

**Yinhua Credit Theme Jijihong Bond Fund**  
**Updated Prospectus**  
**(2018 No. 2)**

**Fund Manager: Yinhua Fund Management Co., Ltd.**  
**Fund Custodian: Industrial and Commercial Bank of China Limited**

## IMPORTANT INFORMATION

The Fund was offered upon approval by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") on 14 June 2013 pursuant to Document No. 781 [2013] of CSRC.

The Fund Contract came into effect on 18 September 2013.

The Fund Manager warrants that the contents of this Prospectus are true, accurate and complete. This Prospectus has been approved by the CSRC; nevertheless, in giving such approval, the CSRC implies no judgment in substance or guarantee for the value and income of the Fund, nor does it imply that the investment in the Fund is risk-free.

The securities investment fund (hereinafter referred to as "fund") is a long-term investment product, its main function is to diversify the investment to reduce the individual risk arising from investment in a single security. A fund is different from financial instruments like bank savings and bonds which generate fixed income; upon purchasing a fund, the investor may be entitled to share return arising from the fund investment based on his/her holding of units, and also may bear the loss arising from the fund investment. An investor shall understand fully the differences between the dollar-cost averaging (DCA) investment of funds and the saving method of depositing in installments while withdrawing in lump sum. The DCA investment is a simple and viable investment method of guiding investors in making long-term investment and averaging investment costs. However, the DCA investment cannot avoid the inherent risks of fund investment, nor guarantee return to investors, and also cannot replace savings as an equivalent financial management method.

Funds are divided into different types such as equity fund, mixed fund, bond fund and money market fund. The investment by investors in various types of funds will generate different return expectation, and will also assume a different level of risks in return. Generally, the higher the expectation of return on a fund, the greater the return risk for the investor. The Fund is a bond securities investment fund, which is a type of product with lower risk and return expectation in securities investment funds, with expected risk and return levels higher than money market funds but lower than mixed funds and equity funds.

The Fund is offered at an initial par value of RMB1.00 per unit, under the influence of market fluctuation and other factors, Net Asset Value of the Fund may be below the initial par value of Fund Units.

The Fund will invest in the securities market. The Net Value will fluctuate due to factors such as fluctuations in the securities market. Before investing in the Fund, investors are advised to fully understand the Fund's characteristics, and they should consider their own risk tolerance thoroughly, make rational judgement of the market, and bear the corresponding investment risks, including market risk, management risk, liquidity risk, compliance risk, operational and technical risks and specific risks of the Fund, etc. The massive redemption risk is a risk specifically found in

open-end funds, that is, when net redemption applications on a single Open Day reaches over 10% of total units of the Fund on the previous Open Day, investors may not be able to redeem all of their holdings of the Fund Units on a timely manner.

An investor shall read carefully the prospectus of the Fund and the Fund Contract , understand the features of the Fund in terms of risk and return, and evaluate if risks of the Fund are within the investor’s risk tolerance based on his/her own investment objective, investment term, investment experience and asset position, before making an investment decision.

The Fund Manager is committed to managing and operating the Fund Assets following the principle of honesty, good faith, prudence and efficiency, but does not guarantee any profits or minimum returns on the Fund. Past performance of the Fund and its Net Asset Value position is not indicative of its future performance. The performance of other funds managed by the Fund Manager does not constitute a guarantee of the performance of the Fund. The Fund Manager reminds investors that investments in the Fund shall be made based on the principle of “caveat emptor”, and after making an investment decision, the investor shall assume the investment risk incurred from changes in the Fund operation and the Net Asset Value of the Fund.

Investors shall purchase and redeem their Units through the Fund Manager and other agencies having the qualification for the Fund Sales Business. For a detailed list of the Fund Agencies please refer to this Prospectus, offering announcement for the Fund Units and related announcements.

The contents of this Prospectus (updated) is up to 18 September 2018, and performance of relevant Net Asset Value is as of 30 June 2018, the investment portfolio disclosed is in relation to the data of the second quarter of 2018 (such financial data is unaudited) .

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## I. PREFACE

The Prospectus of Yinhua Credit Theme Jijihong Bond Fund (hereinafter referred to as “Prospectus” or “the Prospectus”) has been prepared in accordance with relevant laws and regulations such as the Securities Investment Fund Law of the People’s Republic of China (hereinafter referred to as the “Fund Law”), The Administrative Measures for the Sale of Securities Investment Funds (hereinafter referred to as the “Measures for Sales”), The Administrative Measures for the Operation of Publicly Offered Securities Investment Funds (hereinafter referred to as the “Measures for Operations”), The Administrative Measures for Information Disclosure of Securities Investment Funds (hereinafter referred to as the “Measures for Information Disclosure”), and The Rules of Liquidity Risk Management for Publicly Offered Open-ended Securities Investment Funds (hereinafter referred to as “Liquidity Risk Management Rules”) as well as the Fund Contract of Yinhua Credit Theme Jijihong Bond Fund (hereinafter referred to as the “Fund Contract”).

The Prospectus stated all necessary matters of Yinhua Credit Theme Jijihong Bond Fund, including investment objectives, strategies, risks, fees and etc., for investors’ investment decision. Before making an investment decision, investors shall read carefully the Prospectus.

The Fund Manager guarantees that the Prospectus does not contain any false record, misleading statement or major omission, and takes legal responsibilities for the truthfulness, accuracy and completeness of it.

The application for the offering of the Fund is made on the basis of the information set out in the Prospectus. The Prospectus is explained by Yinhua Fund Management Co., Ltd..The Fund Manager does not engage or authorize any other party to provide any information that is not set out in the Prospectus or to make any interpretation or explanation of the Prospectus.

The Prospectus is compiled pursuant to the Fund Contract and approved by the CSRC. The Fund Contract is the legal document stipulating the rights and obligations of the Parties to the Fund Contract. Investors become Unitholders and Parties to the Fund Contract upon acquiring the Units pursuant to the Fund Contract. Their holding of the Units indicates their acknowledgement and acceptance of the Fund Contract. The Unitholders as Parties to the Fund Contract are not subject to the unnecessary condition of putting their signature on the Fund Contract. The Parties to the Fund Contract shall enjoy the rights and bear the obligations pursuant to the Fund Law, the Fund Contract and other relevant laws and regulations. Investors should carefully review the Fund Contract if they want to learn about the rights and obligations of a Unitholder.

## II. DEFINITIONS

Unless the context otherwise requires, the following words or abbreviations contained in this Prospectus shall be defined as follows:

1. Fund or the Fund: means Yinhua Credit Theme Jijihong Bond Fund
2. Fund Manager: means Yinhua Fund Management Co., Ltd.
3. Fund Custodian: means Industrial and Commercial Bank of China Limited
4. Fund Contract: means the Fund Contract of Yinhua Credit Theme Jijihong Bond Fund and any effective amendment and supplement thereto
5. Custody Agreement: means the custody agreement of Yinhua Credit Theme Jijihong Bond Fund executed between the Fund Manager and the Fund Custodian concerning this Fund, and any effective amendment and supplement thereto
6. Prospectus or the Prospectus: means the Prospectus of Yinhua Credit Theme Jijihong Bond Fund and its periodic updates
7. Offering Announcement: means the Offering Announcement on Units of Yinhua Credit Theme Jijihong Bond Fund
8. laws and regulations: means the currently implemented and effective laws, administrative laws, normative documents, judicial interpretations, administrative rules and other decisions, resolutions and notices, etc. in the People's Republic of China which are binding on Parties to the Fund Contract
9. Fund Law: means the Securities Investment Fund Law of the People's Republic of China passed by the 5th meeting of the 10th NPC Standing Committee on 28 October 2003, which were amended by the 30th meeting of the 11th NPC Standing Committee on 28 December 2012, and which came into effect on 1 June 2013 and were amended by the 14th meeting of the 12th NPC Standing Committee on 24 April 2015, including the amendments thereto from time to time
10. Measures for Sales: means the Administrative Measures for the Sale of Securities Investment Funds promulgated by the CSRC on 15 March 2013 and which came into effect on 1 June of the same year and amendments thereto from time to time
11. Measures for Information Disclosure: means the Administrative Measures for Information Disclosure of Securities Investment Funds promulgated by the CSRC on 8 June 2004 and came into effect on 1 July of the same year and amendments thereto from time to time
12. Measures for Operations: means the Administrative Measures for the Operation of Publicly Offered Securities Investment Funds promulgated by the CSRC on 7 July 2010 and came into effect on 8 August of the same year and amendments thereto from time to time
13. Liquidity Risk Management Rules: means the Rules of Liquidity Risk Management for Publicly Offered Open-ended Securities Investment Funds issued by the CSRC on 31 August 2017 and effective from 1 October of the same year and any amendment thereto made by it from

time to time

14. CSRC: means the China Securities Regulatory Commission

15. Banking Regulatory Authority: means the People's Bank of China and/or the China Banking Regulatory Commission

16. Parties to the Fund Contract: means legal entities bound by the Fund Contract, assuming rights and obligations thereunder, including the Fund Manager, Fund Custodian and Fund Unitholders

17. Individual Investor(s): means a natural person who can invest in securities investment funds in accordance with the requirements of relevant laws and regulations

18. Institutional Investor(s): means any body incorporate, public institution, social organization or other organization that are lawfully registered within the Chinese territory or established by approval of relevant government authorities to make investment in securities investment fund in compliance with the laws and regulations

19. Qualified Foreign Institutional Investor(s): means a foreign institutional investor which meets the requirements specified by the Administrative Rules on Investment in Securities in China by Qualified Foreign Institutional Investors and relevant laws and regulations to invest in equity investment funds lawfully offered in the PRC

20. Investor(s): is a collective name for Individual Investor(s), Institutional Investor(s), Qualified Foreign Institutional Investor(s) or other investor(s) who are permitted by the CSRC to invest in securities investment funds

21. Unitholder(s): means Investors(s) who acquire unit(s) of the Fund in accordance with the Fund Contract and the Prospectus

22. Fund Sales Business(es): means as promoted and introduced by the Fund Manager or the Sales Institutions, offering of units of the Fund, handling of Subscription, Redemption, Switching, Custody Transfer, dollar-cost averaging (DCA) investment and other business(es) of units of the Fund

23. Offering: means the sales of units of the Fund by the Sales Institutions to the Investor(s) during the offering period for units of the Fund

24. Sales Institution(s): means Yinhua Fund Management Co., Ltd. and any agency meeting the Measures for Sales and other conditions as required by the CSRC, with the qualification of Fund Sales Business(es), which entered into the Fund Sales Service Agency Agreement with the Fund Manager for handling the Fund Sales Business(es)

25. Distribution Outlet(s): means the direct sales outlets of the Fund Manager and the sales outlets of the Sales Institutions for the Fund

26. Registration Business(es): means Fund registration, depository, transfer, clearing and settlement business(es), including Investor's Fund Account opening and management, registration of Fund Units, Fund trading confirmation, clearing and settlement, dividend allocation, and establishment and safekeeping of Fund Unitholder register and handling of non-trade transfer, etc.

27. Registration Agency: means the agency that handles the registration business(es). The Registration Agency of the Fund is Yinhua Fund Management Co., Ltd. or the agency that handles the registration businesses as engaged by Yinhua Fund Management Co., Ltd.

28. Fund Account: means the account opened by the Registration Agency for an Investor for the purpose of recording the information on the balances and changes of Fund Units held by the Investor and managed by the Fund Manager

29. Trading Account of the Fund: means the account opened by the Sales Institution for an Investor for the purpose of recording the information on the changes in and balances of units in the Fund

30. Effective Date of the Fund Contract: means the date on which the offering of the Fund meets the conditions stipulated in relevant laws and regulations and the Fund Contract, the Fund Manager finishes all the Fund registration procedures and obtains written confirmation of the CSRC

31. Termination Date of the Fund Contract: means the date on which the clearing of Fund Assets is completed and such clearing results are reported to the CSRC for filing and announced after a termination event as specified in the Fund Contract has occurred

32. Offering Period: means the period starting from the offering date of Fund Units till its end, which shall not be longer than three months

33. Continuance of the Fund: means the indefinite period from the Effective Date of the Fund Contract to its Termination Date

34. Working Day: means any regular Working Day of the Shanghai Stock Exchange and the Shenzhen Stock Exchange

35. Day T: means the Open Day(s) on which the Sales Institutions deal with the Subscription, Redemption or other businesses within a specific time frame

36. Day T+n: means the nth Working Day after Day T (exclusive of Day T)

37. Open Day(s): means a day on which Subscription, Redemption or other Fund business(es) may be made by an Investor

38. Open Time: means the period of time for Subscription, Redemption or other trading(s) of the Fund on the Open Days

39. Business Rules: means the Business Rules of Open-end Fund for Yinhua Fund Management Co., Ltd., which regulates the registration and operation of the open-ended securities investment fund managed by the Fund Manager and should be observed by both the Fund Manager and Investor(s)

40. Initial Subscription: means the act of an Investor applying to subscribe for Fund Units within the Offering Period of the Fund

41. Subscription: means the act of an Investor applying to subscribe for Fund Units in accordance with requirements of the Fund Contract and the Prospectus, after the Fund Contract comes into effect



42. Redemption: means the act of a Fund Unitholder applying to the Fund Manager to redeem Fund Units for cash in accordance with the conditions specified in the Fund Contract, after the Fund Contract comes into effect

43. Switching: means the act of a Unitholder applying to switch his/her Units of a fund managed by the Fund Manager, which has launched the fund switching business, into Units of other funds managed by the same Fund Manager, and which have launched the fund switching business, pursuant to the conditions of the Fund Contract and in the then applicable announcement of the Fund Manager

44. Custody Transfer: means the operation of a Fund Unitholder changing the Sales Institutions of his/her Fund Units among the different Sales Institutions of the Fund

45. DCA Investment Plan: means a method of investment in which an Investor makes an application to a relevant Sales Institution, agreeing on every Subscription date, debited amount and debit method such that the Sales Institution will then on every agreed debit date automatically debit from the bank account(s) specified by the Investor and complete Subscription of the Fund

46. Massive Redemption: means an event which happens on an Open Day when the net Redemption applications of the Fund (the balance of the total units of Redemption applications of the Fund plus the total units of the switching-out applications in the Fund Switching, deducting the total units of Subscription applications and the total units of switching-in applications in the Fund Switching) exceed 10% of the total Fund Units on the previous day

47. Day: means any calendar day

48. Month: means any calendar month

49. RMB: means Renminbi

50. Fund Returns: means bonus, dividends, bond interest, bid-ask spread, bank deposit interest, other legal revenue gained from the investment of the Fund and savings on costs and expenditures brought by the operation of Fund Assets

51. Total Asset Value of the Fund: means the aggregate value of marketable securities, principal and interest of bank deposit, Subscription amount receivable and other assets held by the Fund

52. Net Asset Value of the Fund: means the balance of the Total Asset Value of the Fund minus the liabilities of the Fund

53. Net Value per Unit of the Fund: means the Net Asset Value divided by the total number of Units as at the valuation date

54. Valuation of Fund Assets: means the process of determining the Net Asset Value of the Fund and Net Value per Unit of the Fund by calculating and valuing Fund Assets and liabilities

55. Designated Media: means newspapers, websites and other media designated by the CSRC for the disclosure of information

56. Illiquid Assets: means any asset not capable of being liquidated at a reasonable price due to laws, regulations, contractual, operational difficulties or other reasons, including but not

limited to reverse repurchase with a maturity of over 10 trading days and bank deposits (including those with agreed conditional early withdrawal), suspended stocks, new stocks subject to retention, and non-publicly offered stocks, asset-backed securities, and bonds that cannot be transferred or traded due to default by the issuer

57. Force Majeure: means objective events which cannot be foreseen, avoided or overcome by the Parties to the Fund Contract

58. PRC: means the People's Republic of China, for the purpose of the Prospectus, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

59. SFC: means the Securities and Futures Commission of Hong Kong

60. Circular: means the Circular for Mutual Recognition of Funds between the Mainland and Hong Kong promulgated by the SFC on 22 May 2015 and came into effect on 1 July of the same year and amendments thereto from time to time

61. Class A Fund Units: means the class of units sold within the territories of Mainland China for Mainland China Investors' subscription in accordance with relevant provisions of the Fund Law, Measures for Sales and other laws and regulations

62. Class H Fund Units: means the class of units sold within the territories of Hong Kong for Hong Kong Investors' subscription in accordance with relevant provisions of the Fund Law, Measures for Sales, the Circular and other laws and regulations

63. Fund Units: means Class A Fund Units, Class H Fund Units and other future class units to be created by the Fund

64. Hong Kong Representative: means the representative representing the Fund in Hong Kong in accordance with the Circular and other laws and regulations, who is responsible for coordinating sales of the Fund, reporting, disclosing information of and facilitating communication with Hong Kong Investor(s) of the Fund to or for the SFC and other duties to be performed in accordance with relevant regulations of Hong Kong

65. Hong Kong Authorized Distributors: means relevant authorized distributors approved by the SFC, qualified for the sales of funds, which handle the Subscription, Redemption of Class H Fund Units and other fund businesses of the Fund

66. Nominal Holders: Based on the characteristics of the Hong Kong market, the Hong Kong Representative or the Hong Kong Sales Institutions will nominally hold the Fund units (Class H Fund Units) of the Recognised Mainland Fund on behalf of the Investors and will appear in the holder roster at the Registrar



### III. Fund Manager

#### (I) Profile of the Fund Manager

Name	Yinhua Fund Management Co., Ltd.		
Domicile	19/F, Special Zone Daily Building, 6008 Shennan Avenue, Shenzhen City, Guangdong Province		
Office Address	15/F, Tower C2, The Towers, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing City		
Legal Representative	WANG Zhulin	Date of Establishment:	28 May 2001
Establishment Approval Authority	CSRC	Establishment Approval Document No.	Document No.7 [2001] of CSRC
Type of Organization	limited liability company	Registered Capital	RMB 222.2 million
Term of Operation	Continuous operation	Contact	FENG Jing
Telephone	010-58163000	Fax	010-58163090

Yinhua Fund Management Co., Ltd. is a national assets management company established upon the approval of the CSRC (Document No.7 [2001] of CSRC) on 28 May 2001. The registered capital of the Company is RMB 222.2 million. The shareholding structure of the Company is Southwest Securities Co., Ltd. (with a contribution proportion of 44.10%), First Capital Securities Co., Ltd. (with a contribution proportion of 26.10%), Northeast Securities Co., Ltd. (with a contribution proportion of 18.90%), Shanxi Haixin Industrial Co., Ltd. (with a contribution proportion of 0.90%), Hangzhou Yinhua Juyi Partnership Enterprise (Limited Partnership) (with a contribution proportion of 3.57%), Hangzhou Yinhua Zhixin Partnership Enterprise (Limited Partnership) (with a contribution proportion of 3.20%) and Hangzhou Yinhua Huiyue Partnership Enterprise (Limited Partnership) (with a contribution proportion of 3.22%). The Company is principally engaged in funds offering, funds sale, assets management and other businesses approved by the CSRC. The Company is registered in Shenzhen City, Guangdong Province. Since 9 August 2016, Yinhua Fund Management Co., Ltd. has been renamed in Chinese.

The Company has a sound governance structure and conducts standard operations, which can practically maintain the interests of fund investors. There are four professional committees under the Board of Directors of the Company, namely the “Strategic Committee”, the “Risk Control Committee”, the “Remuneration and Nomination Committee” and the “Audit Committee”, which make targeted studies on relevant situations in the operation management and fund operation of the Company, formulate corresponding policies and give full play to the functions of independent directors to further strengthen the supervision on the operation of the Company.

The Board of Supervisors of the Company is composed of four supervisors and is mainly

responsible for the inspection on the finances of the company and the monitoring of the behaviors of the directors and senior management of the Company.

The general manager is responsible for the specific operation and management of the Company. Based on its operation requirements, the Company established 25 functional departments, namely the First Investment Management Department, the Second Investment Management Department, the Third Investment Management Department, the Quantitative Investment Department, the Overseas Investment Department, the Pension Investment Department, the FOF Investment Management Department, the Research Department, the Marketing Department, the Institutional Business Department, the Pension Business Department, the Transactions Management Department, the Risk Management Department, the Product Development Department, the Operation Guarantee Department, the Information Technology Department, the Internet-based Finance Department, the Strategic Development Department, the Investment Banking Department, the Inspection and Examination Department, the Human Resources Department, the Corporate Office, the Administrative and Financial Department, the Shenzhen Management Department and the Internal Audit Department and also set up the Beijing Branch, Qingdao Branch and Shanghai Branch. In addition, the Company established the Investment Decision-making Committee as the top decision-making body for the investment businesses of the Company, while setting up five special committees under it, namely the “Decision-making on A-share Investments, the Decision-making on Investments with Fixed Returns, the Decision-making on Quantitative and Overseas Investments, the Decision-making on Pensions Investments and the Decision-making on Fund of Fund Investment”. The Investment Decision-making Committee of the Company is responsible for determining the investment business concepts, investment policies and the processes and risk management in investment decision-making.

## (II) Information of Key Personnel

### 1. Directors, supervisors, managers and other senior management of the Fund Manager

Mr. Wang Zhulin: Chairman, holder of a doctor’s degree in Economics. Mr. Wang served as a lecturer of the finance and accounting major of the Gansu Province Staff Institute of Finance and Economics, the Manager of the Issue Department in the Gansu Province Securities Company, the Division Head of the China National BlueStar Chemical Industry Corporation, a director, the Deputy General Manager and secretary to the Board of Directors of BlueStar Cleaning Co., Ltd., the Vice President of Southwest Securities Co., Ltd., the Vice President of China Galaxy Securities Co., Ltd. and a director and the President of Southwest Securities Company Limited. He served in the China Securities Regulatory Commission as a member of the Review Sub-committee for Issuance and as a member of the Review Sub-committee for Mergers, Acquisitions and Restructurings of Listed Companies, in the Securities Association of China as a member of the Investment Banking Committee and in the Chongqing Securities and Futures Industry Association as President. Mr. Wang is currently the Chairman of the Company and is concurrently also the Executive Chief of the Merger and Finance Committee of the China Association for Public Companies, the Deputy Commissioner of the Green Securities Professional Committee of the

Securities Association of China, the Deputy President of the China Promotion Association for Employment and Entrepreneurship of Discharged Soldiers, a director of the Quotation System for Securities Institutions in China Co., Ltd., an independent director of AECC Aviation Power Co., Ltd., an independent director of Beiqi Foton Motor Co., Ltd. and a member of the Committee of Assets Appraisal Standards of the Ministry of Finance of the PRC.

Mr. Qian Longhai: Director, holder of a master's degree in Economics. Mr. Qian served as an Assistant General Manager of Beijing Jingfang Investment Management Consultancy Company and Deputy General Manager of Foshan Securities Co., Ltd., a director, the president and the secretary of the Party Committee of First Capital Securities Co., Ltd., the Chairman of First Capital Investment Management Co., Ltd., a director of First Capital Investment Banking Co., Ltd., the secretary of the Party Committee, a director and the Chairman of First Capital Securities Co., Ltd.. Mr. Qian is currently the Chairman of the Board of Supervisors of First Capital Securities Co., Ltd., a director of First Capital Investment Management Co., Ltd. and a director of Shenzhen First Capital Innovation Capital Management Co., Ltd..

Mr. Li Fuchun: Director, a CPC member, postgraduate and senior engineer. Mr. Li served as the Director of the Development Department of FAW Group, the Vice Chairman of the Jilin Province Economic and Trade Commission, the Vice Chairman of the Jilin Province Development and Reform Commission, the Vice Mayor of Changchun City, the Chairman of the Jilin Province Development and Reform Commission and the Secretary General of the People's Government of Jilin Province. He is currently the Chairman and the secretary of the CPC Committee of Northeast Securities Co., Ltd.

Mr. Wu Jian: Director, a CPC member. Mr. Wu served as an officer of the Chongqing Economic System Reform Commission, the Deputy Director of the Chongqing Securities Regulatory Office, the Director of the Listing Division of Chongqing Securities Regulatory Bureau, a member of the CPC Committee and the Deputy General Manager of Chongqing Yufu Assets Management Group Co., Ltd., the Chairman of Chongqing Dongyuan Industrial Investment Co., Ltd., a director of Chongqing Machinery & Electric Co., Ltd., the Secretary General of the Chongqing Listed Companies Chairmen Association, a director of Southwest Securities Co., Ltd., the Vice Chairman of Ancheng Property & Casualty Insurance Co., Ltd., the Chairman of Chongqing Yinhai Leasing Co., Ltd., the Vice Chairman of Chongqing Helicopter Industrial Investment Co., Ltd., the Vice Chairman of Huarong Yufu Equities Investment Fund Management Co., Ltd., an independent director of Southwest Pharmaceutical Co., Ltd., a director of Southwest Securities Co., Ltd. and the Vice President of Southwest Securities Co., Ltd.. He is currently the director, President and vice secretary of the Party Committee of Southwest Securities Co., Ltd., the Chairman of Chongqing Share Transfer Center Co., Ltd., the chairman of Southwest Securities International Investment Co., Ltd., the chairman of the board of directors of Southwest Securities International Securities Co., Ltd., an arbitrator of the Chongqing Arbitration Commission and the president of Chongqing Securities and Futures Industry Association.

Mr. Wang Lixin: Director, general manager, a holder of a doctor's degree in Economics, one of the earliest practitioners of the securities investment fund industry in China and has been in the

practice for 20 years. The China Southern Fund which he participated in founding and the Yinhua Fund he is now leading are outstanding fund management companies in China. Mr. Wang has studied in Peking University majoring in philosophy, the postgraduate department of the Party School, postgraduate program at the China Academy of Social Sciences and EMBA program at Cheung Kong Graduate School of Business. He served in the headquarters of Industrial and Commercial Bank of China Ltd., Chinese Rural Development Trust and Investment Corporation and fund department of China Southern Securities Co., Ltd. Mr. Wang took part in the establishment of China Southern Asset Management Co. Limited and worked in the research and development department and as the director of Market Expansion Department of China Southern Asset Management. He is currently the general director of Yinhua Fund Management Co., Ltd., the chairman of Yinhua Wealth and Capital Management (Beijing) Co., Ltd., a council member of Asset Management Association of China, a launching council member and secretary-general of Xiangshan Forum, deputy chief editor of Almanac of China's Securities Investment Funds, a council member of Alumni Association of Peking University, a council member of Entrepreneurs' Club of Peking University, secretary-general of Alumni Association of Philosophy Department of Peking University and Alumni Association of Financial Industry of Peking University.

Mr. Zheng Bingwen: Independent director, holder of a doctoral degree in Economics, professor and a doctoral tutor. Mr. Zheng served as the Assistant Dean of the Graduate School, deputy head of the European Institute, head of the Latin-American Institute and head of the American Institute of the Chinese Academy of Social Sciences. He is currently a member of the National Committee of the 13<sup>th</sup> Chinese People's Political Consultative Conference, the Dean of the World Social Security Center of Chinese Academy of Social Sciences, a professor and doctoral tutor of the Graduate School, a receiver of special government allowances a member of the Human Resources and Social Security Consultation Professional Committee, a member of the Material Decision-making Consultation Committee of the China Insurance Regulatory Commission, and a part-time professor of the Beijing University, the Renmin University of China, the Chinese Academy of Governance, the University of Wuhan and other universities.

