

ChinaAMC ESG OFC (the “Company”)

ChinaAMC Asia ESG Bond Fund (the “Sub-Fund”)

Notice to Shareholders

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

China Asset Management (Hong Kong) Limited accepts full responsibility for the accuracy of the information contained in this document as at the date of publication 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.

Capitalised terms used herein shall bear the same meanings as capitalised terms used in the Explanatory Memorandum for the Company and the Sub-Fund dated September 2024, as may be amended and supplemented from time to time (the “**Explanatory Memorandum**”).

15 December 2025

Dear Shareholders,

Termination of ChinaAMC ESG OFC and ChinaAMC Asia ESG Bond Fund

Unless otherwise defined in this Notice, capitalised terms used in this Notice shall have the same meaning as defined in the Explanatory Memorandum.

We, China Asset Management (Hong Kong) Limited, as the manager of the Company and the Sub-Fund, wish to notify you that the Directors have decided to terminate the Company and the Sub-Fund i.e. terminate the affairs of the Company and the Sub-Fund. The date on which the Company and the Sub-Fund shall have no assets and liabilities will be on or around 16 January 2026 (the “**Cessation Date**”), and the termination date of the Sub-Fund will be further subject to the approval of the SFC following the Cessation Date.

Reasons for termination

According to Clause 261(C) of the instrument of incorporation of the Company effective as of 1 November 2022 (the “**Instrument**”), the Company may be terminated by the Directors in their absolute discretion in the event that, 1 year from the date of the first issue of Shares relating to the first sub-fund of the Company or at any date thereafter, the Net Asset Value of the Company (being the sum of the Net Asset Value of each sub-fund of the Company) is less than USD10,000,000. The Instrument does not require investors’ approval for terminating the Company and the Sub-Fund on the ground set out in Clause 261(A) of the Instrument. Currently, the Sub-Fund is the only sub-fund of the Company.

As at 11 December 2025, the Net Asset Value and the Net Asset Value per Share of the Sub-Fund were USD5.89 million and USD11.2584 respectively. Having taken into account the relevant factors including the interests of the investors as a whole, the current relatively small Net Asset Value of the Sub-Fund, the Directors are of the view that the proposed termination of the Company and the Sub-Fund would be in the best interests of the investors of the Sub-Fund.

Therefore, the Directors have decided to exercise their power under Clause 261(C) of the Instrument to terminate the Company and the Sub-Fund. The Directors have given written notice to the Custodian notifying the Custodian of its proposal to: (i) terminate the Company and the Sub-Fund, (ii) voluntarily seek the deauthorisation of the Company and the Sub-Fund, and (iii) apply for cancellation of registration of the Company and termination of the Sub-Fund, and the Custodian does not object to such proposal.

As required under Clause 263 of the Instrument, no less than one month's notice is hereby given to the investors, notifying them of the proposed termination of the Company and the Sub-Fund. As required under Chapter 10.11 of the SFC's Code on Open-Ended Fund Companies (the "**OFC Code**"), written notification to investors must be made prior to the termination of the Company and the Sub-Fund.

As of and from the date of this Notice:

- (i) the Sub-Fund will no longer be allowed to be marketed to the public in Hong Kong; and
- (ii) the Sub-Fund will not accept any subscription from new or existing investors.

The Sub-Fund will cease dealing on the Last Redemption Day (as defined below).

In order to enable a smooth termination process, the Manager will, depending on the redemptions from existing investors received (if any), start to realise all underlying investments of the Sub-Fund from the date of this Notice and the Sub-Fund may hold a substantial amount of cash and thus not be able to fulfil its investment objective and strategy after the realisation of the Sub-Fund's underlying investments commences

The Manager will apply to the Securities and Futures Commission (the "**SFC**") for withdrawal of authorisation of the Company and the Sub-Fund and their offering documents as well as termination and cancellation of registration of the Company under section 112ZH of the SFO and the termination of the Sub-Fund under section 160(3) of Securities and Futures (Open-ended Fund Companies) Rules as soon as reasonably practicable after the Cessation Date following the realisation of the assets and settlement of liabilities of the Sub-Fund, payment of Distribution and obtaining tax clearance.

Actions to be taken by you

From the date of this Notice, you may choose one of the following:

(a) Free Redemption

At any time on or before 4:00 pm (Hong Kong time), being the Sub-Fund's dealing cut-off time, on 22 December 2025 (the "**Last Redemption Day**"), you may redeem your holdings in the Sub-Fund free of redemption charge. To effect redemption on a particular Dealing Day (a "**Redemption Day**"), the redemption request must be received by the Manager no later than the dealing deadline at 4:00 p.m. (Hong Kong time) on the Redemption Day. Please note that your distributor may impose an internal dealing cut-off time which may be earlier than the deadline stated above and may charge redemption, conversion and/or transaction fees.

