



A Prudential plc company 

EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2024.

You may also download these reports from our website at www.eastspring.com/my

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2778 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'YSH', written in a cursive style.

YAP SIOK HOON

Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Islamic China A-Shares Fund (the "Fund")

**Fund Category/
Type**

Equity (Shariah-compliant)/Growth

Fund Objective

The Fund seeks to provide investor with capital appreciation in the long-term.

**ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE
WOULD REQUIRE UNIT HOLDERS' APPROVAL.**

**Performance
Benchmark**

DJIM China A 100 Index

Source: www.spindices.com

Note: The risk profile of the Fund is not same as the risk profile of the performance benchmark.

**Fund Income
Distribution Policy**

Distribution of income, if any, will be incidental, after deduction of taxation and expenses.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR/PERIOD ENDED

Category	2024	2023	Since commencement 8.10.2021 to 30.9.2022
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Consumer Discretionary	17.41	22.90	9.44
Consumer Staple	1.20	3.26	6.99
Energy	-	3.24	-
Health Care	7.49	7.63	8.47
Industrial	45.22	27.93	23.87
Information Technology	-	-	19.84
Material	-	2.70	8.43
Technology	11.51	17.32	-
Utilities	2.75	3.08	5.50
	85.58	88.06	82.54
Islamic exchange-traded funds	3.76	3.14	2.82
Cash and other assets	10.66	8.80	14.64
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	65,773	74,375	97,622
Units In Circulation (Units '000)	208,167	230,429	258,027
Net Asset Value Per Unit (RM)	0.3160	0.3228	0.3783
Highest Net Asset Value Per Unit (RM)	0.3274	0.4079	0.5367
Lowest Net Asset Value Per Unit (RM)	0.2627	0.3170	0.3658
Total Return (%)			
- Capital Growth	(2.08)	(14.70)	(24.34)
- Income Distribution	-	-	-
Total Return (%)	(2.08)	(14.70)	(24.34)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	2.14	2.08	2.06
Portfolio Turnover Ratio (PTR) (times)^	2.03	0.98	1.33

* There were no significant changes to the TER during the period under review.

^ There were no significant changes to the PTR during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.10.2023 to 30.9.2024	Since commencement 8.10.2021 to 30.9.2024
	(%)	(%)
Average total return	(2.08)	(14.21)

Year ended	1.10.2023 to 30.9.2024	1.10.2022 to 30.9.2023	Since commencement 8.10.2021 to 30.9.2022
	(%)	(%)	(%)
Annual total return	(2.08)	(14.70)	(24.34)

Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

$$\text{Percentage growth} = \frac{\text{NAV}_t}{\text{NAV}_0} - 1$$

NAV_t = NAV at the end of the period
NAV₀ = NAV at the beginning of the period

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

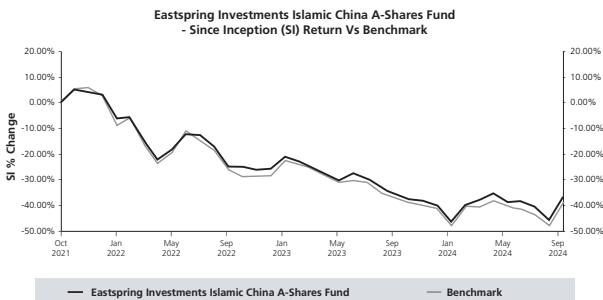
MANAGER'S REPORT

Fund Performance

Since inception, the Fund registered a return of -36.80%, outperforming the benchmark return of -38.60% by 1.80%.

For the period under review, the Fund registered a return of -2.08%, outperforming the benchmark return of -2.73% by 0.65%.

The outperformance was due to the Fund's overweight position and Shariah-compliant stock selection within the Information Technology and Industrials space. Fund's underweight position in Healthcare, Consumer Discretionary and Materials sector also benefited the Fund.



The performance is calculated on NAV-to-NAV basis with gross income or dividend reinvested.

Benchmark: DJIM China A 100 Index

Source: Lipper for Investment Management and www.spindices.com, as at 30 September 2024.

Past performance of the Fund is not necessarily indicative of its future performance.

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 September 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	(2.08)	(2.08)	(2.73)

* Capital return components (NAV per unit to NAV per unit).

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 30 September 2024.

