



ANNUAL REPORT
30 April 2024

AHAM New China Tracker Fund

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

Built On Trust

aham.com.my

AHAM NEW CHINA TRACKER FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 30 April 2024

| Contents | Page |
|----------------------------|-------------|
| FUND INFORMATION | II |
| FUND PERFORMANCE DATA..... | III |
| MANAGER'S REPORT | V |
| TRUSTEE'S REPORT | XXX |
| FINANCIAL STATEMENT | |
| DIRECTORY OF SALES OFFICE | |

FUND INFORMATION

| | |
|----------------------|---|
| Fund Name | AHAM New China Tracker Fund |
| Fund Type | Growth |
| Fund Category | Feeder fund |
| Investment Objective | The Fund aims to provide investors with investment results that closely correspond to the performance of benchmark |
| Benchmark | S&P New China Sectors Ex A-Shares Index |
| Distribution Policy | The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate |

FUND PERFORMANCE DATA

| Category | As At 30 Apr 2024 (%) | As At 30 Apr 2023 (%) | As At 30 Apr 2022 (%) |
|---|-----------------------------|-----------------------------|-----------------------------|
| Portfolio Composition | | | |
| Collective investment scheme – local | | | |
| - TradePlus S&P New China Tracker Fund | 98.66 | 98.54 | 94.04 |
| Cash and cash equivalent | 1.34 | 1.46 | 5.96 |
| Total | 100.00 | 100.00 | 100.00 |
| Total NAV (RM' million) | 26.468 | 30.341 | 30.483 |
| NAV per Unit (RM) | 0.2931 | 0.3130 | 0.3263 |
| Unit in Circulation (million) | 90.314 | 96.921 | 93.421 |
| Highest NAV | 0.3447 | 0.3697 | 0.5241 |
| Lowest NAV | 0.2609 | 0.2488 | 0.2658 |
| Return of the Fund (%) | -6.36 | -4.08 | -37.17 |
| - Capital Return (%) | -6.36 | -4.08 | -37.17 |
| - Income Return (%) | Nil | Nil | Nil |
| Gross Distribution per Unit (sen) | Nil | Nil | Nil |
| Net Distribution per Unit (sen) | Nil | Nil | Nil |
| Total Expense Ratio (%) ¹ | 0.62 | 0.58 | 0.53 |
| Portfolio Turnover Ratio (times) ² | 0.05 | 0.09 | 0.38 |

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in Net Asset Value (“NAV”) for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

| | |
|----------------|---|
| Capital return | = NAV per Unit end / NAV per Unit begin – 1 |
| Income return | = Income distribution per Unit / NAV per Unit ex-date |
| Total return | = (1+Capital return) x (1+Income return) – 1 |

¹ The TER of the Fund was higher due to the lower average NAV of Fund during the financial year.

² The PTR of the Fund was lower due to decreased trading activities over the financial year.

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 30 April 2024.

Income Distribution Breakdown

No income distribution was declared for the financial year ended 30 April 2024.

Performance Review

Table 1: Performance of the Fund

| | 1 Year (1/5/23 - 30/4/24) | 3 Years (1/5/21 - 30/4/24) | Since Commencement (9/12/20 - 30/4/24) |
|----------------|------------------------------|-------------------------------|--|
| Fund | (6.36%) | (43.56%) | (41.38%) |
| Benchmark | (6.97%) | (46.11%) | (43.48%) |
| Outperformance | 0.61% | 2.55% | 2.10% |

Source of Benchmark: Bloomberg

Table 2: Average Total Return

| | 1 Year (1/5/23 - 30/4/24) | 3 Years (1/5/21 - 30/4/24) | Since Commencement (9/12/20 - 30/4/24) |
|----------------|------------------------------|-------------------------------|--|
| Fund | (6.36%) | (17.34%) | (14.56%) |
| Benchmark | (6.97%) | (18.61%) | (15.47%) |
| Outperformance | 0.61% | 1.27% | 0.91% |

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

| | FYE 2024 (1/5/23 - 30/4/24) | FYE 2023 (1/5/22 - 30/4/23) | FYE 2022 (1/5/21 - 30/4/22) | FYE 2021 (9/12/20 - 30/4/21) |
|----------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
| Fund | (6.36%) | (4.08%) | (37.17%) | 3.86% |
| Benchmark | (6.97%) | (4.93%) | (39.07%) | 4.89% |
| Outperformance | 0.61% | 0.85% | 1.90% | (1.03%) |

Source of Benchmark: Bloomberg

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

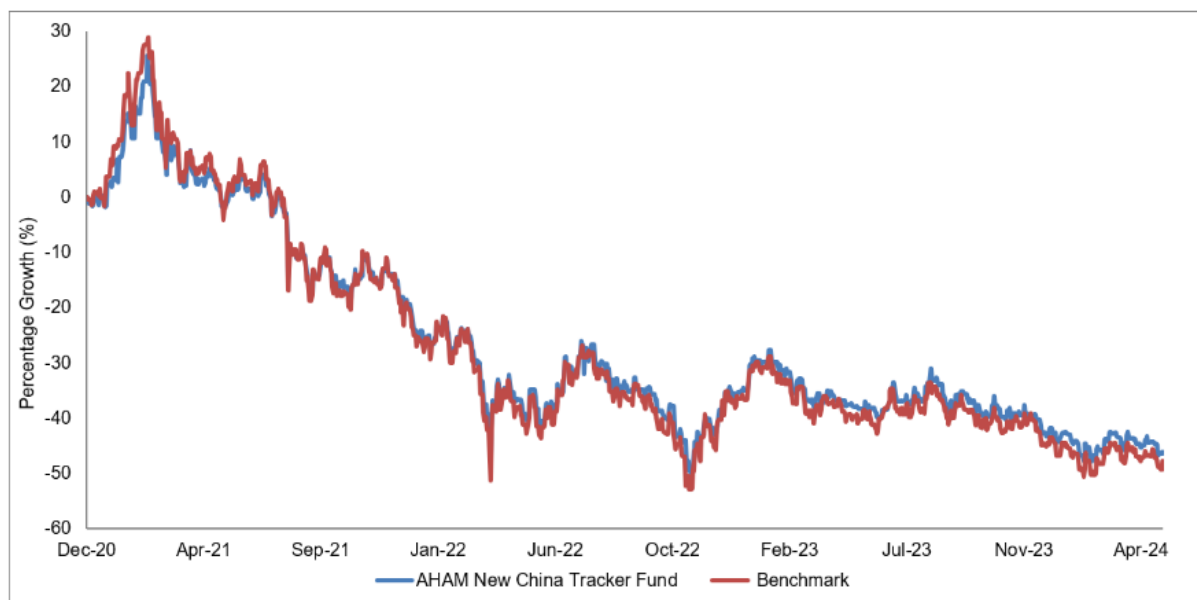
MANAGER'S REPORT

Performance Review (1 May 2023 to 30 April 2024)

For the period 1 May 2023 to 30 April 2024, the Fund registered a -6.36% return compared to the benchmark return of -6.97%. The Fund thus outperformed the Benchmark by 0.61%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2024 was MYR0.2931 while the NAV as at 30 April 2023 was MYR0.3130.

Since commencement, the Fund has registered a return of -41.38% compared to the benchmark return of -43.48%, outperforming by 2.10%.

Figure 1: Movement of the Fund versus the Benchmark since commencement.



"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."
 Benchmark: S&P New China Sectors Ex A-Shares Index

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Data.

As at 30 April 2024, the Fund's exposure stood at 98.66% in collective investment scheme and the remaining in cash and cash equivalent.

The Target Fund's 10 holdings as at 30 April 2024 is as follows:

| | Market value RM | Percentage of target fund NAV % |
|--|-----------------------|--|
| Tencent Holdings Ltd | 8,985,189 | 11.18 |
| Alibaba Group Holding Ltd | 8,536,495 | 10.63 |
| AIA Group Ltd | 7,323,104 | 9.17 |
| Pinduoduo Inc | 7,108,338 | 8.85 |
| Meituan | 5,373,275 | 6.65 |
| JD.com, Inc | 3,112,802 | 3.89 |
| NetEase, Inc | 2,986,010 | 3.73 |
| Baidu, Inc | 2,632,367 | 3.27 |
| Ping An Insurance (Group) Company of China Ltd | 2,512,617 | 3.13 |

| | | |
|--------------------|-------------------|--------------|
| Trip.com Group Ltd | 2,457,191 | 3.05 |
| Total | <u>51,027,388</u> | <u>63.55</u> |

Strategies Employed

The Fund invests solely into collective investment scheme and aims to provide investors with investment results that closely correspond to the performance of benchmark.

Market Review

At the start of the financial year, Chinese stocks fell due to high-profile divestments in Chinese internet platform companies and ongoing geopolitical risks. Despite strong macro data indicating China's economic recovery, bottom-up earnings revisions remained low. Imports and exports in March were much stronger than expected, showing robust external demand for Chinese goods and a surge in inbound oil. Q1 Gross Domestic Product ("GDP") also exceeded expectations, driven by better-than-expected consumption data, although industrial production and fixed asset investment slowed. While housing market risks were high, new home prices rose for two consecutive months, and demand for housing-related credit increased.

In May, Chinese equities consolidated as the momentum of China's economic recovery slowed. Economic activity data, such as the official Purchasing Managers' Index ("PMI"), fixed investment, and industrial production, fell short of market expectations in April. The service sector outperformed, but the manufacturing sector slowed notably. Geopolitical tensions rose as China banned United State ("US") chipmaker Micron from key infrastructure projects, and Japan joined the US in restricting semiconductor equipment sales to China. Investors hoped for increased efforts from Chinese leaders to boost growth. The Morgan Stanley Capital International ("MSCI") China dropped 8.4%, MSCI China A onshore fell 7.3%, J.P. Morgan Asia Credit Index ("JACI") China IG declined by 0.3%, and JACI China HY plummeted 10.0%. China rates also decreased by 1.8%.

In mid-June, Chinese offshore equity rebounded, but the recovery in the US dollar and dimming hopes for sufficient stimulus in China dragged it down. The official PMIs in June indicated a continued economic slowdown, with manufacturing and non-manufacturing PMIs moderating. Exports fell more than expected, and youth unemployment reached 20.8%, the highest in the series history. Despite US Secretary of State Antony Blinken's visit to China suggesting easing tensions, the goodwill faded as reports emerged of the US considering more export curbs on semiconductors.

Global markets embraced the potential for a soft landing in July, with risk-on tones as US economic strength and easing inflation were evident. The MSCI China Index posted its best monthly return (10.8%) since January due to stimulus hopes and a pro-business tone from Beijing. US Treasury yields rose despite softening inflation, and USD Chinese credit saw modest gains while high yield dropped. The Chinese yuan gained against the US dollar for the first time since March. Economic data from China in July was mixed, indicating a tepid expansion. Trade data disappointed, and the youth unemployment rate rose above 21%. However, industrial production and social financing growth exceeded expectations. Chinese authorities outlined measures to support activity, signaling a more permissive stance towards property purchases.

In August, global markets dealt with rising Treasury yields and economic weakness in China. Global equities saw losses, led by Chinese stocks, due to insufficient policy support to curb the economic slowdown. The US 10-year Treasury yield peaked at its highest level since 2007. China's economic conditions deteriorated, with disappointing industrial production, fixed asset investment, credit growth, consumer spending, and property investment. Authorities stopped publishing the youth unemployment rate, which had worsened to 21.3%. Liquidity pressures from a major real estate developer and an asset manager with ties to the property sector became apparent. China increased efforts to support the economy with interest rate cuts and reduced downpayments for first-time homebuyers, but these steps seemed measured. Positive developments included better-than-expected manufacturing PMIs in August.

In September, resilient US economic data pressured bond yields, leading to global equity losses. The US 10-year Treasury yield peaked again, affecting equity valuations. China's economic conditions showed signs of stabilization with higher-than-expected credit growth, industrial production, and retail sales in August. However, property sector risks persisted, and high-frequency macro data indicated modest economic

momentum. Both official and private PMIs for September showed expansion in the manufacturing and non-manufacturing sectors for the first time since March.

Rising bond yields continued to pressure global equities in October, with both major components of traditional portfolios suffering. The MSCI All Country World Index (“MSCI ACWI”) Index and Bloomberg US Treasury Total Return Index declined for the third consecutive month. Chinese equities fell, and credit dropped, although China high-yield property bonds saw some positive impact from policy announcements. Beijing announced a RMB 1trn bond issuance for infrastructure spending, boosting sentiment. China's economic data indicated stabilization and modest improvement in activity, with third-quarter growth exceeding expectations. Retail sales, industrial production, and fixed asset investment data were positive, but the property sector remained a drag on growth.

In November, signs of cooling economic and inflation data and signals from the Federal Reserve propelled financial markets higher. This was the best month for a 60/40 portfolio since November 2020. Global yield curves steepened, and credit spreads tightened. Chinese equities and credit rose as economic data stabilized. Policymakers took measures to support the property market, and a constructive meeting between US President Joe Biden and Chinese President Xi Jinping improved sentiments. They reached agreements on various issues, including restoring top-level military communications and air travel.

