

Annual Report for

AmChina A-Shares

31 January 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Board of Directors

Jeyaratnam A/L Tamotharam Pillai
Ng Chih Kaye
Jas Bir Kaur A/P Lol Singh
Arnold Lim Boon Lay
Goh Wee Peng

Investment Committee

Arnold Lim Boon Lay
Tracy Chen Wee Keng
Goh Wee Peng

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited account of AmChina A-Shares ("Fund") for the financial year ended 31 January 2024.

Salient Information of the Fund

Name	AmChina A-Shares ("Fund")
Category/ Type	Wholesale (Feeder Fund) / Growth
Name of Target Fund	Allianz China A-Shares
Objective	<p>The Fund seeks to provide long-term capital growth by investing in the Target Fund which invests primarily in the A-Shares equity market of the People's Republic of China.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Duration	<p>The Fund was established on 18 May 2010 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p>
Performance Benchmark	<p>MSCI China A Onshore Total Return (Net) [formerly known as MSCI China A Total Return (Net)] (Available at www.aminvest.com / www.msci.com)</p> <p><i>Note: The risk profile of the Fund may not be the same as the risk profile of the performance benchmark. The performance benchmark is only a measurement of the Fund's performance and there is no guarantee it will be achieved. The above benchmark may be changed to reflect any material change to the Fund's asset allocation range as permitted by the prevailing regulations.</i></p> <p><i>Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).</i></p>

Income Distribution Policy	<u>RM & RM-Hedged Classes</u> Subject to availability of income, distribution (if any) is incidental.																																		
	<u>Other Classes except for RM and RM-Hedged Classes</u> Subject to availability of income, distribution (if any) is incidental and will be reinvested into the respective Class.																																		
Breakdown of Unit Holdings by Size	For the financial year under review, the size of the Fund for AUD-Hedged Class stood at 14,427,902 units, for RM Class stood at 126,550,800 units, for RM-Hedged Class stood at 341,628,106 units, for SGD-Hedged Class stood at 9,618,357 units and for USD Class stood at 6,766,828 units.																																		
	<u>AUD-Hedged Class</u>																																		
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USD Class

Size of holding	As at 31 January 2024		As at 31 January 2023	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	-	-	-	-
10,001-50,000	93,645	3	125,294	4
50,001-500,000	251,998	3	875,588	4
500,001 and above	6,421,185	3	5,987,146	2

Fund Performance Data**Portfolio Composition**

Details of portfolio composition of the Fund as at 31 January are as follows:

	As at 31 January		
	2024 %	2023 %	2022 %
Foreign collective investment scheme	97.42	95.36	95.69
Forward contracts	0.03	-0.15	-0.03
Money market deposits and cash equivalents	2.55	4.79	4.34
Total	100.00	100.00	100.00

Note: The abovementioned percentages are calculated based on total net asset value.

Performance Details

Performance details of the Fund for the financial years ended 31 January are as follows:

	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)			
- AUD-Hedged Class ⁽⁴⁾	18,610,443	25,878,862	29,804,053
- RM Class	341,422,416	537,194,578	576,730,866
- RM-Hedged Class	297,242,374	513,768,261	612,605,504
- SGD-Hedged Class ⁽⁴⁾	14,968,363	22,250,341	22,719,457
- USD Class ⁽⁴⁾	14,619,049	21,295,468	21,357,596
Units in circulation			
- AUD-Hedged Class ⁽⁴⁾	14,427,902	13,030,310	11,571,564
- RM Class	126,550,800	141,232,842	120,054,095
- RM-Hedged Class	341,628,106	363,134,076	331,306,941
- SGD-Hedged Class ⁽⁴⁾	9,618,357	9,759,041	8,022,791
- USD Class ⁽⁴⁾	6,766,828	6,988,028	5,547,941
Net asset value per unit in RM			
- AUD-Hedged Class ⁽⁴⁾	1.2899	1.9861	2.5756
- RM Class	2.6979	3.8036	4.8039
- RM-Hedged Class	0.8701	1.4148	1.8491
- SGD-Hedged Class ⁽⁴⁾	1.5562	2.2800	2.8319
- USD Class ⁽⁴⁾	2.1604	3.0474	3.8496
Net asset value per unit in respective currencies			
- AUD-Hedged Class (AUD) ⁽⁴⁾	0.4128	0.6614	0.8733
- RM Class (RM)	2.6979	3.8036	4.8039
- RM-Hedged Class (RM)	0.8701	1.4148	1.8491
- SGD-Hedged Class (SGD) ⁽⁴⁾	0.4401	0.7030	0.9154

	FYE 2024	FYE 2023	FYE 2022
- USD Class (USD) ⁽⁴⁾	0.4570	0.7149	0.9201
Highest net asset value per unit in respective currencies			
- AUD-Hedged Class (AUD) ⁽⁴⁾	0.6677	0.8857	1.0252
- RM Class (RM)	3.8307	4.8723	5.8206
- RM-Hedged Class (RM)	1.4286	1.8760	2.3065
- SGD-Hedged Class (SGD) ⁽⁴⁾	0.7100	0.9284	1.0710
- USD Class (USD) ⁽⁴⁾	0.7220	0.9333	1.0729
Lowest net asset value per unit in respective currencies			
- AUD-Hedged Class (AUD) ⁽⁴⁾	0.4128	0.5475	0.8732
- RM Class (RM)	2.6979	3.4603	4.6396
- RM-Hedged Class (RM)	0.8701	1.1707	1.8031
- SGD-Hedged Class (SGD) ⁽⁴⁾	0.4401	0.5795	0.9154
- USD Class (USD) ⁽⁴⁾	0.4570	0.5868	0.9201
Benchmark performance (%)			
- AUD-Hedged Class ⁽⁴⁾	-24.65	-11.78	4.67
- RM Class	-21.62	-10.17	-5.64
- RM-Hedged Class	-21.62	-10.17	-5.64
- SGD-Hedged Class ⁽⁴⁾	-27.09	-14.40	-2.28
- USD Class ⁽⁴⁾	-27.76	-11.96	-3.14
Total return (%) ⁽¹⁾			
- AUD-Hedged Class ⁽⁴⁾	-37.59	-24.26	-12.68
- RM Class	-29.07	-20.90	-8.97
- RM-Hedged Class	-38.50	-23.48	-11.68
- SGD-Hedged Class ⁽⁴⁾	-37.40	-23.20	-8.46
- USD Class ⁽⁴⁾	-36.07	-22.30	-7.99
Capital growth (%)			
- AUD-Hedged Class ⁽⁴⁾	-37.59	-24.26	-12.68
- RM Class	-29.07	-20.90	-8.97
- RM-Hedged Class	-38.50	-23.48	-11.68
- SGD-Hedged Class ⁽⁴⁾	-37.40	-23.20	-8.46
- USD Class ⁽⁴⁾	-36.07	-22.30	-7.99
Total expense ratio (%) ⁽²⁾	0.14	0.16	0.17
Portfolio turnover ratio (times) ⁽³⁾	0.10	0.08	0.87

Note:

- (1) Total return is the actual return of the Fund for the respective financial years/period computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.02% as compared to 0.16% per annum for the financial year ended 31 January 2023 mainly due to decrease in expenses.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2024 and decrease in 2023 were mainly due to investing activities.
- (4) AUD-Hedged Class, SGD-Hedged Class & USD Class were launched on 8 April 2021.