Mr. Liu Xing: Independent director, holder of a doctor's degree in Management, professor of accountancy and a doctoral tutor of the School of Economics and Business Administration of Chongqing University, receiver of the "special government allowances" of the State Council, a national advanced accounting (education) worker and a non-practicing member of the Chinese Institute of Certified Public Accountants. He is currently a member of the Accounting Society of China, the Deputy Director of the Foreign Academic Exchange Committee of the Accounting Society of China, the former Director of the Education Branch of the Accounting Society of China, a standing member of the Chinese Society for Management Modernization, a standing member of the Chinese Society of Optimization and Overall Planning and Economical Mathematics

Ms. Xing Dongmei: Independent director, holder of a master's degree in Law and a lawyer. Ms. Xing worked at the Chinese Legal Affairs Center of the Ministry of Justice (which changed its name into Xinli Law Firm) and was a partner of Beijing Concord Partners. Ms. Xing is currently the managing partner and Head of the Financial Department of Beijing East & Concord Partners and concurrently the Vice Chairman of the Beijing Chaoyang Lawyers Association.

Mr. Feng Heping: Independent director, holder of a master's degree in Accountancy and a Chinese Certified Public Accountant. Mr. Feng worked in China Consultants of Advisory and Finance Management Co., Ltd. under the Ministry of Finance and served as a deputy general manager and partner of Arthur Andersen Huaqiang Certified Public Accountants, a partner of PricewaterhouseCoopers Consulting and its managing partner in Beijing and the Vice Chairman of Morgan Stanley China. Mr. Feng also served a member of the Issuance Examination Committee of the CSRC and the Examination Committee on the Mergers and Reorganizations of Listed Companies of the CSRC and a financial consultant of the Beijing Organizing Committee for the 29th Olympic Games. He is currently a senior consultant of PricewaterhouseCoopers and a standing member of the Fifth Session of the Council of Beijing Institute of Certified Public Accountants.

Ms. Wang Fang; Chairman of Supervisory Committee, master of law and Law and Finance EMBA of Tsinghua PBC School of Finance. Ms. Wang has served as the Manager of the Legal Department of China Eagle Securities Company Limited, the Chief Lawyer, General Manager of the Legal Compliance Department, Chief Compliance Officer and Vice Chairman of First Capital Securities Co., Ltd., the executive Vice Chairman and Chief Compliance Officer of First Capital Securities Co., Ltd.. She is currently a director and the president of First Capital Securities Co., Ltd., and the Executive Director of First Capital Investment Banking Co., Ltd..

Mr. Li Jun: Supervisor, holder of a doctor's degree in Management. Mr. Li served as a teacher at the Sichuan Agricultural Management Cadre Institute and an analyst, Senior Customer Manager, Assistant General Manager and the Business Director of the Consultancy Division of Chengdu Securities Operation Department of Southwest Securities Co., Ltd. and the Deputy General Manager of the Brokerage Department of Southwest Securities Co., Ltd. In addition, Mr. Li also served as the Vice Dean of the Statistics and Evaluation Division (the Third Division of Corporate Regulation) of Chongqing State-owned Assets Supervision and Administration Commission, the Vice Dean of the Third Division of Corporate Administration, the Dean of the Second Division of Corporate Administration and the Dean of the Third Division of Corporate Administration as well as the External Director of Chongqing Yufu Assets Management Group Co., Ltd.. Mr. Li currently is the General Manager of the Operation Management Department of Southwest Securities Co., Ltd.

Ms. Gong Sa: Supervisor, holder of a master's degree. Ms. Gong served as the Head of Finance of a branch of Xiangcai Securities Co., Ltd., the Deputy General Manager of the Fund Department of ABN AMRO TEDA Fund Management Co., Ltd., the Inspection Manager of Xiangcai Securities Co., Ltd. and the General Manager of the Operation Department of Bank of Communications Schroder Fund Management Co., Ltd., and the director of the Operation Support Department of Yinhua Fund Management Co., Ltd.. Ms. Gong currently serves as the director of the Institutional Business Department of the Company.

Mr. Du Yongjun: Supervisor, holder of a college degree. Mr. Du served as the Director of the Finance Department of Continental Grand Hotel and an officer, a director, the Assistant Manager,



Deputy Manager and Manager of the Financial Department of the Beijing SciTech Hotel. Mr. Du currently serves as an Assistant Director of the Administrative and Financial Department of the Company.

Mr. Zhou Yi: Deputy general manager, holder of a master's degree. Mr. Zhou served as the Department Manager of the Financial Services Department of the US PricewaterhouseCoopers, the Vice Chairman of the Quantitative Analysis Department of Barclays Bank and the Deputy Director of Barclays Asia-Pacific Co., Ltd.. He served as the fund manager of Yinhua Global Core Selected Securities Investment Fund, Yinhua CSI 300 Index Securities Investment Fund (LOF) and Yinhua Anti-Inflation Theme Securities Investment Fund (LOF) as well as an Assistant General Manager of the Company. Mr. Zhou currently serves as the Deputy General Manager of the Company, and concurrently as the Quantitative Investment Director of the Company, the Director of the Quantitative Investment Department and the Director of the Overseas Investment Department, the General Manager of Yinhua International Capital Management Co., Ltd. as well as the fund manager of Yinhua SZSE 100 Index Graded Securities Investment Fund and Yinhua China Securities 800 Equal-Weight Index Strengthened Graded Securities Investment Fund.

Mr. Ling Yuxiang: Deputy general manager, holder of a master's degree in Business Administration. Mr. Ling has served at the Ministry of Machinery Industry and Southwest Securities Co., Ltd. Mr. Ling served as the Chief Inspector of Yinhua Fund Management Co., Ltd. from 2001. Mr. Ling currently is the Deputy General Manager of the Company.

Mr. Su Xinming: Deputy general manager. He is a doctorate candidate and has obtained a bachelor's degree in Law at China University of Political Science and Law, a master's degree in Law at Tsinghua University, a master's degree in Philosophy at the British University of Cambridge, and a doctor's degree in Economics (Finance Major) at the Postgraduate School of the Chinese Academy of Social Sciences. He has served as a reporter at the Important News Interview Department of the Fujian Daily Newspaper, a principal staff member of the Innovation Office of the Department of Supervisory Rules and Regulations of the CBRC, a deputy director of the General Office of the Innovation Supervision Department of the CRBC, the director of the Product Innovation Office of the Innovation Supervision Department of the CRBC and the deputy secretary for Hubei Local Office of the CRBC. He is currently the deputy general manager of the Company.

Mr. Yang Wenhui: chief inspector, holder of a doctor's degree in Laws. Mr. Yang worked in Beijing Water Conservancy and Economic Development Co., Ltd. and the CSRC. He is currently the Chief Inspector of Yinhua Fund Management Co., Ltd., a director of Yinhua Wealth and Capital Management (Beijing) Co., Ltd and a director of Yinhua International Capital Management Co., Ltd..

## 2. Fund Manager of the Fund

Ms. Zou Weina: Holder of a master's degree. Ms. Zou served as a macro-economic analyst of China Economic Information Network Company under the National Information Center and an

Assistant Investment Manager of the Fixed Revenue Department and an Investment Manager of Proprietary Accounts of China Re Asset Management Co., Ltd. Ms. Zou joined Yinhua Fund Management Co., Ltd. in October 2012 and served as an Assistant Fund Manager. She currently serves as the vice director and portfolio manager of the Third Investment Management Department. She was appointed as the fund manager of this Fund since 7 August 2013, the Fund Manager of Yinhua Credit Theme Jijihong Bond Fund since 18 September 2013, the fund manager of Yinhua Yongli Bond Securities Investment Fund from 22 January 2014 to 6 September 2018, the fund manager of Yinhua Yongyi Grade Bond Type Securities Investment Fund, the fund manager of Yinhua Credit Theme Bond Securities Investment Fund (LOF) since 8 October 2014, the fund manager of Yinhua Tianyi Regular Opening Bond Securities Investment Fund since 22 March 2016, the fund manager of Yinhua Tianze Regular Opening Bond Securities Investment Fund since 11 November 2016, the fund manager of Yinhua Tianrun Regular Opening Bond Securities Investment Fund since 7 March 2017, and the fund manager of Yinhua Suiying Fixed-term Open-end Bond Type Securities Investment Fund.

Former Fund Manager of the Fund:

Ms. Yu Haiying served as the Fund Manager of the Fund from 18 September 2013 to 8 October 2014.

Ms. Hu Na served as the Fund Manager of the Fund from 29 January 2015 to 18 October 2016.

### 3. Members of the Investment Decision-Making Committee of the Company

Chairman of the committee: Wang Lixin

Members: Zhou Yi, Wang Hua, Jiang Yongkang, Ni Ming, Dong Lanfeng, Xiao Kanning, Zhou Keyan, Li Xiaoxing

Mr. Wang Lixin: For details, please refer to the Information of Key Personnels.

Mr. Zhou Yi: For details, please refer to the Information of Key Personnels.

Mr. Wang Hua: Holder of a master's degree and a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Wang worked in Southwest Securities Co., Ltd. He joined Yinhua Fund Management Co., Ltd. (to be established then) in October 2000 and worked in the Study and Planning Department and the Fund Manager Department. He served as the fund manager of the Yinhua Principal Guarantee and Value Increase Securities Investment Fund, the Yinhua Currency Market Securities Investment Fund, the Yinhua Medium- and Small-Cap Selected Mixed Securities Investment Fund, the Yinhua Wealth Theme Mixed Securities Investment Fund and the fund manager of the Yinhua Returns Flexible Allocation and Regular Opening Mixed Initiative Securities Investment Fund, the Yinhua Reverse Investment Flexible Allocation and Regular Opening Mixed Initiative Securities Investment Fund and the Yinhua Quality Growth Mixed Securities Investment Fund. He is currently an Assistant General Manager,

the Director and investment manager of the First Investment Management Department and the Investment Director of A-share funds of the Company.

Mr. Jiang Yongkang: Holder of a master's degree. Mr. Jiang served as a researcher and the Portfolio Manager of Ping An Insurance (Group) Company of China, Ltd. from 2001 to 2005. He joined Yinhua Fund Management Co., Ltd. in September 2005 and served as an investment manager of the Pension Management Department. Mr. Jiang served as the fund manager of the Yinhua Currency Market Securities Investment Fund, the Yinhua Principal Guarantee and Value Increase Securities Investment Fund, the Yinhua Yongxiang Principal Guarantee Mixed Securities Investment Fund, the Yinhua China Securities Debts Conversion Index Strengthened Graded Securities Investment Fund, the Yinhua Strengthened Returns Bond Securities Investment Fund and the Yinhua Yongtai Active Bond Securities Investment Fund. He currently serves as an Assistant General Manager, an Investment Director of funds with fixed returns, the Director and investment manager of the Third Investment Management Department of the Company and a director of Yinhua Wealth and Capital Management (Beijing) Co., Ltd.

Mr. Ni Ming: Holder of a doctor's degree in Economics. Mr. Ni undertake research and analysis work in Dacheng Fund Management Co., Ltd, and served as an analyst in bond credit, an assistant in bond fund, an industrial researcher and an assistant in stock fund. He also served as the fund manager of the Dacheng Innovation Growth Mixed Securities Investment Fund. Mr. Ni joined Yinhua Fund Management Co., Ltd. in April 2011. He is currently the director and portfolio manager of First Investment Management Department. He has served as the portfolio manager of Yinhua Domestic Demand Selected Mixed Securities Investment Fund (LOF). Mr. Ni currently is the fund manager of the Yinhua Core Value Optimization Mixed Securities Investment Fund, the Yinhua Leading Strategy Mixed Securities Investment Fund and the Yinhua Strategic Emerging Flexible Allocation and Regular Opening Mixed Initiative Fund, the Yinhua Wise Choice Multi-Strategy Regular Opening Mixed Securities Investment Fund, Yinhua Valuation Advantage Mixed Securities Investment Fund and Yinhua Wenli Flexible Allocation Mixed Securities Investment Fund.

Mr. Dong Lanfeng: Holder of a master's degree. Mr. Dong served as a senior salesman of Minmetals Engineering Co., Ltd. He joined Yinhua Fund Management Co., Ltd. in October 2010 and served as an assistant researcher and industrial researcher of the Research Department and the Deputy Director of the Research Department. Mr. Dong currently is the Director of the Research Department.

Mr. Xiao Kanning: a master postgraduate. Mr. Xiao served as investment manager of investment and financial management department of China Southern Securities, fund manager of Tiantong180Index Fund, Tiantong Capital Preservation Fund and Wanjia Currency Fund of Tiantong (Wanjia) Asset Management Co.,Ltd., investment manager of investment management centre, responsible for the management of corporate pension, of Taiping Pension Co., Ltd., and deputy general manager, general manager, chief investment officer and assistant to the general manager (responsible for investment and research) of investment management department of Changjiang Pension Insurance Co., Ltd. Since August 2016, he has joined Yinhua Fund

Management Co., Ltd. and currently serves as the assistant to the general manager.

Mr. Zhou Keyan, holder of master degree. He has served as a researcher at China Galaxy Securities Co., Ltd., a senior analyst at Shenwan Paris Fund Management Co., Ltd., a senior analyst at ICBC Credit Suisse Fund Management Co., Ltd. and a senior analyst at Harvest Fund Management Co., Ltd.. Mr. Zhou has served at the position of portfolio manager for the Harvest Taihe Value Close-ended Fund, as an investment manager at Huaxia Fund Management Co., Ltd., general manager of the investment department of Tianhong Fund Management Co., Ltd., and has served at the position of portfolio manager for the Tianhong Selected Mixed Securities Investment Fund. He joined Yinhua Fund Management Co., Ltd. in August 2013, and currently serves as the portfolio manager for the Yinhua Prosperous Theme Mixed Securities Investment Fund, Yinhua Harmony Theme Flexible Allocation Mixed Securities Investment Fund, Yinhua Shanghai-Hong Kong-Shenzhen Growth Stock Securities Investment Fund, Yinhua Ruitai Flexible Allocation Mixed Securities Investment Fund and Yinhua Ruihe Flexible Allocation Mixed Securities Investment Fund.

Mr. Li Xiaoxing, holder of master degree, has served at ABB (China) Co., Ltd. at positions such as operation consultant of the operation and development department and senior auditor of the group audit department. He joined Yinhua Fund Management Co., Ltd. in March 2011, and has served at positions such as industry research and assistant portfolio manager. Mr. Li currently serves as a portfolio manager of first investment management department. He is currently the portfolio manager for Yinhua Zhongxiaopan Selected Mixed Securities Investment Fund, Yinhua Shengshi Selected Flexible Allocation Launch Mixed Securities Investment Fund, Yinhua Wise Choice Multi-strategy Regular Opening Mixed Securities Investment Fund, Yinhua Valuation Advantage Mixed Securities Investment Fund Yinhua Xincheng Flexible Allocation Mixed Securities Investment Fund, Yinhua Xinyi Flexible Allocation Mixed Securities Investment Fund, Yinhua Strategy Emerging Flexible Allocation Fixed-term Open-end Mixed Seed Securities Investment Fund, and Yinhua Wenli Flexible Allocation Mixed Securities Investment Fund.

4. The above personnel have no family relationship with each other.

### (III) Rights and Obligations of the Fund Manager

1. According to the Fund Law, the Measures for Operations and other relevant regulations, the rights of the Fund Manager shall include but not be limited to:
  - (1) offering the Fund in accordance with laws;
  - (2) independently operating and managing Fund Assets in accordance with laws and regulations starting from the Effective Day of the Fund Contract;
  - (3) charging fund management fees and other fees stipulated by laws and regulations or approved by the CSRC in accordance with the Fund Contract;
  - (4) selling Units;
  - (5) convening meetings of the Unitholders;

- (6) monitoring the Fund Custodian in accordance with the provisions of the Fund Contract and relevant laws. If it is considered that the Fund Custodian has breached the Fund Contract and relevant national laws, it shall be reported to the CSRC and other regulatory authorities and necessary measures to protect the interests of fund investors shall be adopted;
  - (7) nominating a new Fund Custodian when it is time to replace the Fund Custodian;
  - (8) selecting and changing the Fund Sales Institution(s), supervising and handling the relevant behaviors of the Fund Sales Institution(s);
  - (9) acting or appointing other qualified agencies as the Fund Registration Agency to handle the Fund registration business and obtain fees provided in the Fund Contract;
  - (10) determining the distribution plan of the Fund Returns in accordance with the provisions of the Fund Contract and relevant laws;
  - (11) refusing or suspending subscription and redemption applications within the range stipulated in the Fund Contract;
  - (12) exercising the rights as a shareholder in the investee company(ies) for the interests of the Fund and the rights arising from the investment of the Fund Assets in securities for the interests of the Fund;
  - (13) conducting margin trading and short selling for the Fund for the interests of the Fund to the extent permitted by laws and regulations;
  - (14) exercising the right of action or performing other legal acts in the name of the Fund Manager on behalf of the Unitholders;
  - (15) selecting or replacing the law firm(s), accounting firm(s), securities brokers and other external institutions providing services to the Fund;
  - (16) formulating and adjusting the business rules on the initial subscription, subscription, redemption, conversion, custody transfer and non-trading transfer related to the Fund subject to relevant laws and regulations;
  - (17) other rights stipulated in laws and regulations and by the CSRC and provided for by the Fund Contract.
2. According to the Fund Law, the Measures for Operations and other relevant regulations, the obligations of the Fund Manager shall include but not be limited to:
- (1) offering the Fund in accordance with law and handling or appointing other agencies recognized by the CSRC to handle the offer, subscription, redemption and registration of the Units;
  - (2) conducting the filing procedures of the Fund;
  - (3) managing and operating the Fund Assets following the principle of good faith, prudence and diligence from the Effective Day of the Fund Contract;
  - (4) providing adequate staff with professional qualifications to conduct analysis of and decision-making on fund investments and managing and operating the Fund Assets with a professional mode of operation;

- (5) establishing sound internal systems of risk control, monitoring and inspection, financial management and personnel administration, etc. and ensuring the mutual independence between the Fund Assets and the assets of the Fund Manager and separately managing different funds under its management and keeping separate accounts and conducting securities investment;
- (6) not using the Fund Assets for the purpose to make a profit for itself or any other third parties and not appointing a third party to operate the Fund Assets unless in accordance with the Fund Law, the Fund Contract and other relevant regulations.
- (7) being subjected to the supervision of the Fund Custodian;
- (8) adopting appropriate and reasonable measures to ensure the methods of calculation of the prices for the initial subscription, subscription, redemption and cancellation of the Units meet the provisions of the Fund Contract and other legal documents, calculating and announcing the Net Asset Value of the Fund and determining the prices for the Subscription and Redemption of Fund Units in accordance with relevant regulations;
- (9) conducting accounting for the Fund and preparing the financial and accounting reports of the Fund;
- (10) preparing the Fund's quarterly, interim and annual reports;
- (11) performing the information disclosure and reporting obligations strictly in accordance with the Fund Law, the Fund Contract and other relevant regulations;
- (12) keeping the trade secrets of the Fund confidential and not disclosing the investment plans and intentions of the Fund. Unless otherwise stipulated by the Fund Law, the Fund Contract and other relevant regulations, keeping information of the Fund confidential before public disclosure and not disclosing it to others;
- (13) determining the distribution plan of the Fund Returns in accordance with the provisions of the Fund Contract and distributing the Fund Returns to the Unitholders in time;
- (14) accepting applications for subscription and redemption and paying the redemption money in a timely manner in full amount;
- (15) convening the meeting(s) of the Unitholders in accordance with the Fund Law, the Fund Contract and other relevant regulations or cooperating with the Fund Custodian and the Unitholders in convening the meeting(s) of the Unitholders;
- (16) keeping the accounts, financial statements, records and other relevant materials of the Fund's assets management business activities for at least 15 years in accordance with relevant regulations;
- (17) ensuring the provision of all documents or materials to be provided to Fund Investors are issued to them within the stipulated period and guaranteeing that investors can within the period and in accordance with the form stipulated in the Fund Contract inspect relevant public information of the Fund at any time and obtain the photocopies of the relevant information subject to payment of a reasonable cost;
- (18) organizing and participating in the liquidation group of Fund Assets and participating in the safeguarding, disposal, valuation, realization and allocation of the Fund Assets;
- (19) reporting to the CSRC and notifying the Fund Custodian when it faces dissolution, is revoked in accordance with law or being declared bankrupt in accordance with law;
- (20) undertaking liability if in breach of the Fund Contract causing losses to the Fund Assets or damaging the legitimate interests of the Unitholders, and its liability shall not be exempted

- because of its retirement;
- (21) supervising the Fund Custodian in performing its obligations in accordance with laws and regulations and the provisions of the Fund Contract; if the Fund Custodian is in breach of the Fund Contract causing losses to the Fund Assets, the Fund Manager shall seek compensation from the Fund Custodian on behalf of the Unitholders;
  - (22) undetaking liabilities for the conduct of the third party in handling matters related to the Fund if the Fund Manager entrusts its obligations to a third party;
  - (23) exercising the right of action or performing other legal acts in the name of the Fund Manager on behalf of the Unitholders;
  - (24) assuming full responsibility for all fees arising from the offer of the Fund and returning the raised capital plus interest calculated at the prevailing deposit rate of the bank to the subscribers of the Fund within 30 days after the expiry of the offer period of the Fund if the Fund Manager cannot meet the conditions for the filing of the Fund and the Fund Contract cannot enter into effect;
  - (25) implementing effective resolutions passed at the meeting(s) of the Unitholders;
  - (26) establishing and keeping the register of the Unitholders;
  - (27) other obligations stipulated by laws and regulations and the regulations of the CSRC and provided for by the Fund Contract.

#### (IV) Undertakings of the Fund Manager

1. The Fund Manager shall in accordance with the provisions of the Fund Contract and the investment targets, strategies and restrictions of the Prospectus handle the investment of the Fund at its full discretion.
2. The Fund Manager shall not act in breach of the Law on Securities, and shall establish a sound internal control system and adopt effective measures to prevent acts in breach of the Law on Securities.
3. The Fund Manager shall not act in breach of the Fund Law, and shall establish a sound internal control system and adopt effective measures to prevent the following acts:
  - (1) The Fund investing in other funds;
  - (2) To engage in the buying and selling of securities with capital not under the name of the Fund on behalf of the Fund;
  - (3) To use credit funds to engage in the buying and selling of securities;
  - (4) To use Fund Assets for mortgage, guarantee, interbank lending or loans;
  - (5) To engage in securities credit transactions;
  - (6) To make property investments using Fund Assets;
  - (7) To engage in investments which may cause the Fund to assume unlimited liabilities;
  - (8) To engage in securities underwriting;
  - (9) To invest Fund Assets into securities issued by companies in which the Fund Custodian or the Fund Manager has a conflict of interest;
  - (10) To manipulate and interfere with market prices through bucketing, pre-arranged trading and other acts in breach of the operating rules on securities transaction;
  - (11) To make investments at manipulated high prices, conducting transfer of benefits and other

- acts prejudicial to the interests of the Unitholders;
- (12) Other acts prohibited by laws, regulations and the rules of regulatory authorities.
4. The Fund Manager shall strengthen the management of staff and professional integrity and urge and require its staff to abide by relevant national laws and regulations and industrial regulations, be in good faith, prudent and diligent and shall not conduct the following acts:
- (1) To act ultra vires or operate illegally in breach of the Fund Contract or the Custody Agreement;
  - (2) To deliberately prejudice the legitimate interests of the Unitholders and other relevant agencies of the Fund;
  - (3) To falsify the materials submitted to the CSRC;
  - (4) To refuse, obstruct, interfere with or seriously affect the regulation of the CSRC in accordance with laws;
  - (5) To neglect its duties or misuse its authorities;
  - (6) To disclose the commercial secrets of securities or the Fund, the investment components of the Fund, the investment plans of the Fund and other information not yet published in accordance with laws acquired during its appointment period;
  - (7) Other acts prohibited by laws, administrative laws and the CSRC.
5. Undertakings of the Fund Manager
- (1) To acquire maximum gain for the Unitholders following the principle of prudence in accordance with the provisions of relevant laws and regulations and the Fund Contract;
  - (2) Not to acquire gain for itself and its agents, representatives, employees or any third party taking advantage of its position;
  - (3) Not to disclose the commercial secrets of securities or the Fund, the investment components of the Fund, the investment plans of the Fund and other information not yet published in accordance with laws acquired during its appointment period;
  - (4) Not to conduct securities transactions for other organizations or individuals in any form.

(V) Risk Management System and Internal Control System of the Fund Manager

1. Risk Management System

Risks arising from the operation of the Fund mainly include market risks, credit risks, liquidity risks, operational or technical risks, compliance risks, reputation risks and external risks. For the above risks, the Company established a complete set of risk management systems, including the following specific elements:

- (1) To establish a risk management environment. It specifically includes the preparation of risk management strategies and targets, the establishment of corresponding organizations and institutions, the appropriate staffing of human resources and equipment of technical systems and the setting of the time and space ranges of risk management and other components.
- (2) To identify risks. Identifying the existing risks in the organizational system and business processes and the reasons of their existence as well as how to trigger such risks.



- (3) To analyze risks. Examining the existing controlling measures and analyzes the possibility of risk occurrence and the consequences thereof.
- (4) To measure risks. Evaluating the degree of risk with qualitative and quantitative measurement. The qualitative measurement is to divide the level of risks into several grades and each type of risk shall be respectively entered into the corresponding grade based on its possibility of occurrence and the seriousness of its consequence. The quantitative measurement is to design certain risk indicators and measure their magnitude.
- (5) To address risks. Comparing the degree of risks with the established criteria. For risks of relatively low degree, they shall be assumed and monitored. For relatively serious risks, certain management plans shall be implemented. For certain risks with extremely serious consequences, the corresponding contingency measures shall be prepared.
- (6) To monitor and inspect. For the existing risk management systems, their management performance shall be monitored and evaluated and if necessary modified in time.
- (7) To report and consult. Establishing a reporting system on risk management to facilitate the shareholders of the Company, the Board of Directors, the senior management of the Company and the regulatory authorities in understanding the status of risk management of the Company, and seek consultation and advice.

## 2. Internal Control System

### (1) Principles of Internal Control

- 1) Principle of Comprehensiveness. The internal control system shall cover all businesses, departments and levels of employees of the Company, and permeate all segments of operations such as the decision-making, implementation, monitoring and feedback segments.
- 2) Principle of Independence. The Company shall establish independent Chief Compliance Officers and Compliance and Audit Department and allow them to maintain a high level of independence and authority.
- 3) Principle of Mutual Constraints. The departments and positions of the Company shall be set up with clear rights and lines of accountability and mutual constraints and can eliminate the blind spot in internal control with practical measures of checks and balances.
- 4) Principle of Effectiveness. The internal risk control work of the Company shall be based on the actual situation of the company and mainly achieve control of all operational risks through the control of working processes.
- 5) Principle of Firewall. The Investment Management, Funds Operation, Computer Technical Systems and other relevant departments of the Company shall be appropriately isolated physically and institutionally. Regarding employees with knowledge of insider information for business needs, it shall establish strict approval processes and supervision and punishment

measures.

- 6) Principle of Timeliness. The formulation of the internal risk control systems of the Company shall be forward-looking and corresponding modifications and improvements shall be made in time with the changes of the internal environment such as operating strategies, management policies and business concepts of the company as well as the changes of the external environment such as national laws, regulations, policies and systems.