In December, cooling inflation data and expectations for central bank interest rate cuts in 2024 fueled strong financial market gains. Most regional equity indexes rose, and global yield curves shifted lower. Chinese equities slid while credit rose. Positive macro data included higher-than-expected industrial production and a larger trade surplus. However, the real estate sector remained a drag on activity. Policymakers emphasized high-quality development and measured economic support. Chinese banks cut deposit rates, and the central economic work conference communiqués did not signal large-scale stimulus. The National Bureau of Statistics' PMIs were roughly unchanged, indicating limited economic growth.

In January, resilient earnings drove equity gains despite rising government bond yields. Most regional equity indexes rose, with muted gains compared to previous months. Chinese equities lagged while credit rose slightly. Fourth-quarter growth was just below expectations, with higher-than-expected trade activity. Industrial production and fixed asset investment grew steadily, but retail sales growth decelerated. The jobless rate rose marginally, and the real estate sector continued to be a drag on activity.

In February, global equities delivered their fourth straight month of gains as economic data pointed to broader growth and reduced recession odds. All major regional equity indexes rose, with strength in China, Japan, and the US. Chinese equities rebounded strongly, while credit was mixed. Economic data in February was sparse due to the Lunar New Year holiday. The People's Bank of China cut the five-year loan prime rate to incentivize mortgage demand and stabilize the property market. Credit growth hit a record high in January, and PMI figures suggested continued economic stabilization and modest growth.

In March, Chinese credit ticked up while equity performance was flat. Economic data indicated a solid start to the year, though the property sector continued to drag. Fixed asset investment, industrial production, and exports exceeded expectations, while retail sales were slightly below estimates. Property sales and investment contracted significantly. PMI surveys showed economic improvement, with the National Bureau of Statistics' non-manufacturing PMI and manufacturing PMI both exceeding expectations.

In April, global equity prices fell after five months of gains. Rising bond yields, driven by strong US growth and inflation data, led to a sell-off in US stocks. Chinese equities rallied strongly, but credit remained flat. March economic data from China was mixed, with lower-than-expected industrial production and retail sales but better-than-expected fixed asset investment. The property sector continued to be a significant drag, and geopolitical tensions with the US remained high.

Investment Outlook

As 2024 began, the Chinese market significantly underperformed expectations. Geopolitical issues, particularly with the upcoming US elections, dominated the news. Despite this, certain investors held the view that the market was overly pessimistic about Chinese equities and anticipated a gradual recovery. The combination of better-than-expected fundamentals and low market valuations has improved sentiment over the past few months, leading to a rerating of Chinese stocks in 2024. Looking ahead, while China faces considerable challenges due to its current growth stage and economic environment, it remains on a growth path with substantial investment potential.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial year under review, no soft commission was received by the management company on behalf of the Fund.

Cross Trade

No cross trade transactions have been carried out during the reported period.

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

Changes Made to The Fund's Prospectus

A Supplemental Deed and Replacement Prospectus was issued with effective date 28 February 2023 to reflect the various changes made to the Affin Hwang New China Tracker Fund ("the Fund"). This includes:

- i. a change in the name of the Fund; and
- ii. updates to the investment restrictions and limits to be in line with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds.

A full list of changes made to the Fund is available in the following pages.

AHAM NEW CHINA TRACKER FUND (“FUND”)

LIST HIGHLIGHTING THE AMENDMENTS FROM THE PROSPECTUS DATED 18 NOVEMBER 2020 (“PROSPECTUS”) AS MODIFIED BY THE FIRST SUPPLEMENTAL PROSPECTUS DATED 8 OCTOBER 2021 (“SUPPLEMENTAL PROSPECTUS”) AND THE REPLACEMENT PROSPECTUS DATED 28 FEBRUARY 2023 (“REPLACEMENT PROSPECTUS”) IN RELATION TO THE FUND.

