
ChinaAMC Return Securities Investment Fund
ChinaAMC Xinghua Mixed Securities Investment Fund
(Collectively, the “Funds”)

ANNOUNCEMENT TO UNITHOLDERS

This announcement is important and requires your immediate attention. If you are in any doubt about the contents of this announcement, you should consult your bank manager, legal adviser, accountant or other independent financial adviser. China Asset Management Co., Ltd. (the “**Company**”), the **Fund Manager of the Funds**, accepts full responsibility for the accuracy of the information contained in this announcement 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 in these documents misleading. All capitalized terms herein contained shall have the same meaning in this announcement as in the Prospectus and the Hong Kong Covering Document of each of the Funds (as amended from time to time), unless otherwise provided in this announcement.

31 December 2015

Dear Unitholder,

Announcement of China Asset Management Co., Ltd. on Related Work Arrangements for Its Fund Businesses after the Implementation of the Index Circuit Breaker Mechanism

Shanghai Stock Exchange, Shenzhen Stock Exchange and China Financial Futures Exchange (hereinafter referred to as the “**Exchanges**”) released the rules regarding index circuit breaker on 4 December 2015, which will be effective from 1 January, 2016. With a view to protecting the interests of the Unitholders and safeguarding the stability of the investment operations of the funds, from 1 January 2016 onwards, the Company will adjust the handling of subsequent subscriptions and redemptions for

some of its open-ended funds in light of the circumstances under which index circuit breaker is implemented, pursuant to the relevant laws and regulations, the Fund Contract of each of the Funds, the “Notice of the Related Work Arrangements for the Publicly Offered Fund Industry after the Implementation of Index Circuit Breaker” issued by Asset Management Association of China. The details are as follows:

I. Funds Subject to the Index Circuit Breaker Mechanism

Mutually recognised mainland funds which are publicly offered in Hong Kong and are managed by the Company (“**Mutually Recognised Mainland Funds**”) are subject to the Index Circuit Breaker Mechanism. If the index circuit breaker mechanism becomes applicable to other types of funds managed by the Company in the future, a related announcement will be issued separately.

For the purpose of this announcement, the Funds are Mutually Recognised Mainland Funds.

II. Businesses of Mutually Recognised Mainland Funds Subject to the Circuit Breaker Mechanism

Subsequent subscriptions and redemptions.

III. Specific Business Arrangements

(A) When index circuit breaker is triggered during a normal trading day at the Exchanges and lasts until 15:00

1. Subsequent subscription, redemption and other business arrangements for Mutually Recognised Mainland Fund with the Company acting as the Registrar

In the event that the index circuit breaker is triggered on a normal trading day at the Exchanges and lasts until 15:00, in respect of applications of subsequent subscriptions and redemptions submitted by the investors and accepted by the Registrar on the same day, the subsequent subscription and redemption prices shall be the prices as at the next Business Day when the subsequent subscription and redemption of Units are processed. Investors may also request to cancel the subsequent subscription and redemption

during the business hours on the next Business Day.

2. Subsequent subscriptions, redemptions and other business arrangements for Mutually Recognised Mainland Fund with China Securities Depository and Clearing Corporation Limited (hereinafter referred to as the “CSDCC”) acting as the Registrar

Subsequent subscriptions and redemptions and other business arrangements concerning Mutually Recognised Mainland Fund acting as the Registrar should be processed during such business hours as prescribed in the relevant regulations of CSDCC. To protect the interests of the Unitholders and ensure the stability of the funds’ investment operations, the Fund Manager has the power to adjust the relevant dealing rules for that day (which shall be announced in a timely manner) thereby rejecting or suspending subscriptions or redemptions etc. after consulting the Exchanges, CSDCC and the custodian banks of the Funds, in accordance with the relevant laws and regulations and provisions of the Fund Contract of each of the Funds.

- (B) When Index circuit breaker is triggered on a normal trading day at the Exchanges but ceases before 15:00

The business hours for processing the subsequent subscription, redemption and other businesses for the Mutually Recognised Mainland Funds will not be adjusted.

IV. Other Important Information

- (A) The Company’s Mutually Recognised Mainland Funds that are subject to the circuit breaker mechanism currently include:

ChinaAMC Return Securities Investment Fund and ChinaAMC Xinghua Mixed Securities Investment Fund.

- (B) On the day that the index circuit breaker is actually triggered at the Exchanges and leads to early suspension of trading, the Company will announce on the website of the Hong Kong Representative (<http://www.chinaamc.com.hk/>) any changes in the actual business hours of that day for processing subsequent subscriptions, redemptions and other matters. Investors should pay special attention to such announcements. In the event of any discrepancies between

specific dealing rules for the Funds' subsequent subscriptions and redemptions contained in the announcement on that particular day and the above-mentioned dealing rules, the former shall prevail.

- (C) When the index circuit breaker is triggered, the Fund Manager may delay the fund redemption payment in accordance with the Fund Contract of each of the Funds. As there may be differences in the rules of different authorised distributor, applications for subsequent subscription and redemption submitted by the investors on the day when the index circuit breaker is triggered shall be conducted in accordance with the rules of the respective authorised distributor.
- (D) If there are new securities/futures exchange markets, change in the trading hours of the securities/futures exchanges, there may be change in the rules for index circuit breaker, new regulatory requirements or self-disciplinary rules of the industry or other special circumstances in the future, the Company will make corresponding adjustments on the above-mentioned business arrangements depending on the circumstances and make an announcement through the Designated Media before the date of implementation in accordance with the relevant arrangements.

The Prospectus and the Hong Kong Covering Document of each of the Funds will be updated as appropriate to reflect the above changes.

Unitholders who have any enquiries regarding the above may contact the Hong Kong Representative at 37/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong or the enquiry hotline at (852) 3406 8686 during office hours or by electronic mail at hkfund_services@chinaamc.com.

Yours faithfully,

China Asset Management Co., Ltd.