

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, as amended by the First Addendum dated 28 April 2017 ("**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.*

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Fund and to ensure that the liquidity profile of the investments of the Fund will facilitate compliance with the Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools that may be employed by the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

Please refer to further details on the liquidity management policy as set out in the Second Addendum to the Explanatory Memorandum.

Further information

The Explanatory Memorandum of the Fund will be revised by way of the Second Addendum to reflect the above changes. The Explanatory Memorandum and the Second 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**

21 July 2017