Investment Strategy During the Period Under Review

The Fund adopted a barbell approach holding a mix of Shariah-compliant technology stocks and defensive stocks with strong cash flow yields and earnings visibility. Fund favoured Shariah-compliant stocks that were leveraged to thematic such as artificial intelligence, SOE reform, utilities and high-end manufacturing. The Fund continues to focus on Shariah-compliant stock and sector selection, and favor companies with healthy balance sheets, good market positioning, with growth at a reasonable price.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Sep 2024	30-Sep 2023	Changes
	(%)	(%)	(%)
Quoted Shariah-compliant securities	85.58	88.06	(2.48)
Islamic exchange-traded funds	3.76	3.14	0.62
Cash and other assets	10.66	8.80	1.86

Asset Allocation as at 30 September 2024



There were no significant changes in asset allocation of the Fund for the period under review.

State of Affairs of the Fund

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

MARKET REVIEW

Overall economic momentum in China continued to remain soft in the fourth quarter of 2023. Further stimulus measures, including emergency liquidity support to local governments, were announced.

Greater China indices saw a poor start in 2024 with Chinese indices recording their worst declines since October 2022 in January. Poor performance at the start of the year was largely driven by disappointment on continued lack of policy response deemed necessary for lifting business and consumer confidence, new concerns over US-China ties and unwinding of structural products onshore. However, market swiftly saw a recovery in the following month as authorities announced stock stabilization measures with additional support from China's "National Team" sovereign wealth fund coming in to support the market.

National People's Congress ("NPC") in March 2024 offered no new surprises and set an ambitious target during its Two Sessions meeting. A Gross Domestic Product ("GDP") growth target of "around 5%", fiscal deficit ratio target at 3% were in line with expectations. Overall sentiment improved as economic momentum surprised on the upside in 1Q24, with markets encouraged by the Politburo meeting which focused on policy continuity to avoid a loss of momentum in the coming quarters. 1Q24 GDP growth came in at 5.3% but overall recovery remains uneven with exports and manufacturing driving the recovery.

Policy put also appeared evident for the property sector in May, with multiple measures announced to digest the inventory in the month with policy momentum gathering pace. However, softening economic data from China and lowered expectations for strong policy stimulus by the Third Plenum in July, absence of rate cuts, as well as a depreciating CNY vs USD, sent China equities lower in July. Going forward, markets will keep watch of upcoming Third Plenum meeting in China for signs of direction of policies & reform priorities.

In August, global markets saw a fierce sell down on unwinding of yen carry trade but stabilised soon after. However, markets found relief when Federal Reserve Chair Powell signaled readiness to ease monetary policy at the next meeting. The Chinese government announced a \$42 billion stimulus package to boost consumer spending and economic growth. Greater China markets rallied strongly at the end of the period under review, driven by the announcement of a policy combo in China that exceeded market expectations. This signaled that the long-awaited policy shift for the Chinese economy and markets might have arrived. The recent intensive rollout of China stimulus has sent the China Securities Index 300 ("CSI 300") and Hang Seng Index ("HSI") to their highest levels in 2024.

On 26 September, China's surprise politburo meeting unequivocally called for stronger stimulus. This politburo meeting came two days after the People's Bank of China ("PBoC"), China Securities Regulatory Commission ("CSRC"), and China Banking and Insurance Regulatory Commission ("CBIRC") announced an above-expectation stimulus combo on 24 September. It was an extraordinary lineup, jointly announcing multiple stimulus measures marking the most comprehensive easing by the PBoC since 2015, including rate cuts and lending facilities for equity purchases and buybacks. The session called for fiscal/monetary policy adjustments to ensure necessary fiscal expenditures with measures including the ultra-long special Chinese Government Bonds ("CGB"), lower Required Reserve Ratio ("RRR"), and meaningful rate cuts. Emphasis was given to: 1) stabilizing the real estate market, 2) guiding equity investors to think/ behave long-term. Authorities sent a clearer signal for coordinated and fast action to be taken to stabilise the economy and signaled more to come. The timing of the meeting and policy moves were unusually bold and coordinated compared to recent years. The government also mentioned property market stabilization for the first time. In the meeting memo, Beijing vowed to intensify counter-cyclical fiscal and monetary policies, boost income for low and middle-income groups, and work hard to revitalize the capital markets. For the first time, the Politburo has pledged to arrest the decline in property markets.

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) did not receive any soft commissions from stockbrokers.

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

No securities lending or repurchase transaction have been carried out during the financial period under review.

EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 17 to 61 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 September 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 25 November 2024

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 September 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments 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 deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 25 November 2024

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 September 2024, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant except for the securities which have been reclassified as Shariah non-compliant by the Dow Jones Islamic Market Index as follows:

No.	Securities	Reclassification Effective Date	Remarks
i.	Hongfa Technology Co., Limited	15 March 2024	These securities have been completely disposed of on 19 March 2024 at a loss, in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Deed and disclosed in the Fund's prospectus.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur
Date: 25 November 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Islamic China A-Shares Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 September 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 September 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 61.

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 auditors' report 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 auditors' 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.

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 and 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 to terminate 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.

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 of the Fund 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.

OTHER MATTERS

This report is made solely to the unit holders 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
Date: 25 November 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 RM	2023 RM
INVESTMENT LOSS			
Gross dividend income		1,048,644	722,435
Profit income from Islamic deposits with licensed financial institutions		88,335	90,229
Net loss on financial assets at fair value through profit or loss	6	(874,547)	(11,828,313)
Net foreign currency exchange loss		(669,231)	(147,886)
		<u>(406,799)</u>	<u>(11,163,535)</u>
EXPENSES			
Management fee	3	(1,166,503)	(1,625,865)
Trustee fee	4	(42,124)	(58,712)
Audit fee		(6,800)	(6,800)
Tax agent fee		(7,600)	(6,000)
Transaction costs		(313,333)	(251,722)
Other expenses		(270,449)	(254,771)
		<u>(1,806,809)</u>	<u>(2,203,870)</u>
LOSS BEFORE TAXATION		(2,213,608)	(13,367,405)
TAXATION	5	<u>103,925</u>	<u>(41,197)</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS		<u>(2,109,683)</u>	<u>(13,408,602)</u>
Loss after taxation is made up of the following:			
Realised amount		(17,749,622)	(19,880,045)
Unrealised amount		15,639,939	6,471,443
		<u>(2,109,683)</u>	<u>(13,408,602)</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	8	4,358,090	7,173,999
Financial assets at fair value through profit or loss	6	58,769,315	67,828,256
Amount due from Manager		4,263,865	136,245
Tax recoverable		328,188	194,133
TOTAL ASSETS		<u>67,719,458</u>	<u>75,332,633</u>
LIABILITIES			
Accrued management fee		78,898	112,334
Amount due to Manager		116,306	817,986
Amount due to Trustee		2,849	4,056
Amount due to brokers		1,731,885	-
Other payables and accruals		16,403	23,176
TOTAL LIABILITIES		<u>1,946,341</u>	<u>957,552</u>
NET ASSET VALUE OF THE FUND		<u>65,773,117</u>	<u>74,375,081</u>
EQUITY			
Unit holders' capital		107,465,616	113,957,897
Accumulated losses		(41,692,499)	(39,582,816)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>65,773,117</u>	<u>74,375,081</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>208,166,731</u>	<u>230,429,111</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.3160</u>	<u>0.3228</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Unit holders' capital	Accumulated losses	Total
	RM	RM	RM
Balance as at 1 October 2023	113,957,897	(39,582,816)	74,375,081
Movement in unit holders' contribution:			
Creation of units from applications	34,067,477	-	34,067,477
Cancellation of units	(40,559,758)	-	(40,559,758)
Total comprehensive loss for the financial year	-	(2,109,683)	(2,109,683)
Balance as at 30 September 2024	<u>107,465,616</u>	<u>(41,692,499)</u>	<u>65,773,117</u>
Balance as at 1 October 2022	123,796,392	(26,174,214)	97,622,178
Movement in unit holders' contribution:			
Creation of units from applications	27,640,813	-	27,640,813
Cancellation of units	(37,479,308)	-	(37,479,308)
Total comprehensive loss for the financial year	-	(13,408,602)	(13,408,602)
Balance as at 30 September 2023	<u>113,957,897</u>	<u>(39,582,816)</u>	<u>74,375,081</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024	2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		135,042,869	89,830,369
Purchase of Shariah-compliant investments		(125,439,923)	(86,411,171)
Dividends received		943,783	649,347
Profit income received from Islamic deposits with licensed financial institutions		88,335	90,229
Management fee paid		(1,199,939)	(1,657,550)
Trustee fee paid		(43,331)	(59,857)
Tax paid		(30,130)	(213,330)
Payment for other fees and expenses		(186,761)	(210,877)
Net realised foreign currency exchange loss		(669,231)	(147,886)
Net cash generated from operating activities		<u>8,505,672</u>	<u>1,869,274</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		29,939,857	27,692,195
Payments for cancellation of units		(41,261,438)	(37,126,943)
Net cash used in financing activities		<u>(11,321,581)</u>	<u>(9,434,748)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(2,815,909)	(7,565,474)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		<u>7,173,999</u>	<u>14,739,473</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	8	<u>4,358,090</u>	<u>7,173,999</u>

