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Haitong CSI300 Index ETF
(“Sub-Fund”)

(A sub-fund of Haitong ETF Series (the “Trust”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap.571) of Hong Kong)

RMB Counter Stock Code: 82811
HKD Counter Stock Code: 02811

Announcement –
Amendments to Prospectus and Product Key Facts Statement

Unless otherwise indicated, all undefined capitalised terms have the same meanings in this notice as in the Prospectus (as defined below) for the Trust and the Sub-Fund dated December 2014. The Manager accepts responsibility for the accuracy, as at the date of this notice, of the information contained in it.

Dear Unitholders

We are writing to inform you that the prospectus for the Trust and the Sub-Fund dated December 2014 as amended by addenda dated 2 January 2015, 11 March 2015 and 30 April 2015 (the “**Prospectus**”) has been further amended by an addendum dated 30 December 2015 (the “**Addendum**”) and an updated product key facts statement dated December 2015 (the “**Updated KFS**”) has also been issued on the same date.

This announcement (“**Announcement**”), the Addendum and the Updated KFS provide the following updated information relating to the adjustments of the PRC withholding income tax (“**PRC Withholding Income Tax**”) provision policy of the Sub-Fund:

- (a) the obtaining of Hong Kong Tax Resident Certificate (“**HKTRC**”) from the Hong Kong Inland Revenue Department (“**HKIRD**”) in October 2015 for each assessment year for the purpose of application of the *Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income* (the “**China-HK Arrangements**”);
- (b) the completion of review of the PRC tax filing package and the application for the tax treaty relief for PRC Withholding Income Tax on capital gains by the Shanghai tax bureau;
- (c) the issuance of an official notification by the Shanghai tax bureau on its website to indicate its approval of the tax treaty relief application of the Sub-Fund on 30 October 2015;
- (d) following (c), the reversal of the relevant over-provisioned amount to the Sub-Fund which takes place on the date of this Announcement, being 30 December 2015 (the “**Withholding Income Tax Reversal Date**”); and
- (e) the impact on the Net Asset Value of the Sub-Fund as at the Withholding Income Tax Reversal Date as a result of (d).

The Addendum and the Updated KFS also provide updated information relating to the Underlying Index data and the market capitalisation of the Underlying Index as at 29 December 2015.

Unless otherwise stated, terms used in this Announcement shall have the same meanings ascribed to them under the Prospectus.

Below is the background information of the updated adjustments to the PRC Withholding Income Tax provision policy of the Sub-Fund.

HKTRC

As disclosed in the Prospectus, certain tax treaty relief is applicable to Hong Kong tax residents under the China-HK Arrangements. One type of such relief is that capital gains derived by a Hong Kong tax resident from transfer of shares of a PRC tax resident company would be taxed in the PRC only if:

- (a) 50% or more of the PRC tax resident company’s assets are comprised, directly or indirectly, of immovable property situated in the PRC (a “**land rich company**”); or
- (b) the Hong Kong tax resident holds at least 25% of the shares of the PRC tax resident company at any time within the 12 months before the alienation.

As a RQFII is restricted from holding more than 10% of the shares of a single issuer, a RQFII should not be subject to PRC Withholding Income Tax for the capital gains derived from trading of China A-Shares unless the China A-Share company is a land rich company.

Pursuant to the relevant PRC tax regulations, to enjoy relief under the China-HK Arrangements, a Hong Kong tax resident should submit to the relevant PRC tax authority the application documents for tax treaty relief including a HKTRC issued by the HKIRD.

In October 2015, the Manager has applied for the HKTRC, and has obtained the HKTRC of the Sub-Fund issued by the HKIRD for each assessment year for the purpose of application of China-HK Arrangements.

Review of the tax reporting and tax treaty relief application package by Shanghai tax bureau and tax settlement

The Manager submitted the PRC tax filing package and the application for the tax treaty relief for PRC Withholding Income Tax on capital gains to the Shanghai tax bureau for review in October 2015. The submission was for the purpose of reporting the PRC Withholding Income Tax payable on gross realised capital gains derived from the transfer of China A-Shares issued by land rich companies prior to 17 November 2014 and applying for PRC Withholding Income Tax relief on gross realised capital gains derived from the transfer of China A-Shares which are issued by non-land rich companies under the China-HK Arrangements. The documents submitted included the HKTRC for the Sub-Fund, as part of the application for the Shanghai tax bureau's approval for the eligibility of the Sub-Fund to benefit from the PRC Withholding Income Tax relief under the China-HK Arrangements. The documents and information submitted by the Manager were prepared by a professional tax advisor and were reviewed and approved by the Manager.

