

各位

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                        (香港)・リミテッド

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税務上の香港居住者証明書、中国における租税引当金の戻入れ及び  
純資産価額の修正のお知らせ

弊社は、2015年11月16日付けで、香港において、税務上の香港居住者証明書、中国における租税引当金の戻入れ及び純資産価額の修正に関するプレスリリースを行いました。以下はその抄訳です。

サブファンドの資産運用会社であるチャイナ・アセット・マネジメント（香港）・リミテッド（「資産運用会社」）は、受益者に対して、以下の点についてお知らせします。

- (1) 2015年10月16日、資産運用会社は、各サブファンドのために、香港の内国歳入庁(「IRD」)より、サブファンドのそれぞれの設立日から2014年12月31日に終了した暦年度までの各暦年度(必要に応じて)について、税務上の香港居住者証明書を取得したこと。
- (2) (a)2014年11月17日より前にA株の取引から得たサブファンドの実現キャピタル・ゲイン総額に関する中国の税務報告の確認が完了したこと、並びに(b)上海の税務当局による、豊富な土地を有しない企業により発行されたA株の取引から得たサブファンドの実現キャピタル・ゲイン総額に関する租税条約に基づく軽減の適用申請書類の確認が完了したこと、及びその後、2015年11月10日(「支払日」)に、サブファンドにより、2014年11月17日より前に豊富な土地を有する企業により発行されたA株の処分により得た実現キャピタル・ゲイン総額に対する中国の源泉所得税(「WIT」)が支払われたこと。
- (3) 豊富な土地を有しない企業により発行されたA株の取引により得た実現キャピタル・ゲイン総額に関する租税条約に基づく軽減の適用申請に対して上海の税務当局が承認したことを示す文書及びそれに続く、サブファンドによる、豊富な土地を有する企業により発行されたA株の取引により得た実現キャピタル・ゲイン総額に対するWITの支払いにより、本プレスリリースの日付(「源泉徴収税戻入日」)において、それぞれのサブファ

ンドに、該当する過剰な引当金の戻入れが行われること。

(4) (3)の結果、源泉徴収税戻入日における各サブファンドの純資産価額が影響を受けること。

上記(4)による影響を受け、源泉徴収税戻入日におけるサブファンドの純資産価額は増加します。源泉徴収税戻入日より前に既にサブファンドの受益権を譲渡又は現金化した者は、引当金の戻入金額のいかなる部分についても受領する資格はなく、また請求する権利を有しません。

以上

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The Manager accepts full responsibility for the accuracy of the information contained in this Announcement as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, opinions expressed in this Announcement have been arrived at after due and careful consideration.

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If you are in doubt about the contents of this Announcement, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

## **ChinaAMC CSI 300 Index ETF**

*(the "CSI 300 ETF")*

**RMB Counter Stock Code: 83188**

**HKD Counter Stock Code: 03188**

## **ChinaAMC CES China A80 Index ETF**

*(the "A80 ETF")*

**RMB Counter Stock Code: 83180**

**HKD Counter Stock Code: 03180**

*(together, the "Sub-Funds")*

*(sub-funds of ChinaAMC ETF Series (the "Trust"), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong))*

### **Announcement**

#### **Hong Kong Tax Resident Certificate, reversal of PRC tax provision and adjustment to Net Asset Value**

China Asset Management (Hong Kong) Limited, the Manager of the Sub-Funds (the "**Manager**"), wishes to inform Unitholders about:

- (i) the obtaining of Hong Kong Tax Resident Certificate for each calendar year (where relevant) since the Sub-Funds' respective inception date to the calendar year ended 31 December 2014 from the Inland Revenue Department of Hong Kong (the "**IRD**") by the Manager on behalf of each of the Sub-Funds on 16 October 2015;
- (ii) the completion of review of the (a) PRC tax reporting on the Sub-Funds' gross realised capital gains on trading of A-Shares prior to 17 November 2014; and (b) tax treaty relief application package on the Sub-Funds' gross realised capital gains on trading of A-Shares issued by non-land rich companies by the Shanghai tax authority, and the subsequent payment of PRC withholding income tax ("**WIT**") on the gross realised capital gains arising from disposal of A-Shares issued by land rich companies prior to

17 November 2014 by the Sub-Funds on 10 November 2015 (the “**Payment Date**”);

- (iii) with the document indicating the Shanghai tax authority’s agreement to the tax treaty relief application on the gross realised capital gains derived from trading of A-Shares issued by non-land rich companies and following payment of WIT by the Sub-Funds on the gross realised capital gains derived from trading of A-Shares issued by land rich companies, the reversal of the relevant over-provisioned amount to the respective Sub-Fund which takes place on the date of this Announcement (the “**Withholding Tax Reversal Date**”); and
- (iv) the impact on the Net Asset Value of each Sub-Fund as at the Withholding Tax Reversal Date as a result of (iii).

