

Haitong International Investment Managers to Reduce MPF Retirement Fund Management Fees and to Waive Investment Management Fees in the Coming 3 Years for All Constituent Funds

Important Notes

- The Haitong MPF Retirement Fund (the “Retirement Fund”) is a registered mandatory provident fund scheme and offers different Constituent Funds¹ which directly invest in or invest through Approved Pooled Investment Funds in, primarily but not limited to, equity, money market instruments and/or fixed income instruments, each with a different risk profile.
- Investors should consider their own risk tolerance level and financial circumstances before making any investment choices in the Retirement Fund. When investors select funds and are in doubt as to whether a certain fund is suitable for themselves (including whether it is consistent with their investment objectives), investors should seek independent financial and/or professional advice and choose the fund(s) suitable for themselves taking into account their circumstances.
- The Investor should not make investment decisions based on this press release alone. The investor should always read the Explanatory Memorandum as amended by the addenda of the Retirement Fund for further details (including risk factors, fees & charges and fund information).
- Investments are subject to risks, including but not limited to investment risks, concentration risks, credit risks (including issuer and counterparty risks), currency risks, interest rate risks and liquidity risks associated with the investment. The value of units may go down as well as up. Past performance is not indicative of future performance. There is no assurance on investment returns and your investment may suffer losses.

Hong Kong, 10 February 2014 – Haitong International Investment Managers Limited (“Haitong International Investment Managers”), a wholly-owned subsidiary of Haitong International Securities Group Limited (“Haitong International” or the “Group”; Stock Code: 665.HK) announced that with effect from 9 December 2013, the Management Fees² for all Constituent Funds¹ under the Haitong MPF Retirement Fund has been lowered, and the investment management fees paid to investment manager (“IMF”) (included as part of the Management Fees²) for all these Constituent Funds¹ has been waived from 2 January 2014 to 31 December 2016 (both dates inclusive) (“Effective Period”).

Starting from 9 December 2013, Haitong International Investment Managers has lowered the Management Fees² for all Constituent Funds¹ (including Class A and Class T units) under the Haitong MPF Retirement Fund. The range of Management Fees² for Class A units has been reduced from 1.05%-1.68% to 0.85%-1.38% per annum of net asset value of relevant Constituent Funds¹ (“p.a. of NAV”), while the range of Management Fees² for Class T units has been reduced from 0.90%-1.53% to 0.77%-1.30% p.a. of NAV. For details about the Constituent Funds¹ and fees reduction under the Haitong MPF Retirement Fund, please refer to the table on the following page.

In addition, Haitong International Investment Managers has waived the IMF (included as part of the Management Fees²) for all Constituent Funds¹ during the Effective Period. Such fee waiver is merely for the purpose of promotion and temporary in nature, as it is only effective for the duration of the Effective Period. Subsequent to the Effective Period, namely from 1 January 2017 onwards, the Haitong International Investment Managers shall resume levying the IMF. After the waiver, the Management Fees² for Class A and Class T units will range from 0.45%-0.58% p.a. of NAV and 0.37%-0.50% p.a. of NAV respectively. For details about the waiver of the IMF, please refer to the table on the following page.

1. “Constituent Funds” is defined in the Explanatory Memorandum as “a separate pool of assets of the Retirement Fund, which is invested and administrated separately from other assets of the Retirement Fund”. In particular, the Constituent Funds under the Retirement Fund include Haitong MPF Conservative Fund, Haitong Korea Fund, Haitong Asia Pacific (excluding HK) Fund, Haitong Hong Kong SAR Fund and Haitong Global Diversification Fund.
2. “Management Fees” include fees paid to the trustee, custodian, administrator, investment manager (i.e. IMF) and sponsor of a scheme for providing their services to the relevant fund. The fee is accrued on a daily basis and paid monthly in arrears. They are charged as a percentage of the net asset value of a fund.

Management Fees² of Constituent Funds¹ under the Haitong MPF Retirement Fund:

Name of Constituent Fund ¹	Management Fees ²					
	(Per annum of net asset value of relevant Constituent Funds ¹)					
	Before 9 December 2013		On or after 9 December 2013		With Special Arrangement on the Waiver of the IMF (From 2 January 2014 to 31 December 2016)	
	Class A Units	Class T Units	Class A Units	Class T Units	Class A Units	Class T Units
Haitong MPF Conservative Fund ³	1.05%	0.90%	0.85%	0.77%	0.45%	0.37%
Haitong Korea Fund ^{4,5}	1.68%	1.53%	0.95%	0.95%	0.50%	0.50%
Haitong Asia Pacific (excluding HK) Fund ⁴	1.68%	1.53%	1.38%	1.30%	0.58%	0.50%
Haitong Hong Kong SAR Fund ⁵	1.68%	1.53%	1.38%	1.30%	0.58%	0.50%
Haitong Global Diversification Fund ^{4,6}	1.68% ^{6a}	1.53% ^{6a}	1.38% ^{6b}	1.30% ^{6b}	0.58% ^{6c}	0.50% ^{6c}

