheme and its constituent funds that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Scheme and its constituent funds' other components, whose operating results are reviewed regularly by the chief operating decision maker (the "CODM") to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Scheme and its constituent funds. None of these developments have had a material effect on the Scheme and its constituent funds' financial statements.

The Scheme and its constituent funds adopted *Disclosure of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2)* from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments.

The Scheme and its constituent funds has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 25).

4 Capital management and units in issue

(a) Movement of units in issue

	<i>BEA (Industry Scheme)</i> <i>MPF Conservative Fund</i>		<i>BEA (Industry Scheme)</i> <i>Growth Fund</i>		<i>BEA (Industry Scheme)</i> <i>Balanced Fund</i>	
	2024 Units	2023 Units	2024 Units	2023 Units	2024 Units	2023 Units
Balance at the beginning of the year	240,222,340.309	231,593,389.738	121,910,097.944	120,009,344.517	81,038,894.698	80,885,377.154
Units issued	32,579,011.321	34,685,437.851	11,720,530.790	11,507,874.140	7,411,838.092	7,299,972.135
Units redeemed	(25,589,802.407)	(26,056,487.280)	(9,471,942.575)	(9,607,120.713)	(7,711,540.688)	(7,146,454.591)
Balance at the end of the year	<u>247,211,549.223</u>	<u>240,222,340.309</u>	<u>124,158,686.159</u>	<u>121,910,097.944</u>	<u>80,739,192.102</u>	<u>81,038,894.698</u>

	<i>BEA (Industry Scheme)</i> <i>Stable Fund</i>		<i>BEA (Industry Scheme)</i> <i>Greater China Equity Fund</i>		<i>BEA (Industry Scheme)</i> <i>Hong Kong Equity Fund</i>	
	2024 Units	2023 Units	2024 Units	2023 Units	2024 Units	2023 Units
Balance at the beginning of the year	140,801,124.539	139,151,888.570	33,998,889.828	31,151,244.475	43,600,936.298	37,188,404.083
Units issued	15,226,763.741	14,477,768.281	5,565,336.300	5,620,019.014	11,912,804.353	12,089,491.161
Units redeemed	(12,975,472.938)	(12,828,532.312)	(2,751,500.492)	(2,772,373.661)	(5,188,787.693)	(5,676,958.946)
Balance at the end of the year	<u>143,052,415.342</u>	<u>140,801,124.539</u>	<u>36,812,725.636</u>	<u>33,998,889.828</u>	<u>50,324,952.958</u>	<u>43,600,936.298</u>

4 Capital management and units in issue (continued)

(a) Movement of units in issue (continued)

	<i>BEA (Industry Scheme)</i> <i>Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2024 Units	2023 Units	2024 Units	2023 Units	2024 Units	2023 Units
Balance at the beginning of the year	17,531,128.862	15,770,299.342	12,423,835.180	10,617,408.273	9,474,031.203	8,242,376.831
Units issued	3,649,776.841	3,110,544.477	3,153,192.543	2,915,250.422	2,921,572.081	2,946,086.777
Units redeemed	(1,271,140.956)	(1,349,714.957)	(970,489.161)	(1,108,823.515)	(1,253,867.452)	(1,714,432.405)
Balance at the end of the year	<u>19,909,764.747</u>	<u>17,531,128.862</u>	<u>14,606,538.562</u>	<u>12,423,835.180</u>	<u>11,141,735.832</u>	<u>9,474,031.203</u>

	<i>BEA (Industry Scheme) RMB & HKD</i> <i>Money Market Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus</i> <i>Fund</i>		<i>BEA (Industry Scheme) Core</i> <i>Accumulation Fund</i>	
	2024 Units	2023 Units	2024 Units	2023 Units	2024 Units	2023 Units
Balance at the beginning of the year	16,052,099.194	14,278,085.449	58,204,962.138	51,224,853.426	130,414,721.418	110,684,916.064
Units issued	3,144,578.461	3,014,130.048	15,302,531.245	11,600,981.151	32,723,781.961	27,918,175.167
Units redeemed	(1,130,790.591)	(1,240,116.303)	(5,774,767.170)	(4,620,872.439)	(9,804,831.229)	(8,188,369.813)
Balance at the end of the year	<u>18,065,887.064</u>	<u>16,052,099.194</u>	<u>67,732,726.213</u>	<u>58,204,962.138</u>	<u>153,333,672.150</u>	<u>130,414,721.418</u>

4 Capital management and units in issue (continued)

(b) Net assets attributable to members and net assets attributable to members per unit as at 31 March

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>		<i>BEA (Industry Scheme) Growth Fund</i>		<i>BEA (Industry Scheme) Balanced Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	3,596,342,486	3,376,201,926	3,026,473,049	2,831,230,710	1,676,871,738	1,625,112,393
Net assets attributable to members per unit	14.5476	14.0545	24.3758	23.2239	20.7690	20.0535
	<i>BEA (Industry Scheme) Stable Fund</i>		<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	2,647,684,458	2,553,477,491	520,486,590	530,171,946	434,258,763	454,126,325
Net assets attributable to members per unit	18.5085	18.1353	14.1388	15.5938	8.6291	10.4155

4 Capital management and units in issue (continued)

(b) Net assets attributable to members and net assets attributable to members per unit as at 31 March (continued)

	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>317,780,165</u>	<u>252,280,462</u>	<u>93,685,178</u>	<u>93,682,810</u>	<u>116,348,144</u>	<u>117,729,830</u>
Net assets attributable to members per unit	<u>15.9610</u>	<u>14.3904</u>	<u>6.4139</u>	<u>7.5406</u>	<u>10.4426</u>	<u>12.4266</u>
	<i>BEA (Industry Scheme) RMB & HKD Money Market Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>		<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>195,569,051</u>	<u>174,622,945</u>	<u>783,836,362</u>	<u>639,425,056</u>	<u>2,344,295,870</u>	<u>1,731,076,239</u>
Net assets attributable to members per unit	<u>10.8253</u>	<u>10.8785</u>	<u>11.5725</u>	<u>10.9857</u>	<u>15.2889</u>	<u>13.2736</u>

4 Capital management and units in issue (continued)

(b) *Net assets attributable to members and net assets attributable to members per unit as at 31 March (continued)*

The capital of the constituent funds is represented by the net assets attributable to members. Subscription and redemption of units during the year are shown in the statements 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 constituent funds' objective when managing capital is to safeguard their ability to continue as a going concern in order to provide retirement benefits to 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 Scheme policy is to perform the following:

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

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

5 Financial risk management

Strategy in using financial instruments

The investment objective of BEA (Industry Scheme) MPF Conservative Fund is to achieve a minimum rate of return while maintaining stability of the principal amount invested.

The investment objective of BEA (Industry Scheme) Growth Fund is to achieve long-term capital appreciation within a controlled risk/return framework through investing mainly in global equities with some exposure in global debt securities/money market instruments.

The investment objective of BEA (Industry Scheme) Balanced Fund is to achieve a stable rate of return with an opportunity for capital appreciation through a balanced weighting of investments in global equities and debt securities.

The investment objective of BEA (Industry Scheme) Stable Fund is to minimise short-term capital risk with modest capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and a lower exposure to global equities to provide modest potential for capital appreciation.

The investment objective of BEA (Industry Scheme) Greater China Equity Fund is to provide investors with long-term capital growth within a controlled risk/return framework through investing mainly in listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China (the "Greater China Securities").

The investment objective of BEA (Industry Scheme) Hong Kong Equity Fund is to achieve long-term capital appreciation within a controlled risk/return framework through investing mainly in Hong Kong equities, with some exposure in debt securities and/or money market instruments.

5 Financial risk management (continued)

Strategy in using financial instruments (continued)

The investment objective of BEA (Industry Scheme) Asian Equity Fund is to achieve long-term capital appreciation within a controlled risk/return framework through investing mainly in Asian (ex-Japan) equities, with some exposure in debt securities and/or money market instruments.

The investment objective of BEA China Tracker Fund is to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable.

The investment objective of BEA Hong Kong Tracker Fund is to provide investment returns that match the performance of the Hang Seng Index as closely as practicable.

The investment objective of BEA (Industry Scheme) RMB & HKD Money Market Fund is to achieve a rate of return over the long term in line with the interest rate offered by authorised financial institutions in Hong Kong on HKD and RMB savings accounts while maintaining stability of the principal amount invested.

The investment objective of BEA (Industry Scheme) Age 65 Plus Fund is to provide stable growth by investing in a globally diversified manner.

The investment objective of BEA (Industry Scheme) Core Accumulation Fund is to provide capital growth by investing in a globally diversified manner.

The activities of the constituent funds expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Scheme and its constituent funds are exposed to various risks which are discussed below.

(a) Market risk

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and other price risk. The Scheme's strategy on the management of market risk is driven by the Scheme's investment objective.

