

PHILLIP FOCUS CHINA FUND

SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2025

Manager:

PHILLIP MUTUAL BERHAD

(200201002746)(570409-K)

Trustee:

CIMB COMMERCE TRUSTEE BERHAD

(199401027349)(313031-A)

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FUND INFORMATION
As At 30 September 2025

Name Of Fund	: Phillip Focus China Fund
Manager Of Fund	: Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 19 May 2009
Category Of Fund	: Equity
Type Of Fund	: Growth
Investment Objective	: The Fund aims to achieve attractive capital growth in the medium* to long term* by investing predominantly in equities and equity-related securities of companies listed in the greater China region which covers China, Hong Kong S.A.R. and Taiwan markets and may invest in companies listed in other markets that have significant or potentially significant business in the greater China region. <i>* Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
Performance Benchmark	: MSCI Golden Dragon Index (MXGD)
Distribution Policy	: Income distribution, annually, subject to availability of income.
Fund Size	: 37.17 million units

FUND PERFORMANCE**Financial Highlights**

Category	6 Months to	Financial Year Ended		
	30.9.2025	31.03.2025	31.03.2024	31.03.2023
Quoted Equity Securities	%	%	%	%
- Hong Kong	78.56	73.63	76.54	81.29
- United States of America	15.22	9.31	12.79	6.75
	93.78	82.94	89.33	88.04
Cash And Liquid Assets	6.22	17.06	10.67	11.96
Total	100.00	100.00	100.00	100.00
Net Asset Value (RM'000)	11,875	10,687	9,063	10,950
Number Of Units In Circulation (Units '000)	37,176	38,940	41,412	42,118
Net Asset Value Per Unit (RM)	0.3195	0.2745	0.2189	0.2600
Total Expense Ratio ("TER") ¹	0.96%	2.42%	1.90%	2.45%
Portfolio Turnover Ratio (times)	0.33	0.78	0.34	0.37

The Total Expense Ratio for the current financial period is lower due to higher decrease in expenses compared to the decrease in average net assets attributable to unitholders (30 September 2024: 1.93%)

¹ The TER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial period is higher due to increase in investing activities. (30 September 2024: 0.26 times)

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

* Price quoted is ex-distribution.

Performance Data

	Phillip Focus China Fund		MXGD#	
	Total Return	Average Annual Return	Total Return	Average Annual Return
6 Months' Period Ended 30.9.2025	16.39%	-	21.21%	-
1 Year's Period to 31.03.2025	25.40%	25.40%	13.83%	13.83%
3 Years' Period to 31.03.2025	-1.93%	-0.64%	6.42%	2.14%
5 Years' Period to 31.03.2025	-5.27%	-1.05%	19.19%	3.84%

	6 Months to		Financial Year Ended			
	30.9.2025	31.3.2025	31.3.2024	31.3.2023	31.3.2022	31.3.2021
Phillip Focus China Fund						
- Capital Return	16.39%	25.40%	-15.81%	-7.11%	-29.07%	30.23%
- Income Return	-	-	-	-	-	4.56%
- Total Return	16.39%	25.40%	-15.81%	-7.11%	-29.07%	36.17%
MXGD#	21.21%	13.83%	-1.02%	-5.55%	-21.65%	42.95%

	6 Months to		Financial Year Ended	
	30.9.2025	31.3.2025	31.3.2024	31.3.2023
Unit Prices				
Highest NAV (RM)	0.3195	0.2886	0.2623	0.2996
Lowest NAV (RM)	0.2443	0.2050	0.2029	0.2112

Distributions				
	(30.9.2025)	(31.3.2025)	(31.3.2024)	(31.3.2023)
Gross Distribution Per Unit (sen)	-	-	-	-
Net Distribution Per Unit (sen)	-	-	-	-

Source Of Distribution	RM'000	RM'000	RM'000	RM'000
- Net realised income	-	-	-	-
- Capital (distribution equalisation)	-	-	-	-
Total distributions	-	-	-	-
	%	%	%	%
- Net realised income	-	-	-	-
- Capital (distribution equalisation)	-	-	-	-
Total distributions	-	-	-	-

Unit Splits	-	-	-	-
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The benchmark returns are adjusted for the movement of Ringgit Malaysia against foreign currencies.