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|---|---|-------------------------------|
| <p>Introduction:</p> <p>In general, the amendments made to the Prospectus are to reflect the following:</p> <ol style="list-style-type: none"> 1. Requirements of Guidelines on Unit Trust Funds (Revised: 28 November 2022) (“Revised GUTF”) and Prospectus Guidelines For Collective Investment Schemes (Revised; 1 September 2022) (“Revised PCIS”); 2. Change in the shareholding of AHAM which took effect on 29 July 2022, whereby AHAM ceased to be a subsidiary of Affin Hwang Investment Bank and the Affin Banking Group. AHAM’s ultimate major shareholders now, is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners (“Change in Shareholding”); 3. Amendments made to the Second Supplemental Deed which was registered and lodged with the SC on 9 February 2023 (“Supplemental Deed”); and <p>We are of the view that amendments reflected in the Replacement Prospectus do not materially prejudice the unit holders’ interests as they do not result in (1) change to the nature/objective of the Fund; (2) change to the risk profile of the Fund; (3) change in the distribution policy; (4) introduction of a new category of fees/charges; or (5) increase in fees/charges of the Fund (collectively known as “Material Prejudice Circumstances”). Hence a unit holders’ approval is not required under paragraph 9.70 of the Revised GUTF and section 295(4)(a) of the Capital Markets and Services Act 2007.</p> <p>Additionally, except for the amendments pertaining to (1) repurchase proceed payout period; and (2) risk associated with suspension of repurchase request, we are of the view that other amendments are not significant changes that will affect unit holders’ decision to stay invested in the Fund as they do not result in change to (1) investment strategy; (2) distribution policy; or (3) minimum balance of the Fund (“Significant Change Circumstances”).</p> | | |
| 1. | GENERAL AMENDMENTS | |
| 1.1 | <ol style="list-style-type: none"> 1. References to “Affin Hwang Asset Management Berhad” and “Affin Hwang New China Tracker Fund” are now amended to “<u>AHAM Asset Management Berhad</u>” and “<u>AHAM New China Tracker Fund</u>”. 2. References to Affin Hwang Asset Management Berhad’s email address and website namely “<u>customercare@affinhwangam.com</u>” and “<u>www.affinhwangam.com</u>” are now amended to “<u>customercare@aham.com.my</u>” and “<u>www.aham.com.my</u>”. 3. Reference to the “investment committee” is now amended to <u>person(s) or members of a committee undertaking the oversight function</u> 4. References to the following terms are now amended:- <ol style="list-style-type: none"> (i) “interim report” amended to “<u>semi-annual report</u>”; | |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|---|
| | (ii) "Reuters" amended to " <u>Refinitiv</u> "; and (iii) "supplementary" amended to " <u>supplemental</u> ". 5. The Tax Adviser's report of the Fund is updated with the latest version of such report. The above amendments (1) to (4) are made throughout the Replacement Prospectus. Additionally, there are also housekeeping amendments including editorial change, stylistic or formatting changes and grammar. | |
| 2. | COVER PAGE | |
| 2.1 | <p>INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.</p> <p>FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 6.</p> <div data-bbox="197 710 822 858" style="border: 2px solid black; padding: 5px;"> <p>! YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.</p> </div> | <p>INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.</p> <p><u>THIS IS A REPLACEMENT PROSPECTUS THAT REPLACES AND SUPERCEDES THE PROSPECTUS DATED 18 NOVEMBER 2020 AND THE FIRST SUPPLEMENTAL PROSPECTUS DATED 8 OCTOBER 2021.</u></p> <p>FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 6.</p> <div data-bbox="1126 842 1774 962" style="border: 2px solid black; padding: 5px;"> <p>! YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.</p> </div> |
| 3. | CORPORATE DIRECTORY | |
| 3.1 | <p>The Manager/AHAM Affin Hwang Asset Management Berhad (199701014290) Registered Office 27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur Tel No. : (603) 2142 3700 Fax No. : (603) 2140 3799 Business Address Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur Tel No. : (603) 2116 6000 Fax No. : (603) 2116 6100 Toll free line : 1-800-88-7080 E-mail : customercare@affinhwangam.com Website : www.affinhwangam.com</p> | <p>The Manager/AHAM AHAM Asset Management Berhad <i>(formerly known as Affin Hwang Asset Management Berhad)</i> Registered Office 3rd Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur Tel No. : (603) 2142 3700 Fax No. : (603) 2140 3799 Business Address Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur Tel No. : (603) 2116 6000 Fax No. : (603) 2116 6100 Toll free line : 1-800-88-7080 E-mail : customercare@aham.com.my</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|--|
| | | Website : www.aham.com.my |
| 3.2 | Board of Directors of the Manager /AHAM <ul style="list-style-type: none"> ➤ Raja Tan Sri Dato’ Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director) ➤ Dato’ Teng Chee Wai (Non-independent Director) ➤ Ms Eleanor Seet Oon Hui (Non-independent Director) ➤ Puan Mona Suraya binti Kamaruddin (Non-independent Director) ➤ En. Faizal Sham bin Abu Mansor (Independent Director) ➤ Maj. Gen. Dato’ Zulkiflee bin Mazlan (R) (Independent Director) | Deleted. |
| 3.3 | The Trustee TMF Trustees Malaysia Berhad (200301008392) Registered office and business address 10 th Floor, Menara Hap Seng, No. 1 and 3, Jalan P. Ramlee, 50250 Kuala Lumpur Tel No. : (603) 2382 4288 Fax No. : (603) 2026 1451 Website: www.tmf-group.com Trustee’s Delegate (Local and Foreign Custodian) Standard Chartered Bank Malaysia Berhad Business address Level 26, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur Tel No. : (603) 7682 9289 Fax No. : (603) 7682 0617 | The Trustee TMF Trustees Malaysia Berhad Registered Office and Business Address 10 th Floor, Menara Hap Seng, No. 1 and 3, Jalan P. Ramlee, 50250 Kuala Lumpur Tel No. : (603) 2382 4288 Fax No. : (603) 2026 1451 E-mail : malaysia@tmf-group.com Website: www.tmf-group.com Deleted |
| 4. | GLOSSARY | |
| 4.1 | the Board Means the board of directors of Affin Hwang Asset Management Berhad. | Means the board of directors of <u>the Manager</u> . |
| 4.2 | Nil. | Inserted the following after “ Business Day ”: CVC Capital Partners <u>Means collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.;</u> Asia Fund V |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|--|--|
| | | <u>and (3) CVC Capital Partners Asia V Associates L.P.</u> |
| 4.3 | Deed Refers to the Deed dated 15 May 2020 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed. | Deed Refers to the Deed dated 15 May 2020 <u>and the first supplement deed dated 10 January 2023</u> entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the Deed. |
| 4.4 | Institutional Unit Trust Advisers (IUTA) Means institutional unit trust schemes advisers, which is a corporation that is registered with the FiMM and authorised to market and distribute unit trust funds. | Institutional Unit Trust <u>Scheme</u> Advisers (IUTA) Means institutional unit trust schemes advisers, which is a corporation that is registered with the FiMM and authorised to market and distribute unit trust funds. |
| 4.5 | Latest Practicable Date or LPD Means 1 July 2020 and is the latest practicable date whereby the information disclosed in this Prospectus shall remain relevant and current as at the date of issue of this Prospectus. | Means <u>15 January 2023</u> and is the latest practicable date whereby the information disclosed in this Prospectus shall remain relevant and current as at the date of issue of this Prospectus |
| 5. | | |
| 5.1 | GENERAL RISKS Loan Financing Risk This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed or financed money includes you being unable to service the loan or financing repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan or financing. | Loan Financing Risk This risk occurs when you take a loan or financing to finance your investment. The inherent risk of investing with borrowed <u>or financed</u> money includes you being unable to service the loan <u>or financing</u> repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan <u>or financing</u> . |
| 5.2 | Nil. | Inserted the following after “ Operational Risk ”: <u>Suspension of repurchase request risk</u> <u>Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund’s assets cannot be determined. In such case, Unit Holders will not be able to redeem their Units and will</u> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|--|--|
| | | <u>be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.</u> |
| 5.3 | <p>GENERAL RISKS</p> <p>Liquidity risk Liquidity risk refers to the risk that units of the Target Fund cannot be sold due to unavailability of buyers for such units or restriction on realisation of units of the Target Fund. Upon such event and in the best interest of the Unit Holders, the Trustee may suspend the repurchase of Units requests. Please refer to “<i>Suspension of Dealing in Units</i>” section of this Prospectus for more details. In order to mitigate such risk, we will maintain sufficient liquidity level for the purposes of meeting redemption requests.</p> | <p>Liquidity risk refers to the risk that units of the Target Fund cannot be sold due to unavailability of buyers for such units or restriction on realisation of units of the Target Fund. <u>This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund and subsequently the value of Unit Holders’ investments in the Fund.</u> In order to mitigate such risk, we will maintain sufficient liquidity level for the purposes of meeting redemption requests.</p> |
| 5.4 | <p>RISK MANAGEMENT</p> <p>In our day-to-day running of the business, we employ a proactive risk management approach to manage portfolio risks and operational risks. The Board has established a board compliance and risk management committee to oversee AHAM’s risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The board compliance and risk management committee comprises of at least three Board members and is chaired by an independent director. At the operational level, we have established a compliance and risk oversight committee with the primary function of identifying, evaluating and monitoring risks as well as to formulate internal control measures to manage and mitigate the exposure to risks that may affect the performance of the Fund, returns to the investors or Unit Holders’ interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The compliance and risk oversight committee reports to the board compliance and risk management committee on a quarterly basis.</p> <p>As the Fund will be investing a minimum of 90% of its NAV in one collective investment scheme, the risk management of the Fund will largely be held at the level of the collective investment scheme that the Fund is investing in.</p> <p>To manage non-compliance risks, we use information technology system that is able</p> | <p>In our day-to-day running of the business, we employ a proactive risk management approach to manage portfolio risks, operational risks <u>and liquidity risks</u>. The Board has established a board compliance and risk management committee to oversee AHAM’s risk management activities both at operational level and at portfolio management level to ensure that the risk management process is in place and functioning. The board compliance and risk management committee comprises of at least three Board members and is chaired by an independent director. At the operational level, we have established a compliance and risk oversight committee with the primary function of identifying, evaluating and monitoring risks as well as to formulate internal control measures to manage and mitigate the exposure to risks that may affect the performance of the Fund, returns to the investors or Unit Holders’ interest within a clearly defined framework and is primarily responsible for ensuring that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments. The compliance and risk oversight committee reports to the board compliance and risk management committee on a quarterly basis.</p> <p>As the Fund will be investing a minimum of <u>85%</u> of its NAV in one collective investment scheme, the risk management of the Fund will largely be held at the level of the collective investment scheme that the Fund is investing in.</p> <p>To manage non-compliance risks, we use information technology system that is able to monitor the trading of investment to ensure compliance with the Fund’s investment</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>to monitor the trading of investment to ensure compliance with the Fund’s investment limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund’s limits and restrictions are adhered to. We also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the investment committee to ensure that the Fund’s investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and guidelines violations.</p> <p>We will also have in place a credit rating evaluation and credit risk management process to reduce counterparty risk of derivatives to ensure they are able to meet their contractual obligations. It is important to note that an event of downgrade does not constitute a default. If we view that the downgrade in the rating of the counterparty may lead to high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.</p> <p>We will also closely monitor the performance of the underlying investments of the Fund by looking at the collective investment scheme’s standard deviation, tracking error and measures of excess return. The data obtained will be reviewed on a quarterly basis, or as and when extreme market conditions or price movement in the collective investment scheme occurs.</p> | <p>limits and restrictions. These limits are system-controlled and not manually tracked, thus reducing the probability of human error occurring in ensuring the Fund’s limits and restrictions are adhered to. We also undertake stringent evaluation of movements in market prices and regularly monitor, review and report to the <u>person(s) or members of a committee undertaking the oversight function of the Fund</u> to ensure that the Fund’s investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and guidelines violations.</p> <p>We will also have in place a credit rating evaluation and credit risk management process to reduce counterparty risk of derivatives to ensure they are able to meet their contractual obligations. It is important to note that an event of downgrade does not constitute a default. If we view that the downgrade in the rating of the counterparty may lead to high credit risk, we will not hesitate to take pre-emptive measures to unwind these positions.</p> <p>We will also closely monitor the performance of the underlying investments of the Fund by looking at the collective investment scheme’s standard deviation, tracking error and measures of excess return. The data obtained will be reviewed on a quarterly basis, or as and when extreme market conditions or price movement in the collective investment scheme occurs.</p> <p><u>Liquidity Risk Management</u></p> <p><u>We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the repurchase requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies take into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:</u></p> <ol style="list-style-type: none"> a) <u>The Fund may hold a maximum of 15% of its NAV in money market instruments and/or deposits. This will allow the Fund to have sufficient buffer to meet the Unit Holders’ repurchase request;</u> b) <u>Regular review by the designated fund manager on the Fund’s investment portfolio including its liquidity profile;</u> c) <u>Daily monitoring of the Fund’s net flows and periodic liquidity stress testing of the Fund’s assets against repurchase requests during normal and adverse market</u> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|--|
| | | <p><u>conditions are performed as pre-emptive measures in tracking the Fund’s liquidity status. This will ensure that we are prepared and able to take the necessary action proactively to address any liquidity concerns, which would mitigate the potential risks in meeting Unit Holders’ repurchase requests; and</u></p> <p>d) <u>Suspension of repurchase requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund’s assets cannot be determined. During the suspension period, the repurchase requests from the Unit Holders will be accepted but will not be processed. Such repurchase requests will be processed on the next Business Day once the suspension is lifted. That said, the action to suspend repurchase requests from the Unit Holders shall be exercised only as a last resort by the Manager having considered the best interests of Unit Holders.</u></p> |
| 6. | ABOUT <u>AHAM</u> NEW CHINA TRACKER FUND | |
| 6.1 | Deed Deed dated 15 May 2020. | Deed dated 15 May 2020 <u>and the first supplemental deed dated 10 January 2023.</u> |
| 6.2 | INVESTORS’ PROFILE This Fund is suitable for you if you:- ➤ seek exposure to China listed companies in the consumption and service-oriented industries; and ➤ have a high risk tolerance level. | Deleted. |