The Scheme's market risk is managed on a regular basis by BEA Union Investment Management Limited (the "Investment Manager") in accordance with policies and procedures in place. The Scheme's overall market position is monitored on a regular basis by the Trustee. Details of the nature of the Scheme's investment portfolio at the reporting date are disclosed in the investment report.

(i) Currency risk

The Scheme and its constituent funds may hold assets and liabilities denominated in currencies other than their functional currency. The Scheme and its constituent funds may also be exposed to currency risk indirectly via the investment funds held by them as the investment funds may invest in financial instruments denominated in currencies other than their reporting currencies. Therefore, the Scheme and its constituent funds are exposed to currency risk that the exchange rate may change in a manner that has an adverse effect on the value of their assets and liabilities.

5 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Investment Manager monitors all the Scheme's foreign currency positions on a daily basis. Except for BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Asian Equity Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund, all other constituent funds are not subject to direct currency risk as their assets and liabilities are denominated in HKD which is their functional currency, or United States dollars ("USD") which is pegged to HKD.

Sensitivity analysis

BEA (Industry Scheme) Growth Fund's, BEA (Industry Scheme) Balanced Fund's, BEA (Industry Scheme) Stable Fund's, BEA (Industry Scheme) Asian Equity Fund's and BEA (Industry Scheme) RMB & HKD Money Market Fund's net direct exposure to each currency other than HKD or USD as at the reporting date and the estimated change to net assets attributable to members and the changes in net assets attributable to members from operations had the HKD weakened by 5% (2023: 5%) are illustrated below. The analysis is performed on the same basis as 2023.

As at 31 March

	2024		2023	
	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$
BEA (Industry Scheme) Growth Fund				
British Pound	-	-	307	15
Euro	304,942	15,247	-	-
BEA (Industry Scheme) Balanced Fund				
British Pound	-	-	199	10
Euro	171,935	8,597	-	-
BEA (Industry Scheme) Stable Fund				
British Pound	-	-	341	17
Euro	272,962	13,648	-	-

5 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

As at 31 March (continued)

	2024		2023	
	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$
BEA (Industry Scheme) Asian Equity Fund				
British Pound	-	-	8,757,628	437,881
BEA (Industry Scheme) RMB & HKD Money Market Fund				
Renminbi	105,331,614	5,266,581	90,098,396	4,504,920

As HKD is pegged to USD, BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Asian Equity Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund do not expect any significant movement in USD/HKD exchange rate. A 5% appreciation of HKD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk arises from changes in interest rates which may inversely affect the value of a financial instrument and therefore result in a potential gain or loss to the Scheme and its constituent funds.

All constituent funds did not have any interest-bearing liabilities as at year end (2023: except for BEA (Industry Scheme) RMB & HKD Money Market Fund) and their interest-bearing assets were limited to bank deposits only. Indirect interest rate risk from underlying collective investment schemes are managed by the Investment Manager. Accordingly, it is considered that they did not have significant direct interest rate risk exposure.

The Investment Manager monitors the Scheme's direct exposure to interest rate risk on a regular basis.

5 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund

BEA (Industry Scheme) RMB & HKD Money Market Fund did not have any interest-bearing liabilities as at 31 March 2024 and its interest-bearing assets were limited to bank deposits. The manager considered that it does not have significant direct interest rate exposure.

As at 31 March 2023

	Up to 1 year HK\$	1 - 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	160,436,241	-	-	-	160,436,241
Cash at banks	13,454,159	-	-	-	13,454,159
Other assets	-	-	-	913,922	913,922
Total assets	173,890,400	-	-	913,922	174,804,322
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	-	-	-	181,377	181,377
Total interest sensitivity gap	173,890,400	-	-		

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year are shown in the table below.

	% possible reasonable shift	Estimated increase/ (decrease) 2024 HK\$	Estimated increase/ (decrease) 2023 HK\$
BEA (Industry Scheme) RMB & HKD Money Market Fund	0.25%	-	(1,226)

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the Scheme and its constituent funds is shown in investment report.

The Scheme's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Investment Manager monitors the Scheme's market position on a daily basis.

Sensitivity analysis

The Investment Manager projects the possible movement of the relevant market indices (the "potential movement") based on historical experience. If the relevant market indices had changed by the following percentages, which are based on the Investment Manager's best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the changes in net assets attributable to members from operations would have changed accordingly as shown below. An equal change in the opposite direction would have changed the net assets attributable to members and the changes in net assets attributable to members from operations, by an equal but opposite amount. The analysis is performed on the same basis as 2023.

For BEA (Industry Scheme) MPF Conservative Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund, as they only invest in short-term deposits which are not subject to other price risk, no sensitivity analysis is performed.

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2024 HK\$</i>	<i>Estimated increase 2023 HK\$</i>
BEA (Industry Scheme) Growth Fund (note (a))	5%	138,877,965	128,953,335
BEA (Industry Scheme) Balanced Fund (note (b))	5%	78,986,378	72,764,821
BEA (Industry Scheme) Stable Fund (note (c))	5%	128,152,333	112,285,127
BEA (Industry Scheme) Greater China Equity Fund (note (d))	5%	26,469,169	26,482,827
BEA (Industry Scheme) Hong Kong Equity Fund (note (e))	5%	20,025,895	20,627,994
BEA (Industry Scheme) Asian Equity Fund (note (f))	5%	12,254,595	9,582,044
BEA China Tracker Fund (note (g))	5%	4,697,608	4,661,674
BEA Hong Kong Tracker Fund (note (h))	5%	5,590,475	5,636,131
BEA (Industry Scheme) Age 65 Plus Fund (note (i))	5%	40,900,631	31,964,163
BEA (Industry Scheme) Core Accumulation Fund (note (j))	5%	<u>114,706,406</u>	<u>87,880,642</u>

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

Notes:

- (a) **Before 1 January 2024:** 25% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 24% FTSE MPF Hong Kong Index + 14% FTSE MPF Europe Index + 14% FTSE MPF North America Index + 9% FTSE MPF AP ex Japan ex Hong Kong + 9% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

Since 1 January 2024: 25% (100% FTSE MPF WGBI (35% hedged to HKD)) + 24% (85% FTSE MPF Hong Kong Index + 15% FTSE MPF China A Hedged Index) + 14% FTSE MPF Europe Index + 14% FTSE MPF North America Index + 9% FTSE MPF AP ex Japan ex Hong Kong + 9% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

- (b) **Before 1 January 2024:** 45% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 17% FTSE MPF Hong Kong Index + 10% FTSE MPF Europe Index + 10% FTSE MPF North America Index + 6.5% FTSE MPF AP ex Japan ex Hong Kong + 6.5% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

Since 1 January 2024: 45% (100% FTSE MPF WGBI (35% hedged to HKD)) + 17% (85% FTSE MPF Hong Kong Index + 15% FTSE MPF China A Hedged Index) + 10% FTSE MPF Europe Index + 10% FTSE MPF North America Index + 6.5% FTSE MPF AP ex Japan ex Hong Kong + 6.5% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

- (c) **Before 1 January 2024:** 60% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 10% FTSE MPF Hong Kong Index + 10% HK MPF Prescribed Savings Rate + 6% FTSE MPF Europe Index + 6% FTSE MPF North America Index + 4% FTSE MPF Japan Index + 4% FTSE MPF AP ex Japan ex Hong Kong

Since 1 January 2024: 60% (100% FTSE MPF WGBI (35% hedged to HKD)) + 10% (85% FTSE MPF Hong Kong Index + 15% FTSE MPF China A Hedged Index) + 6% FTSE MPF Europe Index + 6% FTSE MPF North America Index + 4% FTSE MPF AP ex Japan ex Hong Kong + 4% FTSE MPF Japan Index + 10% HK MPF Prescribed Savings Rate

- (d) 100% FTSE MPF Greater China Index

- (e) 100% FTSE MPF Hong Kong Index

- (f) 100% FTSE MPF Asia Pacific ex JP, AU & NZ Hedged Index

- (g) The composite of 100% Hang Seng China Enterprise Total Return Index was used from 1 April 2023 to 31 December 2023 and 100% Hang Seng China Enterprises Total Net Return Index was used from 1 January 2024 to 31 March 2024 for better estimation of potential movement of BEA China Tracker Fund.

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

Notes (continued):

(h) The composite of 100% Hang Seng Total Return Index was used from 1 April 2023 to 31 December 2023 and 100% Hang Seng Total Net Return Index was used from 1 January 2024 to 31 March 2024 for better estimation of potential movement of BEA Hong Kong Tracker Fund.

(i) 100% MPF Age 65 Plus Fund RP (Net of 0.95% Max fee)

(j) 100% MPF Core Accumulation Fund RP (Net of 0.95% Max fee)

Changes in market index % are revised annually depending on the Investment Manager's current view of market volatility and other relevant factors.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All sales of investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Scheme's custodians have received payments.