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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 Islamic derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements is in conformity with the MFRS and IFRS which require 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 revenues 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 K.

a. Standards and amendments to existing standards effective 1 January 2023:

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 October 2023 that have a material effect on the financial statements of the Fund.

b. New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

Profit income from short-term Islamic deposits placed with licensed financial institutions is recognised on an accrual basis using the effective profit rate method.

Profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gain or loss on disposal of Shariah-compliant securities are accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant securities, determined on a weighted average cost basis.

C. TAXATION

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

Tax on dividend income from foreign quoted Shariah-compliant securities is based on the tax regime of the respective countries that the Fund invests in.

Withholding taxes on investment income from foreign quoted Shariah-compliant securities are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

D. 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.

E. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions in the Fund are translated into the functional currency using the exchange rates prevailing at the transaction dates. 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, except when deferred in other comprehensive income as qualifying cash flow hedges.

F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

- those to be measured subsequently 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 equity¹ securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee, amount due to brokers and other payables and accruals as financial liabilities measured at amortised cost.

¹ For the purposes of the investments made by the Fund, equity refers to Shariah-compliant equity instruments.

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.

Shariah-compliant investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

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

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

Financial liabilities are derecognised when the obligation under the liabilities 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 including the effects of currency translation” category are presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the financial year in which they arise.

Quoted Shariah-compliant securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 quoted Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant 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.

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

iii. Impairment for assets carried at amortised costs

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 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

iv. 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.

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay 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 impairment gains. There are no write-offs/recoveries during the financial year.

G. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and Islamic deposits with licensed financial institutions 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 changes in value.

H. TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include 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.

I. UNIT HOLDERS' CAPITAL

The unit holders' 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 asset value;
- the units are the most subordinated class and class features are identical;
- there are 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 unit holder exercises the right to put the unit back to the Fund.

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

J. AMOUNT DUE FROM/(TO) BROKERS

Amount due from and to brokers represent receivables for Shariah-compliant securities sold and payables for Shariah-compliant securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

K. 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 to the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts 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.

In undertaking any of the Fund's Shariah-compliant 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

1. INFORMATION ON THE FUND

The Unit Trust Fund (the "Fund") was constituted under the name Eastspring Investments Islamic China A-Shares Fund pursuant to the execution of a Deed dated 23 July 2021 (the "Deed") entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") followed by First Supplemental Deed dated 6 April 2022 (collectively referred to as the "Deeds").

The Fund was launched on 13 September 2021 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to provide investor with capital appreciation in the long-term.

The Fund seeks to achieve its objective by investing in Shariah-compliant equities and Shariah-compliant equity-related securities, such as Islamic American Depository Receipts (ADRs), Shariah-compliant rights issues and Shariah-compliant warrants listed in the China A-Shares market.

All Shariah-compliant investments will be subjected to the Securities Commission's ("SC") Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

The Manager is a company incorporated in Malaysia and is related to Prudential Plc., a public listed company in the United Kingdom. The principal activity of the Manager is the establishment and management of unit trust funds and asset management.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, exposure to interest rate risk and foreign exchange/currency risk), fund management risk, capital risk, credit/default risk, liquidity risk and Shariah status reclassification risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds.

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
<u>2024</u>				
Cash and cash equivalents	8	4,358,090	-	4,358,090
Quoted Shariah-compliant securities	6	-	56,298,815	56,298,815
Islamic exchange-traded funds	6	-	2,470,500	2,470,500
Amount due from Manager		4,263,865	-	4,263,865
		<u>8,621,955</u>	<u>58,769,315</u>	<u>67,391,270</u>
<u>2023</u>				
Cash and cash equivalents	8	7,173,999	-	7,173,999
Quoted Shariah-compliant securities	6	-	65,499,506	65,499,506
Islamic exchange-traded funds	6	-	2,328,750	2,328,750
Amount due from Manager		136,245	-	136,245
		<u>7,310,244</u>	<u>67,828,256</u>	<u>75,138,500</u>

All liabilities are financial liabilities which are carried at amortised cost.