## (2) Major Components of Internal Control

### 1) Environment Control

The Board of Directors of the Company emphasizes the establishment of a sound governance system and internal control system of the Company. The Company set up the Risk Control Committee under the Board of Directors responsible for conducting studies on risks arising from the operation and management and fund operation of the Company as well as establishing the corresponding control system. Under exceptional circumstances, the Risk Control Committee can interfere with the businesses of the company to a certain extent while reporting to the Board of Directors in accordance with its authority.

Under the leadership of the General Manager, the management of the Company carefully implements the internal control strategies determined by the Board of Directors. In order to effectively carry out the management policies and development strategies formulated by the Board of Directors of the Company, it set up the Investment Decision-Making Committee to give professional opinion and advice on fund investments and other businesses.

In addition, the Company established Chief Compliance Officers responsible for organizing and guiding the monitoring and inspection work of the Company, conducting overall inspection and audit on the legality, compliance and reasonableness of the operations of the Company and the Fund, participating in the risk control work of the Company and reporting to the Chairman of the Company and the CSRC if significant risk events occurred.

### 2) Risk Evaluation

The risk control personnel of the Company regularly evaluate the risk profiles of the Company, which covers all internal and external factors that may have negative effects on the operation targets. The extent and possibility of the effects of such factors on the overall operation targets of the Company shall be evaluated and the evaluation report be submitted to the Board of Directors and senior management of the Company.

### 3) Operation Control

In terms of the design of the internal organizational structure of the Company, the principle of division of responsibilities and mutual cooperation and balancing between different departments shall be reflected. The Fund Investment Management, Fund Operation, Marketing and other business departments have clear mandates and division of responsibilities. The operation of all department are mutually independent and each has its independent reporting system. All business departments mutually verify and constrain each other.

Positions within all business departments have a rational division of work and clear responsibilities and form a relationship of mutual verification and balancing to reduce risks of corrupt practice or errors. A corresponding written management system shall be established for all positions.

On the basis of a clear accountability system for all positions, scientific, reasonable and standard business operational procedures shall be established. Every business operation shall have a clear written operation manual. Meanwhile, sound handling procedures shall be stipulated and handled by the staff keeping them.

#### 4) Information and Communication

The Company has established an internal office automation information system and a business reporting system. Through the establishment of effective information exchange channels, it guarantees that staff and management at all levels of the Company can fully understand information relevant to their responsibilities and guarantees that the information is delivered to the appropriate staff in time for handling.

#### 5) Supervision and Internal Audit

The Company has established the Compliance and Audit Department which is independent from all business departments. The compliance and audit personnel perform internal audit functions, inspect and evaluate the reasonableness, completeness and effectiveness of the internal control systems of the Company, supervise the implementation of the internal control systems of the Company, reveal the risks in the internal management and the fund operation of the Company and propose improvements in time to facilitate the effective implementation of the internal management system of the Company. The compliance and audit personnel enjoy relative independence and regularly issue compliance and auditing reports to be submitted to the Chief Compliance Officers, the Board of Directors and the CSRC.

#### (3) Declaration of the Fund Manager on the Internal Control Systems

- 1) The Fund Manager is aware that the establishment, implementation and maintenance of the internal control systems is the responsibility of the Board of Directors and management of the Fund Manager;
- 2) The above disclosure on the internal control systems is true and accurate;
- 3) The Fund Manager undertakes that it will consistently improve the internal control systems with respect to changes of the market environment and the development of the Fund Manager.

## IV. FUND CUSTODIAN

### (I) Basic Information of the Fund Custodian

Name: Industrial and Commercial Bank of China Limited  
Registered Address: No. 55 Fuxingmennei Avenue, Xicheng District, Beijing  
Date of Establishment: 1 January 1984  
Legal Representative: Yi Huiman  
Registered Capital: RMB 356,406,257,100  
Telephone: 010-66105799  
Contact person: Guo Ming

### (II) Information of Key Personnel

As of the end of June 2018, the Custodian Banking Department of ICBC has a total of 212 employees whose average age is 33 years old; more than 95% of the employees held a university bachelor's degree or above, and all senior management staff held post-graduate degrees or above, or senior technician positions.

### (III) Information of Fund Custody Business Operation

As the pioneer of custody services in mainland China and the first domestic company to provide custody services since 1998, ICBC has adhered to the purpose of "Honesty and Diligence"; relying on strict scientific risk management and internal control systems, standardized management model, advanced operation system and professional service team, it strictly complies with the responsibilities of an asset custodian, provides safe, effective and professional custodian services to domestic and foreign investors, and reflects excellent market image and influence. ICBC has also established the most extensive and mature product line among domestic custodian banks. It possesses a wide range of custody products including securities investment funds, trust assets, insurance assets, social security funds, basic pension securities, corporate annuity funds, QFII assets, QDII assets, equity investment funds, securities company CAM scheme, TAM scheme, credit assets securitization business of commercial banks, asset management for specific customers, QDII assets for specific customers and ESCROW. At the same time, it took lead to provide value-added services such as performance assessment and risk management in China, so as to deliver personalized custody services to a wide spectrum of customers. As of the end of June 2018, ICBC acted as custodian for a total of 874 securities investment funds. Since 2003, ICBC has been awarded 61 Best Custodian Bank awards by domestic and foreign authoritative financial media such as "Asiamoney" of Hong Kong, "Global Custodian" of the United Kingdom, "The Asset Magazine" of Hong Kong, "Global Finance" of the United States,

"Securities Times" and "Shanghai Securities News" of mainland China for fifteen consecutive years, which is the most awarded domestic custodian bank, and its excellent quality of services has been recognized continuously and well received by domestic and foreign financial sector.

#### **(IV) Internal control system of the Fund Custodian**

Since the establishment of the Asset Custody Department of ICBC, the rapid development of all sectors of businesses continued to consolidate the leading position of ICBC in the asset custodian industry. These achievements are inseparable from the approach of “focused efforts in business development in one hand and internal control establishment in the other” of the Asset Custody Department. The Asset Custody Department attaches great importance to improving and strengthening internal risk management, and takes strengthening risk prevention and control, nurturing the internal control culture, improving the risk control mechanism and strengthening the “entire process risk management” as an important work while actively expanding all custody businesses. Subsequent to passing successfully for eleven times in 2005, 2007, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2017 and 2017 most authoritative ISAE3402 review evaluating the internal control and safety measures in an organization and has obtained the unqualified control and effectiveness report. It represents the full recognition from an independent third-party towards the integrity and effectiveness of the bank’s risk management and internal control, which also proved that the risk management of ICBC’s custodian services matches with that of international major custodian banks and reached international advanced level. To date, the ISAE3402 review has become an annual and standardized measure for internal control.

##### **1. Goal of Internal Risk Control**

To guarantee strict compliance of its business operation with the relevant national laws, regulations and industrial regulatory rules for strengthening and establishing a law-abiding, standardized operation philosophy and operation style and forming an internal control system with standardized operation, scientific management and institutionalized supervision; prevent and resolve operational risks so as to guarantee the safety and integrity of the assets in custody; protect the interests of the Unitholders; and guarantee the safe, effective and stable operation of the asset custody business.

##### **2. Organizational Structure of Internal Risk Control**

The organizational structure of internal risk control of ICBC’s Asset Custody Business is composed of the inspection and monitoring departments of ICBC (Internal Control Compliance Department and Internal Audit Bureau), the Risk Control Division under the Asset Custody Department and all business offices and divisions under the Asset Custody Department. The inspection and monitoring departments of the Head Office are responsible for preparing the risk management policies of the bank and the supervision and guidance of risk control for all business

departments. The Asset Custody Department has an internal risk control division, which is exclusively in charge of inspection and monitoring work. The division has specialized personnel in charge of inspection and monitoring, who, under the direct leadership of the General Manager and in accordance with relevant laws and regulations, exercise their inspection and monitoring authority independently over the operation of business. All business offices and divisions implement specific risk control measures within the scope of their own duties and responsibilities.

### 3. Principles of internal risk control

(1) Principle of Compliance. The internal control system shall comply with the national laws and regulations, as well as the regulatory requirements of the regulatory authorities and shall apply to the whole process of the operation and management activity of custody business.

(2) Principle of Integrity. All operational and management activities of the custody business shall be restricted by corresponding standard procedures and supervision; such restriction shall be applied to the whole process and all operating procedures of the business, covering all departments, positions and personnel.

(3) Principle of Timeliness. All operational and management activities of the custody business must be accurately and timely recorded at the time of occurrence; according to the principle that “internal control has the priority”, relevant rules and regulations must be established when a new body is established or a new variety of business is added.

(4) Principle of Prudence. All operational activities of the business shall be prevented from risks, and conducted with prudence to guarantee the safety and integrity of the Fund Assets and other entrusted assets.

(5) Principle of Effectiveness. The internal control system shall be properly amended and improved in accordance with national policies, laws as well as the needs in operation and management, and comprehensive implementation with no exception in any place, at any time or for any person shall be guaranteed.

(6) Principle of Independence. A specialized Management Department shall be set up to fulfill the duties of a custodian. Direct operators must be independent of and properly separated from the controllers; the departments reviewing and assessing the internal control system must be independent of the departments formulating and carrying out the system.

### 4. Implementation of the Internal Risk Control measures

(1) Strict segregation system. The asset custody business shall be strictly segregated from the traditional business. A series of rules and regulations such as clear job responsibilities, scientific business procedures, specific operating manuals and strict code of conduct have been established and the good firewall separation system has been adopted to ensure independent assets, independent environment, independent personnel and business system as well as independent management and network.

(2) Examination from senior management. Leaders of bank in charge and the senior management of departments, who are the makers of the policies and strategies in relation to the custody business of ICBC, require the subordinate departments to timely report the operation, management and special circumstances to track the progress of the Asset Custody Department in realizing its targets in internal control, proposing internal control measures according to the examination, and urging functional departments to make improvements.

(3) Personnel control. The Asset Custody Department strictly carries out the job responsibility system, establishes three lines of defense that are “self-control defense line”, “mutual control defense line”, and “supervision defense line”, improves the performance assessment and incentive mechanism, creates the “people-oriented” internal control culture, enhances personnel’s sense of responsibilities and honor and cultivates the team spirit and core competitive power; and enables personnel to form the concept of risk prevention and control by periodical and directional business and professional ethics trainings and signing of the letter of undertaking.

(4) Operational control. By formulating plans and preparing budgets, the Asset Custody Department has conducted all kinds of business marketing activities and handled all kinds of transaction so as to effectively control and allocate the organization’s resources to maximize the utilization of resources and benefits.

(5) Internal risk management. By inspection and monitoring and risk assessment, the Asset Custody Department enhances the internal risk management that it reviews, supervises and directs the business departments on risk identification and assessment on a periodical or non-periodical basis, formulates and carries out the risk control measures and eliminates any potential risk.

(6) Data security control. The data security is guaranteed by the comparative independence of the business operation area, data and fax encryption, redundant backups of data transmission lines, and the application and guarantee of monitoring facilities.

(7) Preparation for and responses to contingency. For the asset custody business, a special disaster recovery center is established to formulate the disaster recovery plan based on four aspects which are data, application, operation and environment, and regular drills are organized for personnel. In order that the drills can be more similar to the actual scenario, the Asset Custody Department constantly improves the standards for the drills, developing from initially organizing drills at a specified time to the current “random drills”. It can be seen from the result of the drills that the Asset Custody Department has full capability to restore services within 2 hours in case of any disaster.

## 5. Internal Risk Control of the Asset Custody Department

(1) The Asset Custody Department has set up specialized inspection and monitoring departments with specialized personnel in charge of the inspection and monitoring work, who, under the direct leadership of the General Manager and in accordance with relevant laws and regulations, fully carry out the idea of whole-process monitor and ensure the healthy and stable development of the asset custody business.

(2) To perfect the organizational structure and carry out total risk management. A perfect risk management system requires the involvement of every employee so that the risk control system and measures can be fully and effectively carried out. The Asset Custody Department has carried out total risk management to allocate the responsibility of risk control to specific business departments and positions so that every employee is in charge of the risks within the scope of his own position. By establishing an internal organizational structure of vertical double-person system and horizontal multiple-department system, an organizational structure of mutual constraint and balance across different departments and positions is formed.

(3) To establish and improve the rules and regulations. The Asset Custody Department attaches great importance to the construction of the internal control system, and has consistently incorporated the concept and methods of risk prevention and control into job responsibilities, system construction and working procedures. After years of efforts, the Asset Custody Department has set up a complete set of internal risk control system, including job responsibilities, operating procedures, inspection and monitoring system, and information disclosure system, covering all departments and positions, being applied to all business procedures and forming a mutual-restriction mechanism among all business segments.

(4) Internal risk control is always one of key emphases of the Asset Custody Department's work, it maintains the same status as business development. The asset custody business is an emerging intermediary business of commercial banks. Since the date of establishment, the Asset Custody Department has been placing great emphasis on standardized operation and has always been taking the establishment of a systematic and efficient risk prevention and control system as the work focus. Along with the changes in the market environment and the rapid development of the custody business, new challenges and situations have been constantly emerging. The Asset Custody Department has always placed risk management in the same important position as business development, and considered risk prevention and control as the lifeline for the survival and development of the custody business.

**(V) Methods and procedures for the Fund Custodian to supervise the Fund Manager over the operation of the Fund**

According to the provisions of the Fund Law, Fund Contract, the Custody Agreement and the relevant fund regulations, the Fund Custodian supervises and examine the investment scope and investment subject of the Fund, the investment and financing ratio of the Fund, the prohibited investment acts of the Fund, the participation of the Fund in the inter-bank bond market, the calculation of the Net Value of the Fund Assets, the calculation of net value of the Units, the receivable funds deposited, the confirmation of the expenses and income of the fees of the Fund, and the income distribution of the Fund, relevant information disclosure and the performance data of the Fund published on the promotion materials of the Fund, among which the supervision and examination of the investment ratio of the Fund starts 6 months after the Fund Contract came into effect.

Where the Fund Custodian finds that the conduct of the Fund Manager has violated the Fund Law, Fund Contract, the Custody Agreement or the relevant fund regulations, the Fund Custodian shall notify the Fund Manager in writing to make corrections within a prescribed period. The Fund Manager upon receipt of the notice shall make verifications in a timely manner, and reply in writing to the Fund Custodian in confirmation. Within the prescribed period, the Fund Custodian is entitled to make review on the notified items, and prompt the Fund Manager to make corrections. Where the Fund Manager fails to make corrections within the prescribed period for the violation notified by the Fund Custodian, the Fund Custodian shall report the same to the CSRC.

Where the Fund Custodian finds out that the Fund Manager has committed a material breach, it shall immediately report to the CSRC, and at the same time notify the Fund Manager to make corrections within a prescribed period



## V. RELATED SERVICE AGENCIES

### (I) Fund Units Sales Institutions

#### 1. Class A Fund Units Direct Sales Institutions

##### (1) Beijing Direct Sales Centre of Yinhua Fund Management Co., Ltd.

Address	15/F, Office Building C2, Oriental Trade City, Oriental Plaza, East Chang An Avenue 1, Dongcheng District, Beijing		
Telephone	010-58162950	Fax	010-58162951
Contact	Zhan Lu		

##### (2) Online Direct Sales System of Yinhua Fund Management Co., Ltd.

Online Trading Website	trade.yhfund.com.cn/etrading
Mobile terminal	Please download the mobile app “Yinhua Shenglibao” on the official website of the Company or through other mobile application stores or follow our official WeChat account, “Yinhua Fund”
Customer Service Hotline	010-85186558, 4006783333

Investors can create accountants and subscribe the Fund through the online direct sales and transaction system of the Fund Manager. Detailed transaction terms and conditions are set out in the announcements on the Fund Manager’s website.

#### 2. Sales Institutions of Class A Fund Units

##### (1) China Construction Bank Corporation

Domicile	25 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Tian Guoli		
Customer Service Hotline	95533	Website	www.ccb.com

##### (2) Bank of China Limited

Domicile	1 Fuxingmen Inner Street, Xicheng District, Beijing		
Legal Representative	Chen Siqing		
Customer Service Hotline	95566	Website	www.boc.cn

##### (3) Industrial and Commercial Bank of China Limited

Domicile	55 Fuxingmen Inner Street, Beijing, China		
Legal Representative	Yi Huiman		
Customer Service Hotline	95588	Website	www.icbc.com.cn

##### (4) Agricultural Bank of China Limited

Domicile	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing		
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Legal Representative	Zhou Mubing		
Customer Service Hotline	95599	Website	www.abchina.com

(5) Bank of Communication Co., Ltd.

Domicile	188 Middle Yincheng Road, Shanghai		
Legal Representative	Peng Chun		
Customer Service Hotline	95559	Website	www.bankcomm.com

(6) China Merchants Bank Co., Ltd.

Domicile	7088 Shennan Road, Futian District, Shenzhen		
Legal Representative	Li Jianhong		
Customer Service Hotline	95555	Website	www.cmbchina.com

(7) China Minsheng Bank Co., Ltd.

Domicile	2 Fuxingmen Inner Street, Xicheng District, Beijing		
Legal Representative	Hong Qi		
Customer Service Hotline	95568	Website	www.cmbc.com.cn

(8) Ping An Bank Co., Ltd.

Domicile	5047 East Shennan Road, Shenzhen City		
Legal Representative	Xie Yonglin		
Customer Service Hotline	95511-3	Website	bank.pingan.com

(9) Shanghai Pudong Development Bank Co., Ltd.

Domicile	12 East Zhongshan No.1 Road, Shanghai		
Legal Representative	Gao Guofu		
Customer Service Hotline	95528	Website	www.spdb.com.cn

(10) China Citic Bank Co., Ltd.

Domicile	9 Chaoyangmen North Avenue, Dongcheng District, Beijing		
Legal Representative	Li Qingping		
Customer Service Hotline	95558	Website	http://bank.ecitic.com

(11) Bank of Hangzhou Co., Ltd.

Domicile	Bank of Hangzhou Building, 46 Qingchun Road, Hangzhou		
Legal Representative	Wu Taipu		
Customer Service Hotline	0571-96523; 400-8888-508	Website	www.hzbank.com.cn

(12) Bank of Jilin Co., Ltd.

Domicile	1817 Dong Nanhu Road, Economic and Technological Development Zone, Changchun, Jilin		
Legal Representative	Tang Guoxing		
Customer Service Hotline	400-88-96666	Website	www.jlbank.com.cn

(13) Shanghai Rural Commercial Bank Co., Ltd.

Domicile	15-20/F, 22-27/F, 8 Middle Yingcheng Road, Pudong New Area, Shanghai		
Legal Representative	Ji Guangheng		

Customer Service Hotline	021-962999; 400-696-2999	Website	www.srcb.com
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(14) Bank of Urumqi Co., Ltd.

Domicile	8 Xinhua North Road, Urumqi, Xinjiang		
Legal Representative	Yang Li		
Customer Service Hotline	96518	Website	www.uccb.com.cn

(15) Bank of Dalian Co., Ltd.

Domicile	49/F, Tian An International Building, 88 Zhongshan Road, Zhongshan District, Dalian		
Legal Representative	Chen Zhanwei		
Customer Service Hotline	400-664-0099	Website	<a href="http://www.bankofd.com">www.bankofd.com</a>

(16) Guangdong Shunde Rural Commercial Bank Co., Ltd.

Domicile	2 Yongcui Road, Daliang New Area, Shunde, Foshan, Guangdong		
Legal Representative	Yao Zhenyong		
Website	www.sdebank.com		

(17) Bank of Harbin Co, Ltd.

Domicile	160 Shangzhi Street, Daoli District, Harbin		
Legal Representative	Guo Zhiwen		
Customer Service Hotline	95537; 400-609-5537	Website	www.hrbb.com.cn

(18) Kunlun Bank Co., Ltd.

Domicile	7 Century Avenue, Karamay		
Legal Representative	Jiang Shangjun		
Customer Service Hotline	40066-96869	Website	www.klb.com

(19) Bank of Hebei Co., Ltd.

Domicile	28 Ping An Bei Da Jie, Shijiazhuang City		
Legal Representative	Qiao Zhiqiang		
Customer Service Hotline	400-612-9999	Website	www.hebbank.com

(20) Baoshang Bank Co., Ltd.

Domicile	6 Gangtiedajie Street, Baotou City, Inner Mongolia		
Legal Representative	Li Zhenxi		
Customer Service Hotline	95352	Website	www.bsb.com.cn

(21) Bohai Securities Co., Ltd.

Domicile	Unit 101, 42 Office Building, Second Avenue, Tianjin Economic and Technological Development Zone		
Legal Representative	Wang Chunfeng		
Customer Service Hotline	400-6515-988	Website	www.ewww.com.cn

(22) Datong Securities Co., Ltd.

Domicile	21/F, Tongcheng Zhongyang, 15 Yingbin Street, Cheng District, Datong		
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Legal Representative	Dong Xiang		
Customer Service Hotline	400-712-1212	Website	www.dtsbc.com.cn/

(23) Northeast Securities Co., Ltd.

Domicile	6666 Shengtaidajie Street, Changchun		
Legal Representative	Li Fuchun		
Customer Service Hotline	95360	Website	www.nesc.cn

(24) Dongxing Securities Co., Ltd.

Domicile	12/F, 15/F, Tower B, Xinsheng Building, 5 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Wei Qinghua		
Customer Service Hotline	4008-888-993	Website	www.dxzq.net

(25) Guodu Securities Co., Ltd.

Domicile	9/F, 10/F, Guohua Investment Building, 3 South Dongzhimen Street, Dongcheng District, Beijing		
Legal Representative	Wang Shaohua		
Customer Service Hotline	400-818-8118	Website	www.guodu.com

(26) Hengtai Securities Co., Ltd.

Domicile	Oriental Junzuo Block D, Chile Chuan Avenue, Saihan District, Hohhot City, Inner Mongolia		
Legal Representative	Pang Jiemin		
Customer Service Hotline	400-196-6188	Website	www.cnht.com.cn

(27) Shenwan Hongyuan Securities (Western) Co., Ltd.

Domicile	Room 2005, 20/F, Dacheng International Building, 358 South Beijing Road, Gaoxin District (Xinshi District), Urumqi, Xinjiang		
Legal Representative	Han Zhiqian		
Customer Service Hotline	400-800-0562	Website	www.hysec.com

(28) China Dragon Securities Co., Ltd.

Domicile	21/F, Lanzhou Fortune Center, 638 West Donggang Road, Chengguan District, Lanzhou		
Legal Representative	Li Xiaoan		
Customer Service Hotline	95368	Website	www.hlzq.com

(29) Huarong Securities Co., Ltd.

Domicile	8 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Zhu Xianzhong		
Customer Service Hotline	95390	Website	www.hrsec.com.cn

(30) Huaxi Securities Co., Ltd.

Domicile	Huaxi Securities Building, 198 Tianfu Second Street, Gaoxin District District, Chengdu, Sichuan		
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Legal Representative	Yang Jiongyang		
Customer Service Hotline	95584	Website	www.hx168.com.cn

(31) Jianghai Securities Co., Ltd.

Domicile	56 Ganshui Road, Xiangfang District, Harbin, Heilongjiang		
Legal Representative	Sun Mingyang		
Customer Service Hotline	400-666-2288	Website	www.jhzq.com.cn

(32) Kaiyuan Securities Co., Ltd.

Domicile	5/F, Tower B, Dushizhimen, 1 Jinye Road, Gaoxin District, Xi'an		
Legal Representative	Li Gang		
Customer Service Hotline	400-860-8866	Website	www.kysec.cn

(33) Lianxun Securities Co., Ltd.

Domicile	Radio and Television News Center, Jiangbei Dongjiang No. 3 Road, Huicheng District, Huizhou		
Legal Representative	Xu Gang		
Customer Service Hotline	95564	Website	www.lxzq.com.cn

(34) Lianchu Securities Co., Ltd.

Domicile	26/F, Block B, Pavilion Hotel, North Huaqiang Road, Futian District, Shenzhen City, Guangdong Province		
Legal Representative	Sha Changming		
Customer Service Hotline	400-620-6868	Website	www.lczq.com

(35) Zhongtai Securities Co., Ltd.

Domicile	86 Jingqi Road, Shizhong District, Jinan, Shandong		
Legal Representative	Li Wei		
Customer Service Hotline	95538	Website	www.zts.com.cn

(36) Guorong Securities Co., Ltd.

Domicile	18 Xilin South Road, Xincheng District, Hohhot		
Legal Representative	Zhang Zhihe		
Customer Service Hotline	400-660-9839	Website	www.grzq.com

(37) UBS Securities Co., Ltd.

Domicile	12/F, 15/F, Winland International Financial Center, 7 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Cheng Yisun		
Customer Service Hotline	400-887-8827	Website	www.ubssecurities.com

(38) Shanxi Securities Co., Ltd.

Domicile	East Tower, Shanxi International Trade Centre, 69 Fuxi Street, Taiyuan		
Legal Representative	Hou Wei		
Customer Service Hotline	400-666-1618; 95573	Website	www.i618.com.cn

(39) Tianxiang Investment Consulting Co., Ltd.

Domicile	Unit 701, Tower B, Fukai Building, 19 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Lin Yixiang		
Customer Service Hotline	010-66045678	Website	www.jjm.com.cn

(40) Western Securities Co., Ltd.

Domicile	16-17/F, Shanxi Trust Building, 232 Dongxin, Xi'an		
Legal Representative	Liu Jianwu		
Customer Service Hotline	95582	Website	www.westsecu.com.cn

(41) New Times Securities Co., Ltd.

Domicile	Unit 1501, 15/F, Building 1, Yard 99, North Third Ring West Road, Haidian District, Beijing		
Legal Representative	Ye Shunde		
Customer Service Hotline	4006-98-98-98	Website	www.xsdzq.cn

(42) Cinda Securities Co., Ltd.

Domicile	Building 1, Yard 9, Naoshikou Street, Xicheng District, Beijing		
Legal Representative	Zhang Zhigang		
Customer Service Hotline	95321	Website	www.cindasc.com

(43) China Minzu Securities Co., Ltd.

Domicile	Building 5, Yard 27, North Fourth Ring Middle Road, Chaoyang District, Beijing		
Legal Representative	He Yagang		
Customer Service Hotline	400-889-a5618	Website	www.e5618.com

(44) China Galaxy Securities Co., Ltd.

Domicile	Tower C, International Corporate Square, 35 Jinrong Street, Xicheng District, Beijing		
Legal Representative	Chen Gongyan		
Customer Service Hotline	400-888-8888	Website	www.chinastock.com.cn

(45) China International Capital Corp., Ltd.

Domicile	27/F & 28/F, Tower 2, China World Trade Center, 1 Jianguomen Outer Street, Beijing		
Legal Representative	Ding Xuedong		
Customer Service Hotline	400-910-1166	Website	www.ciccs.com.cn

(46) Zhongtian Securities Co., Ltd.

Domicile	23-A, Guangrong Street, Heping District, Shenyang, Liaoning		
Legal Representative	Ma Gongxun		
Customer Service Hotline	95346	Website	www.izqzq.com

(47) China Securities (International) Finance Holding Co., Ltd.

Domicile	Building 4, 66 Anli Road, Chaoyang District, Beijing		
Legal Representative	Wang Changqing		
Customer Service Hotline	400-8888-108	Website	www.csc108.com

(48) CITIC Securities Co., Ltd.