Notes:

1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

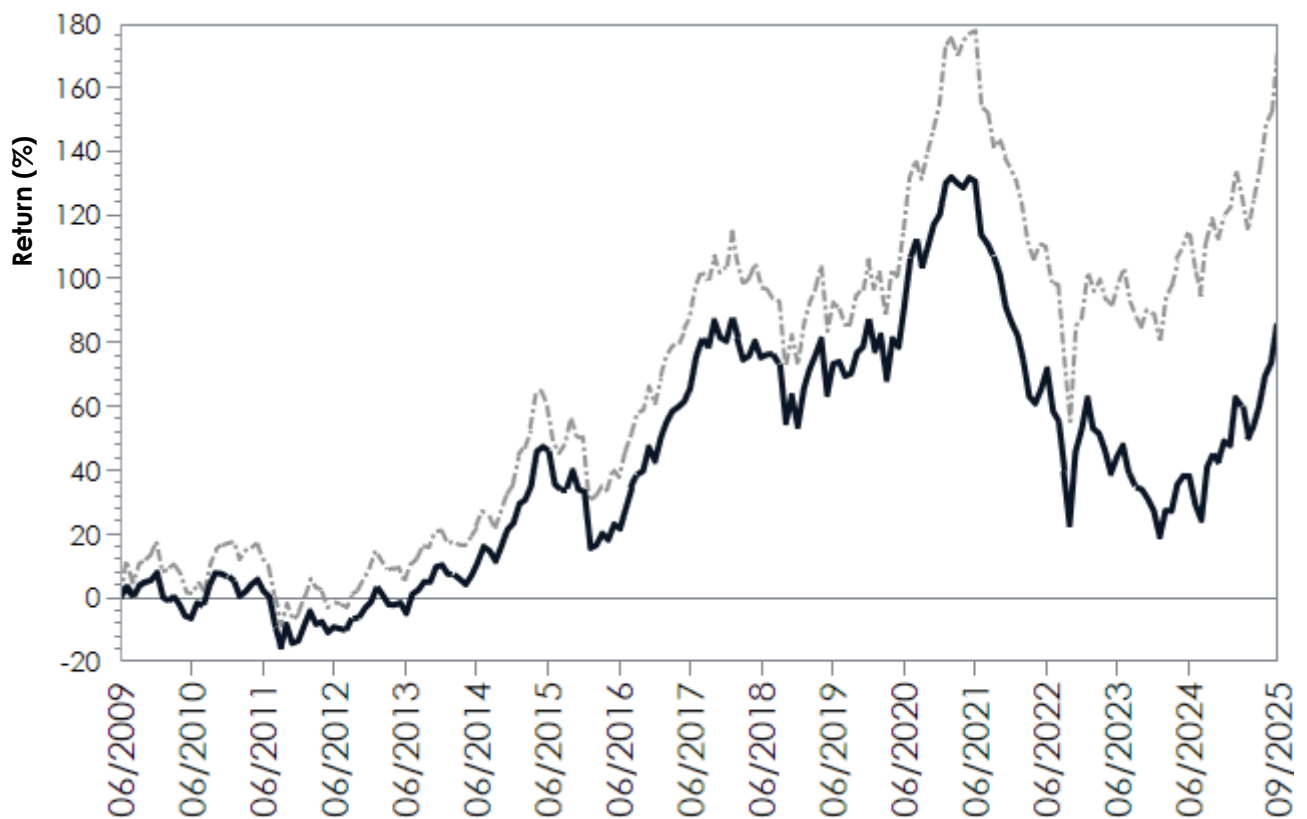
MANAGER'S REPORT
30 September 2025

Performance Review

From 12 June 2009 (date of launch: 19 May 2009) to 30 September 2025, the Phillip Focus China Fund registered a total return of 86.07%, while its benchmark, the MSCI Golden Dragon Index rose 172.98%.

For the financial period under review, the Fund registered a gain of 16.39%. In comparison, its benchmark gained 21.21%.

Comparison Between Fund's Performance And Benchmark (Since Inception)



—	Phillip Focus China	+86.07%
.....	MSCI Golden Dragon (MXGD)	+172.98%

Source: Lipper

Notes:

The benchmark returns are adjusted by the movement of Ringgit Malaysia against foreign currencies