For purchase, payments are made once investments have been received by the Scheme's custodians. The trade will fail if either party fails to meet their obligation.

The Investment Manager monitors the Scheme and its constituent funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

5 Financial risk management (continued)

(b) Credit risk (continued)

At the reporting date, only BEA (Industry Scheme) MPF Conservative Fund held short-term deposits, and BEA (Industry Scheme) RMB & HKD Money Market Fund held short-term deposits (2023: short-term deposits and a debt security) as investments. The credit quality of these short-term deposits are expressed as a percentage of investments below:

BEA (Industry Scheme) MPF Conservative Fund

Portfolio by rating category of the issuer of short-term deposits

	2024	2023
Rating (S&P/Moody's)		
AA-/Aa3	17.81%	23.34%
A+/A1	37.39%	28.47%
A/A2	26.86%	19.60%
A-/A3	4.04%	10.63%
BBB+/Baa1	13.90%	17.96%
	<hr/>	<hr/>
Total	100.00%	100.00%
	<hr/>	<hr/>

BEA (Industry Scheme) RMB & HKD Money Market Fund

Portfolio by rating category of the issuer of short-term deposits and the debt security

	2024	2023
Rating (S&P/Moody's)		
AA-/Aa3	32.25%	24.44%
A+/A1	27.24%	28.19%
A/A2	20.45%	19.86%
A-/A3	5.05%	8.89%
BBB+/Baa1	15.01%	18.62%
	<hr/>	<hr/>
Total	100.00%	100.00%
	<hr/>	<hr/>

The Scheme and its constituent funds' investments are held by the custodians and the majority of the Scheme and its constituent funds' cash is deposited with The Bank of East Asia, Limited and The Bank of New York Mellon (the "Banks"). Bankruptcy or insolvency of the custodians and the Banks may cause to Scheme and its constituent funds' execution of their rights with respect to the assets held by the custodians and the Banks to be delayed or limited.

The Investment Manager monitors the credit quality of the custodians and the Banks on an on-going basis.

Other than the outlined above, there were no significant concentrations of credit risk at both 31 March 2024 and 2023.

5 Financial risk management (continued)

(b) Credit risk (continued)

Amounts arising from ECLs

Impairment on contributions receivables, interest receivable, other receivables, bank balances, amounts receivable on sale of investments, amounts receivable on subscriptions and interest, dividend and other receivables has been measured on a 12-month expected loss basis and reflected the short maturities of the exposures. The Scheme and its constituent funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Scheme and its constituent funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties and perform on-going review of the counterparties. The Investment Manager 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. There is no impairment allowance recognized on contributions receivables, interest receivable, other receivables, bank balances, amounts receivable on sale of investments, amounts receivable on subscriptions and interest, dividend and other receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Scheme and its constituent funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Scheme and its constituent funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable investments to meet benefit payments and other liquidity requirements in the short and longer term.

The Scheme and its constituent funds invest the majority of assets in constituent funds, approved pooled investment funds and/or approved index-tracking collective investment schemes that could be readily converted into cash to meet its liquidity requirement.

As at 31 March 2024 and 2023, all the financial liabilities of the Scheme and its constituent funds are repayable on demand or due within three months.

6 Investments

(a) The Scheme

Investments in constituent funds

	2024 HK\$	2023 HK\$
BEA (Industry Scheme) MPF Conservative Fund	3,596,342,486	3,376,201,926
BEA (Industry Scheme) Growth Fund	3,026,473,049	2,831,230,710
BEA (Industry Scheme) Balanced Fund	1,676,871,738	1,625,112,393
BEA (Industry Scheme) Stable Fund	2,647,684,458	2,553,477,491
BEA (Industry Scheme) Greater China Equity Fund	520,486,590	530,171,946
BEA (Industry Scheme) Hong Kong Equity Fund	434,258,763	454,126,325
BEA (Industry Scheme) Asian Equity Fund	317,780,165	252,280,462
BEA China Tracker Fund	93,685,178	93,682,810
BEA Hong Kong Tracker Fund	116,348,144	117,729,830
BEA (Industry Scheme) RMB & HKD Money Market Fund	195,569,051	174,622,945
BEA (Industry Scheme) Age 65 Plus Fund	783,836,362	639,425,056
BEA (Industry Scheme) Core Accumulation Fund	2,344,295,870	1,731,076,239
Investments at fair value	<u>15,753,631,854</u>	<u>14,379,138,133</u>
Investments at cost	<u>14,079,972,970</u>	<u>13,193,441,601</u>

(b) Constituent funds

BEA (Industry Scheme) MPF Conservative Fund

	2024 HK\$	2023 HK\$
Short-term deposits	<u>3,310,469,152</u>	<u>3,129,696,501</u>

BEA (Industry Scheme) Growth Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	2,291,793,165	1,743,558,359
Approved Index-Tracking Collective Investment Schemes	<u>678,414,499</u>	<u>1,074,663,209</u>
Investments	<u>2,970,207,664</u>	<u>2,818,221,568</u>

6 Investments (continued)

(b) Constituent funds (continued)

BEA (Industry Scheme) Balanced Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	1,410,737,890	1,184,203,444
Approved Index-Tracking Collective Investment Schemes	<u>247,103,471</u>	<u>426,482,549</u>
Investments	<u>1,657,841,361</u>	<u>1,610,685,993</u>

BEA (Industry Scheme) Stable Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	2,372,155,243	2,057,224,588
Approved Index-Tracking Collective Investment Schemes	<u>209,647,044</u>	<u>459,047,041</u>
Investments	<u>2,581,802,287</u>	<u>2,516,271,629</u>

BEA (Industry Scheme) Greater China Equity Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	499,895,826	511,416,531
Approved Index-Tracking Collective Investment Schemes	<u>17,353,100</u>	<u>16,321,086</u>
Investments	<u>517,248,926</u>	<u>527,737,617</u>

BEA (Industry Scheme) Hong Kong Equity Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	407,633,102	408,936,783
Approved Index-Tracking Collective Investment Scheme	<u>25,058,000</u>	<u>43,156,260</u>
Investments	<u>432,691,102</u>	<u>452,093,043</u>

6 Investments (continued)

(b) Constituent funds (continued)

BEA (Industry Scheme) Asian Equity Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	277,979,775	217,690,546
Approved Index-Tracking Collective Investment Schemes	27,817,846	19,183,229
Investments	305,797,621	236,873,775

BEA China Tracker Fund

	2024 HK\$	2023 HK\$
Approved Index-Tracking Collective Investment Scheme	93,715,216	93,719,520

BEA Hong Kong Tracker Fund

	2024 HK\$	2023 HK\$
Approved Index-Tracking Collective Investment Scheme	116,395,750	117,779,340

BEA (Industry Scheme) RMB & HKD Money Market Fund

	2024 HK\$	2023 HK\$
Bond	-	1,021,295
Short-term deposits	180,509,281	159,414,946
	180,509,281	160,436,241

BEA (Industry Scheme) Age 65 Plus Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	784,209,311	639,866,250

6 Investments (continued)

(b) Constituent funds (continued)

BEA (Industry Scheme) Core Accumulation Fund

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	<u>2,345,721,758</u>	<u>1,731,992,660</u>
Total investments at fair value	<u>15,296,609,429</u>	<u>14,035,374,137</u>
Total investments at cost	<u>14,223,067,877</u>	<u>13,458,206,674</u>

7 Bank balances

As at 31 March 2024, the Scheme placed bank deposits amounted to HK\$87,495,477 (2023: HK\$70,296,167).

