

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,

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 and 14 June 2024 respectively (together the “**Notices**”) in relation to the termination of the Sub-Fund. According to the Notices, 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. As the Manager understands from the professional tax advisors that PRC tax clearance has now been completed, the Manager wishes to inform you that the Sub-Fund will be terminated on or around 20 December 2024 (the “**Termination Date**”), which is the date on which the Trustee and the Manager have formed an opinion that the Sub-Fund has no outstanding contingent or actual liabilities or assets. The Manager will also apply to the Securities and Futures Commission in Hong Kong for the withdrawal of authorisation of the Sub-Fund in due course after such termination.

PRC Tax Settlement and Clearance

As disclosed in the notice of the Sub-Fund dated 8 April 2024, if, upon the settlement of PRC tax with the PRC tax authorities, the total amount of provisions made by the Sub-Fund for discharging its contingent liabilities is lower than the final PRC tax liabilities, the Manager will bear the shortfall. If the provision is higher than the final PRC tax liabilities, the Manager will, after having consulted with the Trustee, make a further distribution to the relevant Unitholder(s).

Upon the settlement of PRC taxes with the relevant PRC tax authorities, the PRC Tax Provisions made are equal to the taxes being charged by such PRC tax authorities and there will not be any Excess Tax Distribution made to the relevant Unitholder(s).

Termination Costs and Expenses

As disclosed in the notice of the Sub-Fund dated 8 April 2024, for the termination costs of the Sub-Fund which include the costs and expenses associated with the subsequent withdrawal of authorisation after the Sub-Fund’s termination, the associated legal fees and the fees and expenses incurred for obtaining the PRC tax clearance, the Manager has voluntarily undertaken to bear such costs and expenses and no provision would be set aside from the Sub-Fund’s assets and deducted from the total assets to account for such costs and expenses. For the avoidance of doubt, such termination costs and expenses do not include normal operating expenses, such as transaction costs and any taxes relating to the liquidation of assets of the Sub-Fund for the termination, which has been borne by the Sub-Fund.

Distribution of the Termination Audit Report

As disclosed in the notice of the Sub-Fund dated 14 June 2024, the Termination Audit Report covering the Termination Audit Period from 1 January 2024 to the Termination Date will be published and distributed to the relevant Unitholder(s) after the termination of the Sub-Fund.

The Termination Audit Report shall be published on our website at <https://www.cmschina.com.hk/en/AM/FundProduct?view=CHOF> 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.

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

9 December 2024