

Taiping Investment Fund
Taiping Greater China New Momentum Equity Fund
(the “Fund”)

Notice to Unitholders

Important - If you are in any doubt about the contents of this notice, you should seek independent professional advice.

The Securities and Futures Commission of Hong Kong (“**SFC**”) takes no responsibility for the accuracy of any of the statements made or opinions expressed in this notice.

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

All capitalised terms used in this document have the same meaning as in the Explanatory Memorandum of the Fund dated 15 December 2014 (as amended by the addendum dated 29 January 2015) (“**Explanatory Memorandum**”), unless otherwise defined herein.

Dear Unitholders

1. Change of domicile and trustee of the Trust

The Fund is a sub-fund of the Taiping Investment Fund (“**Trust**”). The Trust was established under the laws of the Cayman Islands by a trust deed dated 17 March 2009, as amended from time to time (the “**Trust Deed**”). The Trust is regulated by the Cayman Islands Monetary Authority (“**CIMA**”). Pursuant to the powers contained in Clause 10(A) of the Trust Deed, the trustee of the Trust, HSBC Trustee (Cayman) Limited (“**Retiring Trustee**”), has decided to change the domicile of the Trust from the Cayman Islands to the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”). The reason for proposing the change of domicile of the Trust is to prepare for distribution of the Fund in Mainland China under the Mainland-Hong Kong Mutual Recognition of Funds initiative, so as to broaden and diversify the investor base. The Retiring Trustee is satisfied that it is beneficial to the Trust and in the interests of the persons registered as holders of units in the Fund (“**Unitholders**”) for such change of domicile of the Trust. No approval from the Unitholders or an extraordinary resolution passed by the Unitholders is required under the relevant laws of the Cayman Islands and the Trust Deed for such change of domicile of the Trust.

Accordingly, with effect on and from 30 April 2016 (“**Effective Date**”) the Trust shall take effect in accordance with the laws of Hong Kong and the forum for the administration of the Trust shall on and from the Effective Date be conducted under the jurisdiction of the courts and in accordance with the laws of Hong Kong. As regards the Trust being a regulated mutual fund in the Cayman Islands, the Manager confirms that application will be made for deregistration of the Trust with CIMA from the Effective Date.

The change of domicile will not result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered. With effect from the Effective Date, the register of Unitholders of the Fund will be maintained in Hong Kong. No Hong Kong stamp duty will be payable by Unitholders on the issue and/or redemption of units in the Fund (“**Units**”). No Hong Kong stamp duty will be payable where the sale or transfer of Units is effected by selling the relevant Units back to the Manager, who then either extinguishes such Units or re-sells the Units to another person within two months thereof. However, other types of sales and purchases or transfers of Units by the Unitholders in the Fund should be liable to Hong Kong stamp duty at 0.2% (normally borne by the buyer and the seller in equal share) on the higher of the consideration amount or market value. Nevertheless, Unitholders should take advice from their own professional advisers as to their particular tax position.

Immediately following the change of domicile of the Trust to Hong Kong and with effect on and from the Effective Date, the Retiring Trustee shall retire as trustee of the Trust and HSBC Institutional Trust Services (Asia) Limited ("**New Trustee**") will be appointed as new trustee of the Trust. The retirement of the Retiring Trustee is subject to, and shall take effect at the same time as, the appointment of the New Trustee as trustee of the Trust in place of the Retiring Trustee.

The New Trustee is registered as a trust company in Hong Kong and it is an indirect wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, a bank duly licensed under section 16 of the Banking Ordinance (Chapter 155 of the laws of Hong Kong), and its ultimate holding company is HSBC Holdings plc.

The Trust will continue to be managed by the same personnel, adopting and utilising the same investment objectives and strategies as prior to the change of domicile and trustee of the Trust. Accordingly, the change of domicile and trustee of the Trust will not affect the management of the Fund and the Fund will continue to operate in the same manner as it currently operates. Further, there is no change to the communication channels in relation to the Fund.

As a result of the change of domicile of the Trust, disclosures in the Explanatory Memorandum relating to the requirements under the Cayman Islands will be removed.

2. Change of Registrar

The New Trustee will replace the Retiring Trustee as the registrar of the Trust with effect on and from the Effective Date.

3. Termination of Service Provider

Currently, the Retiring Trustee has delegated certain of its functions and duties to HSBC Institutional Trust Services (Asia) Limited ("**Service Provider**").

As a result of the appointment of HSBC Institutional Trust Services (Asia) Limited as the new trustee of the Trust, it will no longer be necessary to appoint the Service Provider and, consequently, such appointment will be terminated with effect on and from the Effective Date.

Applications and payments for Units and redemption requests shall continue to be addressed to HSBC Institutional Trust Services (Asia) Limited following the termination of the appointment of the Service Provider.

4. Duration of the Trust

Under the existing Trust Deed, which is governed by the laws of the Cayman Islands, the effective duration of the Trust is 100 years from the date of the Trust Deed.

Following the removal of the Trust to Hong Kong, the Trust shall be governed by the laws of Hong Kong. Under the Perpetuities and Accumulations Ordinance (Chapter 257 of the laws of Hong Kong), the maximum duration of a Hong Kong trust established by an instrument which took effect before 1 December 2013 is 80 years from the date of its establishment.

