

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

Haitong Investment Fund (“Fund”)

Haitong Greater China Opportunities Fund (a sub-fund of Haitong Investment Fund) (“**Sub-Fund**”)

NOTICE TO UNITHOLDERS

14 November 2014

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

Unless otherwise indicated, all undefined capitalised terms have the same meanings in this notice as in the Explanatory Memorandum for the Fund. Hai Tong Asset Management (HK) Limited accepts responsibility for the accuracy, as at the date of this notice, of the information contained in it.

Dear Unitholder

We are writing to inform you of the following changes to the Fund and the Sub-Fund.

1. Change of the manager of the Fund and the Sub-Fund

- (a) Due to a change in its product strategy, Hai Tong Asset Management (HK) Limited (the “**Retiring Manager**”) has made a business decision and will retire as the manager of the Fund and Sub-Fund with effect from 15 December 2014 (the “**Effective Date**”). From the Effective Date, the manager of the Fund and the Sub-Fund will be replaced by Taiping Assets Management (HK) Company Limited (CE Reference Number: ADV247) (the “**New Manager**”). The New Manager is a company incorporated in Hong Kong in 1996 and is principally engaged in fund management and provision of investment advisory services. The New Manager is licensed by the Securities and Futures Commission (the “**SFC**”) for type 4 (advising on securities) and type 9 (asset management) regulated activities.
- (b) Subsequent to the change of manager of the Fund and the Sub-Fund, the Fund and the Sub-Fund will be under the management of the New Manager, which is not related to the Retiring Manager or Haitong group, and will no longer be under the management of Haitong group.
- (c) From the Effective Date the name of the Fund and the Sub-Fund will be changed to Taiping Investment Fund and Taiping Greater China New Momentum Equity Fund respectively.
- (d) HSBC Trustee (Cayman) Limited will continue to act as the trustee of the Fund. The New Manager will manage the Sub-Fund in accordance with the constitutive documents and the offering documents of the Fund and Sub-Fund and all applicable laws, rules and regulations.
- (e) The expenses and charges of the Sub-Fund payable by the Sub-Fund and the Unitholders remain unchanged.
- (f) The legal and administrative costs to effect the above changes amount to approximately HKD 600,000 and will be borne by the New Manager.

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2. Change of investment strategy and investment portfolio

From the Effective Date, the investment strategy and investment portfolio of the Sub-Fund is changed as follows:

- (a) the investment portfolio will no longer include fixed income securities, debt instruments, A shares, listed China A Share Access Products and shares listed on the Taiwan Stock Exchange, but will continue to consist of (i) listed securities (which may include (but are not limited to) B Shares (up to a limit of 20% of the assets in the Sub-Fund), shares listed on the Hong Kong Stock Exchange (including H Shares, Red Chips and other HK shares quoted in Hong Kong Dollar), and (ii) other China related stocks (i.e. shares of companies which are not domiciled in Greater China, but have direct and significant operations in Greater China)) 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 (which includes the PRC, the Special Administrative Regions of Hong Kong and Macau), in particular the listed securities of companies in Hong Kong that are expected to achieve stable and high dividend returns; and
- (b) For the avoidance of doubt, the Sub-Fund will no longer invest in listed China A Share Access Products, but may continue to invest in other financial derivative instruments for hedging purposes only.

The revised investment strategy and investment portfolio may result in higher concentration risk. The Sub-Fund's portfolio may not be well diversified in terms of the types of securities due to smaller geographical region that the Sub-Fund may invest in. You should also be aware that the Sub-Fund may be more volatile than a broad-based global equity fund.

3. Creation of new class and close for subscription for Class A Units

A new class of Units named Class B Units will be created with the key features same as the Class A Units. The Initial Offer Period of Class B Units will be from 9:00 a.m. (Hong Kong time) on 15 December 2014 to 4:00 p.m. (Hong Kong time) on 19 December 2014, and the Issue Price of Class B Units will be HK\$100 per Unit.

Class A Units will no longer be offered. Any Class A Units issued before 14 November 2014 will not be affected. Conversion fee will be waived for any existing Unitholders of Class A Units who convert Class A Units into Class B Units during the Initial Offer Period of Class B Units as described above. After the end of the Initial Offer Period of Class B Units, the New Manager may charge a Unitholder wishing to convert its Class A Units into Class B Units a conversion fee of up to 3% of the issue price per Unit of the Class B Units.

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4. Update in relation to FATCA

The US Foreign Account Tax Compliance Act (“**FATCA**”) provides that a 30% withholding tax will be imposed on certain payments to foreign financial institutions (“**FFIs**”), such as the Sub-Fund, unless the Sub-Fund satisfies certain due diligence and tax information sharing requirements.

The Cayman Islands Government has signed a FATCA Model 1 IGA with the United States (“**Cayman IGA**”). FFIs that comply with the laws implemented pursuant to the Cayman IGA will be treated as satisfying the due diligence and reporting requirements of FATCA. In order to protect its Unitholders from the penalty of any penalty withholding, the Sub-Fund has registered with the Internal Revenue Service as a reporting FFI and obtained a global intermediary identification numbers.

Unitholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the New Manager or its agents may from time to time request. The New Manager or its agents may, acting in good faith and on reasonable grounds as permitted under applicable laws and regulations, withhold such amount from any redemption moneys which would otherwise be payable to a Unitholder, if such Unitholder fails to provide any information requested or otherwise prevents the Manager or its agents from meeting the relevant regulatory requirements.

If the Fund or the Sub-Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material losses.

Further information will be provided in the updated Explanatory Memorandum in relation to the FATCA status of the Sub-Fund.

5. Trustee’s responsibilities

The Trust Deed of the Fund has been amended to reflect the Trustee’s responsibilities that it is required to (a) exercise reasonable care and diligence in the selection, appointment and monitoring of Correspondents; (b) be satisfied that Correspondents retained remain suitably qualified and competent to provide the relevant custodial services to the Fund; and (c) use reasonable endeavours to recover any loss of investments or other property of the Fund arising from any default of a Correspondent. The Trustee shall also be responsible for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a), (b) and (c) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

Electronic copies of the updated Explanatory Memorandum and KFS for the Fund and the Sub-Fund which reflect the above changes will be available on the New Manager’s website <http://www.tpahk.cntaiping.com>¹ in due course, and hard copies of the updated Explanatory Memorandum, KFS and the Trust Deed (including Supplemental Deed III) which reflect the relevant changes will be available at the New Manager’s office (as below) during normal business hours (except Saturdays, Sundays and public holidays) in due course at a reasonable cost.

¹ This website has not been reviewed by the SFC.

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If you have any questions relating to the above, please contact the Retiring Manager before the Effective Date by telephone on +852 3588 7699 or by writing to the Retiring Manager. On or after the Effective Date, please contact the New Manager by telephone on +852 2864 1900 or by writing to the New Manager at the New Manager's address noted below.

Taiping Assets Management (HK) Company Limited

11/F, China Taiping Tower Phase II
8 Sunning Road
Causeway Bay
Hong Kong

At any time before the Effective Date, Unitholders may redeem out of the Sub-Fund. All redemption fees will be waived for any redemption requests received before the Effective Date.

Yours faithfully,

For and on behalf of



Zhang Yibin
Managing Director

For and on behalf of **Hai Tong Asset Management (HK) Limited**, as Manager of the Fund and the Sub-Fund