Average Total Return (as at 31 January 2024)

	AmChina A-Shares^(a) %	MSCI China A Onshore Total Return (Net)^(b) %
One year		
- AUD-Hedged Class	-37.59	-24.65
- RM Class	-29.07	-21.62
- RM-Hedged Class	-38.50	-21.62
- SGD-Hedged Class	-37.40	-27.09
- USD Class	-36.07	-27.76
Three years		
- RM Class	-20.08	-12.74
- RM-Hedged Class	-25.39	-12.74
Five years		
- RM Class	4.26	3.87
Ten years		
- RM Class	10.71	5.59
Since launch		
- AUD-Hedged Class (8 April 2021)	-27.02	-12.08
- RM Class (18 May 2010)	7.53	4.22
- RM-Hedged Class (25 April 2019)	-2.88	-0.67
- SGD-Hedged Class (8 April 2021)	-25.34	-16.10
- USD Class (8 April 2021)	-24.33	-15.80

Annual Total Return

Financial Years Ended (31 January)	AmChina A-Shares^(a) %	MSCI China A Onshore Total Return (Net)^(b) %
2024		
- AUD-Hedged Class	-37.59	-24.65
- RM Class	-29.07	-21.62
- RM-Hedged Class	-38.50	-21.62
- SGD-Hedged Class	-37.40	-27.09
- USD Class	-36.07	-27.76
2023		
- AUD-Hedged Class	-24.26	-11.78
- RM Class	-20.90	-10.17
- RM-Hedged Class	-23.48	-10.17
- SGD-Hedged Class	-23.20	-14.40
- USD Class	-22.30	-11.96
2022		
- AUD-Hedged Class ^(d)	-12.68	4.67
- RM Class	-8.97	-5.64
- RM-Hedged Class	-11.68	-5.64
- SGD-Hedged Class ^(d)	-8.46	-2.28
- USD Class ^(d)	-7.99	-3.14
2021		
- RM Class	69.24	43.91
- RM-Hedged Class	69.36	43.91
2020		
- RM Class	42.52	26.45
- RM-Hedged Class ^(c)	23.62	1.28

- (a) Source: Novagni Analytics and Advisory Sdn. Bhd.
- (b) MSCI China A Onshore Total Return (Net)
(Available at www.aminvest.com / www.msci.com)
- (c) Total actual return for the financial period from 25 April 2019 (date of launch) to 31 January 2020.
- (d) Total actual return for the financial period from 8 April 2021 (date of launch) to 31 January 2022.

The Fund performance is calculated based on the net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

Fund Performance

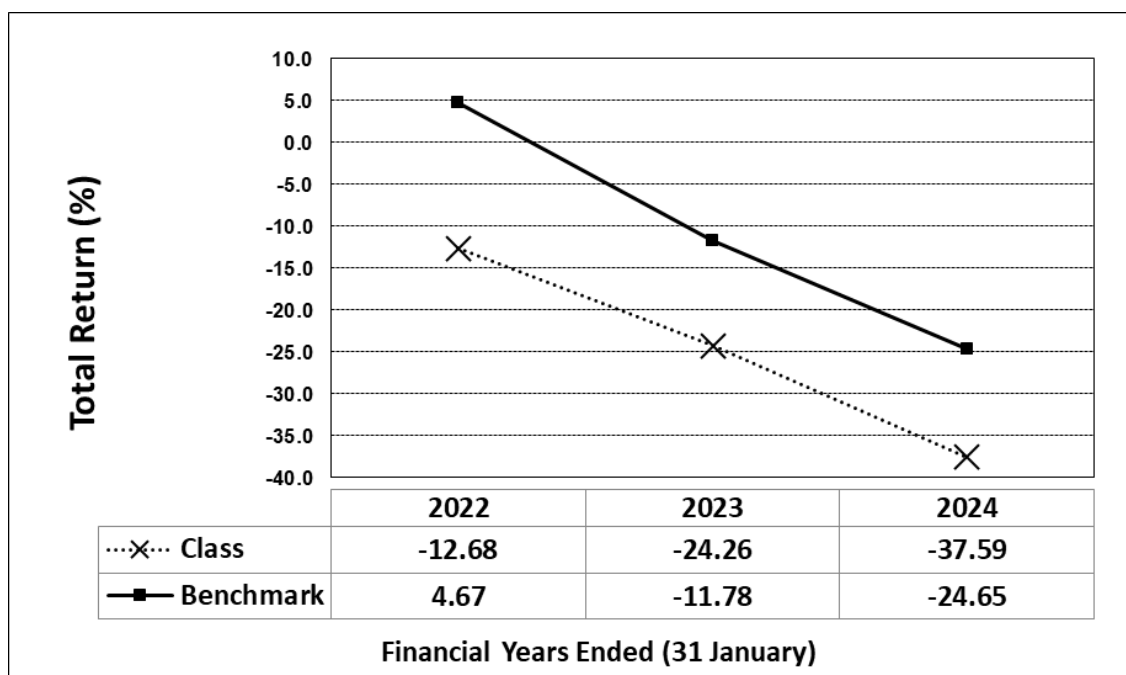
AUD-Hedged Class

For the financial year under review, the Fund registered a negative return of 37.59% which is entirely capital in nature.

Thus, the Fund's negative return of 37.59% has underperformed the benchmark's negative return of 24.65% by 12.94%.

As compared with the financial year ended 31 January 2023, the net asset value ("NAV") per unit of the Fund decreased by 37.59% from AUD0.6614 to AUD0.4128, while units in circulation increased by 10.73% from 13,030,310 units to 14,427,902 units.

The following line chart shows comparison between the annual performances of AmChina A-Shares (AUD-Hedged Class) and its benchmark, MSCI China A Onshore Total Return (Net), for the financial years ended 31 January.



