

Haitong RMB Investment Fund Series

(the “Fund”)

Haitong China RMB Income Fund

(the “Sub-Fund”)

NOTICE TO UNITHOLDERS

This notice is important and requires your immediate attention. It contains information regarding changes to the Explanatory Memorandum of the Fund dated February 2019 in respect of the Sub-Fund (the “Explanatory Memorandum”). If you are in any doubt about the content of this notice, you should seek independent professional financial advice.

All capitalized terms herein contained shall have the same meaning in this notice as in the Explanatory Memorandum. Haitong International Asset Management (HK) Limited, the manager of the Fund (the “**Manager**”), accepts full responsibility for the accuracy of the information contained in this notice at the date of publication 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 misleading.

30 December 2019

Dear Unitholders

We are writing to inform you of the following update of the Sub-Fund:

PRC taxation and PRC tax provisions

Tax Reporting, Tax Treaty Application and Tax Payment to Beijing Tax Bureau

As required by Beijing Xicheng State Tax Bureau (“**Beijing Tax Authority**”), the RQFII Holder submitted the requested information and documents on behalf of the Sub-Fund to the Beijing Tax Authority for tax clearance on the gross realised capital gains derived from China A-Shares of the Sub-Fund for the period from the date of inception of the Sub-Fund to 16 November 2014, both days inclusive.

The RQFII Holder’s tax reporting included the submission that the Sub-Fund is eligible for tax relief under a tax treaty, namely, 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 (“**PRC-HK Arrangement**”) regarding the gross realised capital gains derived from the trading of PRC equity investment

assets of Non-Land Rich Companies prior to 17 November 2014. The Beijing Tax Authority accepted the Sub-Fund's aforesaid tax treaty application and, as a result, capital gains derived from the transfers of China A-Shares of Non-Land Rich Companies are not subject to WIT.

In view of the determination by the Beijing Tax Authority that the Sub-Fund is eligible for the PRC-HK Arrangement benefit for exemption from the WIT for the gross realised capital gains derived from trading of Non-Land Rich China A-Shares under PRC-HK Arrangement, based on the professional and independent tax advice, the Manager decided that the WIT provisions made for the capital gains from China A-Shares was to be reversed.

Impact on Net Asset Value

The Manager, having taken and considered professional and independent tax advice from Ernst & Young Tax Services Limited, had made the related adjustments arising the reversal of the WIT provisions made for the capital gains from China A-Shares from the inception of the Sub-Fund to 16 November 2014 ("**Reversal of CGT Provisions**") on 27 December 2019. Unitholders who have already redeemed their Units in the Sub-Fund before the reversal of tax provision is applied to the Sub-Fund will not be entitled to claim in whatsoever form any part of the reversed tax provision.

Having taken and considered professional and independent tax advice, the Net Asset Value was adjusted to reflect the above on 27 December 2019, with details set out below:

Sub-Fund	The amount of reversal	The positive impact on the Net Asset Value of the Sub-Fund as at 27 December 2019
Haitong China RMB Income Fund	CNY 1,921,662.59	0.95%

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.

Haitong International Asset Management (HK) Limited
As the Manager of the Sub-Fund