

ANNOUNCEMENT – AMENDMENTS TO THE CONSTITUTION OF CSOP INVESTMENTS VCC

We, CSOP Investments VCC (the “**Company**”) wish to announce and notify holders of participating shares in the Company (“**Participating Shares**”) in the ICBC CSOP FTSE Chinese Government Bond Index ETF (the “**Sub-Fund**”) that the constitution of the Company, that was adopted by ordinary resolution on 4 September 2020 (the “**Constitution**”), will be amended with effect from 30 May 2022 (the “**Effective Date**”) to amend the voting rights associated with the Participating Shares (the “**Amendment**”).

The Company has engaged the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST has no objections to the Amendment based on the information submitted by the Company to the SGX-ST. The reasons for the Amendment are set out below for investors’ information:

- (1) The Company is required to comply with Section 107(1) of the Variable Companies Act 2018 of Singapore (the “**VCC Act**”) which applies, with certain modifications, Section 205 of the Companies Act 1967 of Singapore (the “**Companies Act**”).
- (2) Section 205(2) of the Companies Act states that a company must at each annual general meeting of the company appoint an accounting entity or accounting entities to be the auditor or auditors of the company, and any auditor or auditors so appointed hold office, subject to this section, until the conclusion of the next general meeting of the company.
- (3) Under Regulation 8(1) of the Constitution, Participating Shareholders have the right to vote as a member at any general meeting of the Company. This would thus include having the right to vote on the appointment of the auditor of the Company at the Company’s annual general meeting.
- (4) Accordingly, because the Participating Shareholders have the right to vote on the appointment of the auditor, the Company is required to either:
 - (a) pass resolutions in writing approving the appointment of the auditor, which requires that 50% of shareholders, including Participating Shareholders, execute such resolutions; or
 - (b) hold an annual general meeting (at which the Participating Shareholders can attend and vote) and have the appointment of the auditor approved at such annual general meeting.
- (5) Such an outcome has created operational issues and complexities for the Company. The Company has to devote time, resources and personnel to either:

- (a) obtain resolutions in writing from participating dealers and other investors (being the Participating Shareholders) on an annual basis, with the scale of the task increasing as the number of investors in the Company and its sub-funds grows, and there being no guarantee that the Company will be able to find enough Participating Shareholders who are willing to vote in favour of the requisite resolution; or
 - (b) hold an annual general meeting solely for the purpose of appointing the auditor (and hence defeating the purpose of Section 78 of the VCC Act, which otherwise exempts a variable capital company such as the Company from having to hold an annual general meeting).
- (6) The appointment and reappointment of the auditor of an exchange-traded-fund (“**ETF**”) such as the Sub-Fund is a routine task for which holders of units in ETFs which are structured as unit trusts would not typically provide input on. In addition, ETFs which are structured as unit trusts would not typically hold annual general meetings. This places the Company at an operational disadvantage relative to ETFs which are structured as unit trusts.

In view of the above, the Company has considered the issue at length and will effect the Amendment to the Constitution by deleting Regulation 8(1) of the Constitution in its entirety:

“voting rights: the holder of a Participating Share shall (in respect of such share) have the right to vote as a Member at any General Meeting of the Company (including any vote on a scheme of arrangement, merger, reconstruction or amalgamation), with each Participating Share comprising one vote:

- (a) *to the extent that a matter relates to the appointment and removal of any Director of the Company, the holder of a Participating Share will not be able to vote on the relevant resolution;*
- (b) *to the extent that a matter relates to the variation of share rights of a particular Class of Shares, only the holder of a Participating Share of the relevant Class will be able to vote on the relevant resolution;*
- (c) *to the extent that a matter in question relates to a specific Sub-Fund, the holder of a Participating Share of the specific Sub-Fund and the holder of the Management Share will be voting on such matter; and*
- (d) *to the extent that a matter in question relates to the Company, the holder of a Participating Share of all Sub-Funds and the holder of the Management Share will be voting on such matter.”*

and replacing it with the following:

"voting rights: the holder of a Participating Share shall (in respect of such share) not have the right to vote as a Member at any General Meeting of the Company (including any vote on a scheme of arrangement, merger, reconstruction or amalgamation) except for any of the following matters, with each Participating Share comprising one vote to:

- (a) sanction any alteration to the investment objective of a Sub-Fund pursuant to regulation 11 (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote);*
- (b) sanction the variation of share rights of a particular Class of Shares pursuant to regulation 37;*
- (c) sanction the removal of the Manager pursuant to regulation 53;*
- (d) sanction the appointment of another corporation to act as the manager of the Company pursuant to regulation 54;*
- (e) sanction any alteration or amendment to the Constitution pursuant to regulation 60;*
- (f) sanction an alteration of capital pursuant to regulation 76;*
- (g) sanction any increase in the Management Fee Percentage beyond the permitted limit pursuant to regulation 78(2);*
- (h) permit other types of charges, fees, expenses and liabilities (not set out under regulation 80) to be paid by the Company or Sub-Fund under regulation 80A;*
- (i) sanction the removal of the Auditor pursuant to regulation 161A;*
- (j) wind up the Company or a Sub-Fund (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote) as provided for in regulation 187; and*
- (k) sanction such other matters as may be proposed by the Board to be approved by holders of Participating Shares in relation to a Sub-Fund (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote)."*

The directors of the Company (the “**Directors**”) being aware of the requirements under chapter 3.2(f) of the Code on Collective Investment Schemes, have determined that the Amendment to the Constitution does not prejudice the interests of any member of the Company, and does not release to any material extent the manager of the Company or any Director from any responsibility to the Members. An extraordinary general meeting will not be held to seek the Participating Shareholders’ approval. The Directors will instead be passing a board resolution of the Company in reliance of Regulation 61(3) of the Constitution to effect the Amendment on the Effective Date.

After the Effective Date, a copy of the amended constitution of the Company may be inspected at the registered office of the Company, at 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192, during usual business hours.

This announcement is for your information only. No action is required on your part.

Should you have any questions regarding the above matter, you may contact the Company at telephone number (65) 6279 2899 or the manager of the Company at telephone number (65) 6279 2899.