Domicile	A/F, China Merchants Bank Building, 7088 Shennan Street, Shenzhen		
Legal Representative	Zhang Youjun		
Customer Service Hotline	95558	Website	www.citics.com

(49) CITIC Securities (Shandong) Co., Ltd.

Domicile	20/F, No.1 Building, Qingdao International Financial Center, 222 Shenzhen Road, Laoshan District, Qingdao (266061)		
Legal Representative	Yang Baolin		
Customer Service Hotline	95548	Website	www.citicssd.com

(50) Aijian Securities Co., Ltd.

Domicile	32/F, 1600 Century Avenue, Shanghai		
Legal Representative	Qian Hua		
Website	www.ajzq.com		

(51) Great Wall Securities Co., Ltd.

Domicile	16/F, 17/F, Special Zone Press Tower, 6008 Shennan Road, Futian District, Shenzhen		
Legal Representative	Ding Yi		
Customer Service Hotline	0755-33680000; 400-6666-888	Website	www.cgws.com

(52) Changjiang Securities Co., Ltd.

Domicile	Changjiang Securities Building, Super 8 Xinhua Road, Wuhan		
Legal Representative	You Xigui		
Customer Service Hotline	95579; 400-8888-999	Website	www.95579.com

(53) First Capital Securities Co., Ltd.

Domicile	20/F, Investment Banking Building, 115 Fuhua Yi Road, Futian District, Shenzhen		
Legal Representative	Liu Xuemin		
Customer Service Hotline	95358	Website	www.firstcapital.com.cn

(54) Dongguan Securities Co., Ltd.

Domicile	1 Keyuan South Road, Guancheng District, Dongguan		
Legal Representative	Zhang Yunyong		
Customer Service Hotline	95328	Website	www.dgzq.com.cn

(55) Donghai Securities Co., Ltd.

Domicile	18/F, Investment Plaza, 23 West Yanling Road, Changzhou, Jiangsu		
Legal Representative	Zhao Jun		
Customer Service Hotline	95531; 400-8888-588	Website	www.longone.com.cn

(56) Soochow Securities Co., Ltd

Domicile	Soochow Securities Building, 5 Xinyang Street, Suzhou Industrial Park		
Legal Representative	Fan Li		
Customer Service Hotline	95330	Website	www.dwzq.com.cn

(57) Founder Securities Co., Ltd.

Domicile	11/F, CPIC Tower, 28 Fengsheng Lane, Xicheng District, Beijing		
Legal Representative	Gao Li		
Customer Service Hotline	95571	Website	www.foundersc.com

(58) Everbright Securities Co., Ltd.

Domicile	1508 Xinzha Road, Jing'an District, Shanghai		
Legal Representative	Xue Feng		
Customer Service Hotline	95525; 400-888-8788	Website	www.ebscn.com

(59) GF Securities Co., Ltd.

Domicile	43/F, Metropolitan Plaza, 183-187 Tianhe North Road, Guangzhou		
Legal Representative	Sun Shuming		
Customer Service Hotline	95575 or dial the service hot-lines of the offices	Website	www.gf.com.cn

(60) Guangzhou Securities Co., Ltd.

Domicile	19/F, 20/F, Main Tower, Guangzhou International Financial Centre, 5 West Zhujiang Road, Tianhe District, Guangzhou		
Legal Representative	Qiu Sanfa		
Customer Service Hotline	95396	Website	www.gzs.com.cn

(61) Sealand Securities Co., Ltd.

Domicile	13 Puxing Road, Guilin, Guangxi		
Legal Representative	Zhang Yafeng		
Customer Service Hotline	95563	Website	www.ghzq.com.cn

(62) Sinolink Securities Co., Ltd.

Domicile	95 Upper Dongchenggen Street, Qingyang District, Chengdu		
Legal Representative	Ran Yun		
Customer Service Hotline	95310	Website	www.gjzq.com.cn

(63) Golden Sun Securities Co., Ltd.

Domicile	Jiangxin International Financial Building, 88 West Beijing Road, Nanchang, Jiangxi		
Legal Representative	Xu Lifeng		
Customer Service Hotline	400-8222-111	Website	www.gszq.com

(64) Guotai Junan Securities Co., Ltd.



Domicile	618 Changcheng Road, China (Shanghai) Pilot Free Trade Zone		
Legal Representative	Yang Dehong		
Customer Service Hotline	95521	Website	www.gtja.com

(65) Guoyuan Securities Co., Ltd.

Domicile	179 Shouchun Road, Hefei, Anhui		
Legal Representative	Cai Yong		
Customer Service Hotline	400-8888-777	Website	www.gyzq.com.cn

(66) Haitong Securities Co., Ltd.

Domicile	689 Guangdong Road, Shanghai		
Legal Representative	Zhou Jie		
Customer Service Hotline	95553 or dial the service hot-lines at the offices of relevant cities	Website	www.htsec.com

(67) Huan Securities Co., Ltd.

Domicile	198 Swan Lake Road, Governmental and Cultural New Area, Hefei, Anhui		
Legal Representative	Li Gong		
Customer Service Hotline	95318	Website	www.hazq.com

(68) Hwabao Securities Co., Ltd.

Domicile	57/F, 100 Century Avenue, China (Shanghai) Pilot Free Trade Zone		
Legal Representative	Chen Lin		
Customer Service Hotline	400-820-9898	Website	www.cnhbstock.com

(69) Huafu Securities Co., Ltd.

Domicile	7/F, 8/F, Xintiande Building, 157 Wusi Road, Fuzhou		
Legal Representative	Huang Jinlin		
Customer Service Hotline	96326 (please dial 0591 first if outside Fujian Province)	Website	www.hfzq.com.cn

(70) China Fortune Securities Co., Ltd.

Domicile	Units A01, B01(b), 28 Anlian Tower, 4018 Jintian Road, Futian District, Shenzhen		
Legal Representative	Yu Yang		
Customer Service Hotline	021-32109999; 029-68918888; 400-109-9918	Website	www.cfsc.com.cn

(71) Goldstate Securities Co., Ltd.

Domicile	4/F, Zhengquan Building, 36 Nanbao Road, Haikou, Hainan		
Legal Representative	Wang Zuoyi		

Customer Service Hotline	400-888-8228	Website	www.jyzq.cn
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(72) Nanjing Securities Co., Ltd.

Domicile	389 Middle Jiangdong Road, Nanjing		
Legal Representative	Bu Guoxun		
Customer Service Hotline	95386	Website	www.njqz.com.cn

(73) Ping An Securities Co., Ltd.

Domicile	16-20/F, Rongchao Tower, 4036 Jintian Road, Futian CBD, Shenzhen		
Legal Representative	Liu Shian		
Customer Service Hotline	95511-8	Website	stock.pingan.com

(74) Great Wall Glory Securities Co., Ltd.

Domicile	17/F, Lianfu Building, 2 West Lianqian Road, Xiamen		
Legal Representative	Wang Yong		
Customer Service Hotline	0592-5163588	Website	www.xmzq.cn

(75) Shanghai Securities Co., Ltd.

Domicile	7/F, 213 Sichun Zhong Road, Huangpu District, Shanghai		
Legal Representative	Li Junjie		
Customer Service Hotline	021-962518	Website	www.962518.com

(76) Shanghai Huaxin Securities Co., Ltd.

Domicile	9/F, Global Finance Centre, 100 Century Avenue, Pudong New District, Shanghai		
Legal Representative	Guo Lin		
Customer Service Hotline	400-820-5999	Website	www.shhxzq.com

(77) Shenwan Hongyuan Securities Co., Ltd.

Domicile	45/F, 989 Changle Road, Xuhui District, Shanghai		
Legal Representative	Li Mei		
Customer Service Hotline	95523; 400-889-5523	Website	www.swhysc.com

(78) Pacific Securities Co., Ltd.

Domicile	18/F, Zhiyuan Building, 389 Qingnian Road, Kunming, Yunnan		
Legal Representative	Li Changwei		
Customer Service Hotline	400-665-0999	Website	http://www.tpyzq.com

(79) TF Securities Co., Ltd.

Domicile	4/F, Gaoke Building, 2 Guandongyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei		
Legal Representative	Yu Lei		
Customer Service Hotline	028-86711410; 027-87618882	Website	www.tfzq.com

(80) Wanlian Securities Co., Ltd.

Domicile	18/F, 19/F, GT Land Plaza, 11 East Zhujiang Road, Tianhe District, Guangzhou, Guangdong		
Legal Representative	Zhang Jianjun		
Customer Service Hotline	400-8888-133	Website	www.wlzq.com.cn

(81) Minemetals Securities Co., Ltd.

Domicile	Unit 01, 47/F, Office Building, Rongchao Economic Trade Centre, 4028 Jintian Road, Futian, Shenzhen		
Legal Representative	Zhao Ligong		
Customer Service Hotline	400-184-0028	Website	www.wkzq.com.cn

(82) Xizang Eastmoney Securities Co., Ltd.

Domicile	101 Beijing Middle Road, Lasa, Tibet Autonomous Region		
Legal Representative	Chen Hong		
Customer Service Hotline	400-911-2233	Website	www.xzsec.com

(83) Southwest Securities Co., Ltd.

Domicile	8 Qiaobei Yard, Jiangbei District, Chongqing		
Legal Representative	Liao Qingxuan		
Customer Service Hotline	400-809-6096	Website	www.swsc.com.cn

(84) Xiangcai Securities Co., Ltd.

Domicile	11/F, Block A Xinnancheng Business Center, 198 Middle Xiangfu Road, Tianxin District, Changsha		
Legal Representative	Sun Yongxiang		
Customer Service Hotline	95351	Website	www.xcsc.com

(85) Xingye Securities Co., Ltd.

Domicile	268 Hudong Road, Fuzhou		
Legal Representative	Yang Huahui		
Customer Service Hotline	95562	Website	www.xyzq.com.cn

(86) China Merchants Securities Co., Ltd.

Domicile	38-45/F, Tower A, Jiangu Tower, Yitian Road, Futian District, Shenzhen		
Legal Representative	Gong Shaolin		
Customer Service Hotline	400-8888-111; 95565	Website	www.newone.com.cn

(87) China Investment Securities Co., Ltd.

Domicile	18-21/F & Units 01, 02, 03, 05, 11, 12, 13, 15, 16, 18, 19, 20, 21, 22, 23, 4/F, Tower A, Rongchao Commercial Center, Junction of Yitian Road and Fuzhong Road, Futian District, Shenzhen		
Legal Representative	Gao Tao		
Customer Service Hotline	95532	Website	www.china-invs.cn

(88) AVIC Securities Co., Ltd.

Domicile	41/F, Tower A, Nanchang International Financial Building, 1619 Honggu Middle Avenue, New Honggutan District, Nanchang		
Legal Representative	Wang Yisi		
Customer Service Hotline	400-8866-567	Website	www.avicsec.com

(89) Zhongshan Securities Co., Ltd.

Domicile	7/F, 8/F, Huaqiang Gaoxin Development Building, West Keji Middle No. 1 Road, Nanshan District, Shenzhen		
Legal Representative	Huang Yanglu		
Customer Service Hotline	95329	Website	www.zszq.com

(90) Capital Securities Co.,

Domicile	115 Deshengmen Outer Street, Xicheng District, Beijing		
Legal Representative	Wu Tao		
Customer Service Hotline	400-620-0620	Website	www.sczq.com.cn

(91) CITIC Futures Co., Ltd.

Domicile	Rooms 1301-1305 & 14/F, North Tower, Excellence Times Plaza (Phase II), 3rd Zhong Xin Road No. 8, Futian District, Shenzhen		
Legal Representative	Zhang Hao		
Customer Service Hotline	400-990-8826	Website	www.citicsf.com

(92) Shenzhen Zhonglu Fund Sales Co., Ltd.

Office Address	8/F, Landmark Building Materials Holdings, Liyuan Road, Luohu District, Shenzhen		
Contact	Tong Caipin		
Customer Service Hotline	4006-788-887	Website	www.zlfund.cn; www.jjmmw.com

(93) Shanghai E-Rich Fund Sales Investment Consulting Co., Ltd.

Office Address	16/F, Tower B, Yujing International Plaza, 555 Pudong Avenue, Pudong New Area, Shanghai		
Contact	Shan Binye		
Customer Service Hotline	400-820-2899	Website	www.erichfund.com

(94) Beijing Zhanheng Fund Sales Co., Ltd.

Office Address	6/F, Minjian Building, 2 Outer Huayanbei Lane, Deshengmen, Chaoyang District, Beijing		
Contact	Zhu Yafei		
Customer Service Hotline	400-888-6661	Website	www.myfund.com

(95) Shanghai EHowBuy Wealth Management Co., Ltd.

Office Address	9/F, Ordos International Building, 1118 Pudong South Road, Pudong New Area, Shanghai (200120)		
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Contact	Luo Meng		
Customer Service Hotline	400-700-9665	Website	www.ehowbuy.com

(96) Zhejiang Tong Hua Shun Fund Sales Company Limited

Office Address	Unit 903, Yuan Mao Building, 1 Wen'ersi Road, Hangzhou City, Zhejiang Province		
Contact	Wu Jie		
Customer Service Hotline	4008-773-772	Website	www.ijijin.cn

(97) Shanghai Tiantian Fund Sales Co., Ltd.

Office Address	Jinzuo Oriental Fortune Building, 88 South Yuanping Road, Xuhui District, Shanghai		
Contact	Pan Shiyou		
Customer Service Hotline	400-1818-188	Website	www.1234567.com.cn

(98) Noah Upright (Shanghai) Fund Sales Investment Consulting Co., Ltd.

Office Address	12F, Block B, Beimei Plaza, 508 Kunming Road, Yangpu District, Shanghai		
Contact	Zhang Yu		
Customer Service Hotline	400-821-5399	Website	www.noah-fund.com

(99) Zhongsheng Fortune (Beijing) Fund Sales Co., Ltd.

Office Address	Room 908, 9/F, Block A, Building 13, District Four, Wangjiang Dongyuan, Chaoyang District, Beijing		
Contact	Li Yan		
Customer Service Hotline	400-059-8888	Website	www.wy-fund.com

(100) Yixin Puze Investment Advisory (Beijing) Co., Ltd.

Office Address	Unit 1809, Tower C, SOHO New Town, 88 Jianguo Road, Chaoyang District, Beijing		
Contact	Liu Mengxuan		
Customer Service Hotline	400-609-9200	Website	www.yixinfund.com

(101) Shenzhen New Land Securities Investment Consulting Co., Ltd.

Office Address	9/F, Tower C, International Enterprise Building, 35 Jinrong Street, Xicheng District, Beijing		
Contact	Zhang Yan		
Customer Service Hotline	4008507771	Website	t.jrj.com

(102) Hexun Information Technology Co., Ltd.

Office Address	10/F, Pan-Lee Building, 22 Chaowai Street, Chaoyang District, Beijing		
Contact	Liu Yang		
Customer Service Hotline	4009200022	Website	licaike.hexun.com

(103) Beijing Zeng Cai Fund Sales Company Limited

Office Address	Room 1208, Canway Building, 66 Nanlishi Road, Xicheng District, Beijing		
Contact	Wang Tian		

Customer Service Hotline	400-001-8811	Website	www.zcvc.com.cn
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(104) Yilu Fortune (Beijing) Information Technology Co., Ltd.

Office Address	Unit 702, Tower C, Building 5, 9 Chegongzhuang Street, Xicheng District, Beijing		
Contact	Su Hao		
Customer Service Hotline	400-0011-566	Website	www.yilucaifu.com

(105) Beijing Qianjing Fund Sales Co., Ltd

Office Address	Room 616, 6/F, Building 13, Haidian South Road, Haidian District, Beijing		
Contact	Bo Le		
Customer Service Hotline	400-678-5095	Website	www.niuji.net

(106) Harvest Wealth Management Ltd.

Office Address	6/F, Tower A, Gemdale Center, 91 Jianguo Road, Chaoyang District, Beijing		
Contact	Yu Yongjian		
Customer Service Hotline	400-021-8850	Website	www.harvestwm.cn

(107) Beijing Hengtian Mingze Fund Sales Co., Ltd.

Office Address	23/F, Tower A, Lecheng Center, East Third Ring Middle Road No.20, Chaoyang District, Beijing		
Contact	Li Yang		
Customer Service Hotline	400-786-8868-5	Website	www.chtfund.com/

(108) China International Futures Co., Ltd.

Office Address	15/F, New Henderson International Building, 3 West Maizidian, Chaoyang District, Beijing		
Contact	Meng Xia		
Customer Service Hotline	400-8888-160	Website	www.cifco.net

(109) Beijing Chuangjin Qifu Investment Management Limited

Office Address	712 Zonghe Building, Block A, China Economic Press, 2 Baizhifang East Street, Xicheng District, Beijing		
Contact	Qi Tingjun		
Customer Service Hotline	010-66154828-801	Website	www.5irich.com

(110) Haiyin Fund Sales Co., Ltd.

Office Address	16/F, Lujiazui Financial Service Plaza, 1217 Dongfang Road, Pudong New Area, Shanghai		
Contact	Liu Yanni		
Customer Service Hotline	400-808-1016	Website	www.fundhaiyin.com

(111) Shanghai Liantai Asset Management Co., Ltd.

Office Address	6/F, Block B, Building 2, Jinzhong Road Lane No. 658, Changning District, Shanghai		
Contact	Ling Qiuyan		
Customer Service Hotline	4000-466-788	Website	www.66zichan.com

(112) Beijing Weidongli Fund Sales Co., Ltd.

Office Address	Room 341, Financial Business Building, Jingshan Wealth Center, 113 West Gucheng Road, Shijingshan District, Beijing		
Contact	Ji Changjun		
Customer Service Hotline	4008-196-665	Website	www.buyforyou.com.cn

(113) Beijing Jun De Hui Fu Fund Sales Co., Ltd.

Office Address	Room 2202, Building 1, Henderson Center, 18 Jianguomen Inner Avenue, Dongcheng District, Beijing		
Contact	Wei Yao		
Customer Service Hotline	400-066-9355	Website	www.kstreasure.com

(114) Beijing Hongdian Fund Sales Co., Ltd.

Office Address	2/F, Building Qun, Block B, Pacific Century Place, A2 Workers' Stadium North Road, Chaoyang District, Beijing		
Contact	Niu Ya'nan		
Customer Service Hotline	400-068-1176	Website	www.jhongdianfund.com

(115) Shanghai Lu Jin Suo Fund Sales Co., Ltd.

Office Address	14/F, No. 1333 Lujiazui, Pudong New Area, Shanghai		
Contact	Ning Boyu		

Customer Service Hotline	400-821-9031	Website	www.lufunds.com
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(116) DT Golden Stone Fund Sales Co., Ltd.

Office Address	Cultural and Sports Entrepreneurship Center, Olympic Sports Center (West Gate), 222 Middle Jiangdong Road, Jianye District, Nanjing, Jiangsu		
Contact	Zhu Haitao		
Customer Service Hotline	400-928-2266	Website	www.dtfunds.com

(117) Zhuhai Ying Mi Asset Management Co., Ltd

Office Address	Unit Nos. B1201 to 1203, Level 12, Poly International Plaza, Tower B, No.1 Pazhou Avenue East, Haizhu District, Guangzhou		
Contact	Huang Minchang		
Customer Service Hotline	020-89629066	Website	www.yingmi.cn

(118) Shanghai VStone Fund Sales Co., Ltd.

Office Address	4/F, VStone Tower, 1 YanAn Road (East), Huangpu, Shanghai		
Contact	Li Xiaoming		
Customer Service Hotline	4000-178-000	Website	www.lingxianfund.com

(119) Beijing Success Fund Sales Co., Ltd.

Office Address	1108, 11 Zhongguancun Street, Haidian District, Beijing		
Contact	Ding Xiangkun		
Customer Service Hotline	400-619-9059	Website	www.fundzone.cn

(120) Shanghai Fofund Financial Services Co., Led.

Office Address	1503-1504, Taiping Financial Tower, 488 Yincheng Road Central, Lujiazui, Shanghai		
Contact	Lan Jie		
Customer Service Hotline	021-65370077	Website	www.fofund.com.cn

(121) Tianjin GomeFund Sales Co., Ltd.

Office Address	Level 19, Block B, Pengrun Building, 26 Xiaoyun Road, Zhaoyang District, Beijing City		
Contact	Ding Donghua		
Customer Service Hotline	400-111-0889	Website	www.gomefund.com

(122) Fenghuang Jinxing (Yinchuan) Fund Sales Co., Ltd.

Office Address	Building 18, Chaolai High-tech Industrial Park, Yard 18, Ziyue Road,		
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	Chaoyang District, Beijing		
Contact	Zhang Xu		
Customer Service Hotline	4008105919	Website	www.fengfd.com

(123) Mayi (Hangzhou) Fund Sales Co., Ltd.

Office Address	6F, Block B, Huanglung Shidai Plaza, 18 Wan Tang Road, Xihu District, Hangzhou, Zhejiang		
Contact	Han Aibin		
Customer Service Hotline	4000-766-123	Website	www.fund123.cn

(124) Beijing Kenterui Fund Sales Co., Ltd.

Office Address	Room A428, Block A, No. 18 Institute, Kechuang 11 Street, Yizhuang Economic Development Zone, Daxing District, Beijing City		
Contact	Jiang Hui		
Customer Service Hotline	4000988511	Website	fund.jd.com

(125) Shanghai Huaxia Wealth Investment Management Co., Ltd.

Domicile	8/F, Block B, Tongtai Building, 33 Jinrongdajie Street, Xicheng District, Beijing City		
Legal Representative	Zhang Jingyi		
Customer Service Hotline	400-817-5666	Website	www.amcfortune.com

(126) Shanghai Wacai Fund Sales Co., Ltd.

Domicile	Room 01, 02, 03, 5/F, 799 South Yanggao Road, Free Trade Pilot Zone (Shanghai), China		
Legal Representative	Leng Fei		
Customer Service Hotline	021-50810673	Website	www.wacaijijin.com

(127) Tonghua Fortune (Shanghai) Fund Sales Co., Ltd.

Domicile	9/F, Building No.3, 799 South Yanggao Road, Lujiazui Century Finance Plaza, Pudong New District, Shanghai City		
Legal Representative	Yun Peng		
Customer Service Hotline	95156 switch to 6 or 400-66-95156 switch to 6	Website	www.tonghuafund.com

(128) Shenzhen City Qianhai Paipaiwang Fund Sales Co., Ltd.

Domicile	E-403, Block 313, Shenzhen City Century Handicraft Cultural Market, 4001 Fuqiang Road, Futian District, Shenzhen City		
Legal Representative	Hua Rongjie		
Customer Service Hotline	400-680-3928	Website	www.simuwang.com

(129) Beijing Egg Roll Fund Sales Co., Ltd.

Domicile	19/F, Block 3A, Wangjing SOHO, Yard No.1, East Futongdajie Street, Zhaoyang District, Beijing City		
Legal Representative	Qi Xiaoqiang		
Customer Service Hotline	400-061-8518	Website	www.danjuanapp.com

(130) Shanghai Lide Fund Sales Co., Ltd.

Domicile	Room 1033, 5475 Yunchuan Road, Baoshan District, Shanghai		
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Legal Representative	Chen Ziming		
Customer Service Hotline	400-921-7755	Website	www.leadbank.com.cn

(131) Nanjing Suning Fund Sales Co., Ltd.

Domicile	1 Suning Avenue, Xuzhuang Software Park, Xuanwu District, Nanjing City, Jiangsu Province		
Legal Representative	Wang Xuan		
Customer Service Hotline	95177	Website	www.suning.com

(132) Shanghai Wande Fund Sales Co., Ltd.

Domicile	Block B, 11/F, 33 Fushan Road, Shanghai Free Trade Pilot Zone		
Legal Representative	Xu Yadan		
Customer Service Hotline	400-821-0203	Website	www.520fund.com.cn

(133) Shanghai Dazhahui Wealth Management Co., Ltd.S

Domicile	Unit 1102, Building No.1, 428 South Yanggao Road, Shanghai Free Trade Pilot Zone		
Legal Representative	Shi Yanhua		
Customer Service Hotline	021-20292031	Website	https://www.wg.com.cn

(134) Beijing Geshang Fuxin Fund Sales Co., Ltd.

Domicile	Inner Room 09, Building 701, 19 North Dongsanhuan Road, Zhaoyang District, Beijing City		
Legal Representative	Zhang Lin		
Customer Service Hotline	400-066-8586	Website	www.igesafe.com

(135) Zhongmin Wealth Fund Sales (Shanghai) Co., Ltd.

Domicile	Level 27, Building No.1, Zhengda Wudaokou Plaza, Alley 1199, Minsheng Road, Pudong New District, Shanghai City		
Legal Representative	Huang Peng		
Customer Service Hotline	021-33357030	Website	www.cmiwm.com/

(136) Teng'an Fund Sales (Shenzhen) Co., Ltd.

Domicile	Level 15, Tengxun Binhai Building, 33 Haitian No.2 Road, Nanshan District, Shenzhen City		
Legal Representative	Tan Guangfeng		
Customer Service Hotline	95017 (press 1 then press 8)	Website	<a href="http://www.tenganxinxi.com">www.tenganxinxi.com</a> or www.txfund.com

(No particular order for the above)

The Fund Manager can choose other agencies that satisfy the requirements to sell the Fund, and make announcements in a timely manner in accordance with the Fund Law, the Measures for Operations, the Measures for Sales and the Fund Contract.

(II) Registration Agency

Name	Yinhua Fund Management Co., Ltd.
Domicile	19/F, Special Zone Press Tower, 6008 Shennan Road, Futian District,

	Shenzhen		
Domicile and Office Address	15/F, Office Building C2, Oriental Trade City, Oriental Plaza, East Chang An Avenue 1, Dongcheng District, Beijing		
Legal Representative	Wang Zhulin	Contact	Wu Junhui
Telephone	010-58163000	Fax	010-58162824

(III) Law Office Providing Legal Advisory Paper

Name	Shanghai Llinks Law Offices		
Domicile and Office Address	19/F, One Lujiazui, 68 Yin Cheng Road Middle, Shanghai 200120		
Person in charge	yu Weifeng	Contact	Chen Yinghua
Telephone	021-31358666	Fax	021-31358600
Lawyer Agent	Lyu Hong, Li Ming		

(IV) Accounting Firm Auditing Fund Assets

Name	Beijing Branch, Deloitte Touche Tohmatsu CPA LLP		
Domicile and Office Address	Room 10, 8/F, Office Tower W2, The Towers, Oriental Plaza 1 East Chang An Avenue, Dongcheng District, Beijing		
Legal Representative	Cui Jin	Contact	Ya Nan
Telephone	010-85207381	Fax	010-85181218
Certified Public Accountant Agent	Wen Qisi, Yang Li		

## VI. OFFERING OF THE FUND

### (I) Basis for offering of the Fund

The Fund was offered by the Fund Manager upon approval by the CSRC on 14 June 2013 (Document No. 781 [2013] of CSRC) in accordance with the Fund Law, Measures for Operations, Measures for Sales, the Measures for Information Disclosure, the Fund Contract and other relevant requirements.

During the Offering Period, the total number of Units offered by the Fund with interest carried forward were 510,095,001.76, and there were 4,244 valid subscriptions.

### (II) Fund Type

Bond Securities Investment Fund

### (III) Operation of the Fund

Contractual and open-ended

### (IV) Duration of the Fund

No fixed period

## VII. EFFECTIVENESS OF THE FUND CONTRACT

The Fund Contract came into effect on 18 September 2013.