Market risk

i. 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 table below shows assets of the Fund as at 30 September which are exposed to price risk:

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted Shariah-compliant securities	56,298,815	65,499,506
Islamic exchange-traded funds	2,470,500	2,328,750
	<u>58,769,315</u>	<u>67,828,256</u>

The following table summarises the sensitivity of the Fund's loss after tax and net asset value to movements in prices of quoted Shariah-compliant securities and Islamic exchange-traded funds at the end of each financial reporting year. The analysis is based on the assumptions that the market price of the quoted Shariah-compliant securities and Islamic exchange-traded funds increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted Shariah-compliant securities and Islamic exchange-traded funds, having regard to the historical volatility of the prices.

% Change in price	Market value	Impact on loss after tax and net asset value
	RM	RM
<u>2024</u>		
+5%	61,707,781	2,938,466
-5%	55,830,849	(2,938,466)
<u>2023</u>		
+5%	71,219,669	3,391,413
-5%	64,436,843	(3,391,413)

ii. Exposure to 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 investments in Islamic deposits with licensed financial institutions are short-term in nature. Therefore, exposure to interest rate fluctuations is minimal.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

iii. Foreign exchange/Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an 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 a 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 exchange/currency risk concentrations and counterparties of the Fund.

	Financial assets at value through profit or loss	Amount due to brokers	Cash and cash equivalents	Total
	RM	RM	RM	RM
<u>2024</u>				
CNY	56,298,815	(1,731,885)	3,396,616	57,963,546
<u>2023</u>				
CNY	65,499,506	-	4,019,118	69,518,624

The following table summarises the sensitivity of the Fund's loss after tax and net asset value to changes in foreign exchange movements at the end of each financial reporting year. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all variables remain 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.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact on loss after tax	Impact on net asset value
	%	RM	RM
<u>2024</u>			
CNY	4.80	2,782,250	2,782,250
<u>2023</u>			
CNY	5.68	3,948,658	3,948,658

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Funds. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interest of unit holders.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM107,465,616 (2023: RM113,957,897) and accumulated losses of RM41,692,499 (2023: RM39,582,816). 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 unit holders. 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 unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit income, principals and proceeds from realisation of Shariah-compliant investments.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA1 or higher.

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring the Fund will only place deposits in reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange.

The credit/default risk is minimal as all transactions in Shariah-compliant securities are settled/paid upon delivery using approved brokers. 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 and counterparties of the Fund.

	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM
<u>2024</u>			
Financial Services			
- AAA	4,358,090	-	4,358,090
Other			
- NR	-	4,263,865	4,263,865
	<u>4,358,090</u>	<u>4,263,865</u>	<u>8,621,955</u>
<u>2023</u>			
Financial Services			
- AAA	3,110,503	-	3,110,503
- AA1	4,063,496	-	4,063,496
Other			
- NR	-	136,245	136,245
	<u>7,173,999</u>	<u>136,245</u>	<u>7,310,244</u>

None of these financial assets are past due or impaired.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise bank balances, Islamic deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2024</u>			
Accrued management fee	78,898	-	78,898
Amount due to Manager	116,306	-	116,306
Amount due to Trustee	2,849	-	2,849
Amount due to brokers	1,731,885	-	1,731,885
Other payables and accruals	-	16,403	16,403
Contractual undiscounted cash outflows	<u>1,929,938</u>	<u>16,403</u>	<u>1,946,341</u>
<u>2023</u>			
Accrued management fee	112,334	-	112,334
Amount due to Manager	817,986	-	817,986
Amount due to Trustee	4,056	-	4,056
Other payables and accruals	-	23,176	23,176
Contractual undiscounted cash outflows	<u>934,376</u>	<u>23,176</u>	<u>957,552</u>

Shariah status reclassification risk

a. Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Adviser or the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- i. to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of review ("Review") by the Shariah Adviser or the relevant Islamic indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Review should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the effective date of Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

- b. Islamic money market instruments or Islamic deposits or Islamic collective investment schemes

This risk refers to the risk of a possibility that the currently held Islamic money market instruments or Islamic deposits or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits or collective investment schemes.

Fair value estimation

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 (i.e. an exit price).

The fair value of financial assets traded in active market (such as trading Shariah-compliant 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 representative of the fair value.

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 following table analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

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 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.

