

ASX Announcement

25 FEBRUARY 2016



Manager
ASX Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Announcement No: 07/2016

AMP Capital China Growth Fund (ASX: AGF) – 2015 Preliminary Final Report (Appendix 4E)

In accordance with ASX Listing Rule 4.3A, AMP Capital Funds Management Limited, the responsible entity for the AMP Capital China Growth Fund (the Fund), presents the Preliminary Final Report (Appendix 4E) for the Fund for the year ended 31 December 2015.

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AMP Capital China Growth Fund

APPENDIX 4E

PRELIMINARY FINAL REPORT

1. Details of the reporting period

Current reporting period: 1 January 2015 to 31 December 2015

Previous corresponding reporting period: 1 January 2014 to 31 December 2014

Balance date: 31 December 2015

2. Results for announcement to the market

Financial results information for AMP Capital China Growth Fund ("Fund")			
	Dec 2015 A\$'000	Dec 2014 A\$'000	% Change
(Decrease)/increase in net assets attributable to unitholders	(55,839)	181,937	N/A
Total investment income	78,605	193,655	-59
Net profit attributable to unitholders before distributions	77,454	192,888	-60
<p>Due to the activities of the Fund, the most relevant measure of the Fund's financial performance is change in net assets attributable to unitholders; total investment income is the most relevant measure of revenue from ordinary activities; and net profit attributable to unitholders before distributions is the most relevant measure of profit from ordinary activities after tax attributable to members.</p> <p>The decrease in net assets attributable to unitholders of \$55,839,000 (2014: increase of \$181,937,000) was a result of:</p> <ul style="list-style-type: none"> • net gain from changes in the fair value of China A shares of \$7,059,000 (2014: net gain of \$156,873,000); • foreign exchange gain on translation of China A shares of \$71,951,000 (2014: gain of \$43,421,000); • dividend income from China A shares of \$8,615,000 (2014: \$7,314,000); • net foreign exchange gain on translation of other assets and liabilities of \$4,518,584 (2014: net gain of \$1,048,845). <p>net of:</p> <ul style="list-style-type: none"> • distributions to unitholders of \$133,292,583 (2014: \$10,950,693); • responsible entity and investment manager fees of \$10,720,895 (2014: \$6,036,460); and • net expense comprising other investment income, expenses and taxes of \$3,969,106 (2014: net expense of \$9,732,692). 			

Distributions payable to unitholders of AMP Capital China Growth Fund	
Amount per AMP Capital China Growth Fund unit (rounded to 5 decimal points)	\$0.33575
Record date	31 December 2015
Estimate distribution payment date	By 31 March 2016
The distribution is an unfranked distribution.	

3. Statement of Comprehensive Income with notes

Refer to the attached Annual Report.

4. Statement of Financial Position with notes

Refer to the attached Annual Report.

5. Statement of Cash Flows with notes

Refer to the attached Annual Report.

6. Statement of Changes in Net Assets Attributable to Unitholders

Refer to the attached Annual Report.

7. Details of distributions

The Fund has declared a distribution of \$129,696,518 (distribution per unit of \$0.33575) for the financial year ended 31 December 2015 (31 December 2014: \$10,950,693, a distribution per unit of \$0.02923). For this distribution, a cash distribution of \$48,417,425 (31 December 2014: \$853,419) will be paid, and the remaining \$81,279,093 (31 December 2014: \$10,097,274) will be reinvested in additional units in the Fund through the distribution reinvestment plan (DRP). In May 2015, the Fund also made an additional distribution of \$3,596,065 (distribution per unit of \$0.00960), after revising the Fund's distributable income for the year ended 31 December 2014.

The AMP Capital China Growth Fund is required to distribute 100% of its distributable income in accordance with its constitution and the Income Tax Assessment Act 1936. The Fund's distributable income was significantly higher in 2015 than in previous years due to the large amount of gains realised by the Fund during 2015.

Distributions have historically been paid in March each year. In the current year, due to the distribution being significantly higher than previous years, payment is subject to the repatriation of cash from China. This process is currently expected to be completed by the end of March 2016. While this repatriation process has already commenced, and is ongoing, final execution may be subject to delay due to a range of factors, including approvals by the Chinese regulatory authorities.

The Australian sourced income is \$5,094 (\$0.00001 per unit), and the remaining \$129,691,424 (\$0.33574 per unit) is foreign sourced income.

The distribution does not include a conduit foreign income component.

8. Details of distribution reinvestment plan ("DRP")

The terms of the Fund's DRP are set out in Section 12 of the Product Disclosure Statement for the Fund dated 20 November 2006. All units issued under the DRP will rank equally with units previously issued.

Eligible unitholders investing prior to 31 December 2015

Under the DRP, eligible investors that first invested into the Fund prior to 31 December 2015 will have 100 per cent of their distributions reinvested in additional units at the DRP issue price unless the investor elected on or before 4 January 2016 to receive a partial cash distribution. Investors receiving a partial cash distribution will receive in cash that part of the distribution that is equivalent to the highest marginal rate of tax plus Medicare Levy and other applicable levies (currently 49.0%) as set out in the Product Disclosure Statement. The balance will be reinvested in additional units.

Eligible unitholders investing on or after 31 December 2015

Investors that first invested into the Fund on or after 31 December 2015 will receive a partial cash distribution unless the investor elected, on or before 4 January 2016, to have 100 per cent of their distribution reinvested in additional units.

Unitholders not eligible to participate in the DRP

Investors from any jurisdiction outside of Australia, New Zealand, Hong Kong or Singapore may not participate in the DRP and will receive a full cash distribution.

9. Net tangible assets per security

	31 December 2015	31 December 2014
Net assets value per unit at the end of the reporting period	\$1.31	\$1.47

Net assets value per unit is the same as net tangible assets per security. Net asset value per unit (cum distribution) at the end of the reporting period was \$1.65 (31 December 2014: \$1.50).

10. Control gained or lost over entities during the period

None.

11. Details of associates and joint venture entities

The Fund did not have any interest in associates or joint venture entities during the current reporting period

12. Other significant information

As stated in Note 1 (c) to the Fund's financial statements, which are attached to this report, the financial statements for the Fund for the financial year ended 31 December 2015 are for the parent entity only. Under Australian Accounting Standards the Fund meets the definition of an Investment Entity and is precluded from presenting consolidated financial statements.

The financial statements of the Fund's wholly-owned controlled entity, a company incorporated in Mauritius called "AMP Capital China Growth Fund", have been provided as a separate announcement to the ASX. The Mauritius subsidiary financial statements, which are presented in United States dollars, were audited by Ernst & Young, Mauritius.

13. Accounting standards used by foreign entities

The controlled entity of the Fund complies with the International Financial Reporting Standards.

14. Commentary on results

	31 December 2015	31 December 2014
14.1 Earnings per Unit (EPU)		
EPU is based on the weighted average number of ordinary units during the reporting period	\$0.20220	\$0.51766
14.2 Distribution per Unit (DPU)		
DPU is based on the number of ordinary units at the end of the reporting period	\$0.33575	\$0.02923
14.3 Significant features of operating performance: Refer to the attached Annual Report.		

14.4 The results of segments that are significant to an understanding of the business as a whole: Refer to the attached Annual Report.
14.5 Trends in performance: Refer to the attached Annual Report.
14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: Refer to the attached Annual Report.

15. Audit / review of accounts upon which this report is based

This report is based on accounts to which one of the following applies (tick one):

<input checked="" type="checkbox"/>	The accounts have been audited. (refer attached financial statements for audit report)	<input type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.

16. Accounts not yet audited or reviewed

N/A

17. Qualification of audit / review

N/A