Point (iv) above has the effect of increasing the Net Asset Value of the Sub-Funds as at the Withholding Tax Reversal Date. Persons who have already transferred or redeemed their Units in the Sub-Funds before the Withholding Tax Reversal Date will not be entitled or have any right to claim any part of the amount representing the reversal of provision.

Unless otherwise stated, terms used in this announcement shall have the same meanings ascribed to them under the prospectus of the Sub-Funds.

#### **Hong Kong Tax Resident Certificate**

As disclosed in the announcement made by the Manager on 27 January 2014 as well as the prospectus of the Sub-Funds, certain tax relief is applicable to Hong Kong tax residents under the *Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income* (the “**China-HK Arrangements**”). One type of such relief under the China-HK Arrangements is that capital gains derived by a Hong Kong tax resident from transfer of shares of a PRC tax resident company would be taxed in the PRC only if:

- 50% or more of the PRC tax resident company’s assets are comprised, directly or indirectly, of immovable property situated in the PRC (a “**land rich company**”); or
- the Hong Kong tax resident holds at least 25% of the shares of the PRC tax resident company at any time within the 12 months before the alienation.

Given the fact that a RQFII is not allowed to hold more than 10% of the shares of a single issuer, it should not be subject to WIT for the capital gains derived from trading of A-Shares unless the A-Share company is a land rich company.

Pursuant to the relevant PRC tax regulations, to enjoy relief under the China-HK Arrangements, a Hong Kong tax resident should submit to the relevant PRC tax authority the application documents for treaty relief including a Hong Kong Tax Resident Certificate (a “**HKTRC**”) issued by the IRD. In 2013, the Manager obtained a HKTRC on behalf of the CSI 300 ETF for the calendar year ended 31 December 2013. However, there was a risk that the Manager would not be able to obtain HKTRCs on behalf of the Sub-Funds for each calendar year of their respective operation. As explained in the announcement dated 17 November 2014 (the “**November Announcement**”), due to the limited extent of clarifications available, the Manager took a prudent approach at the relevant time and did not assume that the Sub-Funds would be able to obtain HKTRC(s) for each calendar year of their respective operation.

Due to the enforcement of tax collection on gross realised capital gains on equity investments by the Shanghai tax authority earlier this year, the Manager has applied to the IRD on behalf of each

Sub-Fund for the HKTRC, and is pleased to announce that it has on 16 October 2015 obtained a HKTRC for (i) the CSI 300 ETF for the calendar year ended 31 December 2014<sup>1</sup>; and (ii) the A80 ETF for each calendar year since its inception date to the calendar year ended 31 December 2014. The HKTRCs have been submitted to the Shanghai tax authority for the purpose of applying tax relief on gross realised capital gains derived from trading of A-Shares which are issued by non-land rich companies under the China-HK Arrangements.

#### **Review of the tax reporting and tax treaty relief application package by Shanghai tax authority and payment of WIT**

At the request of the Shanghai tax authority, the Manager, as the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) of the Sub-Funds, fully submitted the requested information and documents on behalf of the Sub-Funds to the PRC tax authorities in October 2015 to report the WIT payable on gross realised capital gains derived from trading of land rich companies A-Shares prior to 17 November 2014 and apply for WIT relief on gross realised capital gains derived from trading of A-Shares which are issued by non-land rich companies under the China-HK Arrangements. The documents submitted include the HKTRCs for each Sub-Fund as described above, as part of the application for the Shanghai tax authority’s approval for the eligibility of the Sub-Funds to benefit from the WIT relief under the China-HK Arrangements. The documents and information submitted by the Manager were prepared by a professional tax adviser and were reviewed and approved by the Manager.

The Shanghai tax authority completed the review on the Sub-Funds’ aforesaid tax reporting and tax treaty relief applications and issued a document on its official web-site notifying the Sub-Funds of the tax treaty relief application result. According to the document, the Shanghai tax authority indicates that it agrees to the Sub-Funds’ tax treaty relief application submitted. As such, gross realised capital gains derived by the Sub-Funds from transfer of A-Shares prior to 17 November 2014, except for A-Shares issued by land rich companies, are eligible for WIT relief under the China-HK Arrangements.