Reconciliation of liability arising from financing activities

The table below details changes in the Scheme's liability from financing activities, including both cash and non-cash changes. Liability arising from financing activities are liability for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<i>Benefits payables</i> 2024 HK\$	2023 HK\$
As at beginning of the year	9,116,524	13,375,086
Benefits	726,603,469	579,603,151
Transfers out	352,244,564	398,593,485
Long service payments and severance payments and other payments	34,830,895	28,971,487
Benefits paid, transfers out, long service and severance payments and other payments	<u>(1,106,597,747)</u>	<u>(1,011,426,685)</u>
As at the end of the year	<u>16,197,705</u>	<u>9,116,524</u>

8 Net gain/(loss) on constituent funds/investments

(a) The Scheme

	2024 HK\$	2023 HK\$
Change in unrealised gain/(loss) in value of constituent funds	487,962,352	(937,963,450)
Realised gain on sale of constituent funds	86,316,523	75,669,964
Net gain/(loss) on investments in constituent funds	<u>574,278,875</u>	<u>(862,293,486)</u>

(b) Constituent funds

	<i>BEA (Industry Scheme)</i> <i>MPF Conservative Fund</i>		<i>BEA (Industry Scheme)</i> <i>Growth Fund</i>		<i>BEA (Industry Scheme)</i> <i>Balanced Fund</i>	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Change in unrealised gain/(loss) in value of investments	-	-	125,625,844	(159,524,984)	57,734,393	(88,662,443)
Realised gain/(loss) on sale of investments	-	-	38,980,996	(50,279,331)	14,870,608	(33,838,038)
Net gain/(loss) on investments	<u>-</u>	<u>-</u>	<u>164,606,840</u>	<u>(209,804,315)</u>	<u>72,605,001</u>	<u>(122,500,481)</u>

	<i>BEA (Industry Scheme)</i> <i>Stable Fund</i>		<i>BEA (Industry Scheme)</i> <i>Greater China Equity Fund</i>		<i>BEA (Industry Scheme)</i> <i>Hong Kong Equity Fund</i>	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Change in unrealised gain/(loss) in value of investments	74,321,764	(120,594,537)	(41,115,251)	(70,879,979)	(70,347,579)	(42,787,379)
Realised gain/(loss) on sale of investments	6,655,918	(63,581,886)	(3,846,279)	-	(7,333,964)	(4,858,768)
Net gain/(loss) on investments	<u>80,977,682</u>	<u>(184,176,423)</u>	<u>(44,961,530)</u>	<u>(70,879,979)</u>	<u>(77,681,543)</u>	<u>(47,646,147)</u>

	<i>BEA (Industry Scheme)</i> <i>Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Change in unrealised gain/(loss) in value of investments	35,883,848	(48,061,376)	(15,667,085)	(5,077,817)	(21,965,309)	(5,173,367)
Realised (loss)/gain on sale of investments	(1,607,127)	7,483,494	(828,871)	(965,339)	(1,253,746)	(2,098,293)
Net gain/(loss) on investments	<u>34,276,721</u>	<u>(40,577,882)</u>	<u>(16,495,956)</u>	<u>(6,043,156)</u>	<u>(23,219,055)</u>	<u>(7,271,660)</u>

	<i>BEA (Industry Scheme)</i> <i>RMB & HKD Money Market Fund</i>		<i>BEA (Industry Scheme)</i> <i>Age 65 Plus Fund</i>		<i>BEA (Industry Scheme)</i> <i>Core Accumulation Fund</i>	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Change in unrealised (loss)/gain in value of investments	(21,295)	21,295	44,364,524	(37,834,870)	308,217,231	(98,089,146)
Realised gain on sale of investments	41,000	-	434,858	309,359	2,833,056	1,753,796
Net gain/(loss) on investments	<u>19,705</u>	<u>21,295</u>	<u>44,799,382</u>	<u>(37,525,511)</u>	<u>311,050,287</u>	<u>(96,335,350)</u>

9 Transactions with related parties

The following is a summary of material transactions with related parties during the year. All transactions were entered into during the ordinary course of business and under normal commercial terms.

(a) Management fees

“Management fees” include trustee, administration and custodian fees, investment management fees (including fees based on fund performance, if any) and sponsor fees paid to Sponsor of the Scheme for providing their services to the relevant Constituent Fund.

The Sponsor, The Bank of East Asia, Limited, is entitled to receive trustee, administration and custodian fees, investment management fees and sponsor fees which are inclusive of the fees payable to the Trustee and the Investment Manager and the Sponsor will pay the fees of the Trustee and the Investment Manager out of its own fee. The Sponsor may share any fees it receives with distributors or agents procuring subscriptions to the Scheme. The fees payable to the Trustee are inclusive of administration and custodian fees payable in its capacity as the Administrator and Custodian (but, exclusive of fees payable to sub-custodians which will be paid from the assets of the Scheme). The fees are calculated and accrued on each valuation day and payable monthly in arrears.

The breakdown of the management fees payable out of the constituent funds is as follows:

<i>Name of Constituent Fund</i>	<i>Sponsor⁽³⁾ (p.a. of NAV)</i>	<i>Trustee/ Administrator/ Custodian⁽³⁾ (p.a. of NAV)</i>	<i>Investment Manager⁽³⁾ (p.a. of NAV)</i>	<i>Total (p.a. of NAV)</i>
BEA (Industry Scheme) MPF Conservative Fund ⁽¹⁾	0.03%	0.45%	0.31%	0.79%
BEA (Industry Scheme) Growth Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Balanced Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Stable Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Greater China Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Hong Kong Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Asian Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA China Tracker Fund	0.03%	0.26%	0.20%	0.49%
BEA Hong Kong Tracker Fund	0.03%	0.26%	0.20%	0.49%
BEA (Industry Scheme) RMB & HKD Money Market Fund	0.03%	0.45%	0.31%	0.79%
BEA (Industry Scheme) Age 65 Plus Fund ⁽²⁾	0.295%	0.295%	0.16%	0.75%
BEA (Industry Scheme) Core Accumulation Fund ⁽²⁾	0.295%	0.295%	0.16%	0.75%

⁽¹⁾ For BEA (Industry Scheme) MPF Conservative Fund, the management fees are only deducted when the net investment return exceeds the prescribed savings rate prescribed by the Mandatory Provident Fund Schemes Authority. The maximum amount deducted must not exceed the excess between the net investment return and the prescribed savings rate subject to a maximum fee equal to 0.79% per annum of the net asset value of the constituent fund.

9 Transactions with related parties (continued)

(a) Management fees (continued)

⁽²⁾ For BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund, management fees payable can only be charged as a percentage of the net asset value of the fund. These management fees are also subject to a statutory daily limit of 0.75% per annum of the net asset value of the relevant constituent fund which applies across both the constituent fund and the underlying funds.

⁽³⁾ The fees payable to the Trustee are for its trustee and administrative functions, while the fees payable to the Investment Manager are for its investment management functions. As for the Sponsor, its fees are for its services related to product support, dissemination of MPF marketing materials and product development activities.

The management fees charged for the year are disclosed in the statement of comprehensive income. As at 31 March, the management fees payables were as follows:

	2024 HK\$	2023 HK\$
BEA (Industry Scheme) MPF Conservative Fund	2,401,902	2,259,195
BEA (Industry Scheme) Growth Fund	3,056,664	2,816,169
BEA (Industry Scheme) Balanced Fund	1,697,690	1,623,403
BEA (Industry Scheme) Stable Fund	2,681,720	2,559,485
BEA (Industry Scheme) Greater China Equity Fund	526,007	523,882
BEA (Industry Scheme) Hong Kong Equity Fund	438,978	449,036
BEA (Industry Scheme) Asian Equity Fund	318,456	250,892
BEA China Tracker Fund	38,583	37,245
BEA Hong Kong Tracker Fund	48,294	47,422
BEA (Industry Scheme) RMB & HKD Money Market Fund	130,677	116,319
BEA (Industry Scheme) Age 65 Plus Fund	493,567	399,436
BEA (Industry Scheme) Core Accumulation Fund	1,471,854	1,067,362

9 Transactions with related parties (continued)

(b) Bank balances

As at 31 March 2024, the Scheme and its constituent funds placed bank deposits amounted to HK\$87,495,477 (2023: HK\$70,296,167) and HK\$343,652,703 (2023: HK\$277,617,138) respectively with The Bank of East Asia, Limited, the holding company of the Trustee. The interest income arising from these accounts during the year amounted to HK\$4,245,145 (2023: HK\$3,639,043) and HK\$3,141,405 (2023: HK\$868,865) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

(c) Investments

As at year end, the following constituent funds of the Scheme invested in approved-pooled investment funds, managed by the Investment Manager and entrusted by the Trustee:

	<i>BEA (Industry Scheme)</i> <i>Growth Fund</i>	
	2024	2023
	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	168,984,814	159,588,221
BEA Union Investment Asia Strategic Growth Fund - Class A	334,976,604	301,995,075
BEA Union Investment China A Opportunities Fund - Class A	125,244,241	-
BEA Union Investment Europe Fund - Class A	85,235,084	-
BEA Union Investment Global Bond Fund - Class A	449,484,627	543,386,942
BEA Union Investment Global Equity Fund - Class A	487,055,218	252,894,850
BEA Union Investment Greater China Growth Fund - Class A	48,167,530	89,468,261
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	13,871,984	13,411,640
BEA Union Investment Hong Kong Growth Fund - Class A	262,094,920	246,341,864
BEA Union Investment Japan Fund - Class A	141,931,883	-
BEA Union Investment Money Market Fund - Class A	34,820,525	33,372,941
BEA Union Investment US Fund - Class A	61,539,838	-

9 Transactions with related parties (continued)

(c) Investments (continued)

