

## FIRST SUPPLEMENTARY PROSPECTUS

# FTSE Bursa Malaysia KLCI etf

*(an exchange-traded fund constituted in Malaysia on 18 January 2007 and established on 7 June 2007)*

**THIS FIRST SUPPLEMENTARY PROSPECTUS IS DATED 31 MARCH 2022  
("FIRST SUPPLEMENTARY PROSPECTUS") AND MUST BE READ IN CONJUNCTION  
WITH THE PROSPECTUS DATED 16 APRIL 2021**

The Securities Commission Malaysia has approved the listing and quotation of units of the FTSE Bursa Malaysia KLCI etf ("the Fund") on the Main Market of Bursa Malaysia Securities Berhad and a copy of this First Supplementary Prospectus has been registered by the Securities Commission Malaysia.

The approval, and registration of this First Supplementary Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Prospectus dated 16 April 2021 or this First Supplementary Prospectus dated 31 March 2022. The Securities Commission Malaysia has not, in any way, considered the merits of the securities being offered for investments.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AmFunds Management Berhad, the management company responsible for the Fund and takes no responsibility for the contents of this First Supplementary Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this First Supplementary Prospectus.

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, the Fund or of the Fund's units.

### First Supplementary Prospectus Date **31 MARCH 2022**

The Manager

**AmFunds Management Berhad**

Company number: 198601005272 (154432-A)

The Trustee

**HSBC (Malaysia) Trustee Berhad**

Company number: 193701000084 (1281-T)



**AmInvest**

**Growing Your Investments in a Changing World**

**DISCLAIMER** - INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTARY PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 15 OF THE PROSPECTUS DATED 16 APRIL 2021.

**THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH  
THE PROSPECTUS DATED 16 APRIL 2021**

**RESPONSIBILITY STATEMENTS**

The directors of AmFunds Management Berhad have seen and approved this First Supplementary Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in this First Supplementary Prospectus false or misleading.

**ADDITIONAL STATEMENTS**

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws and regulations including any statement in this First Supplementary Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplementary Prospectus or the conduct of any other person in relation to the Fund.

**PERSONAL DATA**

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may use your personal information which includes information on any transactions conducted with us, for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Assess your eligibility or suitability for our products which you had applied for and to verify your identity or financial standing through credit reference checks;
- b. To notify you of more and up to-date information such as improvements and new features to the existing products and services, development of new products, services and promotions which may be of interest to you;
- c. Manage and maintain your account(s) through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- d. Conduct research for analytical purposes, data mining and analyse your transactions/use of products and services to better understand your current financial/investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential;
- e. Comply with the requirements of any law and regulations binding on us such as conducting anti-money laundering checks, crime detection/ prevention, prosecution, protection and security;
- f. Enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- g. In the normal course of general business planning, oversight functions, strategy formulation and decision making within AmBank Group;
- h. To administer and develop the Manager's and/or the Manager's associated companies within the AmBank Group business relationship with you;
- i. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and
- j. Any other purpose(s) that is required or permitted by any law, regulations, standards, guidelines and/or relevant regulatory authorities including with the trustee of the Fund.

Investors are advised to read our latest or updated Privacy Notice (notice provided as required under the Personal Data Protection Act 2010) available on our website at [www.aminvest.com](http://www.aminvest.com). Our Privacy Notice may be revised from time to time and if there is or are any revision(s), it will be posted on our website and/or other means of communication deemed suitable by us. However, any revision(s) will be in compliance with the Personal Data Protection Act 2010.

**THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH  
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Unless otherwise provided in this First Supplementary Prospectus, all the capitalised terms used herein shall have the same meanings as ascribed to them in the Prospectus dated 16 April 2021 (the “Prospectus”).

**EXPLANATORY NOTES**

This First Supplementary Prospectus has been issued to inform investors of:

- (i) an update to the corporate information of the Trustee and the Trustee’s delegate;
- (ii) a change in the composition of the board of directors of the Manager;
- (iii) a change in the composition of the investment committee of the Fund;
- (iv) a change in the designated fund manager of the Fund; and
- (v) an update to the tax adviser’s letter.