| 6.3 | ASSET ALLOCATION ➤ A minimum of 90% of the Fund’s NAV will be invested in the Target Fund; and ➤ A maximum of 10% of the Fund’s NAV will be invested in money market instruments and/or deposits. | <p>➤ A minimum of <u>85%</u> of the Fund’s NAV will be invested in the Target Fund; and</p> <p>➤ A maximum of <u>15%</u> of the Fund’s NAV will be invested in money market instruments and/or deposits.</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| 6.4 | <p>INVESTMENT STRATEGY</p> <p>The Fund will be investing a minimum of 90% of the Fund’s NAV in the Target Fund and a maximum of 10% of the Fund’s NAV in money market instruments and/or deposits.</p> <p>The Fund may invest in derivatives such as, forward contracts and swaps for to hedge the foreign exchange movements between the Fund and the Target Fund. While the hedging strategy will reduce the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.</p> <p>While the Fund is managed passively, the Manager will ensure that the Fund has sufficient liquidity to meet the repurchase requests made by Unit Holders.</p> <p>The Manager holds the option to take temporary defensive positions that may be inconsistent with the Fund’s principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact the financial markets. To manage the risk of the Fund, the Manager may shift the Fund’s asset to be temporarily invested in money market instruments or deposits.</p> | <p>The Fund will be investing a minimum of <u>85%</u> of the Fund’s NAV in the Target Fund and a maximum of <u>15%</u> of the Fund’s NAV in money market instruments and/or deposits.</p> <p>The Fund may invest in derivatives such as, forward contracts and swaps to hedge the foreign exchange movements between the Fund and the Target Fund. While the hedging strategy will reduce the potential foreign exchange losses by the Fund, any potential gains from the hedging strategy will be capped as well.</p> <p><u>The Fund adopts commitment approach to measure the Fund’s global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund’s global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.</u></p> <p>The Manager holds the option to take temporary defensive positions that may be inconsistent with the Fund’s principal strategy and asset allocation to protect the Fund against adverse market conditions that may impact the financial markets. To manage the risk of the Fund, the Manager may shift the Fund’s asset to be temporarily invested in money market instruments or deposits.</p> |
| 6.5 | <p>INVESTMENT RESTRICTIONS AND LIMITS</p> <ul style="list-style-type: none"> ➤ The Fund’s assets must be relevant and consistent with the investment objective of the Fund. ➤ The Fund must not invest in: <ul style="list-style-type: none"> (i) a fund-of-funds; (ii) a feeder fund; and (iii) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund. ➤ Where the Fund invests in a fund operated by us, i.e. the Target Fund, we will ensure that:- <ul style="list-style-type: none"> i. there is no cross-holding between the Fund and the Target Fund; ii. all initial charges on the Target Fund is waived; and iii. the management fee must only be charged once, either at the Fund or | <ul style="list-style-type: none"> ➤ The Fund’s assets must be relevant and consistent with the investment objective of the Fund. ➤ The Fund must not invest in: <ul style="list-style-type: none"> (i) a fund-of-funds; (ii) a feeder fund; and (iii) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund. ➤ Where the Fund invests in a fund operated by us, i.e. the Target Fund, we will ensure that:- <ul style="list-style-type: none"> (i) there is no cross-holding between the Fund and the Target Fund; (ii) all initial charges on the Target Fund is waived; and (iii) the management fee must only be charged once, either at the Fund or the |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>the Target Fund.</p> <ul style="list-style-type: none"> ➤ The value of the Fund's investment in money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV. ➤ The aggregate value of the Fund's investments in money market instruments, deposits, OTC derivatives issued by or placed with, as the case may be, any single issuer/financial institution must not exceed 25% of the Fund's NAV. ➤ The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV. ➤ The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size. <p>(i) The value of the Fund's placements in deposits with any single institution shall not exceed 20% of the Fund's NAV.</p> <ul style="list-style-type: none"> ➤ The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times. <p>For investments in derivatives:-</p> <ul style="list-style-type: none"> (i) The exposure to the underlying assets must not exceed the investment spread limits stipulated in the Schedule B of the Guidelines; and (ii) The value of the Fund's OTC derivative transaction with any single counterparty shall not exceed 10% of the Fund's NAV. | <p>Target Fund.</p> <ul style="list-style-type: none"> ➤ The value of the Fund's investment in money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV. ➤ The aggregate value of the Fund's investments in, <u>or exposure to, a single issuer through</u> money market instruments, deposits, <u>underlying assets of derivatives, and counterparty exposure arising from the use of over-the-counter ("OTC")</u> derivatives must not exceed 25% of the Fund's NAV. ➤ The value of the Fund's investments in money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV. ➤ The Fund's investments in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size. ➤ The value of the Fund's placements in deposits with any single <u>Financial Institution</u> shall not exceed 20% of the Fund's NAV (<u>"Single Financial Institution Limit"</u>). <u>The Single Financial Institution Limit does not apply to placements of deposits arising from:</u> <ul style="list-style-type: none"> (i) <u>Subscription monies received prior to the commencement of investment by the Fund;</u> (ii) <u>Liquidation of investments prior to the termination of the Fund, where the placement of deposits with various Financial Institutions would not be in the best interests of Unit Holders; or</u> (iii) <u>Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various Financial Institutions would not be in the best interests of Unit Holders;</u> ➤ The Fund's <u>global</u> exposure from its derivatives position should not exceed the Fund's NAV at all times. ➤ For investments in derivatives:- <ul style="list-style-type: none"> (i) The exposure to the underlying assets must not exceed the investment <u>restrictions or limitations applicable to such underlying assets and investments as</u> stipulated in the Guidelines; and (ii) The value of the Fund's OTC derivative transaction with any single counterparty shall not exceed 10% of the Fund's NAV. <p><u>Please note that the above limits and restrictions, does not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | | <p><u>In respect of the above investment restrictions and limits, any breach as a result of any (a) appreciation or depreciation in value of the Fund’s investments; or (b) repurchase of Units or payment made out of the Fund must be rectified as soon as practicable within three months from the date of the breach unless otherwise specified in the Guidelines. Nevertheless, the three-month period may be extended if it is in the best interests of Unit Holders and the Trustee’s consent has been obtained. Such extension must be subject to at least a monthly review by the Trustee.</u></p> |
| 6.6 | <p>VALUATION OF PERMITTED INVESTMENT</p> <p>➤ Listed collective investment schemes</p> <p>Valuation of listed collective investment schemes shall be based on market price i.e. closing bid price. Where no market price is publicly available or where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the listed collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed collective investment schemes will be valued at fair value as determined by us in good faith, based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> | <p>Valuation of <u>investments in listed collective investment schemes shall be based on the closing price or last known transacted price on the eligible market on which the listed collective investment schemes is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the listed collective investment schemes will be valued at fair value as determined in good faith by the Manager or its delegate, based on the methods or bases which have been verified by the auditor and approved by the Trustee.</u></p> |
| 6.7 | <p>VALUATION OF PERMITTED INVESTMENT</p> <p>➤ Money Market Instruments</p> <p>The valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institutions.</p> | <p><u>The valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency (“BPA”) registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.</u></p> |
| 6.8 | <p>VALUATION OF PERMITTED INVESTMENT</p> | |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>➤ Derivatives</p> <p>The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> | <p>The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts (“FX Forwards”), interpolation formula <u>is applied</u> to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Refinitiv. If the rates are not available on the Bloomberg or Refinitiv, the FX Forwards will be valued <u>based on</u> fair value as determined in good faith by <u>the Manager, using</u> methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> |
| 6.9 | <p>VALUATION OF PERMITTED INVESTMENT</p> <p>➤ Unlisted collective investment schemes</p> <p>Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.</p> | Deleted |
| 6.10 | Nil | <p>Inserted as a last paragraph in “Valuation of Permitted Investment” section.</p> <p><i>Investors are advised that certain types of securities are required to be held until such securities mature for the “actual value” to be realised. Any sale of such securities prior to its maturity may attract costs and penalties that would result in a value which is less than its “actual value”. As such, any valuation of such securities (prior to its maturity) are merely indicative of what the value might be and does not represent the “actual value” of such securities.</i></p> |
| 6.11 | <p>VALUATION POINT OF THE FUND</p> <p>The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”). All foreign assets are translated into the Base Currency based on the last available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time)</p> | <p>The Fund will be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day).</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FIMM. | |
| 6.12 | <p>POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS</p> <p>The Fund is not permitted to seek financing (including those within the meaning of the SC's Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities. However, the Fund may seek cash financing for the purpose of meeting repurchase requests for Units and for short-term bridging requirements. Such financings are subjected to the following:-</p> <ul style="list-style-type: none"> • the Fund's cash financing is only on a temporary basis and that financings are not persistent; • the financing period should not exceed one (1) month; • the aggregate financings of the Fund should not exceed 10% of the Fund's NAV at the time the financing is incurred; and • the Fund may only obtain financing from Financial Institutions. <p>Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Furthermore, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.</p> <p>In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short-term liquidity in the Fund to meet operating expenses and possible repurchase of Units.</p> | <p><u>FINANCING AND SECURITIES LENDING</u></p> <p>The Fund is not permitted to seek financing <u>in cash or borrow other assets in</u> connection with its activities. However, the Fund may seek cash financing for the purpose of meeting repurchase requests for Units and for short-term bridging requirements. Such financings are subjected to the following:-</p> <ul style="list-style-type: none"> • the Fund's cash financing is only on a temporary basis and that financings are not persistent; • the financing period should not exceed one (1) month; • the aggregate financings of the Fund should not exceed 10% of the Fund's NAV at the time the financing is incurred; and • the Fund may only obtain financing from Financial Institutions. <p><u>The</u> Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.</p> |
| 7. | | |
| 7.1 | <p>HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?</p> <p>➤ Bank Transfer</p> <p>You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction</p> | <p>➤ You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction description for our reference. You may obtain our bank account details from our online download</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>description for our reference. You may obtain our bank account details from our online download center at www.affinhwangam.com.</p> <ul style="list-style-type: none"> ➤ Cheque, Bank Draft or Money Order <p>Issuance of cheque, bank draft or money order should be made payable to “Affin Hwang Asset Management Berhad-CTA”, crossed and drawn on a local bank. You are to write your name, identity card number or business registration number at the back of the cheque, bank draft or money order.</p> <ul style="list-style-type: none"> ➤ Bank charges or other bank fees, if any, will be borne by you. | <p>center at www.aham.com.my.</p> <ul style="list-style-type: none"> ➤ Bank charges or other bank fees, if any, will be borne by you. |
| 7.2 | <p>HOW TO REPURCHASE UNITS?</p> <p>4th & 5th bullet points:-</p> <ul style="list-style-type: none"> ➤ In the transaction form, you may choose to receive the repurchase proceeds in a manner of cheque or bank transfer. If cheque is your option, we will issue the cheque in your name. If bank transfer is your option, proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders. ➤ Any incurred bank charges and other bank fees due to a withdrawal by bank transfer or other special arrangement method will be borne by you. | <ul style="list-style-type: none"> ➤ <u>Payment of the repurchase proceeds will be made via bank transfer where proceeds will be transferred to your bank account.</u> Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders. ➤ <u>Bank charges and other bank fees, if any, will be borne by you.</u> |
| 7.3 | <p>WHAT IS THE PROCESS OF REPURCHASE APPLICATION?</p> <p>2nd paragraph:-</p> <ul style="list-style-type: none"> ➤ Repurchase of Units must be made in terms of Units and not in terms of MYR value. | <ul style="list-style-type: none"> ➤ Repurchase of Units must be made in terms of Units <u>or value, provided it meets the minimum repurchase amount.</u> |
| 7.4 | <p>WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?</p> <ul style="list-style-type: none"> ➤ You will be paid within ten (10) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable. | <ul style="list-style-type: none"> ➤ You will be paid within <u>seven (7) Business Days</u> from the day the repurchase request is received by us, provided that all documentations are completed and verifiable. |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|--|
| 7.5 | <p>COOLING-OFF PERIOD</p> <p>You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.</p> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.</p> <p>We will process your cooling-off right if your cooling-off request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).</p> <p>Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.</p> | <p>You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.</p> <p><u>You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge imposed on the day those Units were purchased.</u></p> <ul style="list-style-type: none"> ➤ <u>If the price of a Unit on the day the Units were first purchased (“original price”) is higher than the price of a Unit at the point of exercise of the cooling-off right (“market price”), you will be refunded based on the market price at the point of cooling-off; or</u> ➤ <u>If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.</u> <p><u>You will be refunded within seven (7) Business Days from our receipt of the cooling-off application.</u></p> <p>Please note that the cooling-off right is applicable to you if you are an individual investor and investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trusts, you are not entitled to this right.</p> <p>We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or “T day”). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or “T + 1 day”).</p> <p>Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.</p> |
| 7.6 | <p>SUSPENSION OF DEALING</p> <p>The Trustee may suspend the dealing in Units:</p> <ul style="list-style-type: none"> ➤ where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders’ meeting to decide on the next course of action; or | <p>SUSPENSION OF DEALING IN UNITS</p> <p><u>The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units* due to exceptional circumstances, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>➤ without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed twenty one (21) days of the commencement of the suspension.</p> | <p><u>The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.</u></p> <p><u>The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.</u></p> <p><u>*The action to impose suspension shall only be exercised as a last resort by the Manager, as disclosed in the section on "Liquidity Risk Management".</u></p> |
| 7.7 | <p>INCOME DISTRIBUTION</p> <p>The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.</p> <p>You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested in additional Units in the Fund if you do not select the mode of distribution in the application form.</p> <p><u>Cash Payment Process</u> Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.</p> <p><u>Reinvestment Process</u> We will create the Units based on the NAV per Unit at the income payment date which is two (2) Business Days after the distribution date. There will not be any cost for reinvestments of those additional Units, i.e., no Sales Charge will be imposed on such transactions.</p> <p>Unit prices and distributions payable, if any, may go down as well as up.</p> | <p>The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.</p> <p>You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested in additional Units in the Fund if you do not select the mode of distribution in the application form.</p> <p>Any distribution payable which is less than or equal to the amount of MYR 300.00 would be automatically reinvested.</p> <p><u>Notwithstanding the above, we may also reinvest the distribution proceeds which remain unclaimed after twelve (12) months from the date of payment, provided that you still have an account with us.</u></p> <p><u>Cash Payment Process</u> Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.</p> <p><u>Reinvestment Process</u> We will create the Units based on the NAV per Unit at the income payment date which is <u>within</u> two (2) Business Days after the distribution date. There will not be any cost</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|---|
| | | for reinvestments of those additional Units, i.e., no Sales Charge will be imposed on such <u>reinvestment</u> . Unit prices and distributions payable, if any, may go down as well as up. |
| 7.8 | UNCLAIMED MONEYS Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Monies by the Manager in accordance with the requirements of the Unclaimed Monies Act, 1965. | Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be <u>dealt as follows:-</u> a) <u>we may reinvest the unclaimed distribution proceeds provided that you still have an account with us; or</u> b) <u>we will pay</u> to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Monies Act, 1965. |
