

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.**

**If you have sold or transferred all of your units in Hamon Asian Funds, you should pass this notice, together with the relevant accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made for transmission to the purchaser or transferee.**

**The Manager accepts full responsibility for the accuracy of the information contained in this letter, and upon making all reasonable inquiries, confirms that to the best of its knowledge and belief, there is no omission of facts which would make any statement in this letter misleading as at the date of its issuance.**

**Unless otherwise defined herein, all other capitalised terms used herein shall bear the same meaning as capitalised terms used in the prospectus dated 15 December 2022, the Hong Kong supplement dated 5 November 2021 and the product key facts statement of the Hamon Asia ESG Focus Fund dated April 2022 (collectively, the Offering Documents).**

**Re: Hamon Asian Funds (the Trust)  
Hamon Asia ESG Focus Fund (the Sub-Fund)**

**28 February 2023**

## **Termination of the Trust and the Sub-Fund**

Dear Unitholder

The Directors of KBA Consulting Management Limited (the **Manager**) wish to notify all Unitholders of the Trust of the termination of the Sub-Fund and the consequential termination of the Trust. It is expected that the termination of both the Sub-Fund and the Trust will take effect on or around 31 March 2023 (the **Effective Date**).

### **1. Background**

As at 31 January 2023, the net asset value of the Sub-Fund was US\$8,314,143.

Having consulted with Hamon Asset Management Limited (the **Investment Advisor**), the Directors of the Manager are of the opinion that it would not be practical or in the best interests of Unitholders to continue the operations of the Trust and the Sub-Fund taking into account the Trust and the Sub-Fund's expenses and aggregate size and therefore have determined to terminate the Trust and the Sub-Fund pursuant to Clause 27(c)(ii) of the Trust Deed.

Clause 27(c)(ii) of the Trust Deed provides that the Trust may be terminated by the Manager by notice in writing if, in the opinion of the Manager, it becomes impracticable, inadvisable or no longer in the best interests of Unitholders to continue the Trust taking into account the expenses, the aggregate size of the Trust and any other factors considered relevant by the Manager.

### **2. Implication of the termination**

The Manager has closed the Sub-Fund for subscriptions. From the date of this notice, the Trust and the Sub-Fund are no longer allowed to be marketed to the public in Hong Kong and shall not accept subscription from new investors.

The Sub-Fund will continue to be managed in accordance with its investment rationale, investment objective, investment policies and restrictions as set out in the Offering Document as closely as practicable until the Effective Date. However, the Sub-Fund may liquidate certain positions as is considered appropriate between the date of this notice and the Effective Date in order to facilitate any forthcoming redemptions and the subsequent compulsory repurchase of shares. As such, the Sub-Fund may not always be compliant with its investment rationale, objective and policies during this period.

The termination process disclosed in this notice (including the arrangements of all costs associated with the termination of the Trust and the Sub-Fund) will be in accordance with and in compliance with the Offering Document and the Trust Deed.

We will apply to the Hong Kong Securities and Futures Commission (the **SFC**) for the withdrawal of authorization of the Trust and the Sub-Fund in due course following the completion of the termination of the Trust and the Sub-Fund.

### **3. Ongoing charges**

The ongoing charges of the following classes of the Sub-Fund are set out below:

Share class	Ongoing charges figure
USD Class	5.41%
Sterling Class	5.41%

The ongoing charges figure is the fees payable to the Hong Kong representative payable out of the assets of the Sub-Fund and this represents the expenses for the 12-month period ended 31 December 2022 expressed as a percentage of the average net asset value of the relevant class of units over the same period.

### **4. Costs and expenses**

As of the date of this notice, there are no unamortized preliminary expenses of the Trust and the Sub-Fund.

The Manager has made provision in the Sub-Fund's net asset value (estimated to be approximately US\$134,031, i.e. approximately 1.61% of its net asset value as of 31 January 2023) for the anticipated costs in connection with the termination of the Sub-Fund and the Trust and the subsequent revocation of authorisation by the relevant regulators (including the Central Bank of Ireland).

While the provision is an estimate only, it represents the Manager's best estimate of costs and it is not anticipated that the final costs would materially deviate from the provisions made under normal circumstances. However, if there is any shortfall in the provision, the Investment Advisor will bear the shortfall. In the event that there is any excess in the provision, the Manager will, after consultation with the Trustee, make a distribution to the Unitholders who remain as a Unitholder as at the Effective Date. This distribution will be distributed to the Unitholders as soon as reasonably practicable after the Effective Date. This distribution (if any) will, subject to the applicable laws and the applicable provisions of the Trust Deed, operate to discharge the Trustee and the Manager in full any liability or obligation the Trustee or the Manager may owe to the Unitholder in respect of its unitholding in the Sub-Fund.