**A. CORPORATE DIRECTORY**

**Page xv of the Prospectus**

- (i) The information on the “Trustee” in this section is hereby deleted in its entirety and replaced with the following:

**“TRUSTEE**

HSBC (Malaysia) Trustee Berhad (Registration No.: 193701000084 [1281-T])  
Registered & Business Office  
Level 19, Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel No.: 603 2075 7800  
Fax No.: 603 8894 2611”

- (ii) The information on the “Trustee’s Delegate” in this section is hereby deleted in its entirety and replaced with the following:

**“TRUSTEE’S DELEGATE**

Local and foreign assets:

The Hongkong and Shanghai Banking Corporation Limited (as custodian)  
6/F, Tower 1, HSBC Centre  
1 Sham Mong Road, Hong Kong  
Tel. No.: (852) 2288 1111

Local assets (for quoted and unquoted local investment of the Fund):

The Hongkong and Shanghai Banking Corporation Limited (as custodian) and assets are held through HSBC Bank Malaysia Berhad (Registration No.: 198401015221 [127776-V])  
Level 21  
Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel: (03) 2075 3000  
Fax: (03) 8894 2588  
Website: www.hsbc.com.my

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The Hongkong and Shanghai Banking Corporation Limited (as custodian) and assets are held through HSBC Nominees (Tempatan) Sdn Bhd (Registration No.: 199301004117 [258854-D])  
Level 21  
Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel: (03) 2075 3000  
Fax: (03) 8894 2588”

**B. SECTION 6 – ABOUT THE MANAGER**

**Page 39 of the Prospectus**

**Section 6.3 Directors and Key Personnel**

- (i) The profile of Sum Leng Kuang (Independent) is hereby deleted in its entirety and replaced with the following:
- **“Jas Bir Kaur a/p Lol Singh (Independent)**, aged 64, was appointed to the Board of Directors of AFM on 1 July 2021 as an independent and non-executive director. She is also the chairperson of the Investment Committee of the funds of AFM and Amlslamic Funds Management Sdn Bhd. She holds a degree in Economics and Business Administration (Analytical Economics) from University Malaya, Masters in Science (Finance) from the University of Strathclyde, Glasgow, Scotland and her second Master of Managerial Psychology (part-time) from HELP University, Kuala Lumpur. She is also a Certified Professional Coach (Corporate Coach Academy) and certified mediator under Malaysian Mediation Centre. Throughout her career, she had held senior positions at Bank Negara Malaysia, SC and Value Partners Hong Kong, an asset management company listed on the Hong Kong Stock Exchange. She is currently on the panel of mediators for Securities Industry Dispute Resolution Centre (SIDREC). She currently sits on the boards of Pacific Trustees Berhad and Federation of Investment Managers Malaysia.
  - **Ng Chih Kaye (Independent)**, aged 66, was appointed to the Board of Directors of AFM on 1 July 2021 as an independent and non-executive director. He began his career at a firm of Chartered Accountants in London and later at KPMG, Kuala Lumpur. He then served Malayan Banking Berhad for 25 years in the areas of internal audit, credit control and asset recovery until he retired as Executive Vice-President in 2010. Mr Ng is a member of the Malaysian Institute of Accountants (“MIA”) and a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom. He has been a member of the Insolvency Committees of the Malaysian Institute of Certified Public Accountants (MICPA) and MIA for more than 15 years and remains a member to date. Presently, Mr Ng is an examiner with the Asian Institute of Chartered Bankers (AICB) for the Professional Credit Certification and Risk Management in Banking programmes. He is also a panel member of the Finance Accreditation Agency (FAA). He currently sits on the boards of AmBank (M) Berhad and Shangri-La Hotels (Malaysia) Berhad.”
- (ii) The profile of Wong Yew Joe - Chief Investment Officer (CIO) is hereby deleted in its entirety and replaced with the following:
- **“Wong Yew Joe - Chief Investment Officer (CIO)**  
Wong Yew Joe, 46, is the Chief Investment Officer of AFM overseeing investments in the firm. He has more than 21 years of experience in financial services and funds management. Over this tenure, his roles covered investment analysis, trading and portfolio management. He also played a key role in product development, business development and managing client relationships. Yew Joe first joined the Funds Management Division in 2006 as a fund manager. His last post was the Head of Fixed Income reporting to the Chief Investment Officer and oversaw investments in

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Islamic fixed income instruments and other related instruments. He holds a Bachelor of Commerce (Accounting and Finance) from an Australian university. He also holds a Capital Markets Services Representative's License for the regulated activity of fund management."