| 8. | FEES, CHARGES AND EXPENSES | |
| 8.1 | EXPENSES 5 th paragraph:- ➤ Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund; | ➤ <u>Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;</u> |
| 8.2 | REBATES AND SOFT COMMISSIONS We or any of our delegates will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund. The soft commission can be retained by us or our delegates provided that:- ➤ the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments; and ➤ any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. | We or any of our delegates will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund. The soft commissions can be retained by us or our delegates provided that:- ➤ <u>the soft commissions bring direct benefit or advantage to the management of the fund and may</u> include research and advisory related services; and ➤ any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and ➤ <u>the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or our delegates will not enter into unnecessary trades in order to achieve a sufficient volume of</u> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|---|
| | | <u>transactions to qualify for soft commissions.</u> |
| 9. | ABOUT THE TARGET FUND – TRADEPLUS S&P NEW CHINA TRACKER | |
| 9.1 | <p>SECURITIES LENDING AND BORROWING OF THE TARGET FUND</p> <p>The Target Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (SBL Guidelines), subject to the following conditions:</p> <ul style="list-style-type: none"> ➤ the Target Fund Manager must have appropriate policies and practices for the lending of securities of the Target Fund; ➤ the terms of the securities lending agreement, including the fees receivable and the treatment of any dividend or interest due to the securities on loan, shall be acceptable to the trustee of the Target Fund on the advice of the Target Fund Manager; ➤ the counterparty to the agreement, in terms of risks and exposure and credit standing, must be acceptable to the the trustee of the Target Fund on the advice of the Target Fund Manager; and the collateral for the loan must be: <ul style="list-style-type: none"> • acceptable to the the trustee of the Target Fund on the advice of the Target Fund Manager; • maintained at a level equal to at least the minimum stipulated by the SBL Guidelines on the value of the securities lent “marked-to-market” at least on a daily basis; and • received before, or at the time of, the securities loan. <p>Borrowing</p> <p>The Target Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SBL Guidelines) in connection with its activities.</p> | <p>The Target Fund may participate in the lending of securities within the meaning of the Securities Borrowing and Lending Guidelines (SBL Guidelines), with the objective of earning additional income for the Target Fund. Securities may be lent out to qualified financial institutional borrowers through the Target Fund’s appointed lending agents, with processes and procedures as well as terms that are acceptable to the trustee of the Target Fund on the advice of the Target Fund Manager.</p> <p><u>Policy and Procedures</u></p> <p><u>The total value of securities that is lent out will be capped at a value not exceeding 50% of the Target Fund’s total net asset value, or such other value agreed upon by the trustee of the Target Fund on the advice of the Target Fund Manager.</u></p> <p><u>The loaned securities may be recalled by the Target Fund at any point in time, and are required to be secured at all times by a cash collateral in an amount not less than the market value of the loaned securities. The market value of the loaned securities is determined at the close of each Dealing Day of the Target Fund. In the event of market fluctuation, collateral received by the Target Fund would be required to be increased to be of the value of the loaned securities. The cash collateral received for the loaned securities shall be held in trust by the lending agent, and such collateral received shall be placed in money market instruments.</u></p> <p><u>The Target Fund will be entitled to securities lending income, represented by fees earned from the borrower, less cost incurred, These costs may include, but not limited to, fees due to the lending agent, as well as operational costs incurred by the Manager in relation to the lending activities of the Target Fund. As accepted by the trustee of the Target Fund on the advice of the Target Fund Manager, the sharing of lending income earned before fees due to the lending agent will be capped at 30%, whilst the operational cost shall not exceed 10%. The retained income after fees due would thereafter be the securities lending income of the Target Fund, which shall be no less than 70% of the total securities lending income earned prior to the deduction</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|---|
| | | <p><u>of fees.</u></p> <p><u>During the term of the loan, the Target Fund is also entitled to all distributions made on, or in respect of the loaned securities, along with all other economic benefits due to the owner of the loaned securities.</u></p> <p><u>Risk Management</u></p> <p>i) <u>Securities lending risk</u> <u>The Target Fund may engage in securities lending, which exposes the Target fund to the risk of financial losses caused by the lending agent’s failure to return the securities on a timely manner. The Target Fund is also exposed to the risk of losing money in the event collateral for the loaned securities are not at market value and a default occurs.</u></p> <p><u>To mitigate this risk, the Target Fund would only be transacting with the lending agent, who will in turn be carrying out the necessary due diligence process with the borrowers. As such, the Target Fund would only be lending out its securities to a prequalified list of counterparties. The borrowers are also required to meet the cash collateral requirement, which shall be no less than the market value of the loaned securities at the close of each Dealing Day of the Target Fund.</u></p> <p><u>Liquidity risk from securities lending</u> <u>This risk may arise from the risk of delay in obtaining the loan securities upon recall. Under such circumstances, the lending agent may utilize the cash collateral put forth by the borrower to purchase identical securities to that of the loaned securities to be returned to the Target Fund.</u></p> <p>iii) <u>Operational dependency or lending agent risk from securities lending</u> <u>This risk may arise from the dependency that the Target Fund has towards the lending agent where ownership of securities is transferred during the tenure of the loan, while the Target Fund continues to maintain economic benefits of owning the securities. This exposes the Target Fund to possible operational inaccuracies such as discrepancies between the securities being loaned out by the Target Fund with the list of securities being borrowed by the lending agent from the Target Fund. As a result, the Target Fund may not be able to obtain its entitled lending fees in full from the lending agent.</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|-----|---|--|
| | | <p><u>To mitigate this risk, the Target Fund Manager has ensured that its valuation agent has in place internal systems to cross reference securities that are lent out by the Target Fund. Processes are also put in place to ensure that the lending agent obtains adequate cash collateral for all loaned securities to ensure that the Target Fund has the necessary recourse if required.</u></p> <p><u>Risk of conflict of interest from securities lending</u> <u>This risk may arise from the Target Fund Manager investing into securities for the Target Fund with the intention of lending the securities to increase the Target Fund’s revenue. This risk is mitigated as the Target Fund stipulates within its investment strategy that it will only invest into securities to replicate the Benchmark of the Target Fund’s component securities, and to replicate as closely as possible the weightage of the Benchmark of the Target Fund. Furthermore, as an ETF, the Target Fund’s securities are also not actively traded, and will be maintained in the portfolio over the medium-to-longer term, or until the next rebalancing exercise for the benchmark by the index provider. Monitoring processes are put in place by the Target Fund Manager to ensure that the Target Fund does not invest into Authorised Securities.</u></p> <p>Borrowing The Target Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SBL Guidelines) in connection with its activities.</p> |
| 9.2 | Nil. | <p>Inserted as the last section of the chapter:</p> <p><u>REDEMPTION POLICY OF THE TARGET FUND</u> <u>In the event the Fund submits a request to redeem units from the Target Fund, the redemption proceeds will be paid to the Fund within five (5) Business Days.</u></p> <p><u>If the total number of units to be redeemed exceeds 10% (or such higher percentage as the Manager may determine) of the NAV of the Target Fund on a particular Business Day, the Manager shall be entitled to limit the total number of units to be redeemed on that day to 10% (or such higher percentage as the Manager may determine) of the NAV of the Target Fund and defer the excess request to the next Business Day.</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|------|--|---|
| | | Should the redemption request of the Target Fund is deferred, it may jeopardise the Fund's ability to meet Unit Holders' redemption request and there may be a delay in the repayment of redemption proceeds to the Unit Holders. |
| 10. | SALIENT TERMS OF THE DEED | |
| 10.1 | <p>Provisions Regarding Unit Holders Meetings</p> <p>The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in Circulation of the Fund at the time of the meeting.</p> | <p>Provisions Regarding Unit <u>Holder</u>s' Meetings</p> <p>The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, <u>however</u>, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.</p> <p><u>If</u> the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation at the time of the meeting.</p> <p><u>If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.</u></p> |
| 10.2 | <p>Unit Holders' Meeting Convened By Unit Holders</p> <p>1st paragraph:-</p> <p>Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:</p> <ul style="list-style-type: none"> ➤ sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; ➤ publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national newspaper published daily and another newspaper approved by the relevant authorities; and ➤ specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting. | <p>Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), <u>whichever is less</u>, of all the Unit Holders, <u>at the registered office of the Manager</u>, summon a meeting of the Unit Holders by:</p> <ul style="list-style-type: none"> ➤ sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders, <u>at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address;</u> ➤ publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national newspaper published daily and another newspaper approved by the relevant authorities; and |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | | ➤ specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting. |
| 10.3 | <p>Termination of the Fund</p> <p>Circumstances That May Lead To The Termination Of The Fund</p> <p>The Fund may be terminated or wound up as provided for under the Deed and the Guidelines as follows:-</p> <p>(a) The SC has withdrawn the authorisation of the Fund pursuant to Section 256(E) of the Act; or</p> <p>(b) A Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.</p> | <p>The Fund may be terminated or wound up as provided for under the Deed and the Guidelines as follows:-</p> <p>(a) The SC has withdrawn the authorisation of the Fund pursuant to Section 256(E) of the Act; or</p> <p>(b) A Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.</p> <p><u>Notwithstanding the aforesaid, the Manager may, in consultation with the Trustee, determine the trust created and wind up the Fund without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:</u></p> <p>(a) <u>if any new law shall be passed which renders it illegal; or</u></p> <p>(b) <u>if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and the termination of the Fund is in the best interests of the Unit Holders.</u></p> <p><u>If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.</u></p> <p><u>In the event of the trust being terminated:</u></p> <p>(a) <u>the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed;</u></p> <p>(b) <u>the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws;</u></p> <p>(c) <u>the Manager and the Trustee shall notify the relevant authorities in such manner as may be prescribed by any relevant law; and</u></p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|------|---|---|
| | | (d) the Manager or the Trustee shall notify the Unit Holders in such manner as <u>may be prescribed by any relevant law.</u> |
| 10.4 | <p>Increase Of Fees And Charges Stated In The Prospectus</p> <p>3rd paragraph:-</p> <p>The supplementary/replacement prospectus proposing a modification to this Prospectus to increase the aforesaid maximum fees and charges is required to be issued. An increase in the abovementioned fees and charges is allowed if such time as may be prescribed by any relevant laws has elapsed since the effective date of the supplementary/replacement prospectus.</p> | <p>The <u>supplemental</u>/replacement prospectus proposing a modification to this Prospectus to increase the aforesaid maximum fees and charges is required to be <u>registered, lodged and issued</u>. An increase in the abovementioned fees and charges is allowed if such time as may be prescribed by any relevant laws has elapsed since the effective date of the <u>supplemental</u>/replacement prospectus.</p> |
| 10.5 | <p>Permitted Expenses under the Deed</p> <p>Only the expenses (or part thereof) which is directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> ➤ commissions or fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes; ➤ taxes and other duties charged on the Fund by the government and/or other authorities; ➤ costs, fees and expenses properly incurred by the auditor appointed for the Fund; ➤ costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund; ➤ costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee; ➤ costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee; ➤ costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund; ➤ costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund; ➤ costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund; ➤ costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund; | <p>Only the expenses (or part thereof) which is directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:</p> <ul style="list-style-type: none"> ➤ commissions or fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes; ➤ taxes and other duties charged on the Fund by the government and/or other authorities; ➤ costs, fees and expenses properly incurred by the auditor appointed for the Fund; ➤ costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee; ➤ costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee; ➤ costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund; ➤ costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund; ➤ costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund; ➤ costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund; ➤ costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company; ➤ costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <ul style="list-style-type: none"> ➤ costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company; ➤ costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund); ➤ remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise; ➤ costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; ➤ costs and expenses incurred in relation to the distribution of income (if any); ➤ (where the custodial function is delegated by the Trustee) charges and fees paid to the sub-custodians taking into custody any foreign assets of the Fund; ➤ fees, charges, costs and expenses relating to the preparation, printing, posting and/or lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law; and ➤ any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above. | <p>Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);</p> <ul style="list-style-type: none"> ➤ remuneration and out of pocket expenses of the <u>person(s) or members of a committee undertaking the oversight function</u> of the Fund, unless the Manager decides otherwise; ➤ costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; ➤ costs and expenses incurred in relation to the distribution of income (if any); ➤ (where the custodial function is delegated by the Trustee) charges and fees paid to the sub-custodians taking into custody any foreign assets of the Fund; ➤ fees, charges, costs and expenses relating to the preparation, printing, posting and/or lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law; ➤ any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred as mentioned above; <u>and</u> ➤ <u>costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent.</u> |
| 11 | THE MANAGER | |
| 11.1 | ABOUT AHAM | |
| | <p>AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has more than 18 years’ experience in the fund management industry. Additionally, AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-</p> | <p>AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. <u>AHAM has more than 20 years’ experience in the fund management industry. In late 2022, AHAM’s ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners (“CVC”), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management.</u> AHAM is also 27% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co., Ltd., an Asian investment management franchise.</p> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
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| | <p>based Nikko Asset Management Co., Ltd., an Asian investment management franchise.</p> <p>AHAM distributes its funds through the following various channels:</p> <ul style="list-style-type: none"> ➤ In-house/internal sales team; ➤ IUTA and CUTA (Corporate Unit Trust Scheme Advisers); and ➤ Unit trust consultants. <p>The Manager's head office is located in Kuala Lumpur and has a total of seven (7) main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.</p> | <p>AHAM distributes its funds through the following various channels:</p> <ul style="list-style-type: none"> ➤ In-house/internal sales team; ➤ IUTA and CUTA (Corporate Unit Trust <u>Scheme</u> Advisers); and ➤ Unit trust consultants. <p>The Manager's head office is located in Kuala Lumpur and has a total of seven (7) main sales offices located in Peninsular and East Malaysia. The sales offices are in Penang, Ipoh, Johor Bahru, Melaka, Kuching, Miri and Kota Kinabalu.</p> |