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	56,298,815	-	-	56,298,815
Islamic exchange-traded funds	2,470,500	-	-	2,470,500
	<u>58,769,315</u>	-	-	<u>58,769,315</u>

2023

Financial assets at fair value through profit or loss:

Quoted Shariah-compliant securities	65,499,506	-	-	65,499,506
Islamic exchange-traded funds	2,328,750	-	-	2,328,750
	<u>67,828,256</u>	-	-	<u>67,828,256</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active quoted Shariah-compliant securities and Islamic exchange-traded funds. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note F to the financial statements.

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

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial year ended 30 September 2024, the management fee is recognised at a rate of 1.80% (2023: 1.80%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum excluding foreign custodian fees and charges.

For the financial year ended 30 September 2024, the Trustee fee is recognised at a rate of 0.065% (2023: 0.065%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, excluding foreign custodian fees and charges, calculated on daily basis.

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

5. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:		
Current taxation	30,127	147,197
Overprovision of tax in prior year	(134,052)	(106,000)
	<u>(103,925)</u>	<u>41,197</u>

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

	2024	2023
	RM	RM
Loss before taxation	<u>(2,213,608)</u>	<u>(13,367,405)</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	(531,266)	(3,208,177)
Tax effects of:		
Shariah-compliant investment loss not deductible for tax purposes	127,759	2,826,445
Expenses not deductible for tax purposes	152,041	137,089
Restriction on the tax deductible expenses for Unit Trust Funds	281,593	391,840
Overprovision of tax in prior year	<u>(134,052)</u>	<u>(106,000)</u>
Taxation	<u>(103,925)</u>	<u>41,197</u>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted Shariah-compliant securities (i)	56,298,815	65,499,506
Islamic exchange-traded funds (ii)	2,470,500	2,328,750
	<u>58,769,315</u>	<u>67,828,256</u>
Net loss on financial assets at fair value through profit or loss:		
Realised loss on disposals	(16,514,486)	(18,299,756)
Change in unrealised fair value gain	15,639,939	6,471,443
	<u>(874,547)</u>	<u>(11,828,313)</u>

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Discretionary</u>				
BYD Company Limited	23,200	3,346,735	4,185,926	6.36
Fuyao Glass Industry Group Co., Limited	107,708	3,329,214	3,680,424	5.60
Midea Group Co., Limited	80,300	3,182,118	3,585,905	5.45
	<u>211,208</u>	<u>9,858,067</u>	<u>11,452,255</u>	<u>17.41</u>
<u>Consumer Staple</u>				
Foshan Haitian Flavouring and Food Company Limited	27,984	746,484	791,431	1.20

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
Jiangsu Hengrui Pharmaceuticals Co., Limited	85,100	2,396,383	2,613,113	3.97
Shenzhen Mindray Bio-Medical Electronics Co., Limited	13,460	2,567,449	2,315,472	3.52
	98,560	4,963,832	4,928,585	7.49
<u>Industrial</u>				
Contemporary Amperex Technology Co., Limited	45,180	5,750,321	6,681,655	10.16
Jiangsu Hengli Hydraulic Co., Limited	89,500	2,763,477	3,310,476	5.03
NARI Technology Co., Limited	111,096	1,709,206	1,804,822	2.74
Ningbo Orient Wires & Cables Co., Limited	80,500	2,348,933	2,607,509	3.96
Shenzhen Inovance Technology Co., Limited	89,100	2,923,075	3,266,909	4.97
Sungrow Power Supply Co., Limited	58,500	2,647,759	3,420,226	5.20
XJ Electric Co., Limited	145,200	2,762,922	2,914,691	4.43
Zhongji Innolight Co., Limited	35,000	2,375,031	3,182,249	4.84
Zhuzhou CRRC Times Electric Co., Limited	82,021	2,298,491	2,555,648	3.89
	736,097	25,579,215	29,744,185	45.22

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Advanced Micro-Fabrication Equipment Inc. China	21,442	2,053,686	2,064,600	3.14
Foxconn Industrial Internet Co., Limited	183,400	2,336,267	2,712,404	4.12
Luxshare Precision Industry Co., Limited	59,000	1,480,176	1,505,458	2.29
Will Semiconductor Co., Limited Shanghai	20,470	1,326,443	1,288,367	1.96
	<u>284,312</u>	<u>7,196,572</u>	<u>7,570,829</u>	<u>11.51</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Utilities Shenzhen Envicool Technology Co., Limited	118,580	1,824,599	1,811,530	2.75
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>1,476,741</u>	50,168,769	<u>56,298,815</u>	85.58
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>6,130,046</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>56,298,815</u>		

