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IMPORTANT ANNOUNCEMENT – WAIVERS FROM COMPLIANCE WITH CERTAIN RULES OF THE SGX-ST LISTING MANUAL

We, **Lion Global Investors Limited** (the "**Manager**"), the manager of Lion-Nomura Japan Active ETF (Powered by AI) (the "**Fund**"), wish to announce that pursuant to an application made by us on 20 October 2023 to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the SGX-ST granted waivers in respect of the Fund from compliance with the following rules under the listing manual (the "**Rules**") of the SGX-ST on 28 December 2023. The waivers granted by the SGX-ST and the reasons for seeking the waivers are set out below:

(1) Rule 404(2)(a)

Rule 404(2)(a) of the Listing Manual states that an investment fund denominated in a foreign currency must have a minimum asset size of at least US$20 million (or its equivalent in other currencies).

SGX-ST has granted a waiver from compliance with Rule 404(2)(a), subject to the appointment of at least one designated market maker (approved by the Member Supervision function of the SGX-ST) to make a market in the Fund's Units to ensure there will be a ready market for the trading of the Fund's Units.

(2) Rules 404(4) and 617

Rule 404(4) of the Listing Manual states that a newly formed investment fund must not change its investment objective and policy in the first three years unless approved by a special resolution of the shareholders in a general meeting.

Rule 617 of the Listing Manual requires (among others), in the case of a newly formed investment fund, a statement in the prospectus that the investment policy will be adhered to for at least three years following the issue of the prospectus, unless otherwise agreed by the shareholders of the investment fund by a special resolution in general meeting.

Whilst the Manager does not currently intend to change the investment objective of the Fund during its first three years, there may be instances where the investment policy of the Fund may need to change pursuant to the requirement of any regulatory authorities or as a result of a change in the applicable laws and regulations or due to changes in market environment.

Under the Code on Collective Investment Schemes ("**Code**"), the manager of a Singapore authorised collective investment scheme ("**CIS**") is required to inform the Monetary Authority of Singapore (the "**Authority**") and existing participants of the scheme of any significant change to be made to the scheme (including a change of investment focus of the scheme or investment approach of the manager) not later than

one month before the change is to take effect. To require a special resolution by unitholders in general meeting to approve any change of investment objective or investment policy to comply with applicable laws or for non-material changes is administratively cumbersome, time consuming and costly to the Fund.

In view of the above, the SGX-ST has granted a waiver from compliance with Rules 404(4) and 617, to the extent that unitholders' approval, by way of special resolution, will be sought unless (i) the change of the investment objective or policy is required pursuant to any requirement of any regulatory authority in Singapore or elsewhere or pursuant to the change in the laws and regulations in any jurisdiction or (ii) the change of the investment objective or policy is not material.

(3) Rules 705(1) and 705(3)(b)

These Rules provide (among others) that an issuer must announce the financial statements for the first half and the full financial year immediately after the figures are available, but in any event not later than 45 or 60 days respectively after the relevant financial period.

The financial year end of the Fund is 31 December every year. As provided in the prospectus and in accordance with the relevant provisions of the Code, when available, unitholders may obtain electronic copies of (i) the audited accounts and the annual report of the Fund for the relevant financial year from the Manager's website and such audited accounts and annual report will be made available on the Manager's website within 3 months of each financial year-end of the Fund; and (ii) the semi-annual accounts and semi-annual report will be made available on the Manager's website within 2 months of 30 June every year.

As the Fund is a collective investment scheme authorised under section 286 of the Securities and Futures Act 2001, it will also be required to comply with the financial reporting requirements under the Code.

The Code sets out the time period within which accounts and reports of an authorised collective investment scheme have to be sent to unitholders under paragraph 2.3(b) of the Code, and the content of the accounts and reports of an authorised collective investment scheme are set out in Chapter 5 of the Code.

Under paragraph 2.3(b) of the Code:

(i) the semi-annual accounts and semi-annual report relating to an authorised collective investment scheme must be sent to participants within two months from the end of the period covered by the accounts and report; and

(ii) the annual accounts, report of the auditors on the annual accounts and annual report relating to an authorised collective investment scheme must be sent to participants within three months from the end of each financial year of the authorised collective investment scheme.