Redemption proceeds will be paid by telegraphic transfer in the class currency of the Shares to your pre-designated bank account (at your risk and expense), within 5 Business Days after the relevant Redemption Day and in any event within one calendar month after the relevant Redemption Day. For further details on the procedures for the redemption of Shares in the Sub-Fund, please refer to the section headed "REDEMPTION OF SHARES" of the Explanatory Memorandum.

(b) Free Switching

At any time on or before 4:00 pm (Hong Kong time) on the Last Redemption Day, you may inform the Manager of your intention to switch Shares into shares/units in other SFC authorised funds managed by the Manager (a “**New Fund**”) free of charge. Please note that switching fee may be charged by your distributor for each switching request. Such conversion will be effected on the Dealing Day on which the switching request is received prior to the dealing deadline at 4:00 p.m., subject to procedures set out in the Explanatory Memorandum. Your distributor may impose an internal dealing cut-off time which may be earlier than the deadline stated above. Please note that SFC authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(c) Distribution of Cash Proceeds after the Last Redemption Day

If you take no action before 4:00 pm (Hong Kong time) on the Last Redemption Day, pursuant to Clause 264 of the Instrument, all the assets in the Sub-Fund will be realised and all net cash proceeds derived from the realisation and available for the purposes of distribution will be distributed to you, on or around 6 January 2026, in proportion to your holdings of Shares in the Sub-Fund as at 12:00 pm (Hong Kong time) on the Last Redemption Day (calculated in accordance with the Instrument and the Explanatory Memorandum) (the “**Distribution**”), free of any charges by the Manager. The amount of distribution entitled by each investor who remain invested in the Sub-Fund after the Last Redemption Day (the “**Relevant Investor**”) will be the Sub-Fund’s Net Asset Value as at 29 December 2025 i.e. the date of last valuation of the Sub-Fund to be conducted upon realisation of all assets (the “**Last Valuation Date**”) in proportion to the Relevant Investor’s Shares as at the Last Valuation Date.

Please note the following:

- If you choose to switch Shares into a New Fund, the redemption proceeds will be used to subscribe for shares/units in the New Fund, subject to the provisions of the offering document of the New Fund (including all applicable minimum initial investment amount and minimum holding requirements) except that such conversion will be free of charge, i.e. any subscription fee of the relevant New Fund will not apply. Investors’ attention is drawn to the section “Switching” in the Explanatory Memorandum for the procedures of conversion (for the avoidance of doubt, no switching fee is payable to the Company, the New Fund or the Manager). Please note that switching fee may be charged by your distributor for each switching request.
- Investors are reminded to read and understand the investment objective, risks, policies and fees applicable to the relevant New Fund before investing in such fund, as described in the explanatory memorandum and product key facts statement of the relevant New Fund. There are risks involved with investment in a New Fund. Investors should pay attention to the offering documents of the relevant New Fund, especially the relevant risk disclosures, before making a decision to invest.
- Payment of (if you choose option (a)) the redemption proceeds or (if you choose option (c)) the Distribution will be subject to procedures as set out in the Explanatory Memorandum.

Costs

Ongoing charges of the Sub-Fund and provision of costs and expenses

The ongoing charges over a year[#] for Class I USD (Acc) Shares of the Sub-Fund as a percentage of Net Asset Value is 2.06%.

[#] The ongoing charges figure is calculated based on expenses for the period from 1 January 2025 to 11 December 2025, annualised to obtain an estimated figure over a year. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the relevant share class expressed as a percentage of the average Net Asset Value of such share class.

The Manager will set aside a provision of USD 12,000 for the Sub-Fund (the “**Provision**”) immediately after this Notice is published, which is approximately 0.20% of the Net Asset Value of the Sub-Fund as at 11 December 2025. The Custodian has confirmed that it has no objection to the amount of the Provision. The Provision is to discharge the fees of the Custodian and other service providers of the Sub-Fund during the period between the date of this Notice to the Cessation Date.

The ongoing charges figure for the Sub-Fund aforementioned will no longer be applicable and the Provision (in terms of percentage of the Net Asset Value of the Sub-Fund) represents the ongoing charges chargeable to the Sub-Fund from the date of this Notice until the Cessation Date. The Custodian will waive its entitlement to custodian fee from the Last Valuation Date until the Cessation Date. The Manager will waive its entitlement to management fee from the date of this Notice until the Cessation Date.