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Discretionary</u>				
BYD Company Limited	29,300	4,870,142	4,457,809	5.99
Contemporary Amperex Technology Co., Limited	50,880	9,229,552	6,639,921	8.93
Fuyao Glass Industry Group Co., Limited	139,108	3,694,935	3,301,181	4.44
Hangzhou Robam Appliances Co., Limited	113,600	2,159,238	1,967,853	2.65
Zhejiang Shuanghuan Driveline Co., Limited	36,200	717,389	662,680	0.89
	<u>369,088</u>	<u>20,671,256</u>	<u>17,029,444</u>	<u>22.90</u>
<u>Consumer Staple</u>				
Inner Mongolia Yili Industrial Group Co., Limited	142,200	3,487,249	2,424,892	3.26
<u>Energy</u>				
Sungrow Power Supply Co., Limited	41,900	3,175,045	2,410,689	3.24

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
IMEIK Technology Development Co., Limited	9,400	3,234,766	2,358,026	3.17
Jiangsu Hengrui Pharmaceuticals Co., Limited	61,100	1,750,309	1,764,940	2.37
Shenzhen Mindray Bio-Medical Electronics Co., Limited	8,960	2,017,829	1,553,895	2.09
	<u>79,460</u>	<u>7,002,904</u>	<u>5,676,861</u>	<u>7.63</u>
<u>Industrial</u>				
Estun Automation Co., Limited	172,000	2,792,811	2,438,875	3.28
Hongfa Technology Co., Limited	106,700	2,325,331	2,300,978	3.09
Jiangsu Hengli Hydraulic Co., Limited	101,100	4,168,468	4,152,481	5.58
Nari Technology Co., Limited	263,256	4,106,019	3,754,838	5.05
Shenzhen Inovance Technology Co., Limited	90,400	3,865,309	3,863,495	5.19
Zhongji Innolight Co., Limited	57,400	4,030,239	4,272,441	5.74
	<u>790,856</u>	<u>21,288,177</u>	<u>20,783,108</u>	<u>27.93</u>
<u>Material</u>				
Hangzhou Oxygen Plant Group Co., Limited	96,300	2,120,498	2,009,852	2.70

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Advanced Micro-Fabrication Equipment Inc. China	36,028	3,910,565	3,486,394	4.69
Hundsun Technologies Inc.	153,090	3,737,746	3,193,134	4.29
Luxshare Precision Industry Co., Limited	147,398	3,304,936	2,825,237	3.81
Will Semiconductor Co., Limited Shanghai	56,300	3,504,937	3,367,651	4.53
	<u>392,816</u>	<u>14,458,184</u>	<u>12,872,416</u>	<u>17.32</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
Utilities Shenzhen Envicool Technology Co., Limited	135,700	2,664,337	2,292,244	3.08
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>2,048,320</u>	74,867,650	<u>65,499,506</u>	88.06
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(9,368,144)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>65,499,506</u>	

ii. Islamic exchange-traded funds

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
VP-DJ Shariah China A-Shares 100 ETF	<u>2,025,000</u>	3,313,103	<u>2,470,500</u>	3.76
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(842,603)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>2,470,500</u>	

ii. Islamic exchange-traded funds

Name of counter	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
VP-DJ Shariah China A-Shares 100 ETF	<u>2,025,000</u>	3,313,102	<u>2,328,750</u>	3.14
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(984,352)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>2,328,750</u>	

7. SHARIAH INFORMATION OF THE FUND

2024

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- a. Equity securities listed on foreign markets which have been classified as Shariah-compliant by the Dow Jones Islamic Market Index except for:

No.	Securities	Reclassification Effective Date	Remarks
i.	Hongfa Technology Co., Limited	15 March 2024	These securities have been completely disposed of on 19 March 2024 at a loss.

The above reclassified Shariah non-compliant securities have been completely disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Deed and disclosed in the Fund's prospectus.

- b. Collective investment scheme which has been verified as Shariah-compliant by the Shariah Adviser; and
- c. Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

2023

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- a. Equity securities listed on foreign markets which have been classified as Shariah-compliant by the Dow Jones Islamic Market Index except for:

No.	Securities	Reclassification Effective Date	Remarks
i.	Huaxin Cement Co., Limited	16 December 2022	These securities have been partially disposed of on 18 April and 9 May 2023 and completely disposed of on 18 May 2023 at a loss.
ii.	China Yangtze Power Co., Limited	16 June 2023	These securities have been completely disposed of on 19 June at a loss.