	<i>BEA (Industry Scheme) Balanced Fund</i>		<i>BEA (Industry Scheme) Stable Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	137,606,979	129,955,187	228,359,196	208,096,661
BEA Union Investment Asia Strategic Growth Fund - Class A	141,503,257	133,621,658	116,571,011	118,612,378
BEA Union Investment China A Opportunities Fund - Class A	57,419,739	-	67,580,088	-
BEA Union Investment Europe Fund - Class A	30,745,676	-	40,694,795	-
BEA Union Investment Global Bond Fund - Class A	529,077,593	591,188,496	1,232,285,973	1,312,544,139
BEA Union Investment Global Equity Fund - Class A	240,297,211	118,139,775	300,586,541	108,796,443
BEA Union Investment Greater China Growth Fund - Class A	19,583,978	46,329,513	30,618,517	73,094,680
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	13,213,297	12,774,813	16,300,236	15,759,311
BEA Union Investment Hong Kong Growth Fund - Class A	103,396,270	86,941,110	72,048,919	43,513,461
BEA Union Investment Japan Fund - Class A	62,366,410	-	71,241,753	-
BEA Union Investment Money Market Fund - Class A	22,043,579	21,127,168	133,115,820	127,581,832
BEA Union Investment US Fund - Class A	17,128,748	-	13,529,791	-
	<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Global Equity Fund - Class A	15,242,395	-	-	-
BEA Union Investment Greater China Growth Fund - Class A	460,655,633	471,948,910	23,629,859	8,328,482
BEA Union Investment Hong Kong Growth Fund - Class A	23,997,798	39,467,621	384,003,243	400,608,301
	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	277,979,775	217,690,546	-	-
BEA Union Investment Age 65 Plus Fund - Class I	-	-	784,209,311	639,866,250

9 Transactions with related parties (continued)

(c) Investments (continued)

	<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2024	2023
	HK\$	HK\$
BEA Union Investment Core Accumulation Fund - Class I	2,345,721,758	1,731,992,660

As at year end, the following constituent fund held short-term deposits with The Bank of East Asia, Limited, the ultimate controlling party of the Trustee, as follows:

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>			
	2024		2023	
	Nominal value	Fair value	Nominal value	Fair value
	HK\$	HK\$	HK\$	HK\$
Bank of East Asia, Limited (The) F/D 4.25% 17 July 2024	41,021,621	41,021,621	-	-
Bank of East Asia, Limited (The) F/D 3.85% 05 July 2023	-	-	56,454,123	56,454,123
	<u>41,021,621</u>	<u>41,021,621</u>	<u>56,454,123</u>	<u>56,454,123</u>

	<i>BEA (Industry Scheme) RMB & HKD Money Market Fund</i>			
	2024		2023	
	Nominal value	Fair value	Nominal value	Fair value
	HK\$	HK\$	HK\$	HK\$
Bank of East Asia, Limited (The) F/D 4.47% 13 June 2024	451,884	451,884	-	-
	<u>451,884</u>	<u>451,884</u>	<u>-</u>	<u>-</u>

Interest income derived from short-term deposits during the year ended 31 March 2024 amounted to HK\$2,252,198 (2023: HK\$1,483,400).

(d) Brokerage commission

No brokerage commission was paid to brokers who are associates or delegates of the Trustee or Investment Manager during the years ended 31 March 2024 and 2023.

10 Transactions with associates

All the transactions with associates as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance and the “Guidelines on Annual Statements of Registered Schemes” Annex C section I(D)(2) issued by the MPFA have been included in transaction with related parties as set out in note 9.

11 Contributions received and receivable

Mandatory contributions for both the employers and members are equal to 5% of the members’ relevant income up to HK\$30,000 per month but in respect of members earning less than HK\$7,100 per month, the members’ mandatory contribution is nil.

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

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2023/2024 is HK\$60,000.

The Employee Choice Arrangement (the “ECA”) has been launched by the MPFA with effect from 1 November 2012. The ECA allows members to opt to transfer the member’s portion of the mandatory contributions and investment returns (i.e. the accrued benefits) in their contribution accounts to an MPF trustee and scheme of their own choice once a year. Alternatively, members do not have to make any change. They can retain the accrued benefits in the original MPF scheme selected by their employers.

12 Benefits paid and payable

Members will become entitled to benefits in respect of mandatory contributions and tax deductible voluntary contributions (effective from 1 April 2019) to the Scheme in the circumstances set out in the MPF Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment or self-employment, after reaching the age of 60 or cease employment or self-employment as a result of total incapacity; (iii) have a terminal illness; (iv) permanently depart from Hong Kong; (v) die or (vi) have the right to claim a small balance pursuant to the MPF Ordinance.

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

13 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 March 2024 and 2023.

14 Taxation

The Scheme is registered under the MPF Ordinance and is therefore a recognised scheme for the purposes of Hong Kong Profits Tax. The policy of the Hong Kong Inland Revenue Department (“IRD”), as set out in IRD Practice Note No. 23 is that “recognised retirement schemes and their trustees are not considered to be subject to profits tax on their investment income”. Accordingly, no provision for Hong Kong Profits Tax has been made in the Scheme’s financial statements.

Non-recoverable overseas withholding tax was charged on certain dividend received during the year.

15 Soft commission arrangements

During the year ended 31 March 2024, the Investment Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the Scheme and its constituent funds (2023: HK\$Nil).

16 Security lending arrangements

During the year ended 31 March 2024, the Scheme and its constituent funds did not enter into any security lending arrangements (2023: HK\$Nil).

17 Negotiability of assets

As at 31 March 2024, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2023: HK\$Nil).

18 Commitments

As at 31 March 2024, the Scheme and its constituent funds had no commitments (2023: HK\$Nil).

19 Contingent liabilities and capital commitment

As at 31 March 2024, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2023: HK\$Nil).

20 Marketing expenses

During the year ended 31 March 2024, there have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme and its constituent funds (2023: HK\$Nil).

21 Fees and expenses deduction for conservative fund

In accordance with section 37 of the General Regulation, administrative expenses for the BEA (Industry Scheme) MPF Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. The deferred administrative expenses amounted to HK\$676,783 (2023: HK\$1,703,082) was recognised during the year. As at 31 March 2024, there was no deferred administrative expenses (2023: HK\$Nil), amounts of HK\$Nil (2023: HK\$5,625,372) and HK\$676,783 (2023: HK\$13,159,942) were forfeited and utilised, respectively.

21 Fees and expenses deduction for conservative fund (continued)

The administrative expenses for BEA (Industry Scheme) MPF Conservative Fund are charged at constituent fund level and recognised in BEA (Industry Scheme) MPF Conservative Fund's statement of comprehensive income.

22 Segment information

The CODM makes the strategic resource allocation on behalf of the Scheme and determines the operating segments based on the internal reporting used to make strategic decisions. The CODM's asset allocation decisions for the Scheme are based on the investment objective, investment strategy and the performance of each constituent fund. The investment objectives and the investment portfolios of the constituent funds are presented in the investment report. Other segmental information of the constituent funds are presented in these financial statements.

The internal reporting provided to the CODM is the same as that disclosed in these financial statements.

23 Involvement with unconsolidated structured entities

The Scheme has concluded that approved pooled investment funds and approved index-tracking collective investment schemes in which its constituent funds invest but are not consolidated by the constituent funds meet the definition of structured entities because:

- the voting rights in the investment funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- each investment fund's activities are restricted by its prospectus; and
- the investment funds have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the constituent funds do not consolidate but in which they hold an interest.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the constituent funds</i>
Investment funds	To invest on behalf of third party investors	Investments in units issued by the investment funds
	These vehicles are financed through the issues of units to investors	

23 Involvement with unconsolidated structured entities (continued)

The table below sets out interests held by the constituent funds in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held by the constituent funds.