After the Fund Contract came into effect, in the event that the number of Fund Unitholders is less than 200 or Net Asset Value of the Fund is less than RMB50,000,000, the Fund Manager shall report to the CSRC in time; where such situation lasts for 20 consecutive Working Days, the Fund Manager shall explain the reasons to the CSRC and submit solutions.

Within the duration of the Fund Contract after it came into effect, the Fund shall be terminated or combined with other funds without resolution by the meeting of the Fund Unitholders if there exists one of the following conditions:

1. The number of the Fund Unitholders is less than 200 for 60 consecutive Working Days;
2. Net Asset Value of the Fund is less than RMB30,000,000 for 60 consecutive Working Days.

If otherwise provided by relevant laws and regulations, such requirements shall be fulfilled.

## VIII. SUBSCRIPTION, REDEMPTION AND SWITCHING OF FUND UNITS

Unless otherwise stipulated in announcements related to the Fund (such as the supplementary documents to the Prospectus prepared for the sale of the Fund in Hong Kong), the Subscription, Redemption and Switching of Class H Fund Units shall be subject to the Prospectus.

### (I) Classification of Fund Units

Based on the different sale areas of the Fund, Fund Units are classified into different classes of Fund Units. The Fund Units sold in the PRC are referred to as Class A Fund Units; and Fund Units sold in the Hong Kong Special Administrative Region are referred to as Class H Fund Units. The Class A Fund Units and Class H Fund Units have different codes and the Net Value of Fund units are calculated separately. Switching between different Fund Units is not allowed

### (II) Locations for Subscription and Redemption

The Subscription and Redemption of the Fund will be handled through the Sales Institution. For details about the list of Sales Institutions, please refer to “V. Related Service Agencies” of this Prospectus or other relevant announcements. The Sales Institutions of the Class H Fund Units are qualified institutions for the sale of funds appointed by Hong Kong Representatives or directly appointed by the Fund Manager. The Fund Manager, depending on the actual situation, can change or add or remove any Sales Agencies of the Fund by way of announcement. The Investors shall handle the Subscription and Redemption at a Sales Institution’s business establishment dealing with fund sales business or in accordance with other methods provided by the Sales Institution.

### (III) Sales Targets of the Fund

Individual Investors, Institutional Investors and Qualified Foreign Institutional Investors, and other investors permitted by relevant laws and regulations or approved by the CSRC may invest in securities investment funds in accordance with the provisions of laws and regulations.

### (IV) Open Day and Open Hours for Subscription and Redemption

#### 1. Open Day and Open Hours

Investors shall handle the Subscription and Redemption of Fund Units on Open Days. The specific hours for the handling of Class A Fund Units shall be the trading hours of normal trading days of the Shanghai Stock Exchange and the Shenzhen Stock Exchange unless the Subscription and Redemption are suspended by the Fund Manager in accordance with laws and regulations, the requirement of the CSRC or the provisions of the Fund Contract. The Open Days for Class H Fund Units shall be the common trading days of the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange unless the Subscription and Redemption are suspended by the Fund Manager in accordance with laws and regulations, the requirement of the CSRC or the provisions of the Fund Contract. The time for the handling of specific businesses on Open Days is subject to the time announced by the Sales Institutions of the Fund.

If there are new markets for securities transaction, the stock exchanges change the trading hours or there are

other special circumstances after the Fund Contract came into effect, the Fund Manager shall make corresponding adjustments to the foregoing Open Days and Open Hours depending on the actual situation provided that these adjustments shall be announced through Designated Media in accordance with relevant provisions of the Measures for Information Disclosure on the implementation day.

2. Commencement day for Subscription and Redemption and business hours

The Subscription and Redemption of Class A Fund Units has commenced for handling on 21 October 2013. The specific hours for the normal Subscription and Redemption of Class H Fund Units shall be subject to the announcements published by the Fund Manager.

The Fund Manager shall not handle the Subscription, Redemption or Switching of Fund units in days or hours other than those provided in the Fund Contract. If Investors apply for the Subscription, Redemption or Switching in days or hours other than those provided in the Fund Contract and the applications are confirmed and accepted by the Registration Agency, the prices for the Subscription and Redemption of Fund shall be the prices for the Subscription and Redemption of Fund on the next Open Day.

(V) Principles of Subscription and Redemption

1. Principle of “unknown price”, meaning that the prices for Subscription and Redemption will be calculated on the basis of the Net Value per Unit calculated after the trading hours on the application day;
2. Principle of “Subscription by amount and Redemption by Unit”, meaning the applications for Subscription are based on the amount to be invested, while the applications for Redemption are made by Units;
3. Any application for Subscription and Redemption of the day may be cancelled before the time specified by the Fund Manager but shall not be cancelled after the close of business hours on the same day;
4. For the Redemption of Class A Fund Units, the “first-in first-out” principle shall be followed, which means that the Fund shall be redeemed in the order of the registration date of the Units of Investors. For the Redemption of Class H Fund Units, the “first-in first-out” principle shall not apply;
5. The currency used in the Subscription and Redemption of the Fund Units shall be RMB. The Fund Manager may accept other currencies in Subscription and Redemption if it does not violate relevant laws and regulation and is agreed through negotiation with the Fund Custodian.

The Fund Manager may adjust the above principles as permitted by laws and regulations. The Fund Manager shall announce through Designated Media in accordance with relevant provisions of the Measures for Information Disclosure before the implementation of the new rules.

(VI) Procedures of Subscription and Redemption

1. Application for Subscription and Redemption

Investors shall, according to the procedure specified by the Sales Institutions, apply for Subscription and Redemption during the Open Hours of the Open Days.

2. Payment for Application of Subscription and Redemption

If Investors have successfully applied for the Subscription of Fund Units, they must pay the Subscription amounts in full. The application shall be valid after the Investors paid the amount. Investors shall have sufficient balance of Fund Units when submitting the application for Redemption, otherwise the application for Redemption made shall be invalid.

When Investors have successfully applied for Redemption, the Fund Manager will pay the Redemption amount before Day T+7 (inclusive). In the case of Massive Redemption, payment shall be made in accordance with relevant provisions specified in the Fund Contract.

3. Confirmation of Application for Subscription and Redemption

The Fund Manager shall take the day on which valid Subscription and Redemption applications are accepted before the close of business as the application day for the Subscription or Redemption (Day T). Under normal circumstances, the Registration Agency of the Fund shall confirm the validity of the transaction on Day T+1. For valid applications submitted on Day T, Investors shall inquire about the confirmation at the counters of Distribution Outlets or through other methods stipulated by Sales Institutions after Day T+2 (inclusive) in time. For unsuccessful Subscriptions, the Subscription amount shall be returned to Investors.

The acceptance of the Subscription and Redemption applications by Sales Institutions shall not mean a successful application. It only means that Sales Institutions confirm that they have received the applications. The confirmation on Subscription and Redemption shall be subject to the confirmation results of the Registration Agency or the Fund Manager. Regarding the confirmation on application, Investors shall inquire in time.

The Fund Manager may adjust the business hours for the above businesses in accordance with the Business Rules and announce in accordance with relevant regulations to the extent allowed by laws and regulations.

The Open Days of Class H Fund Units are different from the Open Days of Class A Fund Units. Regarding the specific time for Investors of Class H Fund Units to inquire about the deals of Subscription and Redemption at Sales Institutions or through other means provided by Sales Institutions, please refer to the provisions of the supplementary documents to the Prospectus or other announcements.

(VII) Limitations on Subscription Amount and Redemption Units

1. When subscribing for Class A Fund Units at the Distribution Outlets and the direct online trading system of the Fund, the minimum amount of the initial subscription of each fund account is RMB 1 and the minimum amount for each additional subscription is RMB 1. The direct sales center of the direct sales institutions only



handles businesses for Institutional Investors. If there are other regulations on the minimum subscription amount and the differences in transaction levels of the direct sales center of the direct Sales institutions or all Sales institutions, it shall be subject to their business regulations.

For the specific limitations on the subscription amount of Class H Fund Units, please refer to the provisions of the supplementary documents to the Prospectus or other announcements.

2. When Class A Fund Unitholders redeem Fund Units at Sales institutions, each redemption application shall be no less than 1 Fund Unit. Unitholders may redeem all or part of their Fund Units provided that when the balance of Fund Units in a single transaction account is less than 1 unit due to another Redemption application, the remaining Fund Units shall be redeemed together.

For details of the limitation on the Redemption of Class H Fund Units, please refer to the provisions of the supplementary documents to the Prospectus or other announcements.

3. If Investors switch the Fund Returns of the Fund Units subscribed and allocated in the corresponding period into Fund Units, there is no restriction on the minimum subscription amount.
4. When accepting subscription application would have significant adverse effect on the interests of existing Unitholders, the Fund Manager shall take measures such as setting the maximum subscription amount for a single investor or the maximum net subscription percentage of the Fund within a single day, rejecting massive subscription, suspending subscription etc., to practically protect the legal interests of existing Unitholders. Please refer to the relevant announcements for details.
5. The Fund shall have no upper limit on the total Fund Units held by an Individual Investor.
6. The Fund Manager may adjust the restrictions on the Subscription amount and the amount of the redeemed Units as stipulated above depending on market conditions and as permitted by laws and regulations. The Fund Manager shall announce through Designated Media in accordance with relevant regulations of the Measures for Information Disclosure and report to the CSRC for filing before the adjustments come into effect.

#### (VIII) Subscription and Redemption Amount and its Usage

1. Subscription fee rate
  - (1) Subscription fee rate of Class A Fund Units

Class A Fund Units implement differentiated subscription fee rates to pension clients subscribing through direct Sales Institutions and the online direct sales system and Investors other than pension clients.

Pension clients refer to the basic pension and the capital raised by pension schemes established in accordance with laws as well as supplementary pension funds formed by their investment and operation revenue, including the national social security funds, local social security funds allowing investments into funds and individual and collective plans of enterprise annuity. If there are new types of pension funds recognized by the regulatory authorities of pension funds, the Fund Manager shall issue an interim announcement and adopt them into the range of pension clients and file to the CSRC according to regulations. Non-pension clients refer to investors other than pension clients.

For pension clients subscribing Class A Fund Units through direct Sales Institutions and the online direct sales system of the Fund Manager, the specific subscription fee rates applied to them are shown as below:

Subscription fee rates for pension clients	Subscription Amount (M, including subscription fees)	Subscription fee rate
	$M < \text{RMB } 1 \text{ million}$	0.21%
	$\text{RMB } 1 \text{ million} \leq M < \text{RMB } 2 \text{ million}$	0.15%
	$\text{RMB } 2 \text{ million} \leq M < \text{RMB } 5 \text{ million}$	0.09%
	$M \geq \text{RMB } 5 \text{ million}$	RMB 1,000 per Subscription

Except the foregoing specific subscription fee rates applied to pension clients, the subscription fee rates of Class A Fund Units are divided into four levels based on the subscription amount and decrease with the increase in the subscription amount. The specific fee rates are shown in the table as below:

Subscription fee rates for non-pension clients	Subscription Amount (M, including subscription fees)	Subscription fee rate
	$M < \text{RMB } 1 \text{ million}$	0.7%
	$\text{RMB } 1 \text{ million} \leq M < \text{RMB } 2 \text{ million}$	0.5%
	$\text{RMB } 2 \text{ million} \leq M < \text{RMB } 5 \text{ million}$	0.3%
	$M \geq \text{RMB } 5 \text{ million}$	RMB 1,000 per Subscription

(2) Subscription fee rate of Class H Fund Units

The subscription fee rate of Class H Fund Units shall not exceed 5%. The specific fee rates shall be determined by the Fund Sales Institutions in Hong Kong.

2. Redemption fee rates

(1) Redemption fee rates of Class A Fund Units

Class A Fund Units implement differentiated redemption fee rates to pension clients subscribing through direct Sales Institutions and the online direct sales system and Investors other than pension clients.

Pension clients refer to the basic pension and the capital raised by pension schemes established in accordance with laws as well as supplementary pension funds formed by their investment and operation revenue, including the national social security funds, local social security funds allowing investments into funds and the individual and collective plans of enterprise annuity. If there are new types of pension funds recognized by the regulatory authorities of pension funds, the Fund Manager shall issue an interim announcement and adopt them into the range of pension clients and file to the CSRC according to regulations. Non-pension clients refer to investors other than pension clients.

For pension clients subscribing Class A Fund Units through direct Sales Institutions and the online direct sales system of the Fund Manager, the specific redemption fee rates applied to them are shown as below:

<b>Redemption fee rates for pension clients</b>	<b>Holding period (Y)</b>	<b>Redemption fee rate</b>
	$Y < 7 \text{ days}$	1.5%
	$7 \text{ days} < Y < 180 \text{ days}$	0.375%
	$180 \text{ days} \leq Y < 1 \text{ year}$	0.3%
	$1 \text{ year} \leq Y < 2 \text{ years}$	0.175%
	$Y \geq 2 \text{ years}$	0

Except the foregoing specific redemption fee rates applied to pension clients, the redemption fee rates of Class A Fund Units shall not be higher than 1.5% and decrease with the increase in length of the holding period. The specific fee rates are shown in the table as below:

<b>Redemption fee rates for non-pension clients</b>	<b>Holding period (Y)</b>	<b>Redemption fee rate</b>
	$Y < 180 \text{ days}$	1.5%
	$180 \text{ days} \leq Y < 1 \text{ year}$	1.2%
	$1 \text{ year} \leq Y < 2 \text{ years}$	0.7%
	$Y \geq 2 \text{ years}$	0

Note: 1 year refers to 365 days and 2 years refer to 730 days.

(2) Redemption fee rates of Class H Fund Units

The redemption fee rate of Class H Fund Units shall not exceed 0.375%. Investors can redeem all or part of the Fund Units held by them.

- The subscription fee of the Fund is charged when Investors subscribe for Fund Units. The redemption fee of the Fund is charged when Investors redeem Fund units. If there is more than one subscription within a day, the applicable fee rates will be respectively calculated.
- The redemption fee of the Fund is assumed by the Unitholders and the redemption fee of the Fund is charged when the Unitholders redeem the Units. The full amount of redemption fees charged at specific redemption fee rates on pension clients of Class A Fund Units will be recognized as Fund Assets. The balance of redemption fees charged on non-pension clients of Class A Fund Units after deducting the registration fees and other necessary processing fees will be recognized as Fund Assets. The proportion of the redemption fees recognized as Fund Assets shall be no less than 25% of the total redemption fees. Among which, for Investors of Class A Fund Units having a continued holding time of less than 7 days, the total redemption amount shall be vested in Fund assets. The full amount of redemption fees of Class H Fund Units will be recognized as Fund Assets.

5. The Fund Manager may adjust the subscription fee rates, the redemption fee rates or the charging methods within the scope stipulated by laws, regulations and the Fund Contract. If there are changes in the fee rates or the charging methods, the Fund Manager shall publish an announcement on the media designated by the CSRC in accordance with relevant provisions of the Measures for Information Disclosure before the implementation of the adjustments.
6. The Fund Manager may prepare promotion plans for the Fund and regularly or irregularly conduct promotion activities among Investors trading in the Fund in specific methods (such as online trading and telephone trading) depending on market conditions without breaching the provisions of laws and regulations and under circumstances stipulated in the Fund Contract. During the promotion of the Fund and with the consent of relevant Sales Institutions, the Fund Manager can appropriately reduce the subscription fee rates and the redemption fee rates of the Fund after performing necessary procedures based on the requirements of relevant regulatory authorities and making announcements on such matters.

For non-pension clients of Class A Fund Units, the Fund Manager shall have the right to charge short-term redemption fees after performing necessary procedures in accordance with the Regulations on the Management of Fees on the Sale of Open Securities Investment Funds and charge short-term redemption fees on short-term transactions of Fund Units held for a period of less than 7 days and 30 days and the full amount of all short-term redemption fees charged on the Fund Units shall be credited as Fund Assets. The specific standards shall be disclosed in the updated Prospectus or other relevant announcements.

(IX) Calculation of Unit Subscription and Redemption Amount

1. Calculation of the Amount and Balance of Subscription and Redemption
  - (1) The number of valid subscribed Units is calculated on the basis of the Net Value per Unit of that class of Fund Units on the date of Subscription after deducting the corresponding fees out of the actually confirmed subscription amount. The calculation result of the number of subscribed Units is rounded to two decimal places and the remaining part is credited as Fund Assets.

2. Calculation of Subscription of Class A Fund Units

Subscription amount of Class A Fund Units includes Subscription Fees and Net Subscription Amount, of which:

$$\text{Net Subscription Amount} = \text{Subscription Amount} / (1 + \text{Subscription Fee Rate})$$

(Note: For subscriptions with a fixed amount of Subscription Fees, Net Subscription Amount = Subscription Amount – Fixed Subscription Fees)

$$\text{Subscription Fees} = \text{Subscription Amount} - \text{Net Subscription Amount}$$

(For subscriptions with a fixed amount of Subscription Fees, Subscription Fees = Fixed Subscription Fees)

$$\text{Units Subscribed} = \text{Net Subscription Amount} / \text{Net Value per Unit of that class of Fund Units on Day T}$$

**Example 1:** A non-pension client invests RMB 2,000,000.00 in the subscription of Class A Fund Units and the corresponding Subscription fee rate is 0.3% and assuming that the Net Value of Class A Fund Units on the date of subscription amounts to RMB 1.060, the number of Units the Investor is entitled to is as follows:

$$\text{Net Subscription Amount} = 2,000,000.00 / (1 + 0.3\%) = \text{RMB } 1,994,017.94$$

$$\text{Subscription fees} = 2,000,000.00 - 1,994,017.94 = \text{RMB } 5,982.06$$

Number of Units subscribed =  $1,994,017.94 / 1.060 = 1,881,149$  Units

i.e. A non-pension client invests RMB 2,000,000.00 in the subscription of Class A Fund Units and assuming that the Net Value per Unit of Class A Fund Units on the date of Subscription is RMB 1.060, 1,881,149 Class A Fund Units will be allocated to the investor.

### 3. Calculation of Subscription of Class H Fund Units

Subscription amount of Class H Fund Units includes Subscription Fees and Net Subscription Amount, of which:

Net Subscription Amount = Subscription Amount / (1 - Subscription Fee Rate)

Subscription Fees = Subscription Amount x Subscription Fee Rate

Units Subscribed = Net Subscription Amount / Net Value per Unit of that class of Fund Units on Day T

Example 2: An investor invests RMB 2,000,000.00 in the subscription of Class H Fund Units and assuming that the applicable Subscription fee rate is 0.3% and the Net Value of Class H Fund Units on the date of subscription amounts to RMB 1.060. Thus, the number of Units the Investor is entitled to is as follows:

Net Subscription Amount =  $2,000,000.00 / (1 + 0.3\%) = \text{RMB } 1,994,017.94$

Subscription fees =  $2,000,000.00 - 1,994,017.94 = \text{RMB } 5,982.06$

Number of Units subscribed =  $1,994,017.94 / 1.060 = 1,881,149$  Units

i.e. An investor invests RMB 2,000,000.00 in the subscription of Class H Fund Units and assuming that the applicable Subscription fee rate is 0.3% and the Net Value of Class H Fund Units on the date of subscription amounts to RMB 1.060. 1,881,149 Class H Fund Units will be allocated to the investor.

### 4. Calculation of the Redemption Amount of Class A Fund Units

Class A Fund Units shall adopt the method of “redemption of units” and the redemption price shall be calculated based on the Net Value per Unit of Class A Fund Units on Day T. The calculation formula shall be as follows:

Total Redemption Amount = Redeemed Units x Net Value of that class of Fund Units on Day T

Redemption Fees = Total Redemption Amount x Redemption Fee Rate

Net Redemption Amount = Total Redemption Amount - Redemption Fees

The Redemption Amount is the product of validly redeemed Units actually confirmed multiplying the balance of the Net Value per Unit on the date of Redemption after deducting the corresponding fees. The calculation result is rounded to two decimal places and the profit or loss accrued by the difference shall be credited or charged to the fund's assets.

**Example 3:** A non-pension Unitholder of Class A Fund Units redeems 1,000,000 Class A Fund Units with a holding period of nine months and the corresponding redemption fee rate is 1.2% and assuming the Net Value per Unit of the Units on the date of Redemption is RMB 1.148, the Net Redemption Amount he is entitled to is as follows:

Total Redemption Amount =  $1,000,000 \times 1.148 = \text{RMB } 1,148,000.00$

Redemption Fees =  $1,148,000.00 \times 1.2\% = \text{RMB } 13,776.00$

Net Redemption Amount =  $1,148,000.00 - 13,776.00 = \text{RMB } 1,134,224.00$

i.e. A non-pension Unitholder of Class A Fund Units redeems 1,000,000 Class A Fund Units with a holding period of nine months and assuming the Net Value per Unit of the Units is RMB 1.148, the Net Redemption Amount he is entitled to is RMB 1,134,224.00.

5. Calculation of the Redemption Amount of Class H Fund Units

Total Redemption Amount = Redeemed Units × Net Value of that class of Fund Units on Day T

Redemption Fees = Total Redemption Amount × Redemption Fee Rate

Net Redemption Amount = Total Redemption Amount — Redemption Fees

**Example 4:** A Unitholder of Class H Fund Units redeems 1,000,000 Class H Fund Units and the redemption fee rate is 0.375% and assuming the Net Value per Unit of the Units on the date of Redemption is RMB 1.148, the Net Redemption Amount he is entitled to is as follows:

Total Redemption Amount = 1,000,000 × 1.148 = RMB 1,148,000.00

Redemption Fees = 1,148,000.00 × 0.375% = RMB 4,305.00

Net Redemption Amount = 1,148,000.00 — 13,776.00 = RMB1,143,695.00

i.e. A Unitholder of Class H Fund Units redeems 1,000,000 Class H Fund Units and assuming the Net Value per Unit of the Units on the date of Redemption is RMB 1.148, the Net Redemption Amount he is entitled to is RMB 1,143,695.00.

6. Calculation of the Net Value per Unit

The Net Value per Unit of the Fund is calculated and rounded to three decimal places and rounded off for the fourth digit after the decimal point and the gains or losses arising from it shall be assumed by Fund Assets. The Net Value per Unit of all Fund Units on Day T shall be calculated after the close of the trading on that day, and announced on Day T+1. Under special circumstances, the calculation and announcement may be postponed properly, with the approval of CSRC.

(X) Registration of Fund Units

After the Investors have successfully subscribed the Units, the Registration Institution shall register the interests for Investors and handle the registration procedures on Day T+1, and the Investors are entitled to redeem that part of the Units after Day T+2 (inclusive).

After the Investors have successfully redeemed the Units, the Registration Institution shall handle the registration procedures for the debit of interests for Investors on Day T+1.

The Fund Manager shall, within the scope permitted by laws and regulations, adjust the time for the above registration without causing any material impact on the Investors' interests, and shall, at least 3 days prior to the implementation, make an announcement on at least one Designated Medium.

(XI) Rejection or Suspension of Subscription

Under the following circumstances, the Fund Manager may reject or suspend the subscription applications of the Fund made by Investors:

1. The Fund cannot normally operate due to force majeure.
2. The Fund Manager may suspend the subscription application of Investors if valuation of the Fund Assets is suspended in accordance with the provisions of the Fund Contract. When assets amounting to more than 50% of the NAV of the Fund had no referable active market price on the preceding valuation day, and even applying valuation techniques shall still lead to significant uncertainty in the fair value, the Fund Manager,

after negotiation with and confirmation from the Fund Custodian, shall suspend acceptance of subscription applications.

3. The stock exchanges close abnormally during trading hours, which make it impossible for the Fund Manager to calculate the Net Value of the Fund on that day.
4. The Fund Manager believes that the acceptance of certain subscription application(s) may affect or prejudice the interests of existing Unitholders.
5. When the Fund Manager accepts a single or multiple subscription applications which may cause the percentage of Units held by a single Investor to reach 50% or more of total number of Units, or which may allow Investors to circumvent the abovementioned 50% percentage requirement.
6. The size of Fund Assets becomes too large for the Fund Manager to look for suitable investment or becomes harmful to the performance of the Fund, which in turn impairs the interests of existing Unitholders.
7. If the applications exceed the maximum net Subscription ratio on a single day, the maximum Subscription amount on a single day or in a single transaction of the Fund set by the Fund Manager.
8. Other circumstances in which subscription could be suspended as provided by laws and regulations or as deemed necessary by the CSRC.

In case of the above circumstances number 1, 2, 3, 6 and 8, the Fund Manager shall make an announcement in relation to the suspension of subscription on the Designated Media according to relevant regulations. If an Investor's Subscription application is turned down in full or in part, the Subscription amount involved will be refunded to the Investor. If the suspension on Subscription is removed, the Fund Manager shall reopen the business of Subscription in time.

Except the above refusal or suspension of subscription stipulated in the Fund Contract of the Fund, the Fund Manager may refuse or suspend subscription applications of Class H Fund Units under the following circumstances. If an Investor's Subscription application is turned down, the Subscription amount (excluding interests) involved will be refunded to the Investor.

- (1) The cross-border amount of all mutually recognized funds in the mainland reaches or exceeds the total limit set by the state;
- (2) The size of Class H Fund Assets of the Fund accounts for over 50% of Fund Assets;
- (3) Other circumstances in which subscription could be suspended as provided by laws and regulations or as deemed necessary by the SFC.

In case of the above circumstances in relation to the suspension of subscription, the Fund Manager shall immediately file to the CSRC and notify Hong Kong Representative to complete filing based on the requirements of the SFC. The Hong Kong Representative or the Fund Manager shall notify the Hong Kong Sales Institutions

and make an announcement in relation to the suspension of subscription on Designated Media within the stipulated period.

(XII) Suspension on Redemption or Deferral of Payment of Redemption Amount

Under the following circumstances, the Fund Manager may suspend the redemption applications from Investors or defer the payment of redemption amount:

1. The Fund Manager is unable to pay the Redemption Amount due to force majeure.
2. The Fund Manager may suspend the redemption application of Investors or defer the payment of Redemption Amount if the valuation of the Fund Assets is suspended in accordance with the provisions of the Fund Contract. When assets amounting to more than 50% of the NAV of the Fund had no referable active market price on the preceding valuation day, and even applying valuation techniques shall still lead to significant uncertainty in the fair value, the Fund Manager, after negotiation with and confirmation from the Fund Custodian, shall suspend valuation and suspend acceptance of subscription applications.
3. The stock exchanges close abnormally during trading hours, which makes it impossible for the Fund Manager to calculate the Net Value of the Fund on that day.
4. Massive Redemption occurs for two or more consecutive Open Days.
5. Other circumstances provided by laws and regulations or deemed necessary by the CSRC.

In case of any of the above circumstances and the Fund Manager determines to suspend redemption application or defer the payment of Redemption Amount, the Fund Manager shall, on the same day, make a report to the CSRC for filing. For the redemption applications that have been accepted, the Fund Manager shall make full payment; if full payment cannot be made for the time being, the Fund Manager shall make pro rata payments according to the ratio between the amounts of each accepted redemption application and the total amount of the accepted redemption applications. The payment of the remaining portion of the redemption amount may be deferred. In case of the above circumstance number 4, it shall be handled in accordance with relevant clauses of the Fund Contract. Fund Unitholders may choose to cancel the unaccepted parts in advance on the same day of the redemption application. If the suspension on Redemption is lifted, the Fund Manager shall reopen the business of Redemption in time.