Any future costs, charges, expenses, claims and demands (including but not limited to any legal costs, auditors’ fees, regulatory maintenance costs and the fees payable to any other service provider to the Sub-Fund) that the Custodian and the Manager may incur or make, during the period between the date of this Notice up to and including the Cessation Date (including if the Cessation Date is extended), in connection with or arising out of the ongoing maintenance of the Sub-Fund (together, the “**Future Costs**”), to the extent not covered by the Provision, will be borne by the Manager. Conversely, where the Provision is in excess of the actual amount of Future Costs until the Cessation Date, such excess will be refunded to the Relevant Investors as part of a further distribution in proportion to the Relevant Investor’s interests in the Sub-Fund as at the Last Valuation Date. Such further distribution (if any) will be made as soon as practicable after the Last Valuation Date. In case a further distribution is made, the Manager will issue an announcement informing Relevant Investors of the date and amount of payment.

Cost of termination and deauthorisation and cancellation of registration of the Company

The costs and expenses in relation to the termination of the Company and the Sub-Fund (such as legal costs and translation fees, except for the fees for termination audit), and the withdrawal of authorisation of the Company and the Sub-Fund and cancellation of registration of the Company (other than normal operating expenses such as transaction costs and any tax relating to realisation of the assets) from the date of this Notice (if any), will be borne by the Manager. For the avoidance of doubt, the fees of the termination audit, which are approximately USD 19,000, will be borne by the Sub-Fund.

Unamortised establishment costs

As at the date of this Notice, the Company and the Sub-Fund do not have any unamortised establishment costs.

Preparing Termination Audit Report covering the Termination Audit Period

Under Chapter 11.6 of the UT Code, the Manager is required to publish and distribute annual reports containing the information required in Appendix E to the UT Code to investors within four months of the end of the Company and the Sub-Fund’s financial year-end which is 31 December every year. Chapter 11.6 of the UT

Code also provides that, as an alternative to the distribution of printed financial reports, investors may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame.

With a view to minimising operational cost, the Manager will rely on Note (2) to Chapter 11.6 of the UT Code which permits extension of reporting period for the annual report in the case of fund termination. Accordingly, to the extent that the Cessation Date falls within the first four months after the financial year ending 31 December 2025, the annual report for the financial year ending 31 December 2025 will be combined with the termination audit of the Company and the Sub-Fund (the “**Termination Audit Report**”), covering an extended reporting period from 1 January 2025 to the Cessation Date (the “**Termination Audit Period**”). The Termination Audit Report will be published on the Manager’s website www.chinaamc.com.hk (this website has not been reviewed by the SFC) as soon as practicable and in any event no later than four months after the Cessation Date.

The Manager will publish the Termination Audit Report as follows:

- (A) the contents of the Termination Audit Report shall comply with the requirements under Chapter 4.5(f) and Appendix E to the UT Code, and all other applicable provisions of the UT Code, other applicable laws and regulations; and
- (B) the Manager shall notify the investors by way of an announcement on its website www.chinaamc.com.hk (this website has not been reviewed by the SFC) or before 30 April 2026 (i.e. the due date for issuance of the normal annual report) of, among other things: (i) when the Termination Audit Report will be published; (ii) the start and end dates of the Termination Audit Period; and (iii) where the Termination Audit Report, in printed and electronic forms, can be obtained.

The Manager considers that the investors’ interests will not be prejudiced by the above arrangement. Save as otherwise set out above, the Manager will continue to comply with all the other applicable provisions of the UT Code, the OFC Code, the applicable provisions in the Instrument and other applicable laws and regulations in respect of the Company and the Sub-Fund.

Tax implication to Hong Kong investors

Hong Kong tax

Based on the Manager’s understanding of the law and practice in force at the date of this Notice, as the Sub-Fund is a collective investment scheme authorised under Section 104 of the Securities and Futures Ordinance, profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax, the Sub-Fund may be subject to tax in certain jurisdictions where investments are made, on income or capital gains derived from such investments.

Distribution or further distribution (if any) to the extent of distribution of profits and/or capital of the Sub-Fund should generally not be subject to Hong Kong profits tax by investors in Hong Kong (whether by way of withholding or otherwise). For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Shares in the Sub-Fund may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business, sourced in Hong Kong, as well as the Shares are revenue assets of the investors. Ascertaining the classification of a gain as revenue or capital will depend on the particular facts and circumstances of the investors.

The tax implications of the investors' shareholding as a consequence of the termination of the Sub-Fund may vary depending on the law and regulations of their country of residence, citizenship or domicile. Investors should consult their professional tax advisers for tax advice.