As at 31 March 2024

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "Investments" HK\$ (in millions)</i>
BEA (Industry Scheme) Growth Fund			
- Approved Pooled Investment Funds	16	28,926	2,292
- Approved Index-Tracking Collective Investment Schemes	23	1,192,827	678
BEA (Industry Scheme) Balanced Fund			
- Approved Pooled Investment Funds	16	28,926	1,411
- Approved Index-Tracking Collective Investment Schemes	23	1,192,827	247
BEA (Industry Scheme) Stable Fund			
- Approved Pooled Investment Funds	16	28,926	2,372
- Approved Index-Tracking Collective Investment Schemes	23	1,192,827	210
BEA (Industry Scheme) Greater China Equity Fund			
- Approved Pooled Investment Funds	3	6,220	500
- Approved Index-Tracking Collective Investment Schemes	2	127,051	17
BEA (Industry Scheme) Hong Kong Equity Fund			
- Approved Pooled Investment Funds	2	3,630	408
- Approved Index-Tracking Collective Investment Scheme	1	122,960	25

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2024 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "Investments" HK\$ (in millions)</i>
BEA (Industry Scheme) Asian Equity Fund			
- Approved Pooled Investment Fund	1	2,262	278
- Approved Index-Tracking Collective Investment Schemes	4	89,979	28
BEA China Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	22,904	94
BEA Hong Kong Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	122,960	116
BEA (Industry Scheme) Age 65 Plus Fund			
- Approved Pooled Investment Fund	1	1,725	784
BEA (Industry Scheme) Core Accumulation Fund			
- Approved Pooled Investment Fund	1	3,114	2,346

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2023

	Number of investee funds	Total net assets HK\$ (in millions)	Carrying amount included in "Investments" HK\$ (in millions)
BEA (Industry Scheme) Growth Fund			
- Approved Pooled Investment Funds	11	27,299	1,744
- Approved Index-Tracking Collective Investment Schemes	15	836,578	1,075
BEA (Industry Scheme) Balanced Fund			
- Approved Pooled Investment Funds	11	27,299	1,184
- Approved Index-Tracking Collective Investment Schemes	15	836,578	426
BEA (Industry Scheme) Stable Fund			
- Approved Pooled Investment Funds	11	27,299	2,057
- Approved Index-Tracking Collective Investment Schemes	15	836,578	459
BEA (Industry Scheme) Greater China Equity Fund			
- Approved Pooled Investment Funds	2	4,154	511
- Approved Index-Tracking Collective Investment Schemes	2	135,367	16
BEA (Industry Scheme) Hong Kong Equity Fund			
- Approved Pooled Investment Funds	2	4,154	409
- Approved Index-Tracking Collective Investment Scheme	1	131,244	43

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2023 (continued)

	Number of investee funds	Total net assets HK\$ (in millions)	Carrying amount included in "Investments" HK\$ (in millions)
BEA (Industry Scheme) Asian Equity Fund			
- Approved Pooled Investment Fund	1	2,053	218
- Approved Index-Tracking Collective Investment Schemes	5	149,703	19
BEA China Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	30,800	94
BEA Hong Kong Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	131,244	118
BEA (Industry Scheme) Age 65 Plus Fund			
- Approved Pooled Investment Fund	1	849	640
BEA (Industry Scheme) Core Accumulation Fund			
- Approved Pooled Investment Fund	1	2,285	1,732

During the year, the constituent funds did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support.

The constituent funds can redeem units in their investment funds on a daily basis.

24 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds

BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund are designated as default investment strategy ("DIS") constituent funds with effect from 1 April 2017. Payments for services, out-of-pocket expenses and other payments charged to the DIS constituent funds are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

During the year ended 31 March 2024

	<i>BEA (Industry Scheme) Age 65 Plus Fund HK\$</i>	<i>BEA (Industry Scheme) Core Accumulation Fund HK\$</i>
(a) Payments for services		
Trustee, administration and custodian fees	2,051,884	5,819,625
Investment management fees	1,112,861	3,155,063
Sponsor fees	2,051,884	5,819,625
Total payments for services	<u>5,216,629</u>	<u>14,794,313</u>
(b) Out-of-pocket expenses		
Auditor's remuneration	40,706	40,708
Printing and postage expenses	296,945	790,850
Fund price publication expenses	14,711	14,710
Professional indemnity insurance	30,871	83,073
Miscellaneous expenses	-	-
Total out-of-pocket expenses	<u>383,233</u>	<u>929,341</u>
(c) Payments other than (a) and (b) above	<u>-</u>	<u>-</u>
Total payments	<u>5,599,862</u>	<u>15,723,654</u>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	<u>0.055%</u>	<u>0.046%</u>

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2024.

24 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds (continued)

During the year ended 31 March 2023

	<i>BEA (Industry Scheme) Age 65 Plus Fund HK\$</i>	<i>BEA (Industry Scheme) Core Accumulation Fund HK\$</i>
(a) Payments for services		
Trustee, administration and custodian fees	1,754,293	4,562,571
Investment management fees	951,746	2,475,201
Sponsor fees	1,754,293	4,562,570
	<hr/>	<hr/>
Total payments for services	4,460,332	11,600,342
	<hr/>	<hr/>
(b) Out-of-pocket expenses		
Auditor's remuneration	42,607	49,085
Printing and postage expenses	101,302	259,970
Fund price publication expenses	14,795	14,795
Professional indemnity insurance	25,730	67,446
Miscellaneous expenses	5,546	5,639
	<hr/>	<hr/>
Total out-of-pocket expenses	189,980	396,935
	<hr/>	<hr/>
(c) Payments other than (a) and (b) above	-	-
	<hr/>	<hr/>
Total payments	4,650,312	11,997,277
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.032%	0.026%
	<hr/>	<hr/>

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2023.

25 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Scheme and its constituent funds.

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")</i>	1 January 2024
--	----------------

Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
---	----------------

The Trustee is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

26 Subsequent event

There were no significant events subsequent to the year end which require disclosure in the financial statement.

BEA (MPF) Industry Scheme

Governance Report

For the year ended 31st March, 2024

Section 1: Trustee's Governance Framework

About the Trustee

BEA (MPF) Industry Scheme ("Industry Scheme") is a mandatory provident fund scheme launched by The Bank of East Asia, Limited ("BEA") for the purpose of managing contributions made by the scheme members for the provision of retirement benefits to the scheme members.

Bank of East Asia (Trustees) Limited ("BEA Trustees") is a member of BEA Group. BEA Trustees has been providing trustee services to large retirement schemes for over 40 years.

Trustee's Governance Framework

Good governance is essential for the success of any institution, encompassing how an organization exercises its authority and manages resources. It establishes the foundation for effective and efficient operations through accountability, transparency, and informed decision-making. A robust governance framework includes principles, policies, and procedures that guide an institution's operations and service delivery.

At BEA Trustees, we recognize that good governance is vital to our business long-term and sustainable success. We have established a robust governance framework, which cover the company and scheme members' interests. To name a few, they includes continuous monitoring on the investment performance of the MPF scheme assets and data protection to confine the confidentiality of scheme members' personal data.

There are three key components in BEA Trustees' governance framework. Firstly, an effective board that will steward the company and take care of the members' interest. Secondly, a robust regulatory compliance and risk management to ensure all operations of BEA Trustees are complied with regulations. Thirdly, regular reviews on scheme assets investment and operational efficiency to fulfil the fiduciary duty of trusteeship to the beneficiary of BEA MPF schemes. By adhering to these three key components, BEA Trustees can foster a culture of excellence, and our stakeholders and MPF customers can build trust and confidence on us through this strong foundation.

To achieve the company stewardship, it is relied on a well-established Board of Directors and discuss in the following section of **"BEA Trustees' Board of Directors"**. For the oversight of regulatory compliance and risk management, a Risk Management Committee ("RMC") is established and the Board delegates its authority to RMC for the risk management issue. The section of **"Establishment of Committee & Delegation of Authority"** will discuss RMC. For the scheme assets performance, the Director & Chief Executive of BEA Trustees will attend monthly meeting with investment manager and the performance will be presented during every board meeting. The discussion of investment performance will be presented in Section 2 **"Scheme Assessment Areas"** of this governance report.

BEA Trustees' Board of Directors

BEA Trustees is helmed by an effective board, which assumes responsibility for stewardship of the company and the best interest of MPF scheme members. The key responsibilities of the Board of Directors of BEA Trustees (the "Board") includes directing and supervising the company's affairs, providing long-term strategic direction, delegating the day-to-day operation and administration duties to Chief Executive and ensuring compliance with relevant rules and regulations in performing duties necessary to fulfil BEA Trustees' obligations.

In order to achieve these responsibilities, the Board is responsible for ensuring a true and fair view of the company's financial statements in accordance with prevailing accounting standards and laws. The Board also oversees corporate governance matters, including the development, implementation, and monitoring of governance policies. BEA Trustees shall keep the Board informed about market developments and regulatory changes, and the Board in return shall steer BEA Trustees to seek emerging opportunities and act strategically.

i. Board Composition

The Board currently has 6 Directors, including 1 Executive Director, 3 Non-Executive Directors (the "NEDs") and 2 Independent Non-Executive Directors (the "INEDs"). 33% of the Directors are INEDs.

The majority of NEDs and INEDs in the Board is to ensure the independence of the decisions of the Board, and they bring a full spectrum of seasoned expertise as well as financial and strategic advices to the Board. All NEDs are senior representatives from BEA Group, without day-to-day executive roles in the Trustee's management. The Chief Executive of BEA Trustees, appointed by the Board as Executive Director, oversees BEA Trustees' businesses and financial performance.

One of the NEDs is the Chairperson of the Board. The separation of the roles of the Chairperson and Chief Executive of BEA Trustees enhances accountability and responsibility of each position. The Terms of Reference of the Board of Directors govern their respective responsibilities.

INEDs provide unbiased advices during Board discussions and on thematic reviews carried out by BEA Trustees. Currently, the INEDs of BEA Trustees are lawyer and accountant, with sophisticated expertise related to finance and pension sector.