The above reclassified Shariah non-compliant securities have been completely disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Deed and disclosed in the Fund's prospectus.

- b. Collective investment scheme which has been verified as Shariah-compliant by the Shariah Adviser; and
- c. Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balances with a licensed bank	3,438,016	4,063,496
Islamic deposits with licensed financial institution	920,074	3,110,503
	<u>4,358,090</u>	<u>7,173,999</u>

The currency exposure profile of cash and cash equivalents are as follows:

	2024	2023
	RM	RM
MYR	961,474	3,154,881
CNY	3,396,616	4,019,118
	<u>4,358,090</u>	<u>7,173,999</u>

The effective weighted average rate of return of short-term Islamic deposits placement with licensed financial institution per annum as at the date of the statement of financial position are as follows:

	2024	2023
	%	%
Islamic deposits with licensed financial institution	<u>2.95</u>	<u>2.95</u>

The Islamic deposits have an average maturity of 1 day (2023: 2 days).

9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	230,429,111	258,026,511
Creation of units arising from applications during the financial year	111,522,700	73,820,159
Cancellation of units during the financial year	<u>(133,785,080)</u>	<u>(101,417,559)</u>
At the end of the financial year	<u>208,166,731</u>	<u>230,429,111</u>

10. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers are as follows:

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
2024				
Morgan Stanley and Co., LLC	99,379,399	37.89	81,092	36.26
CLSA Limited	91,408,049	34.85	76,333	34.13
Macquarie Group Limited	43,177,037	16.46	39,264	17.56
Merrill Lynch International Limited	7,483,648	2.86	7,088	3.17
Citigroup Global Markets Limited	6,223,931	2.37	5,672	2.54
J.P. Morgan Securities (Asia Pacific) Limited	4,965,262	1.89	4,552	2.03
China International Capital Corporation Hong Kong Securities Limited	3,300,168	1.26	3,300	1.48
Goldman, Sachs & Co.	2,834,033	1.08	2,834	1.27
Haitong International Securities Co., Limited	1,974,117	0.75	1,974	0.87
UBS Securities Asia Limited	1,546,931	0.59	1,547	0.69
	262,292,575	100.00	223,656	100.00

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
CLSA Limited	56,549,450	32.07	48,653	33.47
Morgan Stanley and Co., LLC	52,182,790	29.59	36,190	24.90
Merrill Lynch International Limited	38,199,515	21.66	34,380	23.65
Citigroup Global Markets Limited	12,972,782	7.36	9,457	6.51
Macquarie Group Limited	7,272,594	4.12	4,811	3.31
Haitong International Securities Co., Limited	4,969,569	2.82	5,947	4.09
J.P. Morgan Securities (Asia Pacific) Limited	1,651,011	0.94	2,476	1.70
UBS Securities Asia Limited	1,192,887	0.68	1,419	0.98
China International Capital Corporation Hong Kong Securities Limited	705,836	0.40	1,059	0.73
HSBC Holdings Plc	639,276	0.36	959	0.66
	<u>176,335,710</u>	<u>100.00</u>	<u>145,351</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

11. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

Related parties	Relationship
Director of Eastspring Investments Berhad	Director of the Manager
Eastspring Investments Berhad	The Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager and parties related to the Manager:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,000	632	2,000	646
Director of Eastspring Investment Berhad	69,248	21,882	-	-

The above units were transacted at the prevailing market price.

The units are held legally and beneficially by the Manager and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to the related parties disclosure mentioned in the financial statements, there were no other significant related parties transactions and balances.

12. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	2.14	2.08

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fees

C = Audit fee

D = Tax agent fee

E = Other expenses (excluding sales and service tax on transaction cost and withholding tax)

F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM64,758,266 (2023: RM90,396,062).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	2.03	0.98

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial year} + \text{total disposals for the financial year}) \div 2}{\text{Average net asset value of the Fund for the financial year calculated on a daily basis}}$$

where:

total acquisitions for the financial year = RM127,054,090 (2023: RM86,332,395)

total disposals for the financial year = RM135,238,485 (2023: RM90,003,315)

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 25 November 2024.

CORPORATE DIRECTORY

THE MANAGER

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200001028634 (531241-U)

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NAME

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