(XIII) Determination and Handling of Massive Redemption

1. Determination of Massive Redemption

A Massive Redemption occurs when the Net Redemption Amount (the balance of Total Redemption Amount of the Fund plus Total Fund Switching-out Units minus Total Subscribed Amount and Total Fund Switching-in Units) on a single Open Day exceeds 10% of the Total Units on the previous Open Day.

2. Handling of Massive Redemption

In case of a Mass Redemption, the Fund Manager may decide to accept all Redemption applications or to defer part of the redemption applications depending on the status of the Fund's asset portfolio at that time.



- (1) Acceptance of all Redemption applications: If the Fund Manager believes it is able to pay for all redemption applications of the Investors, the regular redemption procedure shall be followed.
- (2) To delay part of the Redemption: If the Fund Manager believes there are difficulties with payment for all Redemption applications, or believes that the payment for all Redemption applications may cause drastic fluctuation to the Net Value per Unit, the Fund Manager may defer the payment for part of the Redemption applications, provided that the total number of the Units redeemed on that day is not less than 10% of the total Units of the preceding day. For Redemption applications on such day, Redemption Units to be accepted on that day shall be determined pro rata according to the ratio between Units of Redemption applications of each single account and total Units of Redemption applications. In respect of the portion of unsuccessful Redemption, Investors may choose in their Redemption application(s) whether to postpone or cancel it. If an Investor has chosen to postpone Redemption of such portion, the relevant portion will be automatically carried over to the next Open Day for Redemption until it is fully redeemed. If the Investor has chosen to cancel Redemption of such portion, the relevant portion will not be redeemed on that day and will be revoked. If the right of choice of Class H Fund Units Investors is otherwise stipulated by the Hong Kong Sales Institutions, such rules shall be followed. The Redemption applications postponed shall be processed together with the Redemption applications submitted on the next Open Day without any priority, the Redemption Amount of which shall be calculated based on the Net Value per Unit of the Fund on that Open Day, so on and so forth until Redemption is made in full. If Investors fail to make a choice when submitting the Redemption applications, the portion not redeemed by such Investors will be automatically postponed. In the case of Massive Redemption, the handling of the application for switching out in the Switching shall follow relevant business rules and the announcement on opening the Switching business.
- (3) In the case of Massive Redemption of the Fund, when a single Unitholder makes a redemption application reaching more than 20% of the total number of Units on the preceding Open Day, when the Fund Manager considers that there may be difficulty in paying all redemption applications of that Unitholder or liquidation of assets for the payment of all of that Unitholder's redemption applications may cause a considerable fluctuation to the Net Asset Value of the Fund, the Fund Manager may defer handling the part of redemption application of such Unitholder exceeding 20% of the total number of Units on the preceding Open Day. For the unredeemable parts, a Unitholder of the Fund may choose to defer redemption or cancel redemption. If such Unitholder chooses to defer redemption, the applications shall be automatically assigned to the next Open Day to continue redemption, and the deferred redemption application shall be handled together with the redemption applications of the next Open Day without priority and the redemption amount is calculated based on the Net Asset Value per Unit of the Fund, so on and so forth until full redemption; if such Unitholder chooses to cancel redemption, the part of redemption application not entertained on that day shall be revoked. If such Unitholder did not make a choice when submitting the redemption application, the unredeemable parts in the redemption application of such Unitholder shall be automatically handled as deferred redemption. Partial deferral of redemption is not limited by the minimum amount of a single redemption. Please comply with relevant business rules and relevant announcements for the handling method of applications for switching out Units in Fund switching.

For the part of the redemption application of such Unitholder not exceeding 20% of the total number of Units on the preceding Open Day, the Fund Manager may adopt the method of full redemption or partial deferral of redemption and handle such part of the application along with the redemption applications of other

Unitholders, and apply the same handling method to redemption applications of such Unitholder and other Unitholders. For the above-mentioned unredeemable parts, the Unitholder of the Fund may choose to defer redemption or cancel redemption. If such Unitholder chooses to defer redemption, the applications shall be automatically assigned to the next Open Day to continue redemption, and the deferred redemption application shall be handled together with the redemption applications of the next Open Day without priority and the redemption amount is calculated based on the Net Asset Value per Unit of the Fund, so on and so forth until full redemption; if such Unitholder chooses to cancel redemption, the part of redemption application not entertained on that day shall be revoked. If such Unitholder did not make a choice when submitting the redemption application, the unredeemable parts in the redemption application of such Unitholder shall be automatically handled as deferred redemption. Partial deferral of redemption is not limited by the minimum amount of a single redemption. Please comply with relevant business rules and relevant announcements for the handling method of applications for switching out Units in Fund switching.

- (4) Suspension of Redemption: If Massive Redemption occurs consecutively on two or more (inclusive) Open Days, the Fund Manager may suspend the acceptance of Redemption applications if it deems necessary; payment of the Redemption Amount for any accepted Redemption application may be postponed for not more than 20 Working Days after the original due time and such postponement shall be announced via Designated Media.

3. Announcement on Massive Redemption

If the Redemption is postponed and delayed in processing, the Fund Manager shall notify the Unitholders of the relevant method of handling by way of mail, fax or other methods stipulated in the Prospectus according to the provisions of relevant laws and regulations and shall be announced via Designated Media.

(XIV) Announcement on Subscription or Redemption Suspension and Announcement on Reopening Subscription or Redemption

1. Suspension of Subscription or Redemption in any of the said cases shall be filed on the same day by the Fund Manager with the CSRC in accordance with relevant regulations and announced on Designated Media by the Fund Manager within the specified time.
2. If the suspension lasts for 1 day, the Fund Manager shall, on the re-open day, announce on at least one Designated Medium the re-opening of Subscription or Redemption and the latest Net Value per Unit on the latest Open Day.
3. If the suspension lasts for more than 1 day but less than two weeks, the Fund Manager shall, at least 2 Working Days prior to the re-open day, announce the re-opening of Subscription or Redemption on at least one Designated Medium in accordance with relevant provisions of the Measures for Information Disclosure, and shall announce the latest Net Value per Unit in the latest Open Day on the re-opening day of Subscription or Redemption.
4. If the suspension lasts for more than two weeks, the Fund Manager shall announce the suspension at least once every two weeks during the suspension period. If the suspension lasts for more than two months, the Fund Manager may adjust the frequency of making announcements. When the suspension concludes and the

Fund Subscription or Redemption is re-opened, the Fund Manager shall announce the re-opening of Subscription or Redemption two Working Days in advance on Designated Media in accordance with relevant provisions of the Measures for Information Disclosure, and shall announce the latest Net Value per Unit on the re-opening day on the latest Open Day.

(XV) Switching

The Fund Manager may determine to open the switching business between the Fund and other funds managed by the Fund Manager according to relevant laws and regulations and the provisions of the Fund Contract. Certain switching fees may be charged in the Switching. Relevant rules shall be prepared by the Fund Manager in accordance with relevant laws and regulations and the provisions of the Fund Contract and be announced. It shall notify the Fund Custodian and relevant institutions in advance.

(XVI) Non-trade Fund Transfer

Non-trade Fund Transfer refers to the circumstance of Unit Registration Agency accepting non-trade transfer arising from inheritance, donation or judicial enforcement as well as other non-trade transfers recognized by the Registration Agency in accordance with laws and regulations. Whichever the case, the body that accepts such transfer must be Investors that can hold the Fund Units according to laws.

“Inheritance” means Fund Units held by a Fund Unitholder will be inherited by the Fund Unitholder’s legal successors upon the death of Fund Unitholder; “Donation” means a Fund Unitholder donates Fund Units held by the Fund Unitholder to welfare foundations or other social groups; “Law enforcement” means the court enforces the transfer of Fund Units held by a Fund Unitholder in accordance with effective legal documents to other natural persons, legal persons or organizations. To process non-trade transfer, relevant materials required by the Fund Registration Agency shall be submitted. Qualified applications for non-trade transfer shall be processed in accordance with the rules of the Fund Registration Agency and shall be charged based on the standards specified by the Fund Registration Agency.

(XVII) Custody Transfer of the Fund

A Fund Unitholder may handle the custody transfer between different Sales Institutions for the Units held by it. The Sales Institutions of the Fund may charge custody transfer fees according to regulations.

(XVIII) DCA Investment Plan

The Fund Manager may handle the DCA Investment Plan for Investors and the specific rules shall be prepared by the Fund Manager. Investors may set the deduction amount for each period when handling the DCA investment plan provided that the deduction amount for each period shall be no less than the minimum subscription amount of the DCA Investment Plan as stipulated in relevant announcements or the updated Prospectus by the Fund Manager.

(XIX) Fund Freezing and De-freezing

Fund Registration Institution only admits the freezing and de-freezing of Units as required by competent authorities in accordance with laws or freezing and de-freezing of Units under other circumstances recognized by the Fund Registration Institution and in accordance with laws and regulations. Prior to the relevant authorities of the state making a decision, the interest accruing from the frozen Units (the interest is part of the cash bonus dividend and shall be automatically converted into Fund Units based on the Net Value per Unit of the Fund on the

reinvestment date) shall be frozen and the frozen Units are still entitled to payment of distribution.

(XX) Part of the business in this chapter is temporarily unavailable to Investors of Class H Fund Units. For more information, please check regulations in the supplementary documents of the Prospectus or other announcements.

## IX. FUND INVESTMENT

### (I) Investment Objective

The Fund primarily invests in credit bonds and provided that credit risks are controlled, the Fund strives to provide stable recurrent income and overall investment return to fund holders.

### (II) Investment Scope

The Fund invests in financial instruments with good liquidity, including bonds that are lawfully issued and listed within China and other financial instruments for Fund investment permitted by laws and regulations or the CSRC.

The Fund primarily invests in fixed income financial instruments with good liquidity, including treasury bonds, central bank bills, medium-term notes, financial bonds, corporate bonds, company bonds, convertible bonds (including bonds with warrants), short-term financing bills, repurchases, subordinated bonds, asset-backed securities, bank deposits with term within one year (including one year), other fixed income financial instruments for Fund investment as permitted by laws and regulations or the regulatory authority.

The Fund neither directly purchases equity assets like stocks and warrants in the secondary market, nor participates in the investment in new share subscription or new share issue in the primary market, but it can hold the stocks arising from the conversion of convertible bonds (including the warrants distributed arising from holding such stocks) and the warrants arising from the investment in detachable bonds. For assets including stocks and warrants held due to the said reason, the Fund can sell them within 30 trading days starting from the date which they can be traded.

If the laws and regulations or the CSRC allows the Fund to invest in other types of investment in the future, the Fund Manager can include such types of investment into its investment scope after performing appropriate procedures.

The investment portfolio proportion of the Fund is: the proportion of Fund investment in bond assets shall not be less than 80% of Fund Assets, in which the proportion of the credit bond investment shall not be less than 80% of non-cash Fund Assets; the cash or government bonds maturing within 1 year held by the Fund shall not be less than 5% of the Net Asset Value of the Fund. Among which cash shall exclude deposit reservation for balance, refundable deposits and receivable subscription accounts etc..

The credit funds referred to by the Fund include non-state credit fixed income financial instruments (except for treasury bonds, central bank bills, policy bank bonds and local bonds issued by the Central Government on behalf of the local government) such as medium-term notes, financial bills (excluding policy bank bonds), corporate bonds, company bonds, convertible bonds (including bonds with warrants), short-term financing bills and asset-backed securities.

### (III) Investment Strategies

The Fund adopts the fixed income asset investment strategies integrated with the “top-down” strategic asset allocation and “bottom-up” strategy for the selection of securities. The “top-down” strategy is mainly to ascertain the holding duration of the portfolio and make asset allocation. The “bottom-up” strategy focusses on the measurement and pricing of interest rate risks and credit risks of credit bond types and in combination with the liquidity of the market, leverages on the relative imbalance of the pricing of the market over credit spreads to invest in the types with higher premium rate.

Furthermore, under the premise of strict compliance with the Company’s credit bond system, the Fund Manager uses the internal credit rating analysis system to carry out independent credit analysis and assessment on credit bond issuers and credit bond projects, and adopts the strategy of diversified investment according to different credit risk rating, and makes investment according to relevant investment management rules. At the same

time, the Fund Manager carries on the follow-up analysis on the pledged bonds regularly and strictly controls the overall credit risks of the portfolio as a whole.

#### 1. Holding duration adjustment strategy

Through in-depth research and analysis on factors like macro-economic trend, fluctuations in economic cycle and the national fiscal and monetary policies, the Fund will judge the direction and time of change in the market interest rates in the future, ascertain the targeted holding duration of the bond portfolio and make dynamic adjustment. The major research scope covers the domestic and overseas macro-economic situation, national policies, inflation trend, market interest rate trend, etc. with key macro indicators including GDP, industrial added value, investment, import and export, consumption, CPI, international balance of payment, as well as other national economic indicators. Meanwhile, the Fund will conduct in-depth research with reference to the orientation of fiscal monetary policies adopted by the state.

After analyzing the said factors, if the yield curve is expected to shift downwards, the Fund will properly extend the holding duration of the bond portfolio held by it so as to obtain yield from the surge in bond price when the market interest rate actually declines; if the yield curve is expected to shift upwards, the Fund will properly reduce the holding duration of the portfolio so as to avoid capital loss brought by the risks of decline in bond price and obtain a higher re-investment yield. During the period of stronger expected inflation, the Fund will increase the allocation proportion on bonds with short holding duration and high yield so as to effectively cope with the expected increase in interest rates and mitigate the risks of the investment portfolio.

#### 2. Categorized asset allocation strategy

As the Fund does not invest in assets like stocks, warrants (except stocks arising from the conversion of convertible bonds, warrants distributed arising from holding such stocks and warrants arising from the investment in detachable bonds), the Fund will choose the bond categorized asset allocation strategy. Particularly, the Fund will make categorized allocation among types of assets like treasury bonds, financial bonds, central bank bills, corporate bonds, company bonds, short-term financing bills, medium-term notes, convertible bonds mainly through methods including spread analysis and relative value analysis. Meanwhile, coupled with the qualitative and quantitative methods, the asset type with optimal risk return characteristics will be chosen after taking into full consideration factors including the liquidity of the bond market and interest treatment method.

#### 3. Yield curve allocation strategy

After confirming the portfolio holding duration and categorized asset allocation under the macro environment, the Fund shall also ascertain the structural characteristics of a reasonable holding duration according to specific yield curve characteristics, analyze and predict the possible changes in the shape of the yield curve, specifically comprising the bullet type, dumbbell type and ladder type strategy, make dynamic adjustment among the long-term, middle-term and short-term bonds, with a view to obtain profit from the change in the curve shape. Secondly, through the comparison of the current spread and historical spread in terms of the bonds with different terms, the Fund shall carry out steep increasing, inclination reducing and convexity changing transactions, whereby furthermore optimizing the holding duration structure of bond portfolio.

#### 4. Credit bond investment strategy

The credit bond strategy is the core strategy for the bond investment of the Fund. Through analyzing factors like macro economy, historical level of credit spreads and the market capital structure and flow, the Fund will assess whether there exists a relative imbalance in the credit spread in the prevailing credit bond and the future trend of the credit spread curve to confirm the specific allocation of credit bonds. Besides, considering that credit bonds may suffer the impact of various factors or events including enterprise profitability and industrial policies during its duration, leading to changes in its creditworthiness, the Fund will regularly track the creditworthiness of bond issuers and timely carry out the re-pricing of credit bonds, so as to explore and seize investment opportunities and avoid credit risks.

(1) Securities selection strategy

The Fund will use the internal credit rating analysis system of the Company to conduct an in-depth research and timely track the creditworthiness of the bond issuers and specific bond projects, mainly including the management level and financial status of the company, the market position and competition situation of the bond issuers in the industry, financial status, management level and the gearing ratio, combined with factors such as the bond guarantee terms, collateral valuation, option terms and other elements of bonds, the Fund will conduct a detailed investigation on credit risks of bond issuers and credit rating of bonds to make a comprehensive evaluation, and focus on choosing securities with lower credit rating, higher credit spread return, sound future development of the company, and possible upward adjustment in its credit rating.

(2) Spread strategy

The spread strategy is a kind of relative value investment strategy and the trend of credit spread curve can directly affect the credit spread yield of the corresponding bond types. Accordingly, whilst making corresponding credit bond allocation based on the change in credit spread curve and making a comprehensive analysis on the differences between the market spread level and historical level, we will simultaneously research and analyze the impact on the credit spread curve brought by the change in factors including the supply and demand of the credit bond market, the structure of the credit bond market, the liquidity of the credit bond types and the relevant markets and ascertain the allocation proportion of credit bond securities on such basis.

In addition to the credit spread strategy, it also incorporates the calendar spread arbitrage strategy (the spread strategy of securities with different maturities) and the spread strategy of securities with similar maturities. In particular, the calendar spread arbitrage strategy leverages on the differences in yield of different bond types in a certain period of time arising from differences in interests, default risks, liquidity and repurchases terms, and simultaneously purchase and sell these securities so as to profit from their yield spread. Furthermore, the spread transaction strategy of securities with similar maturities refers to the analysis on the spread of two bonds with similar maturities, in order to judge the future trend of spread level, make bond swap and conduct arbitrage to obtain profit.

(3) Riding transaction strategy

When the bond yield curve becomes relatively steep, the Fund can purchase bonds that mature at the steep points of the yield curve, with a view to achieve a significant decrease in the yield level of the bonds compared to the beginning of investment as their maturities extend and accordingly obtain corresponding investment returns.

(4) Cross-market arbitrage strategy

At present, the bond yield investment market consists of the interbank market and the exchange market, and some types of bonds are classified as the cross-market types. Therefore, the Fund shall leverage on the current differences in spread of two investment markets including the exchange market and interbank market, closely monitor the fluctuation in spread of both markets, and actively look for bond and repurchase arbitrage opportunities across the markets.

In addition, the Fund will also closely monitor the yield gap for securities of the same rating and maturity in different trading markets and conduct the arbitrage operation in different markets provided that the liquidity of securities is taken into account.

5. Leverage Strategy

After comprehensively considering the coupon income and finance cost of bond types and on the basis of controlling the overall risks of the portfolio, the Fund will purchase the bonds with higher yield than repurchase cost when the repurchase rate is lower than the bond yield. Through such repurchase financing, the Fund will gain excess returns so as to obtain leverage for maximizing return.

6. Asset-backed securities investment strategy

The Fund will conduct an in-depth analysis on basic elements including market rates, issue terms, composition as well as quality, early repayment rate, risk compensation income and market liquidity of the backing assets of asset-backed securities, and estimate asset default risks and early repayment risks. According to the income structure arrangement of asset securitization, the cash flow process of principal repayment and interest income of asset-backed securities is simulated, and the inherent investment value of asset-backed securities is assessed through auxiliary use of quantitative pricing models, and corresponding investment decisions shall be made.

#### 7. Convertible bonds investment strategy

During the process of investment, the Fund will make a comprehensive analysis on the basis of factors including stock characteristics, bond characteristics, liquidity and dilution rate of the convertible company bonds, adopt quantitative valuation tools to rate their investment values and select the types with higher safety margin, more preferential issue terms, good liquidity, and also with underlying stocks of excellent fundamentals, good profitability or growth prospect, active stock and higher growth potential for purchasing and holding at a reasonable price. According to factors like implied yield, discount and premium rate, holding duration and convexity, the investment portfolio of the convertible company bonds is built to obtain stable investment return.

#### (IV) Benchmark for comparison of performance

The benchmark for comparison of performance of the Fund: ChinaBond Composite Index (full price).

The Fund selects the above index as the benchmark for comparison of the performance due to the following reasons:

1. Authoritativeness. The above index is prepared and announced by the China Central Depository & Clearing Co., Ltd., which can fully reflect the overall price and return in the bond market and it is one of the more authoritative benchmark indices in the present market which reflects the overall trend of the bond market;

2. The samples have wide coverage and reasonable indexing method. Sample bonds in the above index include book-entry treasury bonds, central bank bills, short-term financing bills, middle-term notes, policy bank bonds, commercial bank bonds, securities company short-term financing bills, securities company bonds, local enterprise bonds, international institution bonds, non-bank financial institution bonds, central enterprise bonds, etc. The above index takes the market value of the quantity of bonds under custody as the weighting factor of sample bonds to calculate the overall performance of the bond market per day;

3. The index is published transparently and openly and is well accepted in the market.

Overall speaking, the ChinaBond Composite Index (full price) can better reflect the investment characteristics of the Fund and risk return preferences of the targeted customer group. Accordingly, the Fund selects the ChinaBond Composite Index (full price) as the benchmark for comparison of the performance of the Fund.

If there is any change in laws and regulations in future, or if any new index launched is more authoritative and more generally accepted as the benchmark of performance, or if any new bond index is more suitable to be the benchmark of performance of the Fund, the Fund can file to the CSRC and change its benchmark of performance with a timely announcement after an agreement formed between the Fund Manager and Fund Custodian without having to convene a Unitholders' meeting.

#### (V) Risk and return characteristics

The Fund is a type of securities with lower risks in the securities market which has higher expected return and expected risk than money market funds and lower expected return and expected risk than mixed funds and stock funds.

#### (VI) Investment Restrictions

##### 1. Portfolio Restrictions

The investment portfolio of the Fund shall abide by the following investment restrictions:

(1) The proportion of the Fund's investment in bond assets shall not be less than 80% of Fund Assets,



among which the proportion of credit bond investment shall not be less than 80% of non-cash Fund Assets;

(2) The amount of cash or government bonds due within a year shall be maintained at not less than 5% of the Net Asset Value of the Fund. Among which cash shall exclude deposit reservation for balance, refundable deposits and receivable subscription accounts etc.;

(3) The Fund holds stocks of a listed company, the market value of which shall not exceed 10% of the Net Asset Value of the Fund;

(4) All funds managed by the Fund Manager shall not hold in aggregate more than 10% of the market value of securities issued by the same company;

(5) Tradable stocks issued by a listed company as held by all open-ended funds managed by the Fund Manager (including open-ended funds and periodically open-ended funds that are at open period) shall not exceed 15% of the total tradable stocks of such listed company. Tradable stocks issued by a listed company as held by all investment portfolios managed by the Fund Manager shall not exceed 30% of the total tradable stocks in such listed company;

(6) The market value of all warrants held by the Fund shall not exceed 3% of the Net Asset Value of the Fund;

(7) All funds managed by the Fund Manager shall not hold in aggregate more than 10% of the issue size of a warrant;

(8) Investment made by the Fund in all asset-backed securities owned by one original interest holder shall not exceed 10% of the Net Asset Value of the Fund;

(9) The market value of all asset-backed securities held by the Fund shall not exceed 20% of the Net Asset Value of the Fund;

(10) The proportion of the same (meaning that of the same credit rating) asset-backed securities held by the Fund shall not exceed 10% of the total size of such asset-backed securities;

(11) All asset-backed securities of the same original interest holder invested by all funds managed by the Fund Manager shall not exceed 10% of the total size of all asset-backed securities held by the funds;

(12) The Fund shall invest in asset-backed securities with a credit rating of BBB or above (including BBB). If the credit rating downgrades and no longer meets the investment criteria during the period when the Fund holds the asset-backed securities, they shall be sold out within 3 months starting from the date of publication of the rating report;

(13) The balance of funds used by the Fund to repurchase bonds in the national interbank market shall not exceed 40% of Net Asset Value of the Fund; the longest period for the Fund to repurchase bonds in the national interbank market is 1 year and shall not be extended after the expiry of the bond repurchase period;

(14) The total market value of active investment in Illiquid Assets shall not exceed 15% of the NAV of the Fund; where the Fund fails to comply with such ratio limit for any reason not attributable to the Fund Manager such as the fluctuation of the securities market, the suspension of trading in stocks of the listed company and the change in Fund size, the Fund Manager shall not actively increase the investments in Illiquid Assets;

(15) When the Fund engages in a reverse repurchase transaction with privately offered asset management products and other entities prescribed by the CSRC as counterparty, the criteria for collaterals that are acceptable shall remain consistent with the investment scope as stipulated by the Fund Contract;

(16) Other investment restrictions provided by relevant laws and regulations and the CSRC as well as the Fund Contract.

Aside from the above-mentioned items (2), (12), (14) and (15), where the investment ratio of the Fund does not comply with the aforesaid investment ratios due to factors beyond the control of the Fund Manager, such as

fluctuations in the securities market, mergers of securities issuers, change in the size of the Fund and payment of consideration in stock reform, the Fund Manager shall make adjustments within 10 Trading Days. If there are other requirements in relevant laws and regulations, such requirements shall be fulfilled.

The Fund Manager shall comply with relevant provisions in the Fund Contract regarding ratio of the investment portfolio of the Fund within 6 months from the Effective Date of the Fund Contract. The Fund Custodian shall monitor and check the investment of the Fund from the Effective Date of the Fund Contract.

If the above restrictions are removed by laws and regulations or regulatory authorities (if applicable to the Fund), Fund investment can be released from the relevant restrictions after the Fund Manager performs appropriate procedures or the amended rule shall prevail.

## 2. Prohibited activities

To protect the lawful interests of the Unitholders, the Fund shall not engage in the following investments or activities:

- (1) Underwrite securities;
- (2) Provide loans or guarantees to others;
- (3) Make investment that may cause unlimited liabilities;
- (4) Buy and sell other fund units, except otherwise provided by the State Council;
- (5) Contribute capital to the Fund Manager or Fund Custodian or buy and sell stocks or bonds issued by the Fund Manager or Fund Custodian;
- (6) Buy and sell securities issued or underwritten by controlling shareholders of the Fund Manager or the Fund Custodian or securities issued or underwritten by companies in which the Fund Manager or the Fund Custodian has other material conflicts of interest during the underwriting period;
- (7) Conduct securities trading activities that involve insider trading, securities price rigging or otherwise improper;
- (8) Commit any other prohibited acts specified by CSRC in accordance with relevant provisions of laws and regulations.

If the above restrictions are removed by laws and regulations or regulatory authorities (if applicable to the Fund), Fund investment can be released from the relevant restrictions after the Fund Manager performs appropriate procedures.

### (VII) Margin trading and short selling of the Fund

The Fund can engage in margin trading and short selling in accordance with relevant laws and regulations and the then prevailing policies.

### (VIII) Investment Portfolio Report

The Board of Directors and directors of the Fund Manager warrants that there is no false statement, misleading information or major omission of the information contained in the report, and shall assume several and joint responsibilities for the truthfulness, accuracy and integrity of the report.

Industrial and Commercial Bank of China Limited, the Fund Custodian, reviewed the Investment Portfolio Report of the Fund and the data in the performance of the Fund contained in the Prospectus.

The data presented in the Investment Portfolio Report are prepared as of 30 June 2018 (financial data is unaudited).

## 1. Fund Asset Portfolio at the end of the reporting period

No.	Project	Amount (RMB)	Proportion in total assets of the Fund (%)
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1	Equity Investment	-	-
	of which: Stocks	-	-
2	Fund investment	-	-
3	Fixed Income Investment	1,693,070,272.00	94.40
	of which: Bonds	1,693,070,272.00	94.40
	Asset-backed Securities	-	-
4	Investment in Precious Metals	-	-
5	Investment in Financial Derivatives	-	-
6	Financial Assets purchased under resale agreements	-	-
	of which: Buyout repurchase of purchased redeemable financial assets	-	-
7	Aggregate of Bank Deposit and Settlement Provisions	68,895,011.15	3.84
8	Other Assets	31,472,139.43	1.75
9	Total	1,793,437,422.58	100.00

## 2. Stock Portfolio categorized by industry at the end of the reporting period

### 2.1 Domestic Stock Portfolio categorized by industry at the end of the reporting period

Note: The Fund did not hold any stock at the end of the reporting period.