In 2023, BEA Trustees has made a proposal in strengthening the independence assessment of the INED. Starting from the financial year of 2024, BEA Trustees will consider INEDs who have been serving longer than nine years as long serving. Long serving INEDs are subject to further review by Risk and Compliance Section and annual confirmation of their independence should be obtained. The new assessment has taken into account the criteria set out by MPFA's circular letter "Review of the Implementation of Governance Principles by MPF Trustees" and market practices including the Hong Kong Exchange's Listing Rules. BEA Trustees shared this enhanced framework to MPFA in January 2024.

ii. Board Process

BEA Trustees owns the duty on providing quality information to the Directors in order to assist them in performing their duties and responsibilities to the Board effectively. Pursuant to the MPFA's recommendation on Governance Principles for MPF Trustees, Principle 4 – Ensure Board's members to perform their duties, BEA Trustees has established framework and strictly adheres to the preparation of the Board Meeting. The Board meets semi-annually to monitor BEA Trustees' operations, with meetings typically held in person to facilitate productive discussions, decision-making, and collaboration. When necessary, meetings will conduct virtually. The Board Meetings, together with updates by mean of Board Paper circulations, shall promote communication and transparency among Board members, enabling them to achieve the Board's oversight role on BEA Trustees.

iii. Key Matters Reserved to the Board for Decision

During every semi-annual Board meeting, a comprehensive array of topics is addressed to provide adequate coverage of all business functions. The key areas reserved for the Board's consideration and decision include, but are not limited to:

Corporate strategy

- MPF Investment Review & Strategy – presented by BEA Union Investment Management Limited
- MPF Business Updates
- Performance of BEA MPF Funds

Financial

- BEA Trustees' Financial Results

Industry development

- MPF Market Updates (including eMPF Platform and ESG integration)
- Trust Market Updates

Corporate governance

- Compliance and Risk Management (incl. Compliance monitoring and complaints)
- ESG-related issues

Set out below are the key matters that have been approved by the Board during the Period:

- Annual Reviews to the Governance and Business Plan and Terms of Reference of the RMC
- Approval of Investment Manager's update of Deeds of Undertaking
- Change of Money Laundering Reporting Officer for BEA Trustees
- Licence Application to SFC for carrying on Regulated Activity Type 13 under the Securities and Futures Ordinance (Cap. 571)
- Reports and Financial Statements for the schemes and funds under BEA Trustees' trusteeship
- Appointment and Resignation of Director
- Service Agreement with external services providers

iv. Board Effectiveness and Diversity

The Board consists of members with extensive experience and balance of skills that is appropriate to the requirements of the BEA Trustees' business. Every year, Risk and Compliance Section of BEA Trustees will assess the effectiveness of the Board of Directors by considering the structure, size and composition of the Board that are relevant to BEA Trustees' strategy, governance and business needs.

BEA Trustees is currently considering and planning the composition of INEDs to explore the possibility of expanding expertise in the Board. A conclusion on the INED composition shall be ready in the next financial year.

Establishment of Committee(s) & Delegation of Authority

The Board has established the Risk Management Committee ("RMC") to strengthen its oversight and monitoring functions by reviewing and monitoring critical issues related to the our operations. The RMC provides valuable input and recommendations to the Board, enabling it to make well-informed decisions based on sound advice.

To ensure the Board keep informed about any significant issues related to the Trustee's operations, detailed reports and meeting minutes are promptly compiled, keeping the Board updated with the information that it needs to fulfil its oversight responsibilities and make informed decisions.

i. Risk Management Committee

Chaired by the Director & Chief Executive of BEA Trustees, the Risk Management Committee is held monthly and comprised of the senior executives representing every business function:

Director & Chief Executive	Chairman
Deputy Head of Personal Banking Division	Member
Senior MPF Administration Manager - Section Head	Member
Senior MPF Marketing & Customer Services Manager - Section Head	Member
Senior Risk & Compliance Manager - Section Head	Member
Senior Fund Accounting Manager - Section Head	Member
Senior Trustee Services Manager - Section Head	Member
Corporate Accounting Manager - Section Head	Member
MPF Administration Manager	Member
Marketing Communications Manager	Member
Risk & Compliance Manager	Member
Fund Accounting Manager	Member
Private Trust Managers / Trust Operation Manager	Member
Assistant Corporate Accounting Manager	Member
Risk & Compliance Manager / Assistant Risk & Compliance Manager / Risk & Compliance Support Officer	Secretary

The RMC plays a pivotal role in overseeing and managing risk-related issues within BEA Trustees. One of its primary responsibilities is to meticulously review and monitor the risk profiles of BEA Trustees, considering the company's risk appetite and both current and anticipated risk exposures. This includes staying abreast of regulatory updates concerning risk management and evaluating their potential implications for the organization.

Another crucial task of the RMC involves scrutinizing the outcomes of stress tests conducted to assess major risks. Additionally, the committee reviews audit and cybersecurity reports to identify any control weaknesses that could compromise our ability to withstand adverse conditions, particularly concerning profitability, capital adequacy, and liquidity. When necessary, the RMC recommends and implements measures to mitigate these potential impacts.

Furthermore, the RMC oversees the development and implementation of BEA Trustees' recovery and resolution plans, ensuring the company is prepared to navigate through crises effectively. The committee is also responsible for promptly reporting significant issues to BEA's board of directors and, if warranted, escalating matters to regulatory authorities.

Beyond these responsibilities, the RMC plays a pivotal role in approving resource allocation decisions and ensuring adequate resources are allocated to address major risks effectively. By fulfilling these duties, the RMC ensures that BEA Trustees maintains robust and effective risk management practices that align with regulatory requirements and safeguard the company's stability and resilience in the face of potential challenges.

ii. Highlights of RMC's Activities during The Period

During the Period, 12 RMC meetings were held on a monthly basis. The RMC discussed major risk issues arising from the following matters, suggested the corresponding ways of risk mitigation and monitored the progress of the risk management process. In the reported period, key issues discussed were:

- The implementation of eMPF Platform
- The implementation of the new SFC Type 13 Regulated Activity ("RA13")

Section 2: Scheme Assessment Areas

I. Value for Money Assessment

At BEA Trustees, we are dedicated to delivering value for money to our members within the MPF system, aligning closely with the mission of the MPFA. While the Fund Expense Ratio (“FER”) is a critical metric for assessing costs to members, we recognize that value extends beyond mere cost efficiency. Thus, we rigorously monitor our fund performance to ensure reasonable returns while maintaining a low and justifiable FER.

Our evaluation of value for money encompasses more than quantitative measures such as FER and fund performance. Recognizing the long-term nature of our members' relationships with us, we strive to provide diverse and suitable investment fund options that cater to their evolving investment preferences and risk tolerances. In addition, we prioritize delivering efficient, user-friendly services to enhance the overall investment experience for our members.

Our commitment to delivering value for money is continuous. We regularly assess and refine our MPF schemes to meet the dynamic expectations and needs of our members, remaining vigilant to market changes and evolving member demands. By focusing on continuous assessment of the various quantitative and qualitative measures, we ensure that we not only meet but exceed members' expectations, fulfilling our fiduciary responsibilities as a trusted MPF trustee.

1. Fund Performance Monitoring

We have instituted a comprehensive and ongoing Fund Performance Monitoring Mechanism aimed at systematically overseeing and evaluating the performance of all Constituent Funds (“CFs”) on our MPF Schemes. This proactive approach is designed to ensure that all funds under their purview meet or exceed expected benchmarks and deliver value to stakeholders. The monitoring mechanism is stratified into distinct protocols for non-index tracking CFs, index tracking CFs, and the Default Investment Strategy (“DIS”), each with tailored criteria to accurately gauge performance.

Our Fund Performance Monitoring Mechanism is not merely diagnostic but also prescriptive. Upon identifying underperforming CFs, we would initiate a thorough review process and require the Investment Manager (“IM”) to provide explanation on the performance of CFs.

We will further collaborate with BEA Union Investment Management Limited (“BEA Union”), i.e. the Investment Manager of the Scheme, to discuss the findings and develop corrective action plans. The corrective action plans will enforce changes aimed at realigning the performance of the underperforming fund. This may include adjusting the investment strategy, reallocating assets, or making management changes.

The management team of BEA Trustees Mandatory Provident Fund Schemes Authority's (“MPFA”) will update the Board regarding the fund performance of CFs and/or other issues through different channels including regular reports and meetings, to ensure an effective ongoing surveillance of the implemented measures.

For the financial year ended 31st March, 2024, the following CF triggered the performance monitoring based on our Fund Performance Monitoring Mechanism.