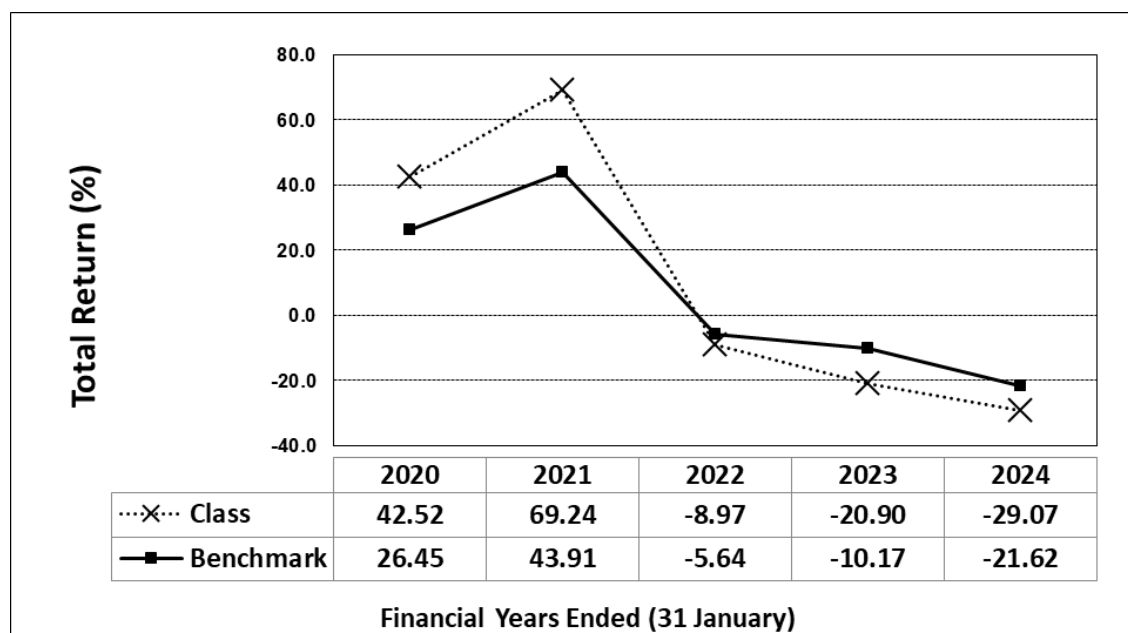
RM Class

For the financial year under review, the Fund registered a negative return of 29.07% which is entirely capital in nature.

Thus, the Fund's negative return of 29.07% has underperformed the benchmark's negative return of 21.62% by 7.45%.

As compared with the financial year ended 31 January 2023, the net asset value ("NAV") per unit of the Fund decreased by 29.07% from RM3.8036 to RM2.6979, while units in circulation decreased by 10.40% from 141,232,842 units to 126,550,800 units.

The following line chart shows comparison between the annual performances of AmChina A-Shares (RM Class) and its benchmark, MSCI China A Onshore Total Return (Net), for the financial years ended 31 January.



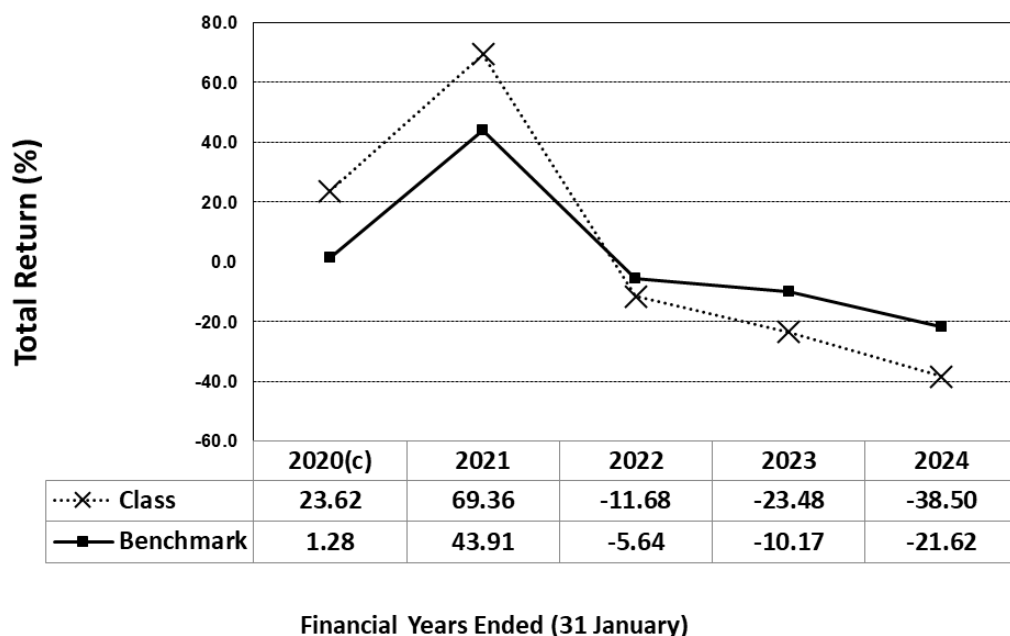
RM-Hedged Class

For the financial year under review, the Fund registered a negative return of 38.50% which is entirely capital in nature.

Thus, the Fund's negative return of 38.50% has underperformed the benchmark's negative return of 21.62% by 16.88%.

As compared with the financial year ended 31 January 2023, the net asset value ("NAV") per unit of the Fund decreased by 38.50% from RM1.4148 to RM0.8701, while units in circulation decreased by 5.92% from 363,134,076 units to 341,628,106 units.

The following line chart shows comparison between the annual performances of AmChina A-Shares (RM-Hedged Class) and its benchmark, MSCI China A Onshore Total Return (Net), for the financial years ended 31 January.



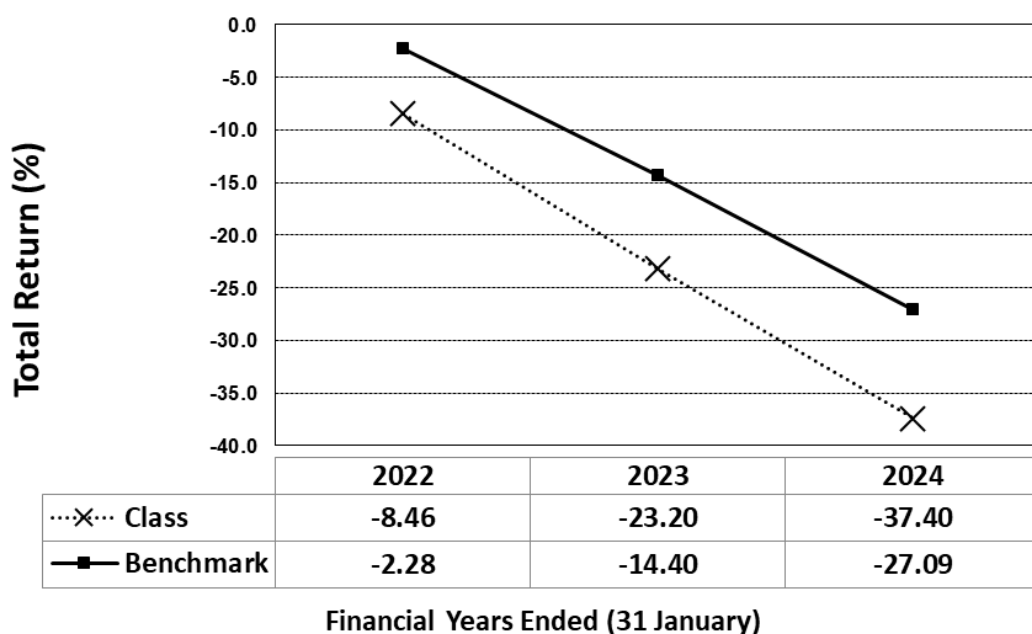
SGD-Hedged Class

For the financial year under review, the Fund registered a negative return of 37.40% which is entirely capital in nature.

Thus, the Fund's negative return of 37.40% has underperformed the benchmark's negative return of 27.09% by 10.31%.

As compared with the financial year ended 31 January 2023, the net asset value ("NAV") per unit of the Fund decreased by 37.40% from SGD0.7030 to SGD0.4401, while units in circulation decreased by 1.44% from 9,759,041 units to 9,618,357 units.

The following line chart shows comparison between the annual performances of AmChina A-Shares (SGD-Hedged Class) and its benchmark, MSCI China A Onshore Total Return (Net), for the financial years ended 31 January.



