

Haitong Middle Kingdom Fund ("Fund")

NOTICE TO UNITHOLDERS

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 financial advice.

*Unless otherwise indicated, all undefined capitalised terms in this notice have the same meaning as in the explanatory memorandum of the Fund dated March 2015 for the Fund ("**Explanatory Memorandum**"). Haitong International Investment Managers Limited ("the **Manager**") accepts full responsibility for the accuracy of the information contained in this notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this notice misleading as at the date of issuance.*

1. OECD Common Reporting Standard requirements regarding tax reporting

The "Common Reporting Standard" ("**CRS**") is an international standard developed by the OECD for the automatic exchange of financial account information between relevant jurisdictions. Jurisdictions committed to the CRS (each a "**Participating Jurisdiction**") will either be a signatory to the multi-lateral competent authority agreement ("**MCAA**") or will sign bilateral competent authority agreements with certain other Participating Jurisdictions.

The Cayman Islands Government is a signatory to the MCAA and has implemented CRS through the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015 (the "**CRS Regulations**"). Under the CRS Regulations, the Fund will be required to make an annual filing to the Cayman Islands Tax Information Authority (the "**Cayman TIA**") in respect of Unitholders who are tax resident in a "Reportable Jurisdiction" and/or whose "Controlling Persons" are tax resident in a "Reportable Jurisdiction" (unless one or more of the limited exemptions in the CRS Regulations apply).

In order to comply with the relevant automatic exchange of information legislation, the Fund may be required to disclose certain confidential information provided by Unitholders to the Cayman TIA, which in turn will report the information to the relevant foreign fiscal authority. In addition, the Fund, the Manager or its agents may at any time require a Unitholder to provide additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA.

Please refer to further details on the CRS as set out in the First Addendum to the Explanatory Memorandum.

2. Update to the List of Directors

The list of Directors of the Manager has been updated. Please refer to the further details in the First Addendum to the Explanatory Memorandum.

Further information

The Explanatory Memorandum of the Fund will be revised by way of the First Addendum to reflect the above changes. The Explanatory Memorandum and the First Addendum will be available for inspection at the office of the Manager during normal office hours free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee.

Should you have any queries relating to the above, please do not hesitate to contact our Customer Services Hotline at (852) 2116 8200 during our office (Monday to Friday (excluding public holidays), from 9:00am to 6:00pm) or email us at htiim@htisec.com.

**Haitong International Investment Managers Limited
as Manager of Haitong Middle Kingdom Fund**

28 April 2017