**Page 40 of the Prospectus**

The information on the "Designated Fund Manager of the Fund" is hereby deleted in its entirety and replaced with the following:

**"Designated Fund Manager of the Fund**

- **Wong Yew Joe**  
(Please refer to the above)"

**Page 40 of the Prospectus**

**Section 6.4 Investment Committee**

The second and third paragraphs of this section are hereby deleted in their entirety and replaced with the following:

"The investment committee comprises the following members:-

- Jas Bir Kaur a/p Lol Singh (Independent)
- Izad Shahadi bin Mohd Sallehuddin (Independent)
- Mustafa Bin Mohd Nor (Independent)
- Goh Wee Peng (Non-Independent)

The profiles of the Fund's investment committee are as follows:

- **Jas Bir Kaur a/p Lol Singh (Chairman)**  
(Please refer to the above)
- **Izad Shahadi bin Mohd Sallehuddin**  
Izad Shahadi bin Mohd Sallehuddin, aged 41, was appointed to the Board of Directors of Amlslamic Funds Management Sdn Bhd on 1 July 2021 as an independent and non-executive director. He is also a member of the Audit and Risk Management Committee of Amlslamic Funds Management Sdn Bhd, and a member of the Investment Committee of the funds of AFM and Amlslamic Funds Management Sdn Bhd. He holds a BSc Economics (Hons) from the London School of Economics and Political Science and a Master's degree in Business Administration from the University of Nottingham. He has also completed the Berkeley Executive Leadership Program at the Haas School of Business, University of California Berkeley. He has over 15 years of experience working in financial institutions, including top global bulge bracket investment banks, such as UBS and Citigroup focusing on equities. He also has experience in fund raising activities as well as managing and rehabilitating assets of government-linked companies. He was previously the Chief Executive Officer of Urusharta Jamaah Sdn Bhd and Chief Investment Officer of Penjana Kapital Sdn Bhd.
- **Mustafa Bin Mohd Nor**  
(Please refer to the above)
- **Goh Wee Peng**  
(Please refer to the above)"

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**C. SECTION 7 – ABOUT THE TRUSTEE**

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**Section 7.1 Corporate Information**

The information in this section is hereby deleted in its entirety and replaced with the following:

The Trustee is HSBC (Malaysia) Trustee Berhad (Registration No.: 193701000084 [1281-T]), a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Company Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.

**Pages 42 – 43 of the Prospectus**

**Section 7.4 Trustee’s Delegate**

The information on the “Particulars of the Trustee’s Delegate” is hereby deleted in its entirety and replaced with the following:

“Particulars of the Trustee’s Delegate

Local and foreign assets:

The Hongkong and Shanghai Banking Corporation Limited (as custodian)  
6/F, Tower 1, HSBC Centre  
1 Sham Mong Road, Hong Kong  
Telephone No: (852) 2288 1111

Local assets (for quoted and unquoted local investments of the Fund):

The Hongkong and Shanghai Banking Corporation Limited (as custodian) and assets are held through HSBC Nominees (Tempatan) Sdn Bhd (Registration No.: 199301004117 [258854-D])  
Level 21  
Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel: (03) 2075 3000  
Fax: (03) 8894 2588

The Hongkong and Shanghai Banking Corporation Limited (as custodian) and assets are held through HSBC Bank Malaysia Berhad (Registration No.: 198401015221 [127776-V])  
Level 21  
Menara IQ  
Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur  
Tel: (03) 2075 3000  
Fax: (03) 8894 2588”

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**D. SECTION 11 – TAXATION**

**Pages 56 – 62 of the Prospectus**

The tax adviser's letter is hereby deleted in its entirety and replaced with the following:

16 February 2022

The Board of Directors  
**AmFunds Management Berhad**  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Sirs

**FTSE Bursa Malaysia KLCI etf  
Taxation of the Fund and Unit Holders**

1. This letter has been prepared for inclusion in the First Supplementary Prospectus (hereinafter referred to as "the Prospectus") in connection with the offer of units in the FTSE Bursa Malaysia KLCI etf (hereinafter referred to as "the Fund").

The following is general information based on Malaysian tax law in force at the time of lodging the Prospectus with the Securities Commission Malaysia ("SC") and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor's individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

**2. Taxation of the Fund**

**2.1 Income Tax**

As the Fund's Trustee is resident in Malaysia, the Fund is regarded as resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("MITA").

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

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With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive dividends, profits and other income from investments outside Malaysia. Prior to the issuance of the Finance Act 2021, income arising from sources outside Malaysia and received in Malaysia by a unit trust is exempted from Malaysian income tax. However, the income tax exemption on foreign sourced income will no longer be available on the Fund as only the income of a person who is not a resident in Malaysia arising from sources outside Malaysia and received in Malaysia is exempted from tax with effect from 1 January 2022. Notwithstanding the above, the Ministry of Finance (MoF) has issued a press release on 30 December 2021 which states that the MoF has agreed to exempt Malaysian tax residents from the imposition of tax (subject to criteria and guidelines) effective from 1 January 2021 to 31 December 2026 on the following foreign sourced income:-

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

All non-residents in Malaysia (individuals, companies and others) will continue to be exempted from the imposition of tax on all foreign sourced income received in line with Paragraph 28, Schedule 6 of the MITA.