Consequently, the duration of the Trust following its removal to Hong Kong shall be the period of 80 years from the date of its establishment by the Trust Deed on 17 March 2009 in the Cayman Islands unless it is terminated earlier in accordance with the Trust Deed.

5. Amendments to the Trust Deed

With effect on and from the Effective Date, the Trust Deed shall be supplemented by a fourth supplemental deed in connection with the change of domicile of the Trust, and by a fifth supplemental deed in connection with the retirement of the Retiring Trustee and the appointment of the New Trustee, as well as certain other consequential amendments relating thereto (the fourth supplemental deed and the fifth supplemental deed together, the "**Supplemental Deeds**").

The Retiring Trustee and the New Trustee have each certified that the Supplemental Deeds do not materially prejudice the interests of Unitholders; do not operate to release to any material extent, the Retiring Trustee and the New Trustee (in each case, in respect of the period for which it is trustee of the Trust) or the Manager or any other person from any responsibility under the Trust Deed; and will not result in any increase in the amount of costs and charges which will be payable from the Fund and borne by Unitholders of the class relating to the Fund which are in issue at the time such modification, alteration or addition takes effect.

The amendments to the Trust Deed do not require approval from the Unitholders or an extraordinary resolution passed by the Unitholders.

A summary of the amendments to be made to the Trust Deed by way of the Supplemental Deeds (other than those amendments made in connection with changes described in paragraphs 1 and 4 above) is as follows:

- (a) definition of “Associates” and “Connected Person” in Appendix A of the Trust Deed will be updated to reflect the updated definitions of the words ‘subsidiary’ and ‘holding company’ in the current Companies Ordinance (Chapter 622 of the laws of Hong Kong);
- (b) definition of “Hong Kong” is added to Appendix A of the Trust Deed;
- (c) update to paragraph 1(A) of Appendix H of the Trust Deed to state that for so long as the Trust and the Fund are authorised by the SFC under section 104 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), section 41O of the Trustee Ordinance (Chapter 29 of the laws of Hong Kong) shall not: (i) apply to the Trustee to the extent that it is inconsistent with the Trustee’s duties and responsibilities under paragraph 1(A) of Appendix H and/or the SFC’s Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products; and (ii) in any way operate to exempt or diminish any liability of the Trustee under paragraph 7 of Appendix I;
- (d) updates to paragraphs 2(A) and 7 of Appendix I of the Trust Deed to reflect references to relevant laws of Hong Kong instead of the laws of the Cayman Islands; and
- (e) correction to paragraph 10(B) of Appendix I of the Trust Deed such that the definition of “HSBC Group” applies to the whole Appendix I, rather than to only paragraph 10(B) of Appendix I.

The Trust Deed together with all its supplemental deeds may be inspected free of charge during the normal office hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at 11/F, China Taiping Tower Phase II, 8 Sunning Road, Causeway Bay, Hong Kong and copies of such document can be obtained from such address at a reasonable charge.

6. Changes to the directors of the Manager

Mr. Yu LuMing ceased to be a director of the Manager with effect from 15 December 2015. Mr. Ye Minghui ceased to be a director of the Manager with effect from 1 February 2015. Mr. Li WuHao and Mr. Li XuDong were appointed as directors of the Manager with effect from 5 May 2015. Mr. Chen Xun and Mr. Yang Dong were appointed as directors of the Manager with effect from 3 April 2015.

7. Second Addendum to the Explanatory Memorandum

The Explanatory Memorandum will be amended by way of a Second Addendum to inter alia reflect the changes set out above. Key amendments which will be made to the Explanatory Memorandum and which have not already been set out above include:

- (a) change of the address of the current auditor of the Trust, Ernst & Young, from the address of its office in the Cayman Islands, to the address of its office in Hong Kong; and
- (b) revision to the sub-section headed “FATCA” under the section headed “TAXATION”, which will be revised to reflect the arrangements for a Hong Kong unit trust.

The changes described in this Notice are in summary form only and are not meant to be an exhaustive list of the amendments made to the Explanatory Memorandum. Investors should note that there are other changes to the Explanatory Memorandum as amended by the Second Addendum and as such, should review the Second Addendum for further details on the changes made.

Copies of the Explanatory Memorandum and the Second Addendum can be obtained free of charge during the normal office hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at 11/F, China Taiping Tower Phase II, 8 Sunning Road, Causeway Bay, Hong Kong. The Explanatory Memorandum and the Second Addendum is also available on the Manager's website at: <http://www.tpahk.cntaiping.com>.

8. Consequences of changes

The above changes will not result in (a) any increment in the current and maximum management fees and trustee fees payable by any sub-funds; or (b) any additional type of fee being payable by the Unitholders; or (c) any change in the dealing procedures of the sub-funds save as described in paragraph 3 above. The fees and expenses incurred in connection with the above changes will be borne by the Manager.

The Manager accepts responsibility for the information contained in this Notice as being accurate as at the date of publication.

Thank you for your continued support. If you have any questions relating to the above, please contact us by phone at (852) 2864 1900 or by email at publicfund@tpahk.cntaiping.com.

Taiping Assets Management (HK) Company Limited
太平資產管理（香港）有限公司

30 March 2016