### **5. Options available to Unitholders**

You may choose to redeem your Units in the Sub-Fund free of charge in accordance with the Offering Documents on any Dealing Day before the dealing deadline (i.e. 4:00 p.m. (Hong Kong time) on 30 March 2023). For further details, in relation to the procedures for redemption of Units, please refer to the section headed "Redemption of Units" in the Prospectus and the Hong Kong Supplement.

On the Effective Date, remaining Unitholders in the Sub-Fund will be compulsorily redeemed in accordance with the terms of the Trust Deed. Redemption proceeds shall be distributed to Unitholders as further described below.

### **6. Distribution of redemption proceeds**

Pursuant to the Trust Deed, with effect on and from the Effective Date:

1. The Bank of New York Mellon SA/NV, Dublin Branch (the **Trustee**) shall realise all the assets then compromised in the Sub-Fund (which realisation shall be carried out and completed in such manner and within such period after the Effective Date as the Trustee think advisable); and

2. Unitholders of the Sub-Fund on the Effective Date will be paid the net cash proceeds derived from the realisation of the assets of the Sub-Fund which are available for distribution in proportion to their respective interests in the Sub-Fund and in accordance with the Prospectus.

## **7. Termination Audit Report and Period**

Under 11.6 of the SFC's Code on Unit Trusts and Mutual Funds (the **UT Code**), the Manager is required to publish and distribute annual reports containing the relevant information provided under Appendix E to the UT Code to Unitholders within 4 months of the end of the Sub-Fund's financial year (which ends on 31 December in each year). Once financial reports are issued, Unitholders will be notified of where such reports, in printed and electronic forms, can be obtained.

As the Effective Date falls within 4 months of the immediate past financial year ended on 31 December 2022, in order to minimize the operational costs, the Manager will rely on explanatory note (2) to 11.6 of the UT Code, which permits the extension of the reporting period for the annual report in the case of fund termination and combine the annual report for the preceding financial year with the termination audit of the Sub-Fund covering the period from 1 January 2023 to the Effective Date (the Termination Audit Period).

Accordingly, the Manager has determined to extend the financial year-end of the Trust from 31 December 2022 to the Effective Date and no later than 31 March 2023. This extension is to facilitate the orderly termination of the Trust and the application for revocation of its authorisation by the relevant regulators (including the Central Bank of Ireland). The Manager considers proceeding in this manner to be in the interests of the Unitholders as it will be more cost and time efficient than carrying out two separate audits.

The Manager will publish the annual reports as follows:

- (i) the contents of the annual report for the Termination Audit Period (the **Termination Audit Report**) shall comply with the relevant requirements under Appendix E to the UT Code and all other applicable laws and regulations; and
- (ii) the Manager shall notify Unitholders of the Sub-Fund by way of notice, among other things: (a) when the Termination Audit Report will be published and (b) where the Termination Audit Report, in electronic form, can be obtained. The Termination Audit Report shall be published on the Investment Advisor's website at <http://www.hamon.com.hk/><sup>1</sup> as soon as practicable and in any event no later than four months after the Effective Date, and will remain published on the Investment Advisor's website for a period of at least one year after the date on which the authorization of the Trust and the Sub-Fund is withdrawn from the SFC. 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, that the Manager will continue to comply with all other applicable provisions of the UT Code, the applicable provisions of the Trust Deed and all other applicable laws and regulations in respect of the Trust and the Sub-Fund. In addition, the Manager confirms that Unitholders will not be prejudiced from the above arrangement under 11.6 of the UT Code.

## **8. Tax implications**

Unitholders should note that under current law and practice in Hong Kong, the Trust and the Sub-Fund are not expected to be subject to Hong Kong tax in respect of any of the authorised activities.

No profits tax will be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of the Trust or the Sub-Fund or in respect of any capital gains arising on a sale, redemption, conversion or other disposal of Units, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

Unitholders should consult their own professional advisers on the potential taxation consequences of the transfer, sale, redemption, conversion or otherwise disposal of the Units in the Sub-Fund.

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<sup>1</sup> The website has not been reviewed or authorised by the SFC and may contain information of funds not authorised by the SFC in Hong Kong.

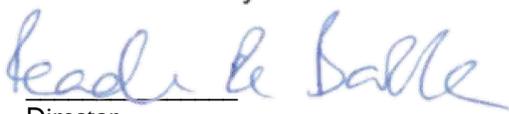
## 9. Availability of documents

Copies of the Offering Documents and the latest financial reports of the Trust and the Sub-Fund may be obtained from the Hong Kong representative and are available at <http://www.hamon.com.hk/><sup>2</sup> or <https://www.fundinfo.com.hk/><sup>3</sup>. Please refer to the section headed "Supply and Inspection of Documents" in the Hong Kong Supplement for further details.

This notice is for information purposes only and Unitholders are not required to take any action.

Should you have any queries regarding this document, please contact Hamon Asset Management Limited at +852 2526 4268 or via email: [enquiry@hamon.com.hk](mailto:enquiry@hamon.com.hk).

Yours faithfully



Director

**For and on behalf of**

**KBA Consulting Management Limited**

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