The Shanghai tax bureau completed the review of the aforesaid tax reporting and tax treaty relief application, and has issued an official notification on its website to indicate its approval of the tax treaty relief application of the Sub-Fund on 30 October 2015.

Meanwhile, the PRC Withholding Income Tax liabilities in relation to capital gains derived from land rich companies' China A-Shares were agreed by the tax bureau and settled. The total amount of the PRC Withholding Income tax payable by the Sub-Fund (the "**Actual Tax Liability**"), which were paid by the Sub-Fund in full on 1 December 2015, is RMB1,146,679.18.

Reversal of tax provision and impact on Net Asset Value

As disclosed in the Prospectus, prior to the Withholding Income Tax Reversal Date, the Manager had made a 10% provision for PRC Withholding Income Tax for the gross realised capital gains derived by the Sub-Fund prior to 17 November 2014 from transfer of China A-Shares issued by PRC resident companies which are land rich companies (the "**Previously Made Tax Provision**").

The Manager considers that, in accordance with the aforesaid documents indicating the Shanghai tax bureau's agreement to the Sub-Fund's tax treaty relief application and the tax payment certificate issued by the Shanghai tax bureau, the Sub-Fund has settled its PRC Withholding Income Tax liabilities with regards to its respective gross realised capital gains derived from trading of China A-Shares issued by land rich companies since the Sub-Fund's inception date to 16 November 2014. The Actual Tax Liability is lower than the provision amount for the Sub-Fund as at the Withholding Income Tax Reversal Date.

The Manager therefore has decided to reverse the excess Previously Made Tax Provision, i.e. pay back to the Sub-Fund the difference between the Previously Made Tax Provision and the Actual Tax Liability. The reversal is conducted on the Withholding Income Tax Reversal Date. As a result of the reversal, the Net Asset Value of the Sub-Fund as at the Withholding Income Tax Reversal Date (published on 30 December 2015) increased. The amount of the reversal and the positive impact on the Net Asset Value of the Sub-Fund as of the Withholding Income Tax Reversal Date is set out below:

Amount of reversal of Previously Made Tax Provision (RMB) (Actual Figures)	Increase in Net Asset Value per Unit (RMB) (Actual Figures)	Increase in Net Asset Value (%) (Actual Figures)
4,335,937.40	0.1576	1.1432

Previous Unitholders

As disclosed in the Prospectus, Unitholders who have already redeemed their Units in the Sub-Fund before the Withholding Income Tax Reversal Date will not be entitled or have any right to claim any part of the amount representing the reversed Previously Made Tax Provision.

Trustee

Based on the relevant documents provided by the Manager and reviewed by the tax advisor, the Trustee of the Trust has no objection to the reversal of the Previously Made Tax Provision.

Approach on future gains

As disclosed in the Addendum, in light of the guidance in the relevant tax circulars published by the PRC tax authorities, the Manager has not made a provision on gross realised or unrealised capital gains derived from trading of China A-Shares (either via Shanghai-Hong Kong Stock Connect or RQFII) from 17 November 2014 onwards. This approach remains unchanged.

Risk Factors

Investors should note that the aforesaid tax reporting and tax treaty relief application are made in accordance with the prevailing tax rules and practices of the Shanghai tax bureau at the time of submission and accordingly, the Manager will not make any PRC Withholding Income Tax provision on the gross unrealised and realised capital gains derived from trading of China A-Shares.. The Net Asset Value of the Sub-Fund may require further adjustment to take into account any retrospective application of new tax regulations and development, including change(s) in interpretation of the relevant regulations by the PRC tax authority.

The Manager will closely monitor any further guidance by the relevant PRC and Hong Kong tax authorities and adjust the tax withholding policy of the Sub-Fund accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of the Sub-Fund at all times.

Unitholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. If no provision is made by the Manager in relation to all or part of the actual tax levied by the State Administration of Taxation in future, investors should note that the Net Asset Value of the Sub-Fund may be lowered, as the Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Units in issue at the relevant time, and the existing Unitholders and subsequent Unitholders will be disadvantaged, as such Unitholders will bear, through the Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Fund.

Unitholders should seek their own tax advice on their tax position with regards to their investment in the Sub-Fund.

This Announcement and the Addendum will be available on the Manager's website at www.haitongetf.com.hk and HKEx's website at <http://www.hkex.com.hk> from 30 December 2015.

Investors who have any enquiries regarding the above may contact the Manager at 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong or call our enquiry hotline at (852) 3588 7699 during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 6:00p.m.).

Copies of the Prospectus, Trust Deed and other material agreements as disclosed in the Prospectus will be available for inspection at the Manager's place of business in Hong Kong during normal business hours free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee.

Hai Tong Asset Management (HK) Limited
as Manager of Haitong CSI300 Index ETF

30 December 2015