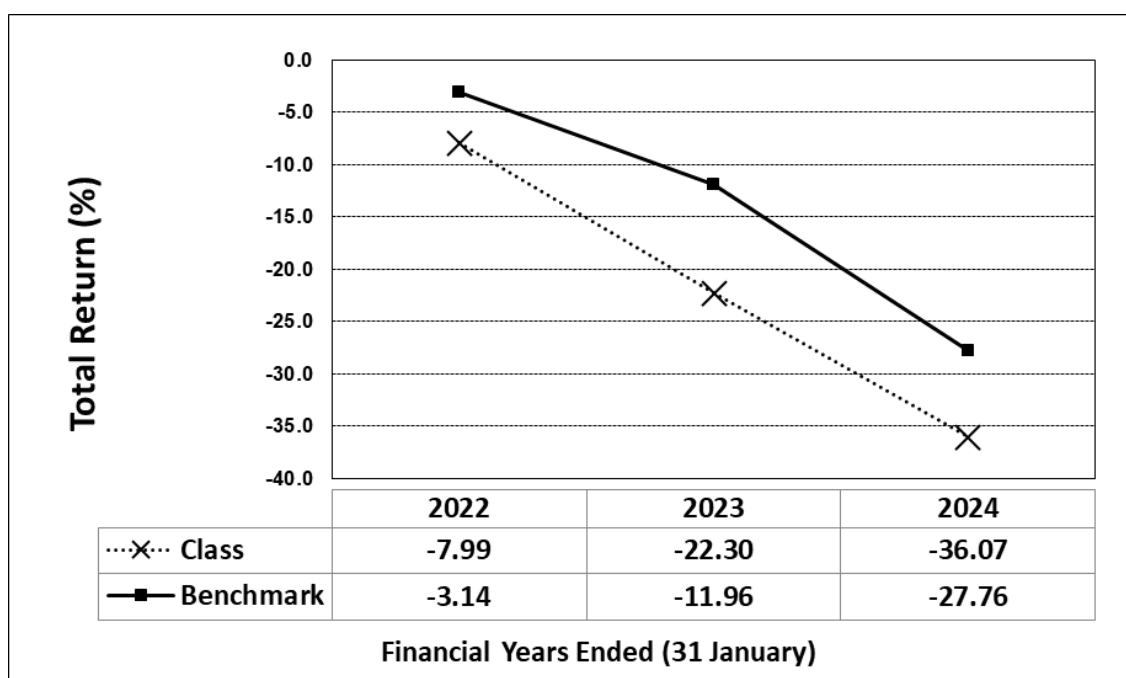
USD Class

For the financial year under review, the Fund registered a negative return of 36.07% which is entirely capital in nature.

Thus, the Fund's negative return of 36.07% has underperformed the benchmark's negative return of 27.76% by 8.31%.

As compared with the financial year ended 31 January 2023, the net asset value ("NAV") per unit of the Fund decreased by 36.07% from USD0.7149 to USD0.4570, while units in circulation decreased by 3.17% from 6,988,028 units to 6,766,828 units.

The following line chart shows comparison between the annual performances of AmChina A-Shares (USD Class) and its benchmark, MSCI China A Onshore Total Return (Net), for the financial years ended 31 January.



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

Performance of the Target Fund

Fund Performance Review of the Target Fund – Allianz China A-Shares (“the Target Fund”)

For the annual period ending 31 January 2024, the Target Fund returned -36.84%¹, underperforming the benchmark MSCI China A-Shares Onshore Index after fees. Stock selection is usually the key performance driver given the Target Fund's close-to-benchmark sector approach. During this review period, stock selection in the information technology sector was a key detractor.

At a stock level, a top detractor was the dominant duty-free store operator in China, whose share price was weak on the back of subdued consumer spending post pandemic. Although it is no longer a top ten holding, we maintain a position in this company as we think the stock has been oversold and should be better positioned when domestic consumption gradually recovers.

In contrast, a top contributor was Citic Securities, one of the largest full-service brokerage houses in China with diverse business segments including research, asset

	<p>management and underwriting business. Citic is expected to be a key beneficiary of ongoing financial reform in China.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i> <i>Target Fund: Allianz China A-Shares, Class AT USD</i> ¹<i>Fund performance calculated in USD with net income and dividends reinvested.</i> <i>Official Benchmark: MSCI China A Onshore Total Return (Net).</i></p>																				
Has the Fund achieved its objective?	The Fund has achieved its objective by investing in the Target Fund which invests primarily in the A-Shares equity market of the People's Republic of China.																				
Strategies and Policies Employed	<p>Strategies and Policies employed by Target Fund</p> <p>The Target Fund focuses on fundamental, bottom-up stock selection to generate alpha and typically does not deviate significantly from the benchmark in terms of sector allocation. We adopt a growth at a reasonable valuation approach and look to identify stocks with sustainable long-term growth prospects that are underestimated by the market. Currently, our preferred long-term investment themes include domestic technology self-sufficiency, innovation-enabled industry upgrades and financial market reform. We have taken steps to focus the portfolio into our highest conviction names.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i></p> <p>Strategies and Policies of the Fund</p> <p>For the financial year under review, the Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund's net asset value ("NAV") in the Allianz China A-Shares (the "Target Fund").</p>																				
Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 January 2024 and 31 January 2023.</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31.01.2024 %</th> <th>As at 31.01.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>97.42</td> <td>95.36</td> <td>2.06</td> </tr> <tr> <td>Forward contracts</td> <td>0.03</td> <td>-0.15</td> <td>0.18</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>2.55</td> <td>4.79</td> <td>-2.24</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, the Fund has invested 97.42% of its NAV in the foreign collective investment scheme, 0.03% in forward contract and the balance of 2.55% in money market deposits and cash equivalents.</p>		As at 31.01.2024 %	As at 31.01.2023 %	Changes %	Foreign collective investment scheme	97.42	95.36	2.06	Forward contracts	0.03	-0.15	0.18	Money market deposits and cash equivalents	2.55	4.79	-2.24	Total	100.00	100.00	
	As at 31.01.2024 %	As at 31.01.2023 %	Changes %																		
Foreign collective investment scheme	97.42	95.36	2.06																		
Forward contracts	0.03	-0.15	0.18																		
Money market deposits and cash equivalents	2.55	4.79	-2.24																		
Total	100.00	100.00																			
Cross Trade	There were no cross trades undertaken during the financial year under review.																				
Distribution/ Unit Splits	There is no income distribution and unit split declared for the financial year under review.																				
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																				