| 11.2 | <p>Board of Directors</p> <p>Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)</p> <p>Dato' Teng Chee Wai (Non-independent Director)</p> <p>Ms Eleanor Seet Oon Hui (Non-independent Director)</p> <p>Puan Mona Suraya binti Kamaruddin (Non-independent Director)</p> <p>En. Faizal Sham bin Abu Mansor (Independent Director)</p> <p>Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)</p> | Deleted. |
| 11.3 | <p>DESIGNATED FUND MANAGER</p> <ul style="list-style-type: none"> ➤ Mr. David Ng Kong Cheong (Please refer to the above) | Deleted. |
| 11.4 | <p>INVESTMENT COMMITTEE</p> <p>The investment committee ("committee") formulates, establishes and implements investment strategies and policies. The committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The committee will also ensure investment guidelines and regulations are complied with. The committee will meet at least once every quarterly or more should the need arise.</p> | Deleted. |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|-----------------------|------------------------|------|---|----------------|--|--|---------------------|------|---|--|---|-----------------------|-----------------------|------------------------|------|---------------------|------|---|
| 11.5 | <p>MATERIAL LITIGATION</p> <p>As at LPD, AHAM is not engaged in any material litigation and arbitration, including those pending or threatened, and AHAM is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of AHAM.</p> | Deleted. | | | | | | | | | | | | | | | | | | | | |
| 11.6 | <p>For further information on AHAM, the investment committee and/or AHAM's delegate, you may obtain the details from our website at www.affinhwangam.com.my.</p> | <p>For further information on AHAM including the material litigation (if any), the Board, the designated fund manager of the Fund and/or AHAM's delegate, you may obtain the details from our website at www.aham.com.my.</p> | | | | | | | | | | | | | | | | | | | | |
| 12. | RELATED PARTIES TRANSACTION AND CONFLICT OF INTEREST | | | | | | | | | | | | | | | | | | | | | |
| 12.1 | <p>Save for the transaction disclosed below, as at 30 June 2020, the Manager is not aware of any existing and/or proposed related party transactions or conflict of interest situations or other subsisting contracts of arrangements involving the Fund.</p> <p>Related Party Transactions</p> <table border="1" data-bbox="203 906 831 1334"> <thead> <tr> <th>Name of Party Involved in the Transaction</th> <th>Nature of Transaction</th> <th>Name of Related Party</th> <th>Nature of Relationship</th> </tr> </thead> <tbody> <tr> <td>AHAM</td> <td>Placement of deposit and money market instruments</td> <td>Affin Hwang IB</td> <td>Affin Hwang IB holds 63% equity interest in the Manager.</td> </tr> <tr> <td></td> <td>Target Fund Manager</td> <td>AHAM</td> <td>The Manager is also the manager of the Target Fund.</td> </tr> </tbody> </table> <p>Details of the Substantial Shareholders of AHAM's Direct and Indirect Interest in other Corporation Carrying on a Similar Business</p> | Name of Party Involved in the Transaction | Nature of Transaction | Name of Related Party | Nature of Relationship | AHAM | Placement of deposit and money market instruments | Affin Hwang IB | Affin Hwang IB holds 63% equity interest in the Manager. | | Target Fund Manager | AHAM | The Manager is also the manager of the Target Fund. | <p>Save for the transaction disclosed below, as at LPD the Manager is not aware of any existing and/or proposed related party transactions or <u>potential</u> conflict of interest situations or other subsisting contracts of arrangements involving the Fund.</p> <p>Related Party Transactions</p> <table border="1" data-bbox="1133 874 1800 1139"> <thead> <tr> <th>Name of Party Involved in the Transaction</th> <th>Nature of Transaction</th> <th>Name of Related Party</th> <th>Nature of Relationship</th> </tr> </thead> <tbody> <tr> <td>AHAM</td> <td>Target Fund Manager</td> <td>AHAM</td> <td>The Manager is also the manager of the Target Fund.</td> </tr> </tbody> </table> <p>The tax advisers and solicitors have confirmed that they do not have any existing or potential conflict of interest with AHAM and/or the Fund.</p> <p>Policy on Dealing with Conflict of Interest</p> <p>AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests</p> | Name of Party Involved in the Transaction | Nature of Transaction | Name of Related Party | Nature of Relationship | AHAM | Target Fund Manager | AHAM | The Manager is also the manager of the Target Fund. |
| Name of Party Involved in the Transaction | Nature of Transaction | Name of Related Party | Nature of Relationship | | | | | | | | | | | | | | | | | | | |
| AHAM | Placement of deposit and money market instruments | Affin Hwang IB | Affin Hwang IB holds 63% equity interest in the Manager. | | | | | | | | | | | | | | | | | | | |
| | Target Fund Manager | AHAM | The Manager is also the manager of the Target Fund. | | | | | | | | | | | | | | | | | | | |
| Name of Party Involved in the Transaction | Nature of Transaction | Name of Related Party | Nature of Relationship | | | | | | | | | | | | | | | | | | | |
| AHAM | Target Fund Manager | AHAM | The Manager is also the manager of the Target Fund. | | | | | | | | | | | | | | | | | | | |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS | | | | | | | | | | | | |
|-----------------------------------|---|--|------------------------------------|--|------------------------------------|---------------------|---|-------------------|--------------------------|-----------------------------------|--------|---|--------------------------|--|
| | <p>Nikko Asset Management International Limited, a substantial shareholder of AHAM, is wholly owned by Nikko Asset Management Co., Ltd. (“Nikko AM”). Nikko AM’s office is situated in Japan where it provides investment management services, focused on sourcing, packaging and distributing retail investment fund products which are managed in-house or outsourced to third party sub-advisers.</p> <p>Details of the Directors of AHAM’s Direct and Indirect Interest in other Corporation Carrying on a Similar Business</p> <table border="1" data-bbox="210 539 817 979"> <thead> <tr> <th data-bbox="210 539 344 655">Name of Director</th> <th data-bbox="344 539 504 655">Name of Corporation or Business</th> <th data-bbox="504 539 676 655">Nature of Interest in Shareholding (Direct/Indirect)</th> <th data-bbox="676 539 817 655">Nature of Interest in Directorship</th> </tr> </thead> <tbody> <tr> <td data-bbox="210 655 344 890">Dato’ Teng Chee Wai</td> <td data-bbox="344 655 504 890">AIIMAN Asset Management Sdn Bhd (“AIIMAN”) AIIMAN is wholly-owned by the Manager</td> <td data-bbox="504 655 676 890">Indirect interest</td> <td data-bbox="676 655 817 890">Non-independent Director</td> </tr> <tr> <td data-bbox="210 890 344 979">Puan Mona Suraya binti Kamaruddin</td> <td data-bbox="344 890 504 979">AIIMAN</td> <td data-bbox="504 890 676 979">-</td> <td data-bbox="676 890 817 979">Non-independent Director</td> </tr> </tbody> </table> <p>Conflict of Interest The tax advisers and solicitors have confirmed that they do not have any existing or potential conflict of interest with AHAM and/or the Fund.</p> <p>Policy on Dealing with Conflict of Interest AHAM has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, AHAM will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where the interests of the directors or the investment committee member’s interests may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior</p> | Name of Director | Name of Corporation or Business | Nature of Interest in Shareholding (Direct/Indirect) | Nature of Interest in Directorship | Dato’ Teng Chee Wai | AIIMAN Asset Management Sdn Bhd (“AIIMAN”) AIIMAN is wholly-owned by the Manager | Indirect interest | Non-independent Director | Puan Mona Suraya binti Kamaruddin | AIIMAN | - | Non-independent Director | <p>of the directors or the <u>person(s) or members of a committee undertaking the oversight function’s interests</u> may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staff of AHAM are required to seek prior approval from the executive director or the managing director before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arms-length transaction between independent parties.</p> |
| Name of Director | Name of Corporation or Business | Nature of Interest in Shareholding (Direct/Indirect) | Nature of Interest in Directorship | | | | | | | | | | | |
| Dato’ Teng Chee Wai | AIIMAN Asset Management Sdn Bhd (“AIIMAN”) AIIMAN is wholly-owned by the Manager | Indirect interest | Non-independent Director | | | | | | | | | | | |
| Puan Mona Suraya binti Kamaruddin | AIIMAN | - | Non-independent Director | | | | | | | | | | | |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS |
|------|---|---|
| | approval from the executive director or the managing director before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are no less favourable to the Fund than an arms-length transaction between independent parties. | |
| 13. | RELEVANT INFORMATION | |
| 13.1 | INFORMATION AVENUES How do I keep track of my investment? 2 nd paragraph:- As the Fund has exposure to investments in foreign jurisdiction, these daily prices are based on information available two (2) Business Days prior to publication. | <u>The daily prices are based on information available one (1) Business Days prior to publication.</u> |
| 13.2 | ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES 1 st paragraph: - Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA”) and SC’s Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients transactions to detect any suspicious transactions. | Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA”) and SC’s Guidelines on Prevention of Money Laundering and Terrorism Financing for <u>Reporting Institutions in the</u> Capital Market, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients transactions to detect any suspicious transactions. |
| 14. | CONSENTS ➤ The written consent of the Trustee and the Trustee’s delegate to the | ➤ The written consent of the Trustee to the inclusion in this Prospectus of <u>its</u> |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | (B) REPLACEMENT PROSPECTUS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|-------------|-------|---------|----------------------|----------------------|-------------------|----------|-----------------|----|----------------------|--------------------|-----------------|--------------------|------|-----------------|----------------------|-------------------|----|----------------------|-------|----------------|------------------------------|---------------------|---------|--------|---------------------|-----------------|--|--|-----|---|---------------|-----------------|
| | <p>inclusion in this Prospectus of their names in the form and context in such names appear have been given before the issuance of this Prospectus and have not been subsequently withdrawn; and</p> <p>➤ The written consent of the tax advisor to the inclusion in this Prospectus of its name and tax adviser’s letter in the form and context in which they contained in this Prospectus have been given before the issuance of this Prospectus and has not been subsequently withdrawn.</p> | <p><u>name</u> in the form and context in such <u>name appears</u> <u>has</u> been given before the issuance of this Prospectus and <u>has</u> not been subsequently withdrawn; and</p> <p>➤ The written consent of the tax <u>adviser</u> to the inclusion in this Prospectus of its name and tax adviser’s letter in the form and context in which they contained in this Prospectus have been given before the issuance of this Prospectus and has not been subsequently withdrawn.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. | <p>EXEMPTION</p> <p>Exemption from paragraph (4)(b), Schedule B – Appedix III of the Guidelines which states that:</p> <p>“A management company or the fund manager, must ensure that –</p> <p>(b) the collective investment scheme is managed by another management company or a foreign operator.”</p> <p>The SC, via its letter dated 25 February 2020, has approved the above exemption subject to the condition that the Prospectus must contain clear disclosures on the difference between the feeder fund structure and direct investment in the Target Fund, in particular attention to the fee structure and real-time trading.</p> | Deleted | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. | <p>DIRECTORY OF SALES OFFICES</p> <p>AFFIN HWANG ASSET MANAGEMENT BERHAD:</p> | <p>DIRECTORY OF SALES OFFICES</p> <p><u>AHAM ASSET MANAGEMENT BERHAD (FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD):</u></p> <table border="1" data-bbox="1144 1129 1818 1418"> <thead> <tr> <th data-bbox="1144 1129 1429 1155">HEAD OFFICE</th> <th data-bbox="1429 1129 1621 1155">JOHOR</th> <th data-bbox="1621 1129 1818 1155">SARAWAK</th> </tr> </thead> <tbody> <tr> <td data-bbox="1144 1155 1429 1181">Ground Floor, Menara</td> <td data-bbox="1429 1155 1621 1181">Unit 22-05, Level 22</td> <td data-bbox="1621 1155 1818 1181">Ground Floor, No.</td> </tr> <tr> <td data-bbox="1144 1181 1429 1206">Boustead</td> <td data-bbox="1429 1181 1621 1206">Menara Landmark</td> <td data-bbox="1621 1181 1818 1206">69</td> </tr> <tr> <td data-bbox="1144 1206 1429 1232">69 Jalan Raja Chulan</td> <td data-bbox="1429 1206 1621 1232">No. 12, Jalan Ngee</td> <td data-bbox="1621 1206 1818 1232">Block 10, Jalan</td> </tr> <tr> <td data-bbox="1144 1232 1429 1257">50200 Kuala Lumpur</td> <td data-bbox="1429 1232 1621 1257">Heng</td> <td data-bbox="1621 1232 1818 1257">Laksamana Cheng</td> </tr> <tr> <td data-bbox="1144 1257 1429 1283">Tel : 03 – 2116 6000</td> <td data-bbox="1429 1257 1621 1283">80000 Johor Bahru</td> <td data-bbox="1621 1257 1818 1283">Ho</td> </tr> <tr> <td data-bbox="1144 1283 1429 1308">Fax : 03 – 2116 6100</td> <td data-bbox="1429 1283 1621 1308">Johor</td> <td data-bbox="1621 1283 1818 1308">93200 Kuching,</td> </tr> <tr> <td data-bbox="1144 1308 1429 1334">Toll Free No : 1-800-88-7080</td> <td data-bbox="1429 1308 1621 1334">Tel : 07 – 227 8999</td> <td data-bbox="1621 1308 1818 1334">Sarawak</td> </tr> <tr> <td data-bbox="1144 1334 1429 1359">Email:</td> <td data-bbox="1429 1334 1621 1359">Fax : 07 – 223 8998</td> <td data-bbox="1621 1334 1818 1359">Tel : 082 – 233</td> </tr> <tr> <td data-bbox="1144 1359 1429 1385">customercare@aham.com.my</td> <td data-bbox="1429 1359 1621 1385"></td> <td data-bbox="1621 1359 1818 1385">320</td> </tr> <tr> <td data-bbox="1144 1385 1429 1410">Website: www.aham.com.my</td> <td data-bbox="1429 1385 1621 1410">MELAKA</td> <td data-bbox="1621 1385 1818 1410">Fax : 082 – 233</td> </tr> </tbody> </table> | HEAD OFFICE | JOHOR | SARAWAK | Ground Floor, Menara | Unit 22-05, Level 22 | Ground Floor, No. | Boustead | Menara Landmark | 69 | 69 Jalan Raja Chulan | No. 12, Jalan Ngee | Block 10, Jalan | 50200 Kuala Lumpur | Heng | Laksamana Cheng | Tel : 03 – 2116 6000 | 80000 Johor Bahru | Ho | Fax : 03 – 2116 6100 | Johor | 93200 Kuching, | Toll Free No : 1-800-88-7080 | Tel : 07 – 227 8999 | Sarawak | Email: | Fax : 07 – 223 8998 | Tel : 082 – 233 | customercare@aham.com.my | | 320 | Website: www.aham.com.my | MELAKA | Fax : 082 – 233 |
| HEAD OFFICE | JOHOR | SARAWAK | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ground Floor, Menara | Unit 22-05, Level 22 | Ground Floor, No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Boustead | Menara Landmark | 69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69 Jalan Raja Chulan | No. 12, Jalan Ngee | Block 10, Jalan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50200 Kuala Lumpur | Heng | Laksamana Cheng | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tel : 03 – 2116 6000 | 80000 Johor Bahru | Ho | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fax : 03 – 2116 6100 | Johor | 93200 Kuching, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Toll Free No : 1-800-88-7080 | Tel : 07 – 227 8999 | Sarawak | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Email: | Fax : 07 – 223 8998 | Tel : 082 – 233 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| customercare@aham.com.my | | 320 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Website: www.aham.com.my | MELAKA | Fax : 082 – 233 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| NO. | (A) PROSPECTUS AND SUPPLEMENTAL PROSPECTUS | | | (B) REPLACEMENT PROSPECTUS | | |
|-----|---|--|---|--|--|--|
| | <p>HEAD OFFICE Ground Floor, Menara Boustead 69 Jalan Raja Chulan 50200 Kuala Lumpur Tel : 03 – 2116 6000 Fax : 03 – 2116 6100 Toll Free No : 1-800-88-7080 Email: customer@affinhwangam.com Website: www.affinhwangam.com</p> <p>PENANG No. 10-C-23 & 10-C-24, Precinct 10 Jalan Tanjung Tokong 10470 Penang Tel : 04 – 899 8022 Fax : 04 – 899 1916</p> <p>PERAK 13A Persiaran Greentown 7 Greentown Business Centre 30450 Ipoh, Perak Tel: 05 - 241 0668 Fax: 05 – 255 9696</p> | <p>JOHOR Unit 22-05, Level 22 Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Tel: 07 – 227 8999 Fax: 07 – 223 8998</p> <p>MELAKA Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937</p> <p>SABAH Unit 1.09(a), Level 1, Plaza Shell 29, Jalan Tunku Abdul Rahman 88000 Kota Kinabalu, Sabah Tel: 088 - 252 881 Fax: 088 - 288 803</p> | <p>SARAWAK Ground Floor, No. 69 Block 10, Jalan Laksamana Cheng Ho 93200 Kuching, Sarawak Tel : 082 – 233 320 Fax : 082 – 233 663</p> <p>1st Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372</p> | <p>PENANG <u>B-16-2, Lorong Bayan Indah 3</u> <u>11900 Bayan Lepas</u> <u>Pulau Pinang</u> <u>Toll Free No : 1800-888-377</u></p> <p>PERAK <u>1, Persiaran Greentown 6</u> Greentown Business Centre 30450 Ipoh, Perak Tel: 05 - 241 0668 Fax: 05 – 255 9696</p> | <p>Ground Floor No. 584 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06 -281 2890 Fax: 06 -281 2937</p> <p>SABAH Unit 1.09(a), Level 1, Plaza Shell 29, Jalan Tunku Abdul Rahman 88000 Kota Kinabalu, Sabah Tel : 088 - 252 881 Fax : 088 - 288 803</p> <p>663 1st Floor, Lot 1291 Jalan Melayu, MCLD 98000 Miri, Sarawak Tel : 085 - 418 403 Fax : 085 – 418 372</p> | |