The income of the Fund which is received in Malaysia from outside Malaysia during the period from 1 January 2022 until 30 June 2022 is subject to the tax rate of 3% on gross foreign sourced income remitted to Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable on the Fund, i.e. 24%. In addition, the foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts ("REITs") will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.



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Expenses being manager’s remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

**2.2 Gains on Disposal of Investments**

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax (“RPGT”) under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

**2.3 Service Tax**

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to Unit Holders are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

**3. Taxation of Unit Holders**

**3.1 Taxable Distribution**

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia :-

<b>Unit Holders</b>	<b>Malaysian Tax Rates for Year of Assessment 2020</b>	<b>Malaysian Tax Rates for Year of Assessment 2021</b>
Malaysian tax residents: <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> <li>▪ Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Progressive tax rates ranging from 0% to 30%</li> <li>▪ Progressive tax rates ranging from 0% to 24%</li> <li>▪ 24%</li> </ul>

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<b>Unit Holders</b>	<b>Malaysian Tax Rates for Year of Assessment 2020</b>	<b>Malaysian Tax Rates for Year of Assessment 2021</b>
<ul style="list-style-type: none"> <li>▪ Corporate Unit Holders               <ul style="list-style-type: none"> <li>i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment</li> <li>ii. Companies other than those in (i) above</li> </ul> </li> </ul> <p>Non-Malaysian tax residents:</p> <ul style="list-style-type: none"> <li>▪ Individual and non-corporate Unit Holders</li> <li>▪ Co-operative societies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 17% for every first RM600,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM600,000</li> </ul> <ul style="list-style-type: none"> <li>▪ 24%</li> </ul> <ul style="list-style-type: none"> <li>▪ 30%</li> <li>▪ 24%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 17% for every first RM600,000 of chargeable income</li> <li>▪ 24% for chargeable income in excess of RM600,000</li> </ul> <ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ 33% for chargeable income in excess of RM100,000,000 for the year of assessment 2022 only</li> </ul> <ul style="list-style-type: none"> <li>▪ 30%</li> <li>▪ 24%</li> </ul>

The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

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**3.2 Withholding Tax on Distribution from Retail Money Market Fund (“RMMF”) to Unit Holders**

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

<b>Types of Unit Holders</b>	<b>Malaysian Tax Rates for Year of Assessment 2022</b>
<p>Non-individual residents:</p> <ul style="list-style-type: none"> <li>• Withholding tax rate</li> <li>• Withholding tax mechanism</li> <li>• Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>
<p>Non-individual non-residents:</p> <ul style="list-style-type: none"> <li>• Withholding tax rate</li> <li>• Withholding tax mechanism</li> <li>• Due date of payment</li> </ul>	<ul style="list-style-type: none"> <li>▪ 24%</li> <li>▪ Withholding tax deducted will be regarded as a final tax</li> <li>▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income</li> </ul>

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

**3.3 Tax Exempt Distribution**

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund’s distribution equalisation account.

**3.4 Distribution Voucher**

To help complete a Unit Holder’s tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

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**3.5 Sale, Transfer or Redemption of Units**

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

**3.6 Reinvestment of Distribution**

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

**3.7 Unit Splits**

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

**3.8 Service Tax**

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 ("First Schedule"), only taxable services listed in the First Schedule are subject to service tax. This excludes any investment income or gains received by the Unit Holder as such income and gains are not prescribed taxable services.

The legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 January 2019, the imposition and scope of service tax has been widened to include any imported taxable service.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully

**Mark Chan Keat Jin**  
Executive Director  
Deloitte Tax Services Sdn Bhd

**Tax Exempt Income of Unit Trusts**

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax: -
  - Securities or bonds issued or guaranteed by the Government; or
  - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
  - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”) or any development financial institution regulated under the Development Financial Institutions Act 2002 (“DFIA”).

Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.
3. Interest in respect of any savings certificates issued by the Government.
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad (“MESDAQ”) (now known as Bursa Malaysia Securities Berhad ACE Market).
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musyarakah*, *Ijarah*, *Istisna’* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, “Sukuk Kijang” means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.

**THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH  
THE PROSPECTUS DATED 16 APRIL 2021**

13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US\$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).
15. Income received by the Fund from Malaysia Building Society Berhad.