Rebates and Soft Commission	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
Market Review	<p>The China A-Shares market declined over the twelve months to end-January 2024. This was against a backdrop of slowing economic momentum, a continuation of a weak property market and ongoing geopolitical tensions with the US. These macro headwinds weighed heavily on investor sentiment and the market decline was broad-based, with only the energy and utilities sectors seeing positive total returns over the period.</p> <p>Towards the end of the period, there was a notable pick up in government policy support in China, designed to put a floor under economic growth. This included a significant increase in fiscal spending, sending a strong message that China's government is becoming more willing to deploy its balance sheet to achieve economic stability. As a result, China was able to achieve its 2023 GDP target of 'around 5%'.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i></p>
Market Outlook	<p>We remain in extremely uncertain times with low visibility around future economic and geo-political developments globally. Although fears around global inflationary pressures and higher interest rates globally have reduced, investors nonetheless face a challenging environment for equities with large dispersion between market returns.</p> <p>Within China, the biggest factor weighing on economic activity is the weak property market. As well as being a significant part of the overall economy, property is also the largest component of most people's wealth. As such, the ongoing property weakness is an important contributory factor to the subdued level of consumption and high savings rates. We expect the government to announce further policy support in coming months to help rebuild market confidence.</p> <p>Longer term, China is at a strategic economic crossroads – on the one hand it needs to reduce its dependency on previous growth drivers such as property and infrastructure, and on the other hand it needs to find replacement growth from other areas. In our view, this will be predominantly in 'credit-light, innovation-rich' industries such as industrial automation, green technology, electric vehicles and renewable energy.</p> <p><i>Source: Allianz Global Investors unless otherwise stated.</i></p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 2) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023. 3) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023. 4) The Fourth Supplementary Information Memorandum in respect of AmChina A-Shares dated and effective 18 January 2024 has been lodged with Securities

Commission Malaysia and is issued to inform sophisticated investors of the following but not limited to:

- the update made to the disclosure in “Definitions”;
- the update made to the disclosure in “Trustee’s Delegate (Custodian)”;
- the update made to the disclosure in “Investment Strategy and Asset Allocation”;
- the update made to the Target Fund’s Information;
- the update made to the sections in Risk Factors, Fees, Charges and Expenses, Transaction Information and Related Party Transactions or Conflict of Interest; and
- other updates which are general in nature.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

18 March 2024

Independent auditors' report to the unit holders of AmChina A-Shares

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmChina A-Shares (the "Fund"), which comprise the statement of financial position as at 31 January 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 January 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 audit 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 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 (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, 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.

Independent auditors' report to the unit holders of AmChina A-Shares (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

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 the fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the financial statements

The Manager 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 cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

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 unit holders of
AmChina A-Shares (cont'd.)**

Auditor's responsibilities for the audit of the financial statements (cont'd.)

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

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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.
- 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.

**Independent auditors' report to the unit holders of
AmChina A-Shares (cont'd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 March 2024

AmChina A-Shares

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024

	Note	2024 RM	2023 RM
ASSETS			
Investment	4	669,140,516	1,068,423,438
Derivative assets	5	223,578	403,887
Amount due from Target Fund Manager	6	7,962,080	-
Amount due from Manager	7(a)	208,373	3,763,392
Cash at banks		12,575,709	50,515,241
TOTAL ASSETS		<u>690,110,256</u>	<u>1,123,105,958</u>
LIABILITIES			
Derivative liabilities	5	30,015	2,073,458
Amount due to Manager	7(b)	3,178,730	594,939
Amount due to Trustee	8	24,707	38,620
Sundry payables and accruals		14,159	11,431
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,247,611</u>	<u>2,718,448</u>
NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS		<u>686,862,645</u>	<u>1,120,387,510</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:			
Unit holders’ contribution	10(a)(b)(c)(d)(e)	1,260,701,924	1,307,793,112
Accumulated losses	10(f)(g)	(573,839,279)	(187,405,602)
	10	<u>686,862,645</u>	<u>1,120,387,510</u>
NET ASSET VALUE			
- AUD-Hedged Class		18,610,443	25,878,862
- RM Class		341,422,416	537,194,578
- RM-Hedged Class		297,242,374	513,768,261
- SGD-Hedged Class		14,968,363	22,250,341
- USD Class		14,619,049	21,295,468
		<u>686,862,645</u>	<u>1,120,387,510</u>
UNITS IN CIRCULATION			
- AUD-Hedged Class	10(a)	<u>14,427,902</u>	<u>13,030,310</u>
- RM Class	10(b)	<u>126,550,800</u>	<u>141,232,842</u>
- RM-Hedged Class	10(c)	<u>341,628,106</u>	<u>363,134,076</u>
- SGD-Hedged Class	10(d)	<u>9,618,357</u>	<u>9,759,041</u>
- USD Class	10(e)	<u>6,766,828</u>	<u>6,988,028</u>

AmChina A-Shares

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024 (CONT'D.)

	2024	2023
NAV PER UNIT (RM)		
- AUD-Hedged Class	1.2899	1.9861
- RM Class	<u>2.6979</u>	<u>3.8036</u>
- RM-Hedged Class	<u>0.8701</u>	<u>1.4148</u>
- SGD-Hedged Class	<u>1.5562</u>	<u>2.2800</u>
- USD Class	<u>2.1604</u>	<u>3.0474</u>
NAV PER UNIT IN RESPECTIVE CURRENCIES		
- AUD-Hedged Class (AUD)	0.4128	0.6614
- RM Class (RM)	<u>2.6979</u>	<u>3.8036</u>
- RM-Hedged Class (RM)	<u>0.8701</u>	<u>1.4148</u>
- SGD-Hedged Class (SGD)	<u>0.4401</u>	<u>0.7030</u>
- USD Class (USD)	<u>0.4570</u>	<u>0.7149</u>

The accompanying notes form an integral part of the financial statements.

AmChina A-Shares

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	2024 RM	2023 RM
INVESTMENT LOSSES			
Interest income		34,738	28,791
Net losses from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	(389,032,250)	(298,537,820)
Other net realised gains on foreign currency exchange		3,939,545	2,363,265
Other net unrealised gains on foreign currency exchange		3,132	2,129
		<u>(385,054,835)</u>	<u>(296,143,635)</u>
EXPENDITURE			
Manager’s fee	7	(975,262)	(1,345,897)
Trustee’s fee	8	(386,932)	(454,063)
Audit fee		(7,500)	(7,500)
Tax agent’s fee		(3,300)	(3,300)
Other expenses		(5,848)	(13,130)
		<u>(1,378,842)</u>	<u>(1,823,890)</u>
Net losses before taxation		(386,433,677)	(297,967,525)
Taxation	12	<u>-</u>	<u>-</u>
Net losses after taxation, representing total comprehensive losses for the financial year		<u>(386,433,677)</u>	<u>(297,967,525)</u>
Total comprehensive losses comprises the following:			
Realised losses		(148,407,007)	(26,936,092)
Unrealised losses		<u>(238,026,670)</u>	<u>(271,031,433)</u>
		<u>(386,433,677)</u>	<u>(297,967,525)</u>

The accompanying notes form an integral part of the financial statements.