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM NEW CHINA TRACKER ("Fund")

We have acted as the Trustee of the Fund for the financial year ended 30 April 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For **TMF Trustees Malaysia Berhad**
(Company No.: (200301008392 [610812-W])

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
24 June 2024

AHAM NEW CHINA TRACKER FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

AHAM NEW CHINA TRACKER FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| CONTENTS | PAGE(S) |
|--|----------------|
| STATEMENT OF COMPREHENSIVE INCOME | 1 |
| STATEMENT OF FINANCIAL POSITION | 2 |
| STATEMENT OF CHANGES IN EQUITY | 3 |
| STATEMENT OF CASH FLOWS | 4 |
| MATERIAL ACCOUNTING POLICY INFORMATION | 5 - 11 |
| NOTES TO THE FINANCIAL STATEMENTS | 12 - 28 |
| STATEMENT BY THE MANAGER | 29 |
| INDEPENDENT AUDITORS' REPORT | 30 – 33 |

AHAM NEW CHINA TRACKER FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | <u>Note</u> | <u>2024</u> RM | <u>2023</u> RM |
|--|-------------|--------------------|--------------------|
| INVESTMENT LOSS | | | |
| Interest income from financial assets at amortised cost | | 14,053 | 39,258 |
| Net gain on foreign currency exchange | | 140 | 326 |
| Net loss on financial asset at fair value through profit or loss | 8 | <u>(1,691,143)</u> | <u>(1,171,978)</u> |
| | | <u>(1,676,950)</u> | <u>(1,132,394)</u> |
| EXPENSES | | | |
| Management fee | 4 | (138,434) | (153,345) |
| Trustee fee | 5 | (8,316) | (9,206) |
| Fund accounting fee | 6 | (12,000) | - |
| Auditors' remuneration | | (7,500) | (7,500) |
| Tax agent's fee | | (3,500) | (3,500) |
| Transaction costs | | (2,152) | (5,528) |
| Other expenses | | (1,268) | (4,242) |
| | | <u>(173,170)</u> | <u>(183,321)</u> |
| NET LOSS BEFORE TAXATION | | (1,850,120) | (1,315,715) |
| Taxation | 7 | <u>-</u> | <u>-</u> |
| NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR | | <u>(1,850,120)</u> | <u>(1,315,715)</u> |
| Net loss after taxation is made up of the following: | | | |
| Realised amount | | (947,748) | (496,432) |
| Unrealised amount | | (902,372) | (819,283) |
| | | <u>(1,850,120)</u> | <u>(1,315,715)</u> |

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM NEW CHINA TRACKER FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2024

| | <u>Note</u> | <u>2024</u> RM | <u>2023</u> RM |
|--|-------------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 9 | 378,926 | 456,136 |
| Amount due from Manager | | | |
| - creation of units | | - | 3,118 |
| - management fee rebate receivable | | 10,179 | 12,395 |
| Financial asset at fair value through profit or loss | 8 | 26,112,450 | 29,896,443 |
| TOTAL ASSETS | | <u>26,501,555</u> | <u>30,368,092</u> |
| LIABILITIES | | | |
| Amount due to Manager | | | |
| - management fee | | 10,327 | 12,661 |
| - cancellation of units | | 9,137 | - |
| Amount due to Trustee | | 620 | 760 |
| Fund accounting fee | | 1,000 | - |
| Auditors' remuneration | | 7,500 | 7,500 |
| Tax agent's fee | | 3,500 | 3,500 |
| Other payable and accruals | | 1,848 | 2,999 |
| TOTAL LIABILITIES | | <u>33,932</u> | <u>27,420</u> |
| NET ASSET VALUE OF THE FUND | | <u>26,467,623</u> | <u>30,340,672</u> |
| EQUITY | | | |
| Unitholders' capital | | 43,249,680 | 45,272,609 |
| Accumulated losses | | (16,782,057) | (14,931,937) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>26,467,623</u> | <u>30,340,672</u> |
| NUMBER OF UNITS IN CIRCULATION | 10 | <u>90,314,000</u> | <u>96,921,000</u> |
| NET ASSET VALUE PER UNIT (RM) | | <u>0.2931</u> | <u>0.3130</u> |

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM NEW CHINA TRACKER FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | Unitholders' <u>capital</u> RM | Accumulated <u>losses</u> RM | <u>Total</u> RM |
|---|--------------------------------------|------------------------------------|--------------------|
| Balance as 1 May 2023 | 45,272,609 | (14,931,937) | 30,340,672 |
| Total comprehensive loss for the financial year | - | (1,850,120) | (1,850,120) |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | 1,196,058 | - | 1,196,058 |
| Cancellation of units | (3,218,987) | - | (3,218,987) |
| Balance as at 30 April 2024 | <u>43,249,680</u> | <u>(16,782,057)</u> | <u>26,467,623</u> |
| | | | |
| Balance as 1 May 2022 | 44,099,613 | (13,616,222) | 30,483,391 |
| Total comprehensive loss for the financial year | - | (1,315,715) | (1,315,715) |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | 1,845,950 | - | 1,845,950 |
| Cancellation of units | (672,954) | - | (672,954) |
| Balance as at 30 April 2023 | <u>45,272,609</u> | <u>(14,931,937)</u> | <u>30,340,672</u> |

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM NEW CHINA TRACKER FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | <u>Note</u> | <u>2024</u> RM | <u>2023</u> RM |
|---|-------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of investments | | 1,954,452 | 1,237,128 |
| Purchase of investments | | - | (3,790,910) |
| Interest received | | 14,053 | 39,258 |
| Management fee rebate received | | 138,462 | 144,193 |
| Management fee paid | | (140,768) | (152,822) |
| Fund accounting fee paid | | (11,000) | - |
| Trustee fee paid | | (8,456) | (9,174) |
| Payment for other fees and expenses | | (13,419) | (1,244) |
| | | <hr/> | <hr/> |
| Net cash flows generated from/(used in) operating activities | | 1,933,324 | (2,533,571) |
| | | <hr/> | <hr/> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from creation of units | | 1,199,176 | 1,855,136 |
| Payments for cancellation of units | | (3,209,850) | (672,954) |
| | | <hr/> | <hr/> |
| Net cash flows (used in)/generated from financing activities | | (2,010,674) | 1,182,182 |
| | | <hr/> | <hr/> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (77,350) | (1,351,389) |
| EFFECTS OF FOREIGN CURRENCY EXCHANGE | | 140 | 326 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | 456,136 | 1,807,199 |
| | | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 9 | 378,926 | 456,136 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

- (a) Standards, amendments to published standards and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Interest income

Interest income from short-term deposits with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gains and losses on sale of investments

For exchange-traded fund ("ETF"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose of financial assets or financial liabilities measured at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

F FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial assets measured at fair value through other comprehensive income.

The contractual cash flows of the Fund’s debt securities are solely payments of principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

Investment in ETF have contractual cash flows that do not represent SPPI, and therefore are classified as financial assets measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, payables for fund accounting fee, auditors’ remuneration, tax agent’s fees and other payables and accruals as financial liabilities measured at amortised cost.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category is presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the period which they arise.

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Investment in exchange-traded fund are valued at the last published NAV per unit at the date of statement of financial position.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit-impaired.

Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial year.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

I UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value ('NAV');
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

J CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

AHAM NEW CHINA TRACKER FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang New China Tracker Fund (the “Fund”) pursuant to the execution of a Deed dated 15 May 2020 and First Supplemental Deed dated 10 January 2023 (the “Deeds”) AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from name Affin Hwang New China Tracker Fund to AHAM New China Tracker Fund as amended in the First Supplemental Deed dated 10 January 2023.

The Fund commenced operations on 18 December 2020 and will continue its operations until terminated by the Trustee as provided under Section 12.3 of the Deed.

The Fund may invest in the following permitted investments:

- (i) Units/shares in a collective investment schemes;
- (ii) Money market instruments;
- (iii) Deposits;
- (iv) Derivatives; and
- (v) Any other investments permitted by the SC from time to time which is in line with the objective of the Fund

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investors with investment results that closely correspond to the performance of the benchmark, S&P New China Sectors Ex A-Shares Index.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 24 June 2024.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

| | <u>Note</u> | At amortised <u>cost</u> RM | At fair value through <u>profit or loss</u> RM | <u>Total</u> RM |
|------------------------------------|-------------|--------------------------------------|---|--------------------|
| <u>2024</u> | | | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 9 | 378,926 | - | 378,926 |
| Amount due from Manager | | | | |
| - management fee rebate receivable | | 10,179 | - | 10,179 |
| Exchange-traded fund | 8 | - | 26,112,450 | 26,112,450 |
| Total | | <u>389,105</u> | <u>26,112,450</u> | <u>26,501,555</u> |
| <u>Financial liabilities</u> | | | | |
| Amount due to Manager | | | | |
| - management fee | | 10,327 | - | 10,327 |
| - creation of units | | 9,137 | - | 9,137 |
| Amount due to Trustee | | 620 | - | 620 |
| Fund accounting fee | | 1,000 | - | 1,000 |
| Auditors' remuneration | | 7,500 | - | 7,500 |
| Tax agent's fee | | 3,500 | - | 3,500 |
| Other payables and accruals | | 1,848 | - | 1,848 |
| Total | | <u>33,932</u> | <u>-</u> | <u>33,932</u> |
| <u>2023</u> | | | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 9 | 456,136 | - | 456,136 |
| Amount due from Manager | | | | |
| - creation of units | | 3,118 | - | 3,118 |
| - management fee rebate receivable | | 12,395 | - | 12,395 |
| Exchange-traded fund | 8 | - | 29,896,443 | 29,896,443 |
| Total | | <u>471,649</u> | <u>29,896,443</u> | <u>30,368,092</u> |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments of the Fund are as follows: (continued)

| | <u>Note</u> | At amortised <u>cost</u> RM | At fair value through <u>profit or loss</u> RM | <u>Total</u> RM |
|------------------------------|-------------|--------------------------------------|---|--------------------|
| <u>2023 (continued)</u> | | | | |
| <u>Financial liabilities</u> | | | | |
| Amount due to Manager | | | | |
| - management fee | | 12,661 | - | 12,661 |
| Amount due to Trustee | | 760 | - | 760 |
| Auditors' remuneration | | 7,500 | - | 7,500 |
| Tax agent's fee | | 3,500 | - | 3,500 |
| Other payables and accruals | | 2,999 | - | 2,999 |
| Total | | <u>27,420</u> | <u>-</u> | <u>27,420</u> |

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk are as follows:

| | <u>2024</u> RM | <u>2023</u> RM |
|--------------------------|-------------------|-------------------|
| Quoted investment | | |
| Exchange-traded fund | <u>26,112,450</u> | <u>29,896,443</u> |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's loss after taxation and NAV to price risk movement. The analysis is based on the assumptions that the market price increased by 10% (2023: 15%) and decreased by 10% (2023: 15%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities.

The Fund's overall exposure to price risk was as follows:

| <u>% Change in price</u> | <u>Market value</u> RM | <u>Impact on</u> <u>loss after</u> <u>tax/NAV</u> RM |
|--------------------------|---------------------------|---|
| <u>2024</u> | | |
| -10% | 23,501,205 | (2,611,245) |
| 0% | 26,112,450 | - |
| +10% | 28,723,695 | 2,611,245 |
| <u>2023</u> | | |
| -15% | 25,411,977 | (4,484,466) |
| 0% | 29,896,443 | - |
| +15% | 34,380,909 | 4,484,466 |

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short-term deposit placements with licensed financial institutions. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits are held on a short-term basis.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund.

There is no financial asset subject to currency risk as at 30 April 2024.

| | <u>Cash and cash equivalents</u> RM | <u>Total</u> RM |
|-------------------------|--|--------------------|
| <u>2023</u> | | |
| <u>Financial assets</u> | | |
| Hong Kong Dollar | 13,713 | 13,713 |

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

| | <u>Change in rate</u> % | <u>Impact on loss after tax/NAV</u> RM |
|------------------|--------------------------------|---|
| <u>2023</u> | | |
| Hong Kong Dollar | +/- 5.48% | +/- 751 |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentrations of the Fund:

| | Cash and cash <u>equivalents</u> RM | Amount due from <u>Manager</u> RM | <u>Total</u> RM |
|--------------------|--|--|--------------------|
| <u>2024</u> | | | |
| Financial services | | | |
| - AAA | 378,926 | - | 378,926 |
| Others | | | |
| - Non-rated ("NR") | - | 10,179 | 10,179 |
| | <u>378,926</u> | <u>10,179</u> | <u>389,105</u> |

2023

| | | | |
|--------------------|----------------|---------------|----------------|
| Financial services | | | |
| - AAA | 456,136 | - | 456,136 |
| Others | | | |
| - Non-rated ("NR") | - | 15,513 | 15,513 |
| | <u>456,136</u> | <u>15,513</u> | <u>471,649</u> |

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

| | <u>Within one month</u> RM | <u>Between one month to one year</u> RM | <u>Total</u> RM |
|-----------------------------|-----------------------------------|--|--------------------|
| <u>2024</u> | | | |
| Amount due to Manager | | | |
| - management fee | 10,327 | - | 10,327 |
| - creation of units | 9,137 | - | 9,137 |
| Amount due to Trustee | 620 | - | 620 |
| Fund accounting fee | 1,000 | - | 1,000 |
| Auditors' remuneration | - | 7,500 | 7,500 |
| Tax agent's fee | - | 3,500 | 3,500 |
| Other payables and accruals | - | 1,848 | 1,848 |
| | <u>21,084</u> | <u>12,848</u> | <u>33,932</u> |
| <u>2023</u> | | | |
| Amount due to Manager | | | |
| - management fee | 12,661 | - | 12,661 |
| Amount due to Trustee | 760 | - | 760 |
| Auditors' remuneration | - | 7,500 | 7,500 |
| Tax agent's fee | - | 3,500 | 3,500 |
| Other payables and accruals | - | 2,999 | 2,999 |
| | <u>13,421</u> | <u>13,999</u> | <u>27,420</u> |

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital net of accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

| | <u>Level 1</u> RM | <u>Level 2</u> RM | <u>Level 3</u> RM | <u>Total</u> RM |
|---|----------------------|----------------------|----------------------|--------------------|
| <u>2024</u> | | | | |
| Financial asset at fair value through profit or loss: | | | | |
| - exchanged-traded fund | 26,112,450 | - | - | 26,112,450 |
| | <u>26,112,450</u> | <u>-</u> | <u>-</u> | <u>26,112,450</u> |
| <u>2023</u> | | | | |
| Financial asset at fair value through profit or loss: | | | | |
| - exchanged-traded fund | 29,896,443 | - | - | 29,896,443 |
| | <u>29,896,443</u> | <u>-</u> | <u>-</u> | <u>29,896,443</u> |

Investments whose values are based on quoted and published market prices in active markets, and are therefore classified within Level 1, include exchanged-traded fund. The Fund does not adjust the quoted and published prices for these instruments.

