

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

CMS FUNDS (“Fund”)
CMS China Opportunities Flexifund (“Sub-Fund”)

NOTICE TO UNITHOLDERS

Capitalised terms used in this notice shall have the same meaning ascribed to them in the latest version of the Explanatory Memorandum (“**Explanatory Memorandum**”) of the Fund unless the context otherwise requires.

CMS Asset Management (HK) Co., Limited as the Manager of the Sub-Fund accepts responsibility for the accuracy of the contents of this notice as at the date of this notice, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

Dear Unitholders,

A. Update on the Termination of the Sub-Fund

Reference is made to the notices made by the Manager of the Sub-Fund on 8 April 2024 (the “**Notices**”) in relation to the termination of the Sub-Fund. According to the Notice, once the PRC tax clearance is obtained, the Manager shall proceed to terminate the Sub-Fund after the Trustee and the Manager have formed an opinion that the Sub-Fund has no outstanding contingent or actual liabilities or assets, and that the Manager expected the PRC tax clearance to be completed in or about 14 June 2024 and the Sub-Fund to be terminated by 16 July 2024. The Manager wishes to provide an update concerning the termination. Unless otherwise defined, capitalised terms in this announcement have the same meanings as defined in the Notice.

As at the date of this notice, the PRC tax authorities have reviewed the submission of tax filings and are in process of settling the PRC tax liabilities of the Sub-Fund. Based on the latest communication with its professional tax advisers, the Manager now expects that PRC tax clearance will be completed on or around 15 November 2024. Therefore, the Manager now expects that the original Termination Date will be postponed, and the Sub-Fund will be terminated on or around 31 December 2024.

The Manager will continue to update investors on any development of the status of the PRC tax clearance and/or refund of any relevant provision, including when PRC tax is settled. The Manager will announce the updated date of termination of the Sub-Fund as soon as it is ascertained.

B. Preparation of the Termination Audit Report

Under 11.6 of the SFC’s Code on Unit Trusts and Mutual Funds (the “**Code**”), the Manager is required to publish and distribute (1) annual reports to investors within four months of the end of the Fund’s and the Sub-Fund’s financial year; and (2) interim reports to investors within two months of the end of the period such interim reports cover. Since the Sub-Fund will mainly hold cash from realisation of its assets, with a view to minimizing operational costs, the Sub-Fund will, to the extent necessary, rely on explanatory note (2) to 11.6 of the Code which permits extension of reporting period for the annual report or interim report in the case of fund termination. Accordingly, as the Manager expects the Sub-Fund to be terminated on or around 31 December 2024, the annual report for the period from 1 January 2024 to 31 December 2024 (or the termination date of the fund (“**Termination Date**”) if the fund is terminated before or around 31 December 2024) will be combined with the termination audit of the Fund and the Sub-Fund. The combined annual report and termination audit will cover the period from 1 January 2024 to the termination date which is currently expected to be on or about 31 December 2024 (the “**Termination Audit Period**”). The contents of the annual report for the Termination Audit Period (the “**Termination Audit Report**”) shall comply with the requirements under 4.5(f) of the Code and Appendix E to the Code and all other applicable provisions of the Code, other applicable laws and regulations. For the avoidance

of doubt, the Manager expects to publish and distribute the interim report for the period from 1 January 2024 to 30 June 2024 to investors within two months of the end of such period.

After the updated date of termination of the Sub-Fund is ascertained, the Manager shall notify the relevant Unitholder(s) by way of a notice on our website at <https://www.cmschina.com.hk/en/AM/FundProduct?view=CHOF> as soon as practicable. Such notice shall notify the relevant Unitholder(s) of, among other things: (1) when the Termination Audit Report will be published; (2) the start and end dates of the Termination Audit Period; and (3) where the Termination Audit Report, in printed and electronic forms, can be obtained.

The Termination Audit Report shall be published on our website as soon as practicable and in any event no later than four months from the updated date of termination, and will remain published on our website for a period of at least one year after the date on which the SFC approves the withdrawal of authorisation of the Sub-Fund. Hard copies of the Termination Audit Report may also be obtained from the Manager upon request, free of charge, within the same period.

The Manager confirms, save as otherwise set out above, the Manager will continue to comply with all other applicable provisions of the Code, the applicable provisions of the Trust Deed and all other applicable laws and regulations in respect of the Fund and the Sub-Fund. In addition, the Manager confirms that the relevant Unitholder(s) will not be prejudiced from the above arrangement under 11.6 of the Code.

If you have any questions or require further information, please contact the Manager at 48/F One Exchange Square, 8 Connaught Place, Central, Hong Kong, or by telephone at (852) 2530 0698.

Yours faithfully,

For and on behalf of

CMS Asset Management (HK) Co., Limited as the Manager
of the Fund and the Sub-Fund

14 June 2024