Mainland China tax

Corporate Income Tax ("**CIT**")

Under the prevailing PRC CIT Law, a China Tax Resident Enterprise ("**TRE**") is subject to CIT on its worldwide income. A foreign enterprise with a "place of effective management" within the PRC is also regarded as a China TRE. The "place of effective management" refers to the place where the exercise, in substance, of the overall management and control of the production and business operation, personnel, accounts and assets is located. A non-TRE with an establishment or a place of business in China shall pay CIT on income derived by such establishment or place from sources in China as well as income derived from outside China that is effectively connected with such establishment or place.

An "establishment or place" is defined under PRC CIT law as an establishment or place in China engaging in production and business operations, including management and business organizations, representative offices, places where natural resources are exploited, labor services are rendered, contractor projects are undertaken, and other establishments or places where production and business activities are undertaken. Business agents who regularly sign contracts, store and deliver goods, etc. on behalf of non-TREs would also be regarded as creating an establishment or place of business in China under CIT law.

Under the CIT law, the standard CIT rate is 25%.

A non-TRE that has no establishment or place in China is taxed only on its China-source income. A unilateral concessionary rate of 10% withholding tax ("**WHT**") will be applied on gross income derived from interest and other China-source passive income unless reduced under a tax treaty or tax arrangement.

The Sub-Fund, together with the Manager, do not intend to operate in a way that would cause the Sub-Fund to be treated as PRC TREs or to have an establishment or a place in the PRC, although this cannot be guaranteed. It is possible, however, that the PRC tax authorities could disagree with such an assessment or that changes in PRC tax law could affect the PRC CIT status of the Sub-Fund.

If the Sub-Fund does not have a place of effective management, an establishment or a place of business in the PRC, Sub-Fund will normally be regarded as a non-TRE.

(1) Capital Gains

WHT

Under the prevailing PRC tax law, there are no specific rules or regulations governing the CIT treatment on the capital gains derived by foreign investors from trading China bonds. In practice, China tax authorities have not taken active actions to collect CIT / WHT on the capital gains derived by foreign investors from trading China bonds.

According to the Operational Procedures for Overseas Institutional Investors to Enter China Interbank Bond Market prescribed by the People's Bank of China ("**PBOC**") in November 2017, capital gains derived by foreign investors from trading the domestic bond instruments through China Interbank Bond Market is exempt from CIT / WHT. However, it is uncertain how long the exemption will last.

Therefore, the capital gains derived by foreign investors from trading China bonds are more likely than not treated as not subject to PRC CIT / WHT, unless China tax authorities issue specific tax rules in the future to state otherwise.

Value-added tax (“VAT”)

Pursuant to Circular Caishui [2016] No.36 and Circular Caishui [2016] No.70, VAT exemption would be granted to capital gains derived from bond trading conducted by foreign institutions approved by PBOC through China Interbank Bond Market.

Stamp Duty (“SD”)

SD is levied on certain taxable documents executed or used in the PRC. The sale or purchase of PRC domestic bonds investments does not fall in the SD taxable scope and are not subject to PRC SD.

(2) Interest

WHT and VAT

Pursuant to Public Notice 34 jointly issued by Ministry of Finance and State Taxation Administration on 22 November 2021, interest income derived by overseas institutional investors from the domestic bond market are temporarily exempt from CIT / WHT and VAT during the period from 7 November 2021 to 31 December 2025 provided that such bond interest income is not derived by the establishment or place of business of the overseas investors in the PRC or effectively connected with such establishment or place.

However, it is uncertain whether this temporary exemption will be further extended after expiration.

The Sub-Fund currently does not make any tax provision for Mainland China tax, and the Manager does not expect any tax provision to be made from the date of this announcement until the termination of the Company and the Sub-Fund. As such, the Manager does not expect that the Net Asset Value of the Sub-Fund will be impacted by any tax provision. To the best of the Manager's knowledge, the Company and Sub-Fund are not subject to any unresolved tax issues or PRC tax clearance.

Documents available for inspection

Copies of the Instrument and the most recent annual reports and the most recent interim report of the Sub-Fund are, together with the Explanatory Memorandum and Product Key Facts Statement of the Sub-Fund, are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager (set out below). The latest version of such documents are also available at the Manager's website www.chinaamc.com.hk (this website has not been reviewed by the SFC).

If you have any questions or require further information, please contact the Manager at 37/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong or by telephone at (852) 3406 8686 during office hours.

Yours faithfully,

China Asset Management (Hong Kong) Limited