The total amount of WIT payable by each Sub-Fund (the “**Actual WIT Liability**”), which has been paid by each Sub-Fund in full on the Payment Date, is as follows:

	Actual WIT payable on the Payment Date (RMB)
CSI 300 ETF	8,641,076.34
A 80 ETF	36,223.21

#### **Reversal of tax provision and impact on Net Asset Value**

As disclosed in the November Announcement, prior to the Withholding Tax Reversal Date, the Manager had made a 10% WIT withholding on each Sub-Fund’s respective gross realised capital gains derived from trading of A-Shares since their respective inception up to and including 16 November 2014, referred to as the “**Provision**” for each Sub-Fund.

The Manager considers that, in accordance with the aforesaid documents indicating the Shanghai tax authority’s agreement to the Sub-Funds’ tax treaty relief application and the tax payment certificate issued by the Shanghai tax authority, the Sub-Funds have settled their respective PRC WIT liabilities with regards to their respective gross realised capital gains derived from trading of

<sup>1</sup> As stated above, in 2013 the Manager obtained a HKTRC for the CSI 300 ETF for the calendar year ended 31 December 2013. There was no realised gain for the CSI 300 ETF for the calendar year ended 31 December 2012 hence no HKTRC is required for that year.

A-Shares issued by land rich companies since the Sub-Funds' respective inception date to 16 November 2014. The Actual WIT Liability is lower than the respective amount of Provision for each relevant Sub-Fund as at the Withholding Tax Reversal Date.

The Manager therefore decides to reverse the excess Provision, i.e. pay back to the relevant Sub-Fund the difference between the Provision and the Actual WIT Liability. The reversal is conducted on the Withholding Tax Reversal Date. As a result of the reversal, the Net Asset Value of each Sub-Fund as at the Withholding Tax Reversal Date (published on 16 November 2015) increased. The amount of the reversal and the positive impact on the Net Asset Value of each Sub-Fund is set out below:

	Amount of reversal of Provision (RMB) (Actual Figures)	Increase in Net Asset Value per Unit (RMB) (Actual Figures)	Increase in Net Asset Value (%) (Actual Figures)
CSI 300 ETF	108,201,228.36	0.353	0.920%
A80 ETF	1,478,047.16	0.657	5.967%

#### *Previous Unitholders*

As disclosed in the prospectus of the Sub-Funds, Unitholders who have already redeemed their Units in any of the Sub-Funds before the Withholding Tax Reversal Date will not be entitled or have any right to claim any part of the amount representing the reversed Provision.

#### *Trustee*

Based on the relevant documents provided by the Manager, the Trustee of the Trust has no objection to the reversal of Provision.

#### **Approach on future gains**

As disclosed in the November Announcement, in light of the guidance in the relevant tax circulars published by the PRC tax authorities, the Manager has not made a provision on gross realised or unrealised capital gains derived from trading of A-Shares (either via Stock Connect or RQFII) from 17 November 2014 onwards. This approach remains unchanged.

#### **Risk Factors**

Investors should note that the aforesaid tax reporting and tax treaty relief application are made in accordance with the prevailing tax rules and practices of the Shanghai tax authority at the time of submission. The Net Asset Value of the Sub-Funds may require further adjustment to take into account any retrospective application of new tax regulations and development, including change in interpretation of the relevant regulations by the PRC tax authority.

The Manager will closely monitor any further guidance by the relevant PRC and Hong Kong tax authorities and adjust the tax withholding policy of the Sub-Funds accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of the Sub-Funds at all times.

Unitholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. If no provision is made by the Manager in relation to all or part of the actual tax levied by the State Administration of Taxation in future,

investors should note that the Net Asset Value of the relevant Sub-Fund may be lowered, as the Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Units in issue at the relevant time, and the then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the relevant Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Fund.

**Unitholders should seek their own tax advice on their tax position with regard to their investment in a Sub-Fund.**

### **General**

The prospectus of the Sub-Funds has been amended by way of addendum to reflect the above changes and associated risks. The revised prospectus will be published on the Manager's website at <http://etf.chinaamc.com.hk/HKen/CSI300> (for the CSI 300 ETF) and <http://etf.chinaamc.com.hk/HKen/A80> (for the A80 ETF) (the websites have not been reviewed by the SFC) and Hong Kong Exchanges and Clearing Limited's website at [www.hkex.com.hk](http://www.hkex.com.hk) on 16 November 2015.

Investors who have any enquiries regarding the above may contact the Manager at 37th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or our enquiry hotline at (852) 3406 8686 during office hours.

**China Asset Management (Hong Kong) Limited**

華夏基金（香港）有限公司

**as Manager of ChinaAMC CSI 300 Index ETF and ChinaAMC CES China A80 Index ETF**

**Date: 16 November 2015**