AmChina A-Shares

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	Unit holders' contribution RM	(Accumulated losses)/ Retained earnings RM	Total RM
At 1 February 2023		1,307,793,112	(187,405,602)	1,120,387,510
Total comprehensive loss for the financial year		-	(386,433,677)	(386,433,677)
Creation of units				
- AUD-Hedged Class	10(a)	8,987,015	-	8,987,015
- RM Class	10(b)	41,543,579	-	41,543,579
- RM-Hedged Class	10(c)	70,607,200	-	70,607,200
- SGD-Hedged Class	10(d)	6,061,286	-	6,061,286
- USD Class	10(e)	9,115,904	-	9,115,904
Cancellation of units				
- AUD-Hedged Class	10(a)	(5,735,037)	-	(5,735,037)
- RM Class	10(b)	(86,621,266)	-	(86,621,266)
- RM-Hedged Class	10(c)	(76,737,932)	-	(76,737,932)
- SGD-Hedged Class	10(d)	(5,476,031)	-	(5,476,031)
- USD Class	10(e)	(8,835,906)	-	(8,835,906)
Balance at 31 January 2024		<u>1,260,701,924</u>	<u>(573,839,279)</u>	<u>686,862,645</u>
At 1 February 2022		1,152,655,553	110,561,923	1,263,217,476
Total comprehensive loss for the financial year		-	(297,967,525)	(297,967,525)
Creation of units				
- AUD-Hedged Class	10(a)	7,232,971	-	7,232,971
- RM Class	10(b)	165,960,775	-	165,960,775
- RM-Hedged Class	10(c)	90,258,184	-	90,258,184
- SGD-Hedged Class	10(d)	7,762,932	-	7,762,932
- USD Class	10(e)	7,036,522	-	7,036,522
Cancellation of units				
- AUD-Hedged Class	10(a)	(4,004,884)	-	(4,004,884)
- RM Class	10(b)	(72,517,114)	-	(72,517,114)
- RM-Hedged Class	10(c)	(40,586,993)	-	(40,586,993)
- SGD-Hedged Class	10(d)	(3,922,113)	-	(3,922,113)
- USD Class	10(e)	(2,082,721)	-	(2,082,721)
Balance at 31 January 2023		<u>1,307,793,112</u>	<u>(187,405,602)</u>	<u>1,120,387,510</u>

The accompanying notes form an integral part of the financial statements.

AmChina A-Shares

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	134,687,467	26,432,727
Purchase of investment	(58,743,339)	(160,495,172)
Net settlement from derivative contracts	(71,575,756)	(20,449,426)
Interest received	34,738	28,791
Manager's fee paid	(1,036,847)	(1,358,201)
Trustee's fee paid	(400,845)	(459,395)
Tax agent's fee paid	(3,300)	(3,300)
Payments for other expenses	(10,620)	(21,176)
Net cash generated from/(used in) operating and investing activities	<u>2,951,498</u>	<u>(156,325,152)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	139,870,003	280,000,005
Payments for cancellation of units	(180,761,033)	(122,647,550)
Net cash (used in)/generated from financing activities	<u>(40,891,030)</u>	<u>157,352,455</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(37,939,532)	1,027,303
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>50,515,241</u>	<u>49,487,938</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>12,575,709</u>	<u>50,515,241</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>12,575,709</u>	<u>50,515,241</u>

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

1. GENERAL INFORMATION

AmChina A-Shares (the “Fund”) was established pursuant to a Deed dated 18 May 2010 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of providing long-term capital growth by investing in the Allianz China A-Shares (“Target Fund”) which invests primarily in the A-Shares equity market of the People’s Republic of China. Being a feeder fund, a minimum of 95% of the Fund’s NAV will be invested in the Luxembourg-based Target Fund, which is a separate unit trust fund managed by Allianz Global Investors (GmbH) (“Target Fund Manager”), while maintaining up to a maximum of 5% of the Fund’s NAV in liquid assets. As provided in the Deeds, the financial year shall end on 31 January and the units in the Fund for RM Class and RM-Hedged Class were first offered for sale on 18 May 2010 and 25 April 2019 respectively.

Pursuant to the 1st Supplementary Information Memorandum dated 8 April 2021, the Fund has launched AUD-Hedged Class, SGD-Hedged Class and USD Class and were first offered for sale on 8 April 2021.

The financial statements were authorised for issue by the Manager on 18 March 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

Standards effective during the financial year

The adoption of the following MFRS which became effective during the financial year did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)

Standards issued but not yet effective

The standards and amendments to standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

* These MFRS and Amendments to MFRSs are not relevant to the Fund.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(ii) Gain or loss on disposal of investment

On disposal of investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investment. The net realised gain or loss is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.2 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which is the currency in which the issuance and redemption certain of the Fund's units and the sale and purchase of the Fund's investment are denominated and settled. The Fund has also adopted RM as its presentation currency.

3.4 Foreign currency transactions

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

3.5 Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investment that is readily convertible to cash with insignificant risk of changes in value.

3.6 Unit holders' contribution

The unit holders' contribution of the Fund is classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of unit holders is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in five classes which further details are disclosed in Note 10.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.7 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from realised income and recognised in the statement of comprehensive income, as the unit holders' contributions are classified as financial liability as per Note 3.6. Realised income is the income earned from interest income and net gain on disposal of investment after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

3.8 Financial assets – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.9 Financial assets under MFRS 9

Classification and measurement

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Interest earned element of such instrument is recorded separately in "Interest income". Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.9 Financial assets under MFRS 9

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

Financial assets at FVTPL (cont'd.)

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

The Fund subsequently measures its investment in collective investment scheme ("CIS") and derivative instruments at FVTPL. Distributions earned whilst holding the investment in CIS is recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investment in CIS, realised and unrealised, are included in profit or loss.

3.10 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Fund has transferred substantially all the risks and rewards of the asset, or
 - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.11 Derecognition of financial instruments (cont'd.)

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

3.13 Determination of fair value

For the investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the price that the Fund paid when buying its investment. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

The fair value of foreign exchange - forward contracts is calculated by making reference to prevailing forward exchange rates for contracts with similar maturity profiles in the market. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

3.14 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investment as financial assets at FVTPL as the Fund may sell its investment in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INVESTMENT

	2024 RM	2023 RM
Financial asset at FVTPL		
At cost:		
Foreign CIS	<u>1,199,558,851</u>	<u>1,358,948,837</u>
At fair value:		
Foreign CIS	<u>669,140,516</u>	<u>1,068,423,438</u>

Details of investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
2024				
Allianz China A-Shares ("Target Fund")	<u>16,875,946</u>	<u>669,140,516</u>	<u>1,199,558,851</u>	<u>97.42</u>
Shortfall of fair value over purchased cost		<u>(530,418,335)</u>		

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

5. DERIVATIVE INSTRUMENTS

Derivative instruments comprise forward currency contracts. The forward currency contracts entered into during the financial year were for hedging against the currencies exposure arising mainly from investment and creation and cancellation of units in the foreign currencies that are not denominated in the Fund's functional currency. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contract is recognised immediately in the condensed statement of comprehensive income.

The table below shows the fair value of derivative financial instruments, recorded as assets (being derivatives which are in a net gain position) or liabilities (being derivatives which are in a net loss position), together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, foreign exchange currency and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year.