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2. "Management Fees" include fees paid to the trustee, custodian, administrator, investment manager (i.e. IMF) and sponsor of a scheme for providing their services to the relevant fund. The fee is accrued on a daily basis and paid monthly in arrears. They are charged as a percentage of the net asset value of a fund.
3. Fees and charges of an MPF Conservative Fund can be deducted from either (i) the asset of the fund or (ii) Members' accounts by way of unit deduction. The Haitong MPF Conservative Fund uses method (i) and, therefore, any unit prices/net asset value/fund performance quoted for the fund have incorporated the impact of fees and charges.
4. The Haitong Korea Fund, the Haitong Asia Pacific (excluding HK) Fund and the Haitong Global Diversification Fund which invest in emerging markets will be subject to higher volatility, liquidity, political, legal and currency risks.
5. The Haitong Korea Fund and the Haitong Hong Kong SAR Fund which invest in a single market will be subject to higher concentration risk than funds following a more diversified investment policy.
6. The Haitong Global Diversification Fund currently invests in an Approved Pooled Investment Fund ("underlying fund") managed by Haitong International Investment Managers, and thus indirectly bears the charges and expenses of the underlying fund.
 - a Inclusive of Management Fees² of the underlying fund, being 1.03% p.a. of NAV
 - b Inclusive of Management Fees² of the underlying fund, being 0.90% p.a. of NAV
 - c Inclusive of Management Fees² of the underlying fund, being 0.10% p.a. of NAV

Mr. Ben Zhang, Managing Director of Haitong International Investment Managers said, "Our arrangement of fees reduction and waiver of IMF is on one hand acting in response to the MPFA's call for fee reduction, and on the other hand enabling us to express our gratitude to existing MPF employers and members for their continuing support to the Haitong MPF Retirement Fund. We are confident that such initiative will enhance our competitiveness, and draw more employers' and employees' attention to MPF service providers of different scales in the market."

This press release is issued by Haitong International Investment Managers Limited.

Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; together with its subsidiaries, the “Group”; Stock Code: 665.HK) is a subsidiary of Haitong International Holdings Limited (“Haitong International Holdings”), a company incorporated in Hong Kong and wholly-owned by Haitong Securities Co., Ltd. (“Haitong Securities”). Haitong Securities is listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong (Stock Code: 600837.SH; 6837.HK). Being one of the leading securities companies in China in terms of total assets and net asset, Haitong Securities provides comprehensive financial services for over 4.6 million retail clients as well as over 12,000 institutional and high net worth clients with more than 240 sales offices spreading across nearly 30 provinces in the country.

Haitong International Securities Company Limited, a main operating subsidiary of Haitong International, was established in 1973. Haitong International was formed in 1996 and was listed on the Stock Exchange of Hong Kong in August of the same year. The Group is well-established to provide comprehensive and quality brokerage and retail margin financing, corporate finance, investment management, fixed income, currency and commodities as well as structured financing products and services to institutional clients and individual investors domestically and around the globe. As the only overseas business platform of Haitong Securities, the Group strives to be a modern and comprehensive financial institution in the Greater China Region.

The Group has a robust retail client base and extensive distribution channels, with over 10 branches in Hong Kong and Macau. The Group has 2 representative offices in Beijing and Shanghai and an overseas company - Haitong International Securities Group (Singapore) Pte. Ltd. in Singapore.

As none of the abovementioned companies play any roles in the Haitong MPF Retirement Fund, investors should not rely on the credit worthiness of these companies in respect of their investments in the Haitong MPF Retirement Fund.

Haitong International Investment Managers Limited

Haitong International Investment Managers Limited (“Haitong International Investment Managers”) is a corporation licensed by the Hong Kong Securities and Futures Commission (the “SFC”) and is permitted to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

Our North-East Asia dimension covers the high-growth markets of China, Hong Kong, Taiwan and Japan. On the local front, Haitong International Investment Managers is one of the home-grown non-bank financial institutions in Hong Kong offering Mandatory Provident Fund Scheme. Moreover, with the launch of the Capital Investment Entrant Scheme by the Immigration Department of Hong Kong, Haitong International Investment Managers also offers one of the few Eligible Collective Investment Schemes in a local asset management company that approved by the Hong Kong Immigration Department.

We believe North-East Asia is a region of growth. With this expertise, we enable our clients to be one step ahead.

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