

**Haitong RMB Investment Fund Series (the “Fund”)**

**Haitong Global RMB Fixed Income Fund (“Haitong Fixed Income Fund”)**

**Haitong China RMB Income Fund (“Haitong RMB Income Fund”)**

**(together, the “Sub-Funds”)**

**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 advice.**

*Unless otherwise indicated, all undefined capitalised terms have the same meanings in this notice as in the explanatory memorandum of the Fund dated June 2015, as amended by the Addendum dated 5 April 2017, the Second Addendum dated 28 April 2017 and the Third Addendum dated 1 February 2018 (the “**Explanatory Memorandum**”). The Manager accepts responsibility for the accuracy, as at the date of this notice, of the information contained in it.*

*SFC authorisation is not a recommendation or endorsement of the Fund or the Sub-Funds nor does it guarantee the commercial merits of the Fund or the Sub-Funds or their performance. It does not mean the Fund or the Sub-Funds is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.*

Dear Unitholder

We are writing to inform you that the Explanatory Memorandum of the Fund and the Sub-Funds has been amended by way of a fourth addendum dated 20 March 2018 (the “**Fourth Addendum**”), to reflect the amendments set out below.

Updated product key facts statements of the Sub-Funds dated March 2018 have also been issued on the same date. No changes have been made to the product key facts statement for Haitong Fixed Income Fund other than its issue date.

**1 Updates to PRC tax considerations**

The Fourth Addendum provides updated disclosure to the PRC tax considerations under the risk factors section.

**2 Updates to the PRC Tax Provision and reversal of tax provisions and adjustment to Net Asset Value in relation to Haitong RMB Income Fund**

As disclosed in the Explanatory Memorandum, the Manager will make a 10% provision (or as otherwise advised by the Sub-Funds’ tax adviser) for PRC taxes payable by Haitong RMB Income Fund from on the gross capital gains and interest/dividends income derived from the disposal of PRC Securities or holding of RMB dominated bonds or China A-Shares (the “**Provision**”). Any sums withheld in excess of the tax liability incurred or is expected to be incurred by the relevant Sub-Fund shall be released and transferred to that Sub-Fund’s accounts forming part of that Sub-Fund’s assets.

Following advice from the Sub-Funds' tax adviser, the Fourth Addendum provides amendments to include the latest intended PRC tax provisions that will be made by Haitong RMB Income Fund as follows:

- Withholding Income Tax provision on capital gains on China A-shares and PRC onshore bonds will no longer be made;
- Withholding Income Tax provisions on interest income from non-government bonds at the rate of 10% will be made; and
- Value Added Tax and local surcharge provisions at the rate of 6.72% on interest from non-government bonds will be made.

Based on independent tax advice, the Manager has also decided to amend its PRC tax provisions as a result of which the Manager will reverse the excess Provision, i.e. pay back to Haitong RMB Income Fund the difference between the Provision and the new PRC tax provisions. The reversal took place on 16 March 2018 (the "**Withholding Income Tax Reversal Date**"). As a result of the reversal, the Net Asset Value of Haitong RMB Income Fund as at the Withholding Income Tax Reversal Date will increase. As of the Withholding Income Tax Reversal Date, the amount of the reversal and the positive impact on the Net Asset Value of the Haitong RMB Income Fund were RMB753,340.92 and 0.364% respectively.

#### *Previous Unitholders*

Unitholders who have already redeemed their Units in Haitong RMB Income 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 Provision.

#### *Trustee*

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

#### *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. The Net Asset Value of Haitong RMB Income 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 Haitong RMB Income Fund accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of Haitong RMB Income Fund at all times.

Unitholders may be disadvantaged depending upon the final tax liabilities, the level of provision (if any) 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 Haitong RMB Income Fund may be lowered,

as Haitong RMB Income 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 Haitong RMB Income Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in Haitong RMB Income Fund.

**Unitholders should seek their own tax advice on their tax position with regards to their investment in Haitong RMB Income Fund.**

### **3 Updates to the Directors of the Manager**

The Fourth Addendum provides an update to the list of Directors of the Manager, following the appointment of Mr. Chen Xuan as a director of the Manager, effective from 1 February 2018.

The Fourth Addendum has been made available from 20 March 2018 at the office of the Manager at 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 6:00p.m.) or online at <http://www.htisec.com/asm>.

Copies of the Explanatory Memorandum, Trust Deed and other material agreements as disclosed in the Explanatory Memorandum of the Fund are also 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.

Should you have any queries relating to the above, please do not hesitate to contact our Customer Services Hotline at (852) 3588 7699 during our office hours (Monday to Friday (excluding public holidays), from 9:00am to 6:00pm) or email us at [htiam@htisec.com](mailto:htiam@htisec.com).

**Haitong International Asset Management (HK) Limited  
as Manager of the Haitong Global RMB Fixed Income Fund and Haitong China RMB Income Fund**

**20 March 2018**