Under paragraph 5.1 of the Code, the half-yearly financial statements and the audited financial statements of an authorised collective investment scheme should be prepared in the manner prescribed by the Institute of Singapore Chartered Accountants in the Statement of Recommended Accounting Practice 7: Reporting Framework for Investment Funds. The contents of the semi-annual report and annual report of an authorised collective scheme are also required to comply with paragraph 5.2 of the Code.

In addition to complying with the financial reporting requirements under the Code, the Manager will also arrange for the Net Asset Value per Unit of the Fund to be published

on its website on the Business Day following each Dealing Day (as defined in the prospectus).

It is expected that the following information relating to the Fund will also be published on the Manager's website:

- any public announcements made by the Fund, notices of the suspension of the calculation of the Net Asset Value or the indicative Net Asset Value (iNAV), changes in fees and the suspension and resumption of trading, changes in the Participating Dealer(s); and

- monthly holdings, the closing Net Asset Value and Net Asset Value per Unit and monthly fund performance information.

The Manager is of the view that compliance with the financial reporting requirements under the Code and publication of the above information on the Manager's website will provide investors with information on the financial performance of the Fund on a timely basis.

In view of the above, the SGX-ST has granted a waiver from compliance with Rules 705(1) and 705(3)(b) in respect of the Fund subject to (i) compliance with the financial reporting requirement set out under the Code and (ii) announcement on SGXNET of the Fund's semi-annual and full year financial results within two months and three months after the end of the relevant financial period respectively.

(4) Rule 748(1)

Rule 748(1) of the Listing Manual provides that an investment fund must announce via SGXNET its net tangible assets per share or per unit at the end of each week.

The Manager will post the net asset value per Unit of the Fund for each Dealing Day on its website on the Business Day following each Dealing Day.

In view of the above, the SGX-ST has granted a waiver from compliance with Rule 748(1), subject to (a) the Manager providing the net asset value per Unit of the Fund, the sale price and the redemption price of Units of the Fund and the dealing days to which the net asset value per Unit of the Fund and the prices relate, on the Business Day following each Dealing Day before market opens (i.e. before 8.30 a.m. Singapore time), on the website of the Manager and (b) the announcement of the net asset value per Unit of the Fund on SGXNET at the end of each week.

(5) Rule 748(4)

Rule 748(4) of the Listing Manual states that an investment fund must seek shareholders' approval for any change of the investment manager.

Under Clause 29.5(C) of the trust deed of the Fund (the "**Trust Deed**"), unitholders have the right to remove the Manager. Moreover, the Manager may also be removed by notice in writing given by the trustee of the Fund (the "**Trustee**") under the following circumstances:

(a) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Trustee) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Manager; or

(b) if in the opinion of the Trustee, the Manager fails or neglects after reasonable

notice from the Trustee to carry out or satisfy any obligations imposed on the Manager by the Trust Deed. In such an event, the Trustee shall appoint another manager (duly approved as may be required by law for the time being applicable to the Trust Deed) as the new manager; or

(c) the Authority withdraws its approval of the Manager as manager of the Fund or directs the Trustee to remove the Manager as manager of the Fund.

The purpose of permitting the removal of the Manager without unitholders' approval under the circumstances set out above is to allow the Trustee and the Authority to effectively safeguard the interests of unitholders in a timely manner in situations where the Manager is no longer in a capacity to discharge its duties in respect of the Fund.

It is also intended that the Manager shall have the power to retire in favour of some other person considered by the Trustee to be suitably qualified and eligible to be the manager of the Fund and who is acceptable to the Authority, by giving three months' prior notice in writing to that effect to the Trustee. Unitholders' interest will not be prejudiced by allowing the Manager to retire in favour of some other person who is considered by the Trustee to be suitably qualified and eligible, and who is acceptable to the Authority.

In view of the above, the SGX-ST has granted a waiver from compliance with Rule 748(4) in respect of the Fund, subject to the Manager providing an undertaking that, (a) where unitholders' approval is not required for any change of the Manager in the situations provided for in the Trust Deed or pursuant to the Code, prior notification will nonetheless be given to investors on SGXNET and to the Authority and (b) unitholders' approval will be sought for the appointment of a new manager of the Fund in the situations provided for in the Trust Deed.

Issued by Lion Global Investors Limited (as manager of the Fund)

22 January 2024

Important: The SGX-ST takes no responsibility for the accuracy of any of the statements or opinions made in this announcement. This announcement is published for your information only. **If you are in any doubt about this announcement, you should consult your stockbroker, bank manager, solicitor, professional accountant or other independent advisers.**