- (ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 5.00% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 April 2024, management fee is recognised at a rate of 0.50% (2023: 0.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum of the NAV of the Fund, calculated on a daily basis (excluding foreign custodian fees and charges).

For the financial year ended 30 April 2024, the Trustee fee is recognised at a rate of 0.03% (2023: 0.03%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

There will be no further liability to the Trustee in respect of Trustee fee other than the amount recognised above.

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee is RM12,000 (2023: RM Nil) for the financial year.

7 TAXATION

| | <u>2024</u> RM | <u>2023</u> RM |
|------------------|-------------------|-------------------|
| Current taxation | - | - |

The numerical reconciliation between net loss before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

| | <u>2024</u> RM | <u>2023</u> RM |
|---|-------------------|-------------------|
| Net loss before taxation | (1,850,120) | (1,315,715) |
| Tax at Malaysian statutory rate of 24% (2023: 24%) | (444,029) | (315,772) |
| Tax effects of: | | |
| Investment loss not brought to tax | 435,167 | 306,637 |
| Expenses not deductible for tax purposes | 6,537 | 4,914 |
| Restriction on tax deductible expenses for Unit Trust Funds | 2,325 | 4,221 |
| Tax expense | - | - |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <u>2024</u> RM | <u>2023</u> RM |
|---|--------------------|--------------------|
| Financial asset at fair value through profit or loss: | | |
| - exchange-traded fund - local | <u>26,112,450</u> | <u>29,896,443</u> |
| | <u>2024</u> RM | <u>2023</u> RM |
| Net loss on financial asset at fair value through profit or loss: | | |
| - realised loss on sale of investments | (924,877) | (497,627) |
| - unrealised loss on changes in fair value | (902,512) | (819,609) |
| - management fee rebate on exchange-traded fund # | 136,246 | 145,258 |
| | <u>(1,691,143)</u> | <u>(1,171,978)</u> |

In arriving at the fair value of the Fund's investment in exchange-traded fund, the management fee initially paid to the Manager of exchange-traded fund have been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in exchange-traded fund have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of exchange-traded fund is reflected as an increase in the net asset value of the exchange-traded fund.

(a) Exchange-traded fund - local

(i) Exchange-traded fund - local as at 30 April 2024 is as follows:

| | <u>Quantity</u> | <u>Aggregate</u> <u>cost</u> RM | <u>Fair</u> <u>value</u> RM | <u>Percentage</u> <u>of NAV</u> % |
|---|------------------|---------------------------------------|-----------------------------------|---|
| TradePlus S&P New China Tracker Fund* | <u>5,739,000</u> | <u>41,352,380</u> | <u>26,112,450</u> | <u>98.66</u> |
| Total exchange-traded fund - local | <u>5,739,000</u> | <u>41,352,380</u> | <u>26,112,450</u> | <u>98.66</u> |
| Accumulated unrealised loss on exchange-traded fund - local | | <u>(15,239,930)</u> | | |
| Total exchange-traded fund - local | | <u>26,112,450</u> | | |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Exchange-traded fund – local (continued)

(ii) Exchange-traded fund – local as at 30 April 2023 is as follows:

| | <u>Quantity</u> | Aggregate <u>cost</u> RM | Fair <u>value</u> RM | Percentage <u>of NAV</u> % |
|---|------------------|--------------------------------|----------------------------|----------------------------------|
| TradePlus S&P New China Tracker Fund* | 6,138,900 | 44,233,861 | 29,896,443 | 98.54 |
| Total exchange-traded fund - local | <u>6,138,900</u> | <u>44,233,861</u> | <u>29,896,443</u> | <u>98.54</u> |
| Accumulated unrealised loss on exchange-traded fund - local | | <u>(14,337,418)</u> | | |
| Total exchange-traded fund - local | | <u>29,896,443</u> | | |

* Managed by the Manager of the Fund.

(b) Target Fund's Top 10 holdings

(i) The Target Fund's Top 10 holdings as at 30 April 2024 is as follows:

| | Market <u>value</u> RM | Percentage <u>of target fund NAV</u> % |
|--|------------------------------|--|
| Tencent Holdings Ltd | 8,985,189 | 11.18 |
| Alibaba Group Holding Ltd | 8,536,495 | 10.63 |
| AIA Group Ltd | 7,323,104 | 9.17 |
| Pinduoduo Inc | 7,108,338 | 8.85 |
| Meituan | 5,373,275 | 6.65 |
| JD.com, Inc | 3,112,802 | 3.89 |
| NetEase, Inc | 2,986,010 | 3.73 |
| Baidu, Inc | 2,632,367 | 3.27 |
| Ping An Insurance (Group) Company of China Ltd | 2,512,617 | 3.13 |
| Trip.com Group Ltd | 2,457,191 | 3.05 |
| Total | <u>51,027,388</u> | <u>63.55</u> |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Target Fund's Top 10 holdings (continued)

(ii) The Target Fund's Top 10 holdings as at 30 April 2023 is as follows:

| | Market value RM | Percentage of target fund NAV % |
|--|-----------------------|--|
| Tencent Holdings Ltd | 5,515,199 | 10.06 |
| AIA Group Ltd | 5,164,739 | 9.42 |
| Alibaba Group Holding Ltd | 4,815,930 | 8.78 |
| Meituan | 3,588,092 | 6.54 |
| Ping An Insurance (Group) Company of China Ltd | 2,137,319 | 3.90 |
| JD.com, Inc | 1,992,234 | 3.63 |
| NetEase, Inc | 1,716,805 | 3.13 |
| Baidu, Inc | 1,502,176 | 2.74 |
| Pinduoduo Inc | 1,458,133 | 2.66 |
| BYD Co Ltd | 1,192,436 | 2.17 |
| Total | <u>29,083,063</u> | <u>53.03</u> |

9 CASH AND CASH EQUIVALENTS

| | <u>2024</u> RM | <u>2023</u> RM |
|---|-------------------|-------------------|
| Cash and bank balances | 66,997 | 36,387 |
| Deposit with a licensed financial institution | 311,929 | 419,749 |
| | <u>378,926</u> | <u>456,136</u> |

Weighted average effective interest rates per annum of deposit with a licensed financial institution is as follows:

| | <u>2024</u> % | <u>2023</u> % |
|---|------------------|------------------|
| Deposit with a licensed financial institution | <u>3.00</u> | <u>2.75</u> |

Deposit with a licensed financial institution has an average remaining maturity period of 2 days (2023: 2 days).

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

10 NUMBER OF UNITS IN CIRCULATION

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 96,921,000 | 93,421,000 |
| Creation of units arising from applications | 4,025,000 | 5,597,000 |
| Cancellation of units | (10,632,000) | (2,097,000) |
| At the end of the financial year | <u>90,314,000</u> | <u>96,921,000</u> |

11 TRANSACTIONS WITH BROKERS

(i) Detail of transactions with brokers for the financial year ended 30 April 2024 are as follows:

| <u>Name of brokers</u> | <u>Value of trade</u> | <u>Percentage</u> | <u>Brokerage</u> | <u>Percentage</u> |
|----------------------------|-----------------------|-------------------|------------------|-------------------|
| | RM | of total | fees | of total |
| | | trade | RM | brokerage fees |
| | | % | | % |
| CIMB Bank Bhd | 897,537 | 45.87 | 718 | 45.85 |
| RHB Investment Bank Bhd | 567,066 | 28.98 | 454 | 28.99 |
| Maybank Kim Eng Securities | 492,000 | 25.15 | 394 | 25.16 |
| | <u>1,956,603</u> | <u>100.00</u> | <u>1,566</u> | <u>100.00</u> |

(ii) Detail of transactions with brokers for the financial year ended 30 April 2023 are as follows:

| <u>Name of brokers</u> | <u>Value of trade</u> | <u>Percentage</u> | <u>Brokerage</u> | <u>Percentage</u> |
|----------------------------|-----------------------|-------------------|------------------|-------------------|
| | RM | of total | fees | of total |
| | | trade | RM | brokerage fees |
| | | % | | % |
| Maybank Kim Eng Securities | 1,753,885 | 34.90 | 1,403 | 34.90 |
| RHB Investment Bank Bhd | 1,730,459 | 34.44 | 1,384 | 34.44 |
| CIMB Bank Bhd | 1,054,831 | 20.99 | 844 | 20.99 |
| CIMB Investment Bank Bhd | 486,060 | 9.67 | 389 | 9.67 |
| | <u>5,025,235</u> | <u>100.00</u> | <u>4,020</u> | <u>100.00</u> |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

| <u>Related parties</u> | <u>Relationship</u> |
|--|--|
| CVC Capital Partners Asia V L.P. ("CVC Asia V") | Ultimate holding company of the Manager |
| Lembaga Tabung Angkatan Tentera ("LTAT") | Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager |
| Affin Bank Berhad ("ABB") | Former penultimate holding company of the Manager |
| Affin Hwang Investment Bank Berhad | Former immediate holding company of the Manager |
| Starlight TopCo Limited | Penultimate holding company of the Manager |
| Starlight Universe Limited | Intermediate holding company of the Manager |
| Starlight Asset Sdn Bhd | Immediate holding company of the Manager |
| Nikko Asset Management International Limited ("NAMI") | Former substantial shareholder of the Manager |
| Nikko Asset Management Co., Ltd ("NAM") | Substantial shareholder of the Manager |
| AHAM Asset Management Berhad | The Manager |
| Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements | Subsidiaries and associated companies of the ultimate holding company of the Manager |
| Subsidiaries and associated companies of ABB as disclosed in its financial statements | Subsidiaries and associated companies of the former penultimate holding company of the Manager |
| Directors of AHAM Asset Management Berhad | Directors of the Manager |

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The units held by the Manager as at the end of the financial year are as follows:

| | 2024 | | 2023 | |
|--|--------------|-----|--------------|-----|
| | No. of units | RM | No. of units | RM |
| <u>The Manager:</u> | | | | |
| AHAM Asset Management Berhad (The units are held legally for booking purposes) | 3,256 | 954 | 2,735 | 856 |

Other than the above, there were no units held by the Directors and parties related to the Manager.

13 TOTAL EXPENSE RATIO (“TER”)

| | 2024 | 2023 |
|-----|------|------|
| | % | % |
| TER | 0.62 | 0.58 |

TER is derived from the following calculation:

$$\text{TER} = \frac{(\text{A} + \text{B} + \text{C} + \text{D} + \text{E} + \text{F}) \times 100}{\text{G}}$$

| | | |
|---|---|--|
| A | = | Management fee, excluding management fee rebates |
| B | = | Trustee fee |
| C | = | Fund accounting fee |
| D | = | Auditors' remuneration |
| E | = | Tax agent's fee |
| F | = | Other expenses, excluding sales and service tax on transaction costs |
| G | = | Average NAV of Fund calculated on a daily basis |

The average NAV of the Fund for the financial year calculated on a daily basis was RM27,721,274 (2023: RM30,684,841).

AHAM NEW CHINA TRACKER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

14 PORTFOLIO TURNOVER RATIO (“PTR”)

| | <u>2024</u> | <u>2023</u> |
|-------------|-------------|-------------|
| PTR (times) | <u>0.05</u> | <u>0.09</u> |

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

where: total acquisition for the financial year = RM Nil (2023: RM3,786,745)
total disposal for the financial year = RM2,881,480 (2023: RM1,736,117)

AHAM NEW CHINA TRACKER FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 28 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 April 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
24 June 2024

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM NEW CHINA TRACKER FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM New China Tracker Fund (“the Fund”) give a true and fair view of the financial position of the fund as at 30 April 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 28.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditor’s thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager’s Report, but does not include the financial statements of the Fund and our auditor’s report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM NEW CHINA TRACKER FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM NEW CHINA TRACKER FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM NEW CHINA TRACKER FUND (CONTINUED)**

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
24 June 2024

DIRECTORY OF SALES OFFICE

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