Name	Observation(s)	Remedial Action(s)
BEA (Industry Scheme) Core Accumulation Fund	As of 31 st March, 2024, the 1-year net performance of CAF exceeded the positive side of the threshold against the Reference Portfolio (i.e. benchmark).	No adverse impact. BEA Trustees requested IM to explain the excess. The outperformance was attributed to the good performance of the underlying APIFs.

2. Review of Investment Fund Choices (Range of Constituent Funds)

At BEA Trustees, we review our CFs range based on the market changes and regulatory development on an on-going basis. We also review our existing product offerings according to the market conditions (e.g. reference with the new funds launched by other service providers).

In addition, we conduct regular review at least annually regarding the suitability and adequacy of CF under the Scheme in terms of number of funds, fund types and investment risk levels in order to maintain our competitiveness in the market.

No new CFs were launched during the reporting financial year.

3. Review of Fee

The Trustee calculates the FER in accordance with Code of Disclosure for MPF Investment Funds. We would also compare the FER of the current financial year with that of previous year and observe any changes.

According to the latest assessment results as of 31st December, 2023, which is published on MPFA's MPF Fund Platform¹, the weighted average FER of the Scheme was 1.18%.

The Scheme FER further lowered to 1.13%² as of the financial year ended 31st March, 2024, mainly due to the significant reduction year-on-year in the FER of MPF Conservative Fund.

The latest Scheme FER of 1.13% is notably lower than the weighted Market Average FER of 1.41%³. This proves our commitment to maintain competitiveness among the peer groups in the MPF market.

¹ Sources: MPF Fund Platform (https://mfp.mpfa.org.hk/eng/mpp_list.jsp) with latest information as of 31st May, 2024.

² Unaudited FER.

³ Sources: Mandatory Provident Fund Schemes Statistical Digest Quarterly Report 3/2024. The Overall FER was drawn from Table III.5.3, which was compiled on the basis of the FERs of MPF constituent funds with their financial year end dates falling within the period from 1st July, 2022 to 30th June, 2023 which was published in the MPFA website on 31st March, 2024.

At BEA Trustees, we regularly review the fee levels of the CFs on our Schemes. We evaluate various parameters and criteria including, but not limited to, the fee level compared with the market by fund category, investment performance to ensure the fee is justifiable, range of fund choice, quality services and other value-added services.

4. Mitigation of Conflict of Interests

The Management Team of BEA Trustees has the duty to ensure the absence of conflicts of interest within the Investment Manager. As an affiliated company, BEA Union Investment Management Limited ("BEA Union"), serving as the Investment Manager in this case, operates as an independent entity with its own board of governance and reporting structure. Deed of Undertaking has been signed to ensure that BEA Trustees and BEA Union act independent of each other.

5. Member Experience

Investing in MPF entails a prolonged commitment, encompassing the phases of accumulation during a member's working years and the eventual drawdown upon retirement. On the other hand, it is also a long-term partnership with the employer clients. It is therefore essential to deliver exceptional service throughout this long-term journey, for both employers and employees (members).

We perform regular review on the Comparison Table generated from MPFA Trustee Service Comparative Platform to ensure we maintain a high quality of service standard. Our Service Pledge to members can be found at our BEA MPF webpage:

https://www.hkbea.com/pdf/en/mpf/Service%20Pledge/Service%20Pledge_BEAT_eng.pdf

In an evolving MPF System and a dynamic investment market, effective communication and a superior customer experience are paramount. We are committed to keeping MPF members and employers well-informed and engaged through a multifaceted approach that includes educational seminars, enhanced digital platforms, and continuous updates on investment opportunities and market conditions.

The MPF system is undergoing significant transformations to better serve its members. As regulatory changes and technological advancements (e.g. the launch of eMPF) reshape the landscape, it is crucial for members and employers to stay abreast of these developments. Concurrently, the investment market is characterized by rapid shifts, driven by economic fluctuations, geopolitical events, and technological innovations. Understanding these changes and their implications on retirement savings is essential for making informed investment decisions.

To support our members and employers in navigating these changes, we offer a comprehensive series of physical seminars and webinars throughout the year. These sessions are designed to provide insights into the latest trends in the investment market, updates on MPF regulations, and strategies for optimizing retirement savings. By offering these educational opportunities, we aim to empower our members with the knowledge they need to make sound financial decisions.

The Investment Corner on our website is a vital resource for members seeking detailed and up-to-date information on market trends and asset class outlooks. We are committed to continuously enhancing this platform, ensuring it provides valuable insights and analysis. Regular updates and expert commentary help members understand the broader economic landscape and how it impacts their investments. This proactive approach helps members stay informed and make strategic adjustments to their portfolios.

Recognizing the importance of convenience and accessibility, we have made significant enhancements to BEA Online (website) and BEA Mobile (mobile app) platforms. These improvements are designed to offer a more user-friendly experience, enabling members to manage their MPF accounts with ease. By leveraging technology, we aim to provide our members with seamless access to their retirement savings.

II. Sustainable Investing Strategy and Implementation Progress

The Board holds the critical responsibility of overseeing the integration of environmental, social, and governance (ESG) factors into the Scheme's investment and risk management processes. This oversight includes assigning clear roles to management to ensure progress against set goals is effectively reported.

The establishment of a robust governance framework is essential in monitoring the management of ESG risks by the Investment Manager of the Scheme. During regular monitoring, any material issues related to ESG and stewardship must be promptly reported to the Director & Chief Executive of BEA Trustees. These issues are then discussed in the Risk Management Committee to determine necessary remedial actions to mitigate potential risks.

As the Investment Manager of the Scheme, BEA Union operates under close scrutiny by both the Management Team and the Board of BEA Trustees. This scrutiny ensures that BEA Union upholds its commitment to adopting sustainable investing practices in the management of MPF funds. BEA Union considers sustainable investing an integral element of its fiduciary duties to clients. The core principle of sustainable investing is the integration of ESG factors into investment decisions to achieve better risk-adjusted returns over the long term. ESG factors can significantly impact the underlying investments of MPF funds and should be evaluated alongside traditional financial measures to provide a comprehensive view of an investment's value, risk, and return potential.

BEA Union has established an ESG Committee composed of senior leaders across various business functions within the organization. This committee provides strategic advice and leadership on ESG-related matters, sets ESG targets and goals, and reviews high-priority or emerging ESG-related risks. The committee also oversees both internal and external communications regarding the ESG strategy. Integration of ESG factors into the investment process and risk management framework is a fundamental practice at BEA Union. Investment teams actively seek to identify material ESG risks and issues relevant to each strategy, considering risks across different sectors, regions, and asset classes. Insights from ESG research and stewardship activities facilitate informed investment decision-making aligned with specific investment objectives, requirements, and the ESG risk appetite of each strategy.

For *equity portfolios*, the Equity Investment Team integrates ESG analysis into fundamental equity research. Analysts identify the most material ESG issues, both positive and negative, that could influence the sustainability of a company's business model and investment case. This ESG analysis is a crucial component of evaluating various aspects of investment research, including industry analysis, management quality assessment, and company strategy analysis. Understanding how companies address ESG issues aids analysts in their fair value analysis by adjusting financial forecasts such as sales, operating costs, or valuation models through metrics like weighted average cost of capital, return on equity, valuation discount/premium, and terminal value.

For *fixed income portfolios*, the Fixed Income Investment Team incorporates ESG analysis into BEA Union's proprietary credit research model. The engagement dialogue with companies and relevant ESG factors may vary across industries. The team aims to understand the current ESG status and future planning of ESG policies and their implementation. An overall assessment is made on a company's ESG performance and commitment, referencing ESG information from Union Investment, third-party providers, and the team's internal assessment. Where deemed material, adjustments are made to financial estimates in BEA Union's proprietary credit research model.

ESG issues impact investment portfolios from both top-down asset allocation and bottom-up security selection perspectives. The BEA Union Investment Committee, which manages *multi-asset portfolios*, recognizes the necessity of an integrated approach that considers ESG factors in both contexts. ESG issues are discussed in Investment Committee meetings, particularly when deciding on asset allocation to enhance the long-term sustainability of investment strategies while achieving desired investment outcomes for clients.

For *money market portfolios*, which primarily involve deposit placement, BEA Union holds the view that deposit-taking banks in Hong Kong are mostly listed companies already compliant with ESG disclosure requirements set by the HK Exchange.

The Board believes that BEA Union has achieved a sufficient level of ESG integration in managing the constituent funds via the underlying APIF and/or ITCIS. We do notice that BEA Union has not yet released their first PRI Transparent Report and PRI Assessment Report, which are due to be released in Q4 2024. The Board will continue to monitor ESG risks and regularly review the ESG integration strategy of the Investment Manager to ensure ongoing alignment with sustainability goals and regulatory requirements.

Board Endorsement

The Board of Bank of East Asia (Trustees) Limited hereby confirms and endorses the above Governance Report for Industry Scheme.