### 2.2 Stock Portfolio (invested via Hong Kong Stock Connect) categorized by industry at the end of the reporting period

The Fund did not hold any stock invested via Hong Kong Stock Connect at the end of the reporting period.

## 3. Top 10 stocks ranked by the proportion of fair value in the Net Asset Value of the Fund at the end of the reporting period

Note: The Fund did not hold any stock at the end of the reporting period.

## 4. Bond Portfolio categorized by Types of Bonds at the end of the reporting period

No.	Bond Type	Fair Value (RMB)	Proportion in the Net Asset Value of the Fund (%)
1	Treasury Bonds	-	-
2	Central Bank Notes	-	-
3	Financial Bonds	74,780,500.00	5.33
	Including: Policy bank bonds	74,780,500.00	5.33
4	Enterprise Bond	590,410,772.00	42.12
5	Enterprise Short-term Financing Bond	250,844,000.00	17.90
6	Medium-term Notes	777,035,000.00	55.43
7	Convertible Bonds (including exchangeable bonds)	-	-

8	Interbank Deposits	-	-
9	Others	-	-
10	Total	917,152,799.10	118.57

**5. Top 5 bonds ranked by the proportion of fair value in the Net Asset Value of the Fund at the end of the reporting period**

No.	Bond Code	Bond Name	Quantity (number of bonds)	Fair Value (RMB)	Proportion in the Net Asset Value of the Fund (%)
1	011800694	18 Haidian Guozi SCP002	700,000	70,147,000.00	5.00
2	1282435	12 Mingsu MTN2	600,000	61,452,000.00	4.38
3	101451031	14 Rongcheng Ditie MTN001	500,000	51,195,000.00	3.65
4	101456028	14 Chengfatou MTN001	500,000	50,710,000.00	3.62
5	124179	13 Guangyuexiu	500,000	50,410,000.00	3.60

**6. Top 10 asset-backed securities ranked by the proportion of fair value in the Net Asset Value of the Fund at the end of the reporting period**

Note: The Fund did not hold any asset-backed securities at the end of the reporting period.

**7. Top 5 precious metals ranked by the proportion of fair value in the Net Asset Value of the Fund at the end of the reporting period**

Note: The Fund did not hold any precious metal at the end of the reporting period.

**8. Top 5 warrants ranked by the proportion of fair value in the Net Asset Value of the Fund at the end of the reporting period**

Note: The Fund did not hold any warrant at the end of the reporting period.

**9. Transactions of treasury bond futures invested by the Fund at the end of the reporting period**

Note: The Fund did not hold any treasury bond futures at the end of the reporting period.

**10. Notes to the Investment Portfolio Report**

**10.1 None of the issuers of the top 10 securities invested by the Fund was found to be under investigation by regulatory authorities in the current period or publicly reprimanded or punished within one year prior to the date when the report was prepared.**

**10.2 As the Fund did not hold any stock at the end of the reporting period, the top 10 stocks invested by the Fund were within the pool of stocks for selection as stipulated in the Fund Contract.**

**10.3 Composition of other assets**

No.	Name	Amount (RMB)
1	Deposit paid	18,449.79
2	Receivables of Securities Clearing	-
3	Dividends Receivable	-
4	Accrued Interests	29,844,245.46
5	Subscription Monies Receivable	1,609,444.18
6	Other Receivables	-
7	Deferred Expenses	-
8	Others	-
9	Total	31,472,139.43

**10.4 Convertible bonds in conversion period held at the end of the reporting period**

Note: The Fund did not hold any convertible bond in conversion period at the end of the reporting period.

**10.5 Top 10 stocks in restricted circulation at the end of the reporting period**

Note: The Fund did not hold any stock at the end of the reporting period.

#### **10.6 Other written description in the notes to the Investment Portfolio Report**

As the items are rounded off, the sum of individual items and the total of the proportion may differ in the ending figures.

## X. FUND PERFORMANCE

The Fund Manager shall manage and operate Fund Assets with honesty, good faith, prudence and efficiency, but does not guarantee any profits or minimum returns on the Fund. The past performance of the Fund is not indicative of its future performance. There are risks in investment, thus Investors shall carefully read the Prospectus of the Fund before making any investment decision.

Comparison between the growth rate of the Net Value per Unit of the Fund and the benchmark yield in the corresponding period:

Period	Growth Rate of Net Asset Value <sup>①</sup>	Standard Deviation of the Growth Rate of Net Asset Value <sup>②</sup>	Rate of Return of Benchmark <sup>③</sup>	Standard Deviation of the Rate of Return of Benchmark <sup>④</sup>	①-③	②-④
From the effective date of the Fund Contract (18 September 2013) to 31 December 2013	-0.40%	0.15%	-2.54%	0.10%	2.14%	0.05%
2014	8.29%	0.18%	6.54%	0.11%	1.75%	0.07%
2015	10.14%	0.07%	4.19%	0.08%	5.95%	-0.01%
2016	3.35%	0.07%	-1.63%	0.09%	4.98%	-0.02%
2017	5.81%	0.07%	-3.38%	0.06%	9.19%	0.01%
From 1 January 2018 to 30 June 2018	3.44%	0.06%	2.16%	0.08%	1.28%	-0.02%
From the effective date of the Fund Contract (18 September 2013) to 30 June 2018	34.36%	0.11%	5.04%	0.09%	29.32%	0.02%

## XI. FUND ASSETS

### (I) Total Asset Value of the Fund

The Total Asset Value of the Fund refers to the total value of all securities and bills, the principal and interests of the bank deposits, subscription fees receivable of the Fund and other investments possessed by the Fund.

### (II) Net Asset Value of the Fund

The Net Asset Value of the Fund is calculated by deducting liabilities from Total Asset Value of the Fund.

### (III) Fund Asset Account

The Fund Custodian shall open the capital account, securities account and other special accounts required for investments in accordance with relevant laws and regulations and normative documents for the Fund. The accounts specifically opened for the Fund shall be independent from the respective self-owned asset accounts of the Fund Manager, the Fund Custodian, Sales Institutions and the Fund Registration Agency as well as other fund asset accounts.

### (IV) Keeping and Disposal of Fund Assets

Fund Assets are separated from the assets owned by the Fund Manager, the Fund Custodian and Sales Institutions, and are kept by the Fund Custodian. In the event that the Fund Manager, the Fund Custodian, the Fund Registration Agency and Sales Institutions facing their own legal liabilities pertaining to their own assets, their creditors shall not demand to freeze or detain nor have other rights to the Fund Assets. Fund Assets shall not be disposed of unless in accordance with the provisions of laws and regulations and the requirements of the Fund Contract.

Should the Fund Manager and the Fund Custodian come under liquidation proceedings because of lawful dissolution, being legally revoked or declared bankrupt, Fund Assets must not be taken as its liquidation assets. Liabilities incurred by the Fund Manager in the course of Fund operation shall not be set off against the liabilities incurred by its fixed assets; the liabilities and debts incurred by the fund assets of different funds operated by the Fund Manager shall not offset against each other.



## XII. VALUATION OF FUND ASSETS

### (I) Purpose of Valuation

The purpose of valuation of Fund Assets is to objectively and accurately reflect the fair value of the relevant financial assets of the Fund, and provide a basis for calculating the value of Fund Units.

### (II) Valuation Date

The Valuation Date of the Fund is the trading days of the relevant Stock Exchanges for the Fund and on non-trading days when the Net Asset Value of the Fund shall be disclosed provided by the laws and regulations of the State.

### (III) Subject of Valuation

The assets and liabilities such as shares, warrants, bonds, and the principal and interests of bank deposits, receivables and other investments held by the Fund.

### (IV) Valuation Methods

#### 1. Valuation of negotiable securities listed on Stock Exchanges

(1) Negotiable securities (including shares and warrants) listed on Stock Exchanges shall be valued based on the market price (the closing price) of the Stock Exchange they are listed on the Valuation Date; should there be no transaction on the Valuation Date and no material changes in the economic environment or no material changes affecting securities prices in securities issue institutions since the latest transaction date, such valuation should be based on the market price (the closing price) on the latest transaction date; should there be material changes in the economic environment or material changes affected securities prices in securities issue institutions since the latest transaction date, the fair value shall be determined with reference to the prevailing market prices of similar types of investments and the factors of material changes to adjust the latest market price and ensure fair pricing.

(2) Bonds listed on Stock Exchanges that are traded in Net Value are valued based on the closing price on the Valuation Date; should there be no transaction on the Valuation Date and no material changes in the economic environment since the latest transaction date, valuation should be based on the closing price on the latest transaction date; should there be material changes in the economic environment since the latest transaction date, the fair value shall be determined with reference to the prevailing market prices of similar types of investments and the factors of material changes to adjust the latest market price and ensure fair pricing.

(3) Bonds listed on Stock Exchanges that are not traded in Net Value are valued based on

the closing price on the valuation date after deducting the interests receivable on the bonds included in the closing price of the bonds; should there be no transaction on the Valuation Date and no material changes in the economic environment since the latest transaction date, valuation should be based on the closing price on the latest transaction date after deducting the interests receivable on the bonds included in the closing price of the bonds; should there be material changes in the economic environment since the latest transaction date, the fair value shall be determined with reference to the prevailing market prices of similar types of investments and the factors of material changes to adjust the market price and ensure fair pricing.

(4) The fair value of negotiable securities listed on Stock Exchanges that have no active market is determined by valuation. For asset-backed securities listed on Stock Exchanges, the fair value is determined through valuation; if the fair value cannot be reliably determined through valuation, the securities are valued at cost.

2. Unlisted negotiable securities are treated as follows:

(1) For new shares offered through bonus issue, capitalization issue, placing and public new issue, they shall be valued with the valuation method of the same share listed on the exchanges on the valuation date; should there be no transaction during that day, they shall be valued based on the market price (the closing price) on the latest transaction date;

(2) For unlisted bonds that are initially offered, the fair value is determined using the valuation methods; if the fair value cannot be reliably determined based on the valuation methods, they shall be valued at cost.

3. For the right to allotment based on the holding of shares, the fair value is determined using the valuation methods; if the fair value cannot be reliably determined based on the valuation methods, they shall be valued at cost.

4. The bonds that are traded on the inter-bank bond market, asset-backed securities and other fixed-income products shall be valued at their fair value determined using valuation methods.

5. If there is concrete evidence that none of the aforesaid valuation methods subjectively reflects the fair value, the Fund Manager may, pursuant to the specific circumstances and after consultation with the Fund Custodian, determine the value at a price which will best reflect the fair value of the asset.

6. Where a bond is traded on two or more markets at the same time, it shall be valued respectively based on the market it is traded.

7. Mandatory provisions of relevant laws or regulations and regulatory authorities shall be followed. If there are new provisions, valuation should be conducted in accordance with the latest State requirements.

If the Fund Manager or the Fund Custodian discovers that valuation of the Fund breached the valuation methods and procedures stipulated in the Fund Contract and the provisions of relevant laws and regulations, or cannot fully protect the interests of Unitholders, they shall notify the other party immediately to jointly identify the reason and settle the issue through negotiation.

In accordance with relevant laws and regulations, the obligations of calculating the Net Asset Value of the Fund and accounting of the Fund shall be assumed by the Fund Manager. The responsible party for the accounting of the Fund shall be the Fund Manager. Accordingly, if relevant parties are unable to form a unanimous opinion on any accounting problems related to the Fund after adequate discussion on an equal basis, the Net Asset Value of the Fund as calculated by the Fund Manager should be announced to the public.

#### (V) Valuation Procedure

1. Net Asset Value of the Fund Units is calculated as Net Asset Value of the Fund divided by the balance of the Fund Units of that class as of the closing of each Working Day, which shall be exact to 0.001 and rounded off from the fourth decimal place. If otherwise stipulated by the State, such requirement shall be followed.

The Fund Manager shall calculate Net Asset Value of the Fund and Net Value per Unit of the Fund respectively for each and every Working Day, and results be announced as stipulated.

2. The Fund Manager shall value Fund Assets on each and every Working Day, except when the Fund Manager suspend valuation in accordance with the provisions of laws and regulations or the Fund Contract. After the Fund Manager made valuation of the Fund Assets on each and every Working Day, it shall send the results of the Net Asset Value of the Fund Units to the Fund Custodian, if there is no error upon review by the Fund Custodian, such results will be announced by the Fund Custodian.

#### (VI) Handling with Valuation Errors

The Fund Manager and the Fund Custodian will take necessary, appropriate and reasonable measures to ensure accuracy and timeliness of valuation of Fund Assets. If a wrong value is found within three decimal places (inclusive) after the decimal point of the Net Asset Value of Fund Units, it shall be deemed an error of the Net Asset Value of the Fund Units.

Parties to the Fund Contract have agreed to handle such errors subject to the following:

##### 1. Valuation error type

During operation of the Fund, if valuation errors were caused by the wrongdoing of the Fund Manager, the Fund Custodian, the Registration Agency, the Sales Institutions or the Investors

themselves, and incur losses to other parties, the wrongdoer should bear the liability for damages and compensate the parties suffering losses resulting from the valuation error (the “Damaged Parties”) for their direct losses therefrom in accordance with the following “Principles of valuation error handling”.

The main types of the aforesaid valuation errors include but is not limited to: information reporting errors, data transmission errors, data calculation errors, system failure errors, instruction errors, etc.

## 2. Principles of valuation error handling

(1) In the event that a valuation error has occurred but has not yet caused losses to any parties, the erring party should promptly coordinate all parties to remedy the error, and the costs of correction shall be borne by the erring party; in the event that the erring party failed to promptly correct the valuation error incurred, causing losses to the parties, the obligation of compensating the direct losses of relevant parties shall be borne by the erring party; if the erring party has actively coordinated for correction and parties obliged to assist having sufficient time for correction but failed to do so, such parties shall bear the liability to compensate. The erring party shall confirm with relevant parties on the progress of correction, in order to ensure that such valuation error has been corrected.

(2) The erring party shall be responsible for the direct losses of relevant parties, and shall not be responsible for any consequential losses, it shall only be held responsible to directly relevant parties of the valuation error, but not to any other third parties.

(3) Relevant parties shall be obliged to promptly return any unjust enrichment due to such valuation error, but the erring party shall still bear liability for the error. If relevant parties fail to return or fully return such unjust enrichment thus causing losses of benefits to the counterparties (the “Damaged Parties”), the erring party shall bear the liability to compensate the losses of the Damaged Parties, and has the right to the party which obtained the unjust enrichment to deliver such unjust enrichment within the compensation paid by the erring party; in the event that the party obtaining unjust enrichment has already returned part of such unjust enrichment to the Damaged Parties, the Damaged Parties shall return to the erring party the excess amount which is the difference between the aggregate total of compensation received plus the returned unjust enrichment and the actual losses incurred.

(4) Valuation error adjustment shall aim at restoration to the greatest extent possible to the theoretical scenario where the valuation error has never been incurred.

## 3. Valuation Error Handling Procedure

Upon discovery of a valuation error, relevant parties shall take timely action in the following manner:

(1) To investigate the cause of such valuation error, list out all relevant parties, and determine the erring party in accordance with the reasons of occurrence of the valuation error;

(2) To evaluate the losses incurred by such valuation error in accordance with the principles of valuation error handling or other methods agreed by the relevant parties;

(3) The erring party shall correct the valuation error and compensate for relevant losses in accordance with the principles of valuation error handling or other methods agreed by the relevant parties;

(4) Depending on the method of handling valuation error, should the trading data of the Fund Registration Agency need to be corrected, the Fund Registration Agency shall make such corrections and confirm with the same with relevant parties accordingly.

4. Methods of handling valuation errors in Net Asset Value of Fund Units are as follows:

- (1) If there is an error in the calculation of the Net Asset Value of Fund Units, the Fund Manager shall correct it immediately and notify the Fund Custodian, and take reasonable measures to avoid further losses.
- (2) If any such calculation mistake results in a deviation of 0.25% or more in the Net Asset Value per Unit of the Fund, the Fund Manager shall notify the Fund Custodian and report to the CSRC for filing; if such calculation mistake results in a deviation of 0.5% or more in the Net Asset Value per Unit of the Fund, the Fund Manager shall make an announcement.
- (3) When assets amounting to more than 50% of the NAV of the Fund had no referable active market price on the preceding valuation day, and even applying valuation techniques shall still lead to significant uncertainty in the fair value, the Fund Manager, after negotiation with and confirmation from the Fund Custodian, decides to suspend valuation of the Fund.
- (4) If a decimal difference in the calculation of Net Asset Value is found between the calculation results of the Fund Manager and the Fund Custodian arising from their respective technical system settings, the results of the Fund Manager shall prevail.
- (5) If relevant laws or regulations and regulatory authorities stipulate otherwise for the aforesaid, such requirements shall be followed accordingly.

Under the above-mentioned condition (3), the Fund Manager shall also take measures such as deferral of redemption payment or suspension of subscription and redemption applications of the Fund.

(VII) Conditions of Suspension of Valuation

1. When the stock exchanges on which the Fund's investments are traded are closed because of statutory public holidays or other reasons.
2. When the Fund Manager and the Fund Custodian cannot accurately make valuation of Fund

Assets due to Force Majeure.

3. The valuation of the investment products which accounts for a considerable proportion of the Fund is significantly changed, and the Fund Manager decided to delay valuation to protect the benefit of Investors;
4. Other circumstances stipulated by the CSRC and the Fund Contract.

#### (VIII) Confirmation of Net Asset Value of the Fund

The Net Asset Value of the Fund and the Net Value per Unit of the Fund for purpose of information disclosure of the Fund shall be calculated by the Fund Manager, and reviewed by the Fund Custodian. After the close of daily trading of each and every Working Day, the Fund Manager shall calculate the Net Asset Value of the Fund and the Net Value per Unit of the Fund of the day, and then send the calculation results to the Fund Custodian. Upon its review and confirmation, the Fund Custodian shall send such calculation results of the Net Asset Value to the Fund Manager, and the Net Asset Value of the Fund will be announced by the Fund Manager.

#### (IX) Handling of Special Circumstances

1. If the Fund Manager and the Fund Custodian perform valuation as item 5 under “Valuation Methods”, the error thereof shall not be regarded as a valuation error in respect of Fund Assets.

2. If the Fund Manager and the Fund Custodian have adopted necessary, appropriate and reasonable measures of inspection but still did not discover the error because of a Force Majeure event or errors in the data transmitted from the stock exchanges and the registration and clearing companies or changes in national accounting policies and market rules, the Fund Manager and Fund Custodian is exempted from compensation liabilities for such valuation error of the Fund Assets. However, the Fund Manager should actively adopt necessary measures to eliminate the impact of such error.

### XIII. FUND INCOME AND DISTRIBUTION

#### (I) Components of Fund Income

Fund profits mean the balance of interest income of the Fund, investment return, gains arising from changes in fair value and other incomes of the Fund after deduction of related expenses. Realized income of the Fund means the balance of the Fund profit after deducting gains arising from changes in fair value.

#### (II) Distributable profit of the Fund

Distributable profit of the Fund represents the lower of the undistributed profit of the Fund and realized income in the undistributed profit as of the record date.

#### (III) Principles of Distribution of Fund Income

1. Subject to satisfaction of the conditions for distribution of Fund income, the return on Class A or H Fund Units shall be distributed no more than 12 times a year. If the distributable profit per unit of Class A or H Fund Units on the last Working Day of each quarter is more than RMB0.01, dividend shall be distributed at least once and the return distribution ratio for each distribution shall not be less than 50% of the distributable profit of each Unit of that class of Fund Units as of the record date. If the Fund Contract has come into effect for less than 3 months, distribution of Fund income is not required;

2. There are two methods of return distribution for Class A Fund Units: cash dividends and reinvestment of dividend. Investors may choose to receive cash dividends or reinvest the cash dividends that will be automatically converted into the corresponding class of units of the Fund on the reinvestment date. If Investors fail to make any choice, distribution through cash dividend shall be the default return distribution method for Class A Fund Units; currently, distribution through cash dividend is the only available return distribution method for Class H Fund Units; if circumstances permit in future, distribution through reinvestment of dividend of Class H Fund Units will be added as an option of return distribution method for Unitholders of Class H Fund Units, the implementation of such adjustment must be unanimously agreed by the Fund Manager and the Fund Custodian and reported to the CSRC for filing and announcement, and the Unitholders' meeting need not be convened for the consideration of the adjustment; after added the dividend reinvestment as an income distribution method, if Unitholders of Class H Fund Units fail to make any choice, distribution through cash dividends shall be the default return distribution method for Class H Fund Units.

3. Subsequent to the distribution of Fund income, the Net Value per Unit of Fund Units shall not be less than its nominal value, which means the Net Value per Unit of the Fund as of the record date after deducting the amount of distributed income per Unit of the

Fund shall not be less than its nominal value;

4. Fund Units of different classes may be different in terms of the amount of distributed income, for which the Fund Manager can formulate respective distribution schemes of Fund income for different classes of Fund Units, each and every unit in the same class shall have the same right to distribution;

5. If otherwise stipulated by relevant laws and regulations or regulatory authorities, such provisions shall be followed.

#### (IV) Distribution Scheme of Fund Income

The distribution scheme of Fund income shall state the distributable profit as of the record date, subject of income distribution, distribution dates, distribution amount and ratio, and distribution methods etc.

#### (V) Confirmation, Announcement and Implementation of Income Distribution Scheme

The income distribution schemes for Class A Fund Units and Class H Fund Units of the Fund shall be proposed by the Fund Manager, and reviewed and confirmed by the Fund Custodian, then reported by the Fund Manager to the CSRC for filing in accordance with laws and regulations, and announced on Designated Media in accordance with the relevant provisions in the Measures for Information Disclosure.

There shall be no more than 15 Working Days between the payment date of the Fund's dividend and the record date (i.e. the closing date of calculating the distributable profit).

#### (VI) Costs in Fund Income Distribution

The bank transfer fees and other handling fees incurred during the distribution of Fund income shall be borne by the Investors. If the cash dividends received by the Investors is less than a certain amount and cannot cover the payment of the bank transfer fees and other handling fees, the Fund Registration Agency can automatically convert the cash dividends received by such Unitholders into Fund Units of the corresponding class on the reinvestment date. Dividend reinvestments are calculated according to the Measures for Operations.



#### XIV. EXPENSES AND TAXES OF THE FUND

##### (I) Types of Operating Expenses of the Fund

1. Management fee payable to the Fund Manager;
2. Custody fee payable to the Fund Custodian;
3. Relevant information disclosure expenses after the Fund Contract came into effect;
4. Relevant accounting fees, auditing fees, lawyer's fees, litigation fees, arbitration fees and other legal fees after the Fund Contract came into effect.
5. Expense of the Unitholders' Meeting;
6. Securities trading expenses of the Fund;
7. Expenses arising from bank remittance of the Fund;
8. Fees for opening securities account and maintenance fees for bank account;
9. Other fees which may be charged against Fund Assets as permitted by relevant regulations of the State and the requirements of the Fund Contract.

##### (II) Accrual Methods, Accrual Standards and Payment Terms of the Operating Expenses

1. Management fee payable to the Fund Manager

The management fee of the Fund shall be accrued at the rate of 0.36% per annum of the Net Asset Value of the Fund on the preceding day. The calculation method of the management fee is listed as follows:

$$H = E \times 0.36\% \div \text{number of days in the current year}$$

H is the management fee accrued per day

E is the Net Asset Value of the Fund on the preceding day

The management fee is calculated on a daily basis and accrued day by day until the end of each month and paid monthly. The Fund Manager will give the direction for transferring the Fund management fee to the Fund Custodian, and the Fund Custodian will review and make a lump-sum payment to the Fund Manager from the Fund Assets within the first 2 Working Days of the following month. In case of statutory holidays or rest days, the payment date shall be

postponed accordingly.

## 2. Custody fee payable to the Fund Custodian

The custody fee shall be accrued at the rate of 0.20% per annum of the Net Asset Value of the Fund on the preceding day. The calculation method is listed as follows:

$$H = E \times 0.20\% \div \text{number of days in the current year}$$

H is the custody fee accrued per day

E is the Net Asset Value of the Fund on the preceding day

The custody fee is calculated on a daily basis and accrued day by day until the end of each month and paid monthly. The Fund Manager will send the direction for transferring the Fund custody fee to the Fund Custodian, and the Fund Custodian will review and make a lump-sum payment to the Fund Manager from the Fund Assets within the first 2 Working Days of the following month. In case of statutory holidays or rest days, the payment date shall be postponed accordingly.

The Fund Custodian shall pay for Items 3 to 9 of the above “(I) Types of Operating Expenses of the Fund” as per actual cost and list the same as expenses for the current period pursuant to relevant regulations and contractual requirements.

### (III) Items not Included in Fund Expenses

The following expenses are not listed under Fund expenses:

1. Expenses or losses of Fund Assets arising from the failure of the Fund Manager or the Fund Custodian to perform or fully perform their obligations;
2. Expenses for matters not related to the Fund’s operations handled by the Fund Manager and the Fund Custodian;
3. Related expenses incurred before the Fund Contract comes into effect;
4. Other items that must not be listed as expenses of the Fund in accordance with relevant laws and regulations and requirements of the CSRC.

### (IV) Fee Adjustment

The Fund Manager and the Fund Custodian may reach an agreement to, according to the development of the Fund, adjust the relevant rates, such as the Fund management fee and the Fund custody fee.

Any increment in the rates of the Fund management fee or the Fund custody fee must be considered at the Unitholders' meeting unless such rate standards is increased as stipulated by laws and regulations; any lowering of the rates of the Fund management fee or the Fund custody fee shall not require the convening of the Unitholders' meeting.

The Fund Manager must announce such adjustment on Designated Media in accordance with relevant provisions of the Measures for Information Disclosure.

(V) Taxes of the Fund

Every taxpayer involved in the Fund's operations shall pay tax pursuant to the taxation laws and regulations in the PRC, Hong Kong and the country which the Investors reside.

## XV. ACCOUNTING AND AUDITING OF THE FUND

### (I) Accounting Policies of the Fund

1. The Fund Manager shall be responsible for the accounting of the Fund;
2. The fiscal year of the Fund commences on January 1st of every calendar year and ends on December 31st; for the first fiscal year after the initial offering of the Fund, if the Fund Contract had come into effect for no longer than 2 months, it shall be consolidated to the next fiscal year for disclosure;
3. The Fund adopts RMB as its base currency of recording and bookkeeping unit;
4. The accounting system of the Fund shall comply with relevant accounting rules of the State;
5. The Fund shall keep its own books and accounting independently;
6. The Fund Manager and the Fund Custodian shall each keep a complete set of Fund accounts along with the account vouchers, conduct routine accounting on a daily basis, and prepare the accounting statements of the Fund in accordance with relevant regulations;
7. The Fund Custodian shall verify and confirm in writing the accounts and accounting statements of the Fund with the Fund Manager on a monthly basis.

