AMP Capital China Growth Fund
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AMP Capital China Growth Fund (ASX: AGF) – Cash repatriation and tax update

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Cash repatriation

The responsible entity (RE) of the AMP Capital China Growth Fund (the Fund), AMP Capital Funds Management Limited (AFSL 426455), advises the Fund has successfully completed a repatriation of cash from China. This cash repatriation is from profits generated by the Fund in China and is the culmination of a 12 month process to secure a number of approvals from Chinese regulatory authorities including determination of the Fund's tax position.

2015 distribution update

On 25 February 2016, the Fund announced the total distribution of $129.7 million ($0.33575 per unit), of which $81.3 million will be reinvested into additional units in the Fund under the DRP, and $48.4 million will be paid in cash in line with unitholders' elections.

The successful repatriation will allow the Fund to pay the cash portion of the distribution by 31 March 2016. The remaining repatriated funds will be allocated to working capital including potential investments in China A-shares via the Shanghai Hong Kong Stock Connect (Stock Connect)**.**

Determination of tax position and payment of taxes

On 17 November 2014, the Chinese Ministry of Finance released a QFII tax circular (the "Tax Circular") which stated that all capital gains realised after that date would not attract tax in China. Following the release of this Tax Circular, all QFII holders, including the Fund, were required to pay all tax liabilities for interest income, dividend income and capital gains realised for the five years to November 2014. Previously, tax liabilities were required to be paid when monies were repatriated from China.

The Fund has now agreed and paid all taxes on interest income, dividend income and capital gains on "land rich" China A-shares, as assessed by the Chinese tax authorities for the five years to November 2014. In addition, the Chinese tax authorities have also advised that the China/Mauritius Double Tax Treaty (the "Treaty") is applicable to the Fund. Consequently, no tax was required to be paid in respect of capital gains on "non-land rich" China A-shares. The settlement of all outstanding taxes has resulted in an increase to the Fund's net asset value of A$3.1 million.

The RE has worked with the Fund's tax advisors and the Chinese tax authorities for a number of years to clarify the Fund's tax position and is pleased to have achieved a favourable outcome for unitholders. The clarifications provided by the Chinese tax authorities from the release of the Tax Circular and the completed tax assessments are expected to simplify the process and shorten the timeframe required to repatriate cash in the future.

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