Maturity date	Counterparties	Notional amount AUD	Fair value of derivatives asset/ (liabilities) RM	Fair value as a percentage of NAV %
2024				
Australian Dollar				
29.02.2024	Deutsche Bank (Malaysia) Berhad	118,087	(265)	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	100,163	47	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	109,396	(2,733)	-*

Maturity date	Counterparties	Notional amount SGD	Fair value of derivatives liabilities RM	Fair value as a percentage of NAV %
Singapore Dollar				
29.02.2024	Deutsche Bank (Malaysia) Berhad	78,235	(1,233)	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	71,799	(876)	-*

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

5. DERIVATIVE INSTRUMENTS (CONT'D.)

Maturity date	Counterparties	Notional amount USD	Fair value of derivatives assets/ (liabilities) RM	Fair value as a percentage of NAV %
2024 (cont'd.)				
United States Dollar				
29.02.2024	Deutsche Bank (Malaysia) Berhad	4,107,351	(1,700)	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	74,781	1,244	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	65,946,990	180,695	0.03
29.02.2024	Deutsche Bank (Malaysia) Berhad	3,249,357	40,677	0.01
29.02.2024	Deutsche Bank (Malaysia) Berhad	60,938	916	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	1,412,062	(15,250)	-*
29.02.2024	Deutsche Bank (Malaysia) Berhad	1,130,542	(7,959)	-*
2023				
United States Dollar				
28.02.2023	Deutsche Bank (Malaysia) Berhad	5,875,409	403,887	0.04
28.02.2023	Deutsche Bank (Malaysia) Berhad	120,493,827	(2,017,067)	(0.18)
28.02.2023	Deutsche Bank (Malaysia) Berhad	5,201,293	(56,391)	(0.01)

* Less than 0.01%

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

6. AMOUNT DUE FROM TARGET FUND MANAGER

Amount due from Target Fund Manager arose from the sale of investments. The settlement period is within two business days from the transaction date.

7. AMOUNT DUE FROM/TO MANAGER

	Note	2024 RM	2023 RM
(a) Due from Manager			
Creation of units	(i)	<u>208,373</u>	<u>3,763,392</u>
(b) Due to Manager			
Cancellation of units	(ii)	3,111,650	466,274
Manager's fee payable	(iii)	<u>67,080</u>	<u>128,665</u>
		<u>3,178,730</u>	<u>594,939</u>

(i) This represents amount receivable from the Manager for units created.

(ii) This represents amount payable to the Manager for units cancelled.

The normal credit period in the previous and current financial years for creation and cancellation of units is three business days.

(iii) As the Fund is investing in the Target Fund, the Manager's fee is charged as follows:

	2024 % p.a.	2023 % p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund	1.75	1.75
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note a)	0.05	0.05
Manager's fee charged by the Manager, on the remaining NAV of the Fund (Note a)	1.80	1.80

Note a) The Manager's fee is charged on 0.05% of the NAV of investment in the Target Fund and 1.80% on the remaining NAV of the Fund.

The normal credit period in the previous and current financial years for Manager's fee payable is one month.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of up to 0.05% (2023: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

The normal credit period in the previous and current financial years for Trustee's fee payable is one month.

9. NET LOSSES FROM INVESTMENT

	2024 RM	2023 RM
Net losses on financial assets at FVTPL comprised:		
– Net realised losses on sale of investment	(106,732,988)	(11,039,519)
– Net realised losses on settlement of derivative contracts	(71,575,756)	(20,449,426)
– Net realised gains on foreign currency exchange	27,306,296	3,984,687
– Net unrealised losses on changes in fair value of investment	(367,194,349)	(289,060,559)
– Net unrealised gain/(loss) from revaluation of derivative contracts	1,863,134	(1,341,220)
– Net unrealised gains on foreign currency fluctuation of investment denominated in foreign currency	127,301,413	19,368,217
	<u>(389,032,250)</u>	<u>(298,537,820)</u>

10. NAV ATTRIBUTABLE TO UNIT HOLDERS

Total NAV attributable to unit holders is represented by:

	Note	2024 RM	2023 RM
Unit holders' contribution			
– AUD-Hedged Class	(a)	40,517,078	37,265,100
– RM Class	(b)	542,278,776	587,356,463
– RM-Hedged Class	(c)	619,500,065	625,630,797
– SGD-Hedged Class	(d)	29,656,698	29,071,443
– USD Class	(e)	28,749,307	28,469,309
Accumulated losses			
– Realised (loss)/income	(f)	(43,617,639)	104,789,368
– Unrealised losses	(g)	(530,221,640)	(292,194,970)
		<u>686,862,645</u>	<u>1,120,387,510</u>

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

The Fund issues cancellable units in five classes as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
AUD-Hedged Class	AUD	Mixed	Incidental
RM Class	RM	Mixed	Incidental
RM-Hedged Class	RM	Mixed	Incidental
SGD-Hedged Class	SGD	Mixed	Incidental
USD Class	USD	Mixed	Incidental

(a) Unit holders' contribution/units in circulation – AUD-Hedged Class

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	13,030,310	37,265,100	11,571,564	34,037,013
Creation during the financial year	4,968,758	8,987,015	3,259,838	7,232,971
Cancellation during the financial year	(3,571,166)	(5,735,037)	(1,801,092)	(4,004,884)
At end of the financial year	<u>14,427,902</u>	<u>40,517,078</u>	<u>13,030,310</u>	<u>37,265,100</u>

(b) Unit holders' contribution/units in circulation – RM Class

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	141,232,842	587,356,463	120,054,095	493,912,802
Creation during the financial year	11,684,882	41,543,579	39,487,474	165,960,775
Cancellation during the financial year	(26,366,924)	(86,621,266)	(18,308,727)	(72,517,114)
At end of the financial year	<u>126,550,800</u>	<u>542,278,776</u>	<u>141,232,842</u>	<u>587,356,463</u>

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

(c) Unit holders' contribution/units in circulation – RM-Hedged Class

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	363,134,076	625,630,797	331,306,941	575,959,606
Creation during the financial year	54,954,965	70,607,200	58,808,793	90,258,184
Cancellation during the financial year	(76,460,935)	(76,737,932)	(26,981,658)	(40,586,993)
At end of the financial year	<u>341,628,106</u>	<u>619,500,065</u>	<u>363,134,076</u>	<u>625,630,797</u>

(d) Unit holders' contribution/units in circulation – SGD-Hedged Class

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	9,759,041	29,071,443	8,022,791	25,230,624
Creation during the financial year	2,812,291	6,061,286	3,183,498	7,762,932
Cancellation during the financial year	(2,952,975)	(5,476,031)	(1,447,248)	(3,922,113)
At end of the financial year	<u>9,618,357</u>	<u>29,656,698</u>	<u>9,759,041</u>	<u>29,071,443</u>

(e) Unit holders' contribution/units in circulation – USD Class

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	6,988,028	28,469,309	5,547,941	23,515,508
Creation during the financial year	3,166,686	9,115,904	2,112,268	7,036,522
Cancellation during the financial year	(3,387,886)	(8,835,906)	(672,181)	(2,082,721)
At end of the financial year	<u>6,766,828</u>	<u>28,749,307</u>	<u>6,988,028</u>	<u>28,469,309</u>

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

10. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

(f) Realised

	2024 RM	2023 RM
At beginning of the financial year	104,789,368	131,725,460
Net realised losses for the financial year	<u>(148,407,007)</u>	<u>(26,936,092)</u>
At end of the financial year	<u>(43,617,639)</u>	<u>104,789,368</u>

(g) Unrealised - non-distributable

	2024 RM	2023 RM
At beginning of the financial year	(292,194,970)	(21,163,537)
Net unrealised losses for the financial year	<u>(238,026,670)</u>	<u>(271,031,433)</u>
At end of the financial year	<u>(530,221,640)</u>	<u>(292,194,970)</u>

11. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties

AmFunds Management Berhad
AmInvestment Bank Berhad
AMMB Holdings Berhad ("AMMB")
Subsidiaries and associates of AMMB
as disclosed in its financial statements

Relationships

The Manager
Holding company of the Manager
Ultimate holding company of the Manager
Subsidiaries and associate companies of the
ultimate holding company of the Manager

There are no units held by the Manager or any related party as at 31 January 2024 and 31 January 2023.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

12. TAXATION (CONT'D.)

Income tax payable is calculated on investment income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net losses before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2024	2023
	RM	RM
Net losses before taxation	<u>(386,433,677)</u>	<u>(297,967,525)</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	(92,744,082)	(71,512,206)
Tax effects of:		
Income not subject to tax	(38,507,582)	(6,179,301)
Losses not allowed for tax deduction	130,920,742	77,253,773
Restriction on tax deductible expenses for unit trust fund	212,925	294,278
Non-permitted expenses for tax purposes	94,339	110,759
Permitted expenses not used and not available for future financial years	<u>23,658</u>	<u>32,697</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

13. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	2024	2023
	% p.a.	% p.a.
Manager's fee	0.10	0.12
Trustee's fee	0.04	0.04
Fund's other expenses	_*	_*
Total TER	<u>0.14</u>	<u>0.16</u>

* represents less than 0.01%

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investment to the average NAV of the Fund calculated on a daily basis, is 0.10 (2023: 0.08 times).

15. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 95% of the Fund’s NAV will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its investment by separate business or geographical segments.

16. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial year ended 31 January 2024 are as follows:

Target Fund Manager	Transaction value	
	RM	%
Allianz Global Investors GmbH	<u>197,449,972</u>	<u>100.00</u>

The above transactions are in respect of investment in foreign CIS. Transactions in this investment do not involve any commission or brokerage fee.

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

17. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

	Financial assets/ liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024				
Assets				
Investment	669,140,516	-	-	669,140,516
Derivative assets	223,578	-	-	223,578
Amount due from Target Fund Manager	-	7,962,080	-	7,962,080
Amount due from Manager	-	208,373	-	208,373
Cash at banks	-	12,575,709	-	12,575,709
Total financial assets	<u>669,364,094</u>	<u>20,746,162</u>	-	<u>690,110,256</u>
Liabilities				
Derivative liabilities	30,015	-	-	30,015
Amount due to Manager	-	-	3,178,730	3,178,730
Amount due to Trustee	-	-	24,707	24,707
Total financial liabilities	<u>30,015</u>	-	<u>3,203,437</u>	<u>3,233,452</u>
2023				
Assets				
Investment	1,068,423,438	-	-	1,068,423,438
Derivative assets	403,887	-	-	403,887
Amount due from Manager	-	3,763,392	-	3,763,392
Cash at banks	-	50,515,241	-	50,515,241
Total financial assets	<u>1,068,827,325</u>	<u>54,278,633</u>	-	<u>1,123,105,958</u>
Liabilities				
Derivative liabilities	2,073,458	-	-	2,073,458
Amount due to Manager	-	-	594,939	594,939
Amount due to Trustee	-	-	38,620	38,620
Total financial liabilities	<u>2,073,458</u>	-	<u>633,559</u>	<u>2,707,017</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

17. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

	Income, expenses, gains and losses	
	2024 RM	2023 RM
Net losses on financial assets at FVTPL	(389,032,250)	(298,537,820)
Income, of which derived from:		
– Interest income from financial assets at amortised cost	34,738	28,791
– Other net realised gains on foreign currency exchange	3,939,545	2,363,265
– Other net unrealised gains on foreign currency exchange	3,132	2,129
	3,132	2,129

(b) Financial instruments that are carried at fair value

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets at FVTPL:				
– Investment	-	669,140,516	-	669,140,516
– Derivative assets	-	223,578	-	223,578
	-	669,364,094	-	669,364,094
Financial assets at FVTPL:				
– Derivative liabilities	-	(30,015)	-	(30,015)
	-	(30,015)	-	(30,015)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value (cont'd.)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at FVTPL:				
– Investment	-	1,068,423,438	-	1,068,423,438
– Derivative assets	-	403,887	-	403,887
	-	1,068,827,325	-	1,068,827,325
Financial assets at FVTPL:				
– Derivative liabilities	-	(2,073,458)	-	(2,073,458)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from Target Fund Manager
- Amount due from/to Manager
- Cash at banks
- Amount due to Trustee

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investment coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the Deed as the backbone of risk management of the Fund.

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

(i) Price risk

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its investment in the Target Fund. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(33,457,026)	(53,421,172)
+5.00%	<u>33,457,026</u>	<u>53,421,172</u>

(ii) Currency risk

Currency risk is associated with the Fund's assets and liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(34,407,032)	(55,992,848)
+5.00%	<u>34,407,032</u>	<u>55,992,848</u>

AmChina A-Shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Market risk (cont'd.)

(ii) Currency risk (cont'd.)

The net unhedged financial assets/(liability) of the Fund that are not denominated in Fund's functional currency are as follows:

Assets/(Liability) denominated in	2024		2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
AUD				
Amount due from Manager	-	-	496,852	0.04
Cash at bank	192,623	0.03	61,455	0.01
Amount due to Manager	(120,612)	(0.02)	-	-
	<u>72,011</u>	<u>0.01</u>	<u>558,307</u>	<u>0.05</u>
SGD				
Amount due from Manager	-	-	418,698	0.04
Cash at bank	36,269	0.01	130,922	0.01
Amount due to Manager	(71,420)	(0.01)	-	-
	<u>(35,151)</u>	<u>-</u>	<u>549,620</u>	<u>0.05</u>
USD				
Investment	669,140,516	97.42	1,068,423,438	95.36
Amount due from Target Fund Manager	7,962,080	1.16	-	-
Amount due from Manager	-	-	124,277	0.01
Cash at bank	11,001,188	1.60	50,201,312	4.48
	<u>688,103,784</u>	<u>100.18</u>	<u>1,118,749,027</u>	<u>99.85</u>

* represents less than 0.01%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to short-term deposits and unquoted derivative assets. The issuer of such instruments may not be able to fulfil the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investment to fluctuate in value.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of deposit with licensed financial institution and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

The Fund's financial liabilities have contractual maturities of not more than six months.

(d) Single issuer risk

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund is restricted from investing in securities issued by any issuer in excess of a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by the Target Fund Manager based on internal/external ratings.

(e) Regulatory risk

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(f) Country risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the NAV of the Fund may be adversely affected.

(g) Management risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

19. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investment.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units or make distribution payment.

No changes were made in the objective, policies or processes during the financial years ended 31 January 2024 and 31 January 2023.

AmChina A-Shares

STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of AmChina A-Shares (the “Fund”) as at 31 January 2024 and the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and of behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

18 March 2024

Trustee's Report

TO THE UNIT HOLDERS OF AMCHINA A-SHARES ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 January 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds 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 Unlisted Capital Market Products under the Lodge and Launch Framework;
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
18 March 2024

DIRECTORY

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P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),
Friday (8.45 a.m. to 5.00 p.m.)*