### (II) Auditing of the Fund

1. The Fund Manager shall engage an accounting firm and its Certified Public Accountants which is independent from both the Fund Manager and the Fund Custodian and is qualified to engage in securities business and to audit the annual financial statements of the Fund.
2. The accounting firm shall seek the prior consent of the Fund Manager before replacing the handling Certified Public Accountants of the Fund;
3. If in the opinion of the Fund Manager, there is reasonable ground to replace the accounting firm, it shall notify the Fund Custodian. The Fund Manager shall announce the replacement of the accounting firm within 2 days on Designated Media, and file such replacement with the CSRC.

## XVI. INFORMATION DISCLOSURE OF THE FUND

(I) Information disclosure of the Fund shall comply with the Fund Law, the Measures for Operations, the Measures for Information Disclosure, the Fund Contract and other relevant provisions.

### (II) Information Disclosure Obligors

Information disclosure obligors of the Fund include the Fund Manager, the Fund Custodian and Unitholders who convene the Unitholders' Meeting who are the natural persons, legal persons and other organizations as stipulated by the laws and regulations and the CSRC.

Information disclosure obligors shall disclose information of the Fund in accordance with laws and regulations and provisions of the CSRC, and assure the truthfulness, accuracy and completeness of disclosed information.

Information disclosure obligors of the Fund shall, within prescribed time set by the CSRC, disclose such information of the Fund as stipulated by the CSRC through Designated Media and on the websites of the Fund Manager and the Fund Custodian (hereinafter the "Websites"), and ensure that information disclosed to the public are available for inspection or copy by Investors of the Fund in the time and manner stipulated in the Fund Contract. However, for information disclosure obligors of Class H Fund Units, the method of information disclosure of the Fund is detailed in the supplementary documents to the Prospectus.

### (III) Information Disclosure Obligors undertake that Publicly Disclosed Information must not:

1. contain any false or misleading statement or substantial omission;
2. contain any forecast of the results of securities investments;
3. guarantee the profit or assume losses in violation of relevant regulations;
4. slander other fund managers, fund custodians or sales agencies;
5. contain any congratulatory, complimentary or recommending texts of any natural persons, legal persons or other organizations;
6. other acts prohibited by the CSRC.

(IV) Publicly disclosed information of the Fund shall be in Chinese. If other foreign language versions are adopted at the same time, the information disclosure obligors shall ensure the consistency of all versions. In the case of inconsistency of the two versions, the Chinese version shall prevail.

Publicly disclosed information of the Fund shall use Arabic numbers; the currency unit shall be RMB unless otherwise stated.

(V) Publicly Disclosed Information of the Fund

Information of the Fund to be publicly disclosed includes:

1. The Prospectus, the Fund Contract and the Custody Agreement

- (1) The Fund Contract is the legal document stipulating the rights and obligations of the Parties to Fund Contract, the rules and specific procedure of convening the Unitholders' meetings, and explain matters such as the characteristics of Fund products which implicates the material benefits of the Investors.
- (2) The Prospectus shall to the largest extent possible disclose all matters affecting the decisions of Investors, and explain matters such as initial subscription, subscription and redemption application arrangements of the Fund, investments of the Fund, characteristics of Fund products, risk disclosure, information disclosure and services to the Unitholders. After the Fund Contract came into effect, the Fund Manager shall update the Prospectus and publish it on its website and the updated summary of the Prospectus on Designated Media within 45 days at the end of each and every 6-month period; the Fund Manager shall submit the updated Prospectus to local CSRC office where the principal place of business of the Fund Manager is located at least 15 days prior to the announcement and provide a written description of the relevant updates.
- (3) The Fund Custody Agreement is a legal document stipulating the rights and obligations of the Fund Manager and the Fund Custodian in relation to the custody of Fund Assets and supervision of Fund operations.

Upon approval by the CSRC of the application of initial offering of the Fund, the Fund Manager shall, 3 days prior to the offering of Fund Units, publish the Prospectus and the summary of the Fund Contract on Designated Media; the Fund Manager and the Fund Custodian shall publish the Fund Contract and the Fund Custody Agreement on the Websites.

2. The Fund Unit Offering Announcement

The Fund Manager shall prepare the Fund Unit Offering Announcement regarding the offering of Fund Units and publish it on Designated Media on the same day of publishing the Prospectus.

3. Announcement on the taking effect of Fund Contract

The Fund Manager shall publish a relevant announcement on Designated Media on the day immediately following the date on which it receives the confirmation document from the CSRC.

#### 4. Net Asset Value of the Fund and the Net Value per Unit of the Fund

Upon the Fund Contract comes into effect and before handling the Subscription or Redemption of Fund Units, the Fund Manager shall announce the Net Asset Value of the Fund and the Net Value per Unit of the Fund at least once a week.

Upon commencement of handling the Subscription or Redemption of Fund Units, the Fund Manager shall disclose the Net Asset Value of the Fund and the accrued Net Value per Unit of the Fund on the Websites, the sales location of Fund Units and other media on the day immediately following each and every Working Day (unless the Fund Manager announces suspension of Subscription and Redemption in accordance with the provisions of laws and regulations or the Fund Contract).

The Fund Manager shall announce the Net Asset Value of the Fund and the Net Value per Unit of the Fund on the last market trading day on a semi-annual and annual basis. The Fund Manager shall announce the Net Asset Value of the Fund, the Net Value per Unit of the Fund for different classes of Fund Units and the accrued Net Value per Unit of the Fund on Designated Media on the day immediately following the market trading day as stipulated above.

#### 5. Subscription and Redemption Prices of Fund Units

The Fund Manager shall specify the calculation methods of the Subscription and Redemption prices and the rates of Subscription and Redemption fees in information disclosure documents such as the Fund Contract and the Prospectus, and ensure that Investors can inspect or copy the said information at the sales locations of Fund Units.

#### 6. Regular Reports of the Fund include Fund Annual Reports, Semi-annual Reports and Quarterly Reports

If within the reporting period there is a single investor of Class A or Class C Units or a single nominal holder of Class H Units holding Units reaching 20% or more of the total number of Units, to protect the interests of other investors, the Fund Manager shall at least disclose the category of, number and proportion of Units held at the end of the reporting period by such Class A Units' investor or such Class H Units' nominal holder, changes within the reporting period in Units held and the specific risks of the Fund under the "Other material information affecting investor decision-making" section in periodic reports such as the quarterly report, the bi-annual report and the annual report.

During the continual operation of the Fund, circumstances of the portfolio assets of the Fund and its liquidity risk analysis shall be disclosed in the annual report and bi-annual report of the Fund.

The Fund Manager shall prepare and complete the Annual Report of the Fund within 90 days

after the end of each year, publish the same on the Websites, and publish the summary of the Annual Report on Designated Media. The financial and accounting report of the Annual Report of the Fund shall be audited.

The Fund Manager shall prepare and complete the Semi-annual Report of the Fund within 60 days after the end of each first half year, publish the same on the Websites, and publish the summary of the Semi-annual Report on Designated Media.

The Fund Manager shall prepare and complete the Quarterly Report of the Fund within 15 Working Days after the end of each quarter, and publish the same on Designated Media.

If the Fund Contract has come into effect for less than 2 months, the Fund Manager shall not be required to prepare any corresponding Quarterly Report, Semi-annual Report or Annual Report.

Regular reports of the Fund shall be reported to the CSRC and the local CSRC office where the principal place of business of the Fund Manager is located for filing. Such filing shall be in the form of electronic text or written report.

## 7. Provisional Reports

In the case of any major event of the Fund, the information disclosure obligors shall prepare and publish a provisional report within 2 days and respectively file it with the CSRC and the local CSRC office where the principal place of business of the Fund Manager is located on the date of public disclosure thereof.

The aforesaid major events refer to the following events which may significantly influence the interests of the Unitholders or the price of the Units:

- (1) Convening of the Unitholders' Meetings;
- (2) Termination of the Fund Contract;
- (3) Alteration of the Fund's operation mode;
- (4) Replacement of the Fund Manager or the Fund Custodian;
- (5) Change of the legal name or domicile of the Fund Manager or the Fund Custodian;
- (6) Change of shareholders of the Fund Manager or the percentage of their capital contribution;
- (7) Extension of the offering period of the Fund;
- (8) Replacement of the Chairman, General Manager or other senior management members or portfolio managers of the Fund Manager and the replacement of persons in charge of the Funds Custody Department of the Fund Custodian;
- (9) Replacement of more than 50% of the Directors of the Fund Manager in a single year;
- (10) Replacement of more than 30% of the key personnel of the Fund Manager or the Funds Custody Department of the Fund Custodian in a single year;



- (11) Litigation related to the Fund Manager, Fund Assets or the Fund's custody business;
- (12) The Fund Manager or the Fund Custody is subject to investigation by regulatory authorities;
- (13) The Fund Manager or any of its Directors, General Manager or other senior management members or portfolio managers is subject to severe administrative penalty, or the Fund Custodian or the person in charge of its Funds Custody Department is subject to severe administrative penalty;
- (14) Matters of major connected transactions;
- (15) Matters of distribution of the Fund Income;
- (16) Alteration of accrual standards, methods and rates of fees including the management fee and custody fee;
- (17) Valuation errors in respect of the Net Value per Unit of the Fund accounting for 0.5% of the Net Value per Unit of the Fund;
- (18) Replacement of the accounting firm engaged by the Fund;
- (19) Change of Sales Institutions of the Fund;
- (20) Replacement of the Fund Registration Agency;
- (21) The Fund starts handling applications for Subscription and Redemption;
- (22) Change in the rates and payment methods of the Subscription and Redemption fee of the Fund;
- (23) The Fund encounters Mass Redemption and deferred payment;
- (24) The Fund encounters consecutive Mass Redemption and suspends Redemption applications;
- (25) The Fund re-opens application for Subscription and Redemption after suspending the acceptance of Subscription and Redemption applications;
- (26) When significant events involving subscription of the Fund, adjustment of redemption matters or potential effects on redemption by investors occur;
- (27) Other events provided by the CSRC.

## 8. Clarification Announcements

During the Term of the Fund Contract, if any information appears on any public media or circulated in the market that may have misleading influence on or result in considerable fluctuation of the Unit Price, relevant information disclosure obligors shall immediately clarify such information publicly and report such situation to the CSRC.

## 9. Resolutions of the Unitholders' Meetings

Resolutions of the Unitholders meetings shall be reported to the CSRC of the State Council

for approval or filing, and an announcement shall be published accordingly.

10. Any other information required by the CSRC.

#### (VI) Management of Information Disclosure

The Fund Manager and the Fund Custodian shall set up a comprehensive information disclosure management system, and designate specialized personnel to manage information disclosure.

Information disclosure obligors of the Fund shall disclose to the public information of the Fund in accordance with the relevant standards for the content and format of information disclosure of the CSRC.

The Fund Custodian shall, in accordance with relevant laws and regulations, requirements of the CSRC and the Fund Contract, verify and review information of the Fund to be publicly disclosed as prepared by the Fund Manager, such as the Net Asset Value of the Fund, the Net Value per Unit of the Fund, prices of Subscription and Redemption of Fund Units, regular reports of the Fund and the regularly updated Prospectus, and issue written or sealed confirmation to the Fund Manager.

The Fund Manager and the Fund Custodian shall select newspapers for information disclosure among Designated Media.

In addition to the disclosure of information on Designated Media as required by relevant regulations, the Fund Manager and the Fund Custodian can disclose information on other public media as needed, provided that information disclosure on other public media shall not be made prior to the disclosure on Designated Media, and the disclosure of the same information on different media shall have be consistent.

Professional institutions issuing auditing reports and legal opinions in respect of the publicly disclosed information of the Fund by information disclosure obligors shall prepare the original copies of such documents, and keep such documents for at least 10 years after the termination of the Fund Contract.

#### (VII) Circumstances of Suspending or Delaying Disclosure of Information

1. When the stock exchanges on which the Fund's investments are traded are closed because of statutory public holidays or other reasons.
2. Valuation is suspended.
3. Other circumstances stipulated by laws and regulations, the CSRC or the Fund Contract.

#### (VIII) Retention and Inspection of the Information Disclosure Documents

The Prospectus shall be available at the address of the Fund Manager, the Fund Custodian and the Fund Sales Institution for inspection and copying by the public.

The announced regular reports of the Fund shall be available at the address of the Fund Manager and the Fund Custodian for inspection and copying by the public.

## XVII. RISK DISCLOSURE

The performance of the Fund is affected by price fluctuations in the securities market, the holding of the Fund by Investors may profit or suffer loss. The Fund principally invests in financial instruments with fixed income and good liquidity, and mainly faces the following seven types of risks:

### (I) Market Risk

The price of the securities market is affected by various factors including economic factors, political factors, investment psychology and trading systems, which may result in changes in Fund income and incur risks. Such risks mainly include:

1. Policy risk. The change of macroeconomic policies of the State (such as monetary policy, finance policy, industrial policy and regional development policy etc.) will give rise to price fluctuations of securities, which will affect Fund income.
2. Economic cycle risk. With the periodical changes of economic operation, the securities market also reflects the periodical changes, and giving rise to the fluctuation of bond prices and affect the investment return in stocks and warrants. The income level of the Fund also changes correspondingly.
3. Risk of Interest rates. When the interest rate level of the financial market changes, it will cause changes in the price and yield of bonds, and at the same time, also directly affect the financing cost and profit level of companies, resulting in changes in stock and warrant market trend, and thus affect the performance of Net Asset Value of the Fund. For example, when the market interest rate increases, the prices of bonds held by the Fund will decrease. If the holding duration of the Fund portfolio maintains longer, Fund Assets will face a loss.
4. Credit risk. If the issuer of bonds invested by the Fund fails to or rejects to pay the principal with interest due, or cannot perform other obligations as required in the contract, or its credit rating is reduced, it will result in a drop in the price of its bond, and thus cause loss to Fund Assets.
5. Purchasing power risk. The income obtained by the Fund from investment in bonds is mainly distributed in the form of cash, and the purchasing power of cash may reduce as a result of inflation, which will reduce the actual gain of the Fund.
6. Risk of Changes of Yield Curve of Bonds. Such risk refers to the situation where the yield curve does not change as predicted causing deviations in investment decision of the Fund.

7. Reinvestment risk. Such risk varies inversely with the interest rate risk. When the market interest rate decreases, the price of bonds held by the Fund will increase, and reinvestment of interest income received by the Fund for investment in financial instruments with fixed income will result in a lower return rate, and so reinvestment risk will increase; in contrast, when the market interest rate increases, the prices of bonds held by the Fund will decrease, the interest rate risk will increase, but reinvestment income derived from interest will also increase.

8. Operating risk. Such risk relates to uncertainty of cash flows generated from operating activities of the issuer of bonds held by the Fund. Greater changes in operating revenue of bond issuer over a period will result in higher operating risk; in contrast, more stable operating revenue will generate lower operating risk.

#### (II) Management Risk

During the management and operation of the Fund, the income level of the Fund may be affected by the knowledge, experience, judgment, decisions and skills of the Fund Manager, which will affect their possession of information and judgment on the economic situation and securities price trends, and thus resulting in management risk. The management level, tools and techniques of the Fund Manager also may affect the income level of the Fund.

#### (III) Liquidity Risk

The liquidity risk reflects in two aspects. Firstly, in certain circumstances, inadequate market trading volume and poor liquidity in some investment products may result in the inability of such securities to rapidly realize into cash at a low cost, and thus affecting the achievement of investment return of the Fund; secondly, consecutive massive redemptions by Investors during the opening period of the Fund will result in difficulties in cash payment of the Fund, or force the Fund to dispose of a large amount of securities at an inappropriate price, and thus causing an adverse impact on the growth rate of Net Asset Value of the Fund.

#### (IV) Compliance Risk

It refers to the risk arising from the non-compliance by the Fund of requirements under relevant laws and regulations and the Fund Contract.

#### (V) Operation and Technical Risks

During the operating process of all operations, related parties of the Fund may face risks arising from unsatisfactory internal control or operation failure or breach of operation rules due to human factors, such as unauthorized trading, insider trading, trading errors and fraud.

In addition, in the back-office operations of an open-ended fund, failure or errors in the technological system may affect normal trading or even affect the benefit of Fund Unitholders. Such technical risk may originate from the Fund Manager, the Fund Custodian, the Registration Agency, Sales Institutions, stock exchanges and the securities registration and settlement agency, etc.

#### (VI) Risks Specific to the Fund

##### 1. Risk of Specific Investments

Firstly, the Fund is a bond fund, in specific investment management, the proportion of the Fund's investments in bond assets shall not be less than 80% of Fund Assets, therefore, the Fund may face higher market systemic risk as a result of its investments in bond assets.

Secondly, the Fund cannot completely avoid the credit risk arising from the change in credit quality of the bond issuer and comparing to ordinary bond funds, the Fund faces a higher credit risk as a result of an investment proportion of no less than 80% of non-cash Fund Assets in credit bonds in the fixed income assets the Fund holds. If the credit bonds held by the Fund encounter default risk, it will cause a considerable negative impact and fluctuation to the Net Asset Value of the Fund.

In addition, although the Fund does not directly purchase stocks, warrants and other equity assets from secondary markets, and also does not participate in the subscription of new shares or investment of additional shares in primary markets, it can hold stocks constituted of convertible bonds or convertible shares (including warrants allocated for such stocks held) and warrants arising from investment in detachable bonds, the equity assets held as a result of the above reasons may increase investment risk of the Fund.

##### 2. Risk of Termination or Merger of the Fund

Starting from the effective date of the Fund Contract, if the number of Fund Unitholders is less than 200 for 60 consecutive Working Days; or Net Asset Value of the Fund is less than RMB30,000,000 for 60 consecutive Working Days, the Fund shall be terminated or merged with other funds without resolution through the meeting of the Fund Unitholders.

#### (VII) Other Risks

##### 1. Upon creation and development of new investment instruments which comply with the

investment philosophy of the Fund, if the Fund invests in such instruments, it may face certain special risks.

2. Risks caused by technical factors, such as risks caused by an unreliable computer system;
3. Risks arising from the imperfection of institutional improvement, staffing and establishment of internal control system etc. as a result of the rapid development of Fund businesses;
4. Risks caused by human factors, such as risks of insider trading and fraudulent conduct;
5. Possible risks arising from the dependence on key personnel, such as the Fund Manager;
6. Any event of Force Majeure, such as wars and natural disasters, could lead to the loss of Fund Assets and affect the income level of the Fund, causing risks;
7. Risks caused by other accidents.

(VIII) For details of special risk disclosure for Class H Fund Units, please refer to the supplementary documents to the Prospectus.

## **XVIII. MODIFICATION AND TERMINATION OF FUND CONTRACT AND LIQUIDATION OF FUND ASSETS**

### **(I) Modification of the Fund Contract**

1. If modifications to the Fund Contract involve in matters which shall be approved by a resolution of the Unitholders' meeting in accordance with the provisions of laws and regulations or as agreed by the Fund Contract, they shall be passed by a resolution of the Unitholders' meeting. For matters which are not required to be passed by a resolution of the Unitholders' meeting, they can be changed and announced with the consent of the Fund Manager and the Fund Custodian and reported to the CSRC for filing.

2. Resolutions of the Unitholders' meeting on modifications to the Fund Contract shall be implemented after coming into effect and shall be announced on at least one Designated M within two days of coming into effect.

### **(II) Termination of the Fund Contract**

Under any of the following circumstances, the Fund Contract shall be terminated:

1. The Unitholders' meeting votes for the Fund Contract to be terminated;
2. The termination of duties of the Fund Manager and the Fund Custodian and no new fund manager and fund custodian to undertake the duties within 6 months;
3. Within the duration of the Fund Contract starting from its coming into effect, the Fund shall be terminated or merged with other funds without a resolution of the Unitholders' meeting if there exists one of the following circumstances:
  - (1) The number of Fund Unitholders is less than 200 for consecutive 60 Working Days;
  - (2) Net Asset Value of the Fund is less than RMB30,000,000 for consecutive 60 Working Days.
4. Other circumstances stipulated in the Fund Contract;
5. Other circumstances stipulated by relevant laws and regulations or the CSRC.

### **(III) Liquidation of Fund Assets**

1. Liquidation group of Fund Assets: The liquidation group shall be established within 30 Working Days from the date of the termination of the Fund Contract. The Fund Manager shall arrange the liquidation group of Fund assets to conduct the liquidation of the Fund under the supervision of the CSRC.
2. Composition of the liquidation group of Fund Assets: The liquidation group of Fund Assets shall consist of the Fund Manager, the Fund Custodian, certified public accountants qualified for securities business, lawyers and personnel appointed by the CSRC. The liquidation group may hire necessary staff.
3. Responsibilities of the liquidation group of Fund Assets: The liquidation group of Fund Assets shall be responsible for the safekeeping, clearing, valuation, realization and



distribution of Fund Assets. The liquidation group can take necessary civil actions in accordance with relevant laws.

4. Liquidation procedures for Fund Assets:

- (1) When a circumstance for termination of the Fund Contract occurs, the liquidation group of Fund Assets shall take over the Fund Assets;
- (2) To liquidate and confirm the Fund Assets and creditor's rights;
- (3) To value and realize Fund Assets;
- (4) To prepare the liquidation report;
- (5) To appoint an accounting firm to conduct external auditing and appoint a law firm to issue legal opinions regarding the liquidation report;
- (6) To submit the liquidation report to the CSRC for filing and announcement to public;
- (7) To distribute the remaining Fund Assets.

(IV) Liquidation Expenses

Liquidation expenses mean all reasonable fees and expenses incurred during the Fund liquidation process, which shall be paid out of Fund Assets by the liquidation group with priority.

(V) Distribution of Remaining Fund Assets

Under the distribution plan of the liquidation of Fund Assets, after deducting the liquidation expenses, paying outstanding taxes and settling debts of the Fund out of all remaining assets after the liquidation of Fund Assets, the distribution proportion of the remaining Fund Assets for all classes of Fund Units shall be determined based on the proportion of the Net Asset Value of the respective classes of Fund Units upon the occurrence of termination event for all classes of Fund Units as set out in the Fund Contract, and within the limit of distributable remaining assets for all classes of Fund Units distribute in proportion to the percentage of Units held by the Unitholders in each class of the Fund.

(VI) Fund Assets Liquidation Announcement

Any significant events during the liquidation process shall be announced in a timely manner. The liquidation report of Fund Assets shall be audited by the accounting firm and submitted to the CSRC for filing and announced after the law firm issued the legal opinion. The Fund Assets liquidation announcement shall be made by the liquidation group of Fund Assets within 5 Working Days after the liquidation report of Fund Assets has been reported to the CSRC for filing.

(VII) Keeping of Statements and Documents of Fund Assets Liquidation

The Fund Custodian shall keep all statements and documents relating to the liquidation of Fund Assets for at least 15 years.

## **XIX. SUMMARY OF THE FUND CONTRACT**

Summary of the Fund Contract is published on the website of the Fund Manager ([www.yhfund.com.cn](http://www.yhfund.com.cn)).

## **XX. SUMMARY OF THE CUSTODY AGREEMENT**

Summary of the Custody Agreement of the Fund is published on the website of the Fund Manager ([www.yhfund.com.cn](http://www.yhfund.com.cn)).

## XXI. SERVICES TO UNITHOLDERS

The Fund Manager undertakes to provide a wide range of services to the Unitholders, and will increase or change these services according to the needs of Unitholders and changes in the market.

Major services for Class H Fund Units are detailed in the supplementary documents to the Prospectus, and major services for Class A Fund Units are as follows:

### (I) Delivery of Information

#### 1. Investors' account statement

The statement service is customized, Investors who have not customized for this service can check his/her account's information through internet site, voice phone, mobile phone website and other methods. Printed statement is provided on a quarterly basis, and will be sent to the Unitholders who have transacted in that quarter within 10 Working Days after the end of each quarter. Electronic statement is provided on a monthly and quarterly basis, including WeChat, e-mail and other electronic methods, for which the Unitholders may choose based on their needs.

#### 2. Other related information

### (II) Consultation and Enquiry services

#### 1. Information inquiry password

The inquiry password of the Fund is used by Investors to enquire the account and transaction information under the Fund Account. Upon knowing their account number of the Fund, Investors are required to login to the website of the Fund Manager (<http://www.yhfund.com.cn>) to revise the inquiry password of the Fund in time. To fully protect the security of investors' personal information, new password shall be a combination of 6-18 numbers and characters.

#### 2. Information consultation and checking

If Investors wish to learn about dealings of Initial Subscription, Subscription, Redemption, balance in the Fund Account, the Fund products and services, please dial the number of customer service center of the Fund Manager or login to the website of the Company to consult and make enquiry.

Customer Service Center: 400-678-3333、010-85186558

Company Website: [www.yhfund.com.cn](http://www.yhfund.com.cn)

### (III) Online services

The Fund Manager shall provide regularly or from time to time investment information and communication services with the fund managers (or investment consultants) on its own online platform.

### (IV) Electronic trading and services

Investors can make transactions of the Fund through the online trading system, for details, please visit the Company's website or refer to related announcements.

(V) If you are in any doubt as to the contents of the Prospectus, please contact the Fund Manager through the above means. Please ensure that you fully understand the Prospectus prior to investment.

## XXII. OTHER DISCLOSURES

Important announcements involving the Fund since the last update of the Prospectus:

- (I) The Fund Manager has disclosed the “Announcement on Amending Relevant Provisions of the Fund Contract of Some of the Company’s Funds and Adjusting Redemption Fees” on 28 March 2018. The amended Fund Contract comes into effect since the date of the announcement; but to avoid affecting the interests of existing Unitholders of the Fund, the provision of “the Fund shall charge no less than 1.5% redemption fees to investors with a continued holding period of less than 7 days, and the above-mentioned redemption fees shall all be vested into the Fund assets” in the Fund Contract shall officially come into effect on 1 April 2018.
- (II) The Fund Manager has disclosed the “Announcement of Yinhua Fund Management Co., Ltd. on Adjustment of the Minimum Amount of the Prescribed Term and Amount Investment of Part of Its Funds” on 11 June 2018, and since 12 June 2018 adjusted the minimum amount of prescribed term and amount investment of Class A Units of the Fund to RMB10.

### **XXIII. KEEPING AND INSPECTION OF THE PROSPECTUS**

The Prospectus is kept in the offices and business premises of the Fund Manager, its copies may be inspected free of charge by Investors. After paying the cost of the medium, Investors may obtain a duplicate or a copy of the above document within a reasonable time, but the original of the Prospectus of the Fund shall prevail.

Investors also may login directly to the website of the Fund Manager ([www.yhfund.com.cn](http://www.yhfund.com.cn)) for inspection and download of the Prospectus.

#### XXIV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The document approving the offering of the Yinhua Credit Theme Jijihong Bond Fund by the CSRC;
2. The Fund Contract of the Yinhua Credit Theme Jijihong Bond Fund;
3. The Custody Agreement of the Yinhua Credit Theme Jijihong Bond Fund;
4. Letter of Opinions for the offering of the Yinhua Credit Theme Jijihong Bond Fund;
5. Qualification Approval of the Fund Manager's professional qualifications and business license
6. Qualification Approval of the Fund Custodian's professional qualifications and business license
7. Other documents as required by the CSRC.

Qualification Approval of the Fund Custodian's professional qualifications and business license are kept by the Fund Custodian; the Fund Contract, the Custody Agreement and other documents available for inspection are kept by the Fund Manager. Investors may inspect these documents free of charge at the place of deposit within business hours, and may purchase copies of such documents at the cost of the medium.