Investment Strategy Review

Equity Strategy Review

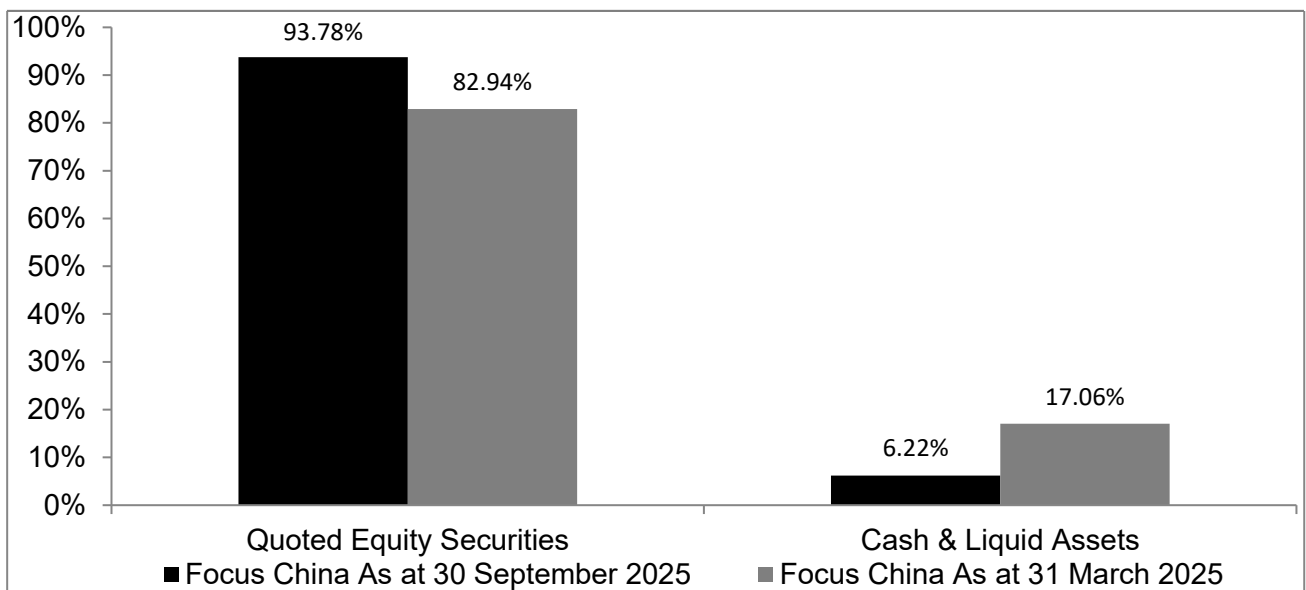
During the six-month period, the Fund achieved a return of +16.39% (MYR), underperforming the benchmark MXGD's +21.21% (MYR). While overall performance was positive, relative underperformance stemmed mainly from the Fund's underweight in large-cap internet names, which led market gains, and a more diversified exposure toward industrial and consumer recovery themes.

China's equity market experienced a gradual improvement in sentiment as policy direction became clearer and corporate earnings stabilized. Economic growth remained around the 5% target, supported by robust industrial output and resilient exports, although domestic consumption and the property sector continued to lag. The government maintained its focus on "high-quality development" and "new quality productive forces," emphasizing technological innovation, advanced manufacturing, and renewable energy. Policy measures during the period were targeted rather than broad-based, aiming to boost confidence while preserving long-term stability.

Sector-wise, technology, renewable energy, and high-end manufacturing were the main drivers of market gains, benefitting from sustained policy support and improving global demand. In contrast, consumer discretionary and property-related sectors underperformed as spending recovery remained uneven. The Fund's holdings in clean energy and industrial upgrade beneficiaries contributed positively, offsetting some weakness from selective consumer exposures.

We maintain that a selective, bottom-up stock-picking strategy is the best approach to position the portfolio. Sectors benefiting from government support, such as clean energy, consumer goods, and innovation-driven industries, are expected to gain momentum. Additionally, macroeconomic developments, including increased fiscal spending, could provide a boost to cyclical laggards. We also anticipate that consumer and export driven company will be key drivers to reignite GDP growth, offering long-term positive investment opportunities. The recent de-rating of major internet platform companies presents a unique opportunity to accumulate positions in those with genuine innovation capabilities and sustainable growth potential.

Asset Allocation



The quoted equity securities allocation of Phillip Focus China Fund increased to 93.78% as at 30 September 2025 from 82.94% recorded at the beginning of the financial period under review due to net equity purchases.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip Focus China Fund increased to RM0.3195 as of 30 September 2025 from RM0.2745 as of 31 March 2025. Meanwhile, total NAV of the Fund increased from RM10,686,221 to RM11,875,453 mainly due to favourable market movements and fund injections.

Market Review

Equity Markets Review

The Chinese equity market staged a strong rebound over the past six months, with the Hang Seng Index (HSI) rising 21%. The recovery was underpinned by improving investor sentiment, renewed policy support, and growing optimism over China's economic stabilization.

During the review period, China's authorities introduced a series of targeted pro-growth measures to restore confidence and stimulate activity. Fiscal support remained front-loaded, including increased local government bond issuance to fund infrastructure and social projects. The People's Bank of China (PBoC) maintained an accommodative policy stance, guiding ample liquidity through reserve requirement cuts and structural lending tools.

A key policy catalyst during the period was the continued expansion and implementation of the nationwide property "whitelist" financing program, which gained momentum in mid-2025. Local governments and major state-owned banks accelerated approvals for qualified real estate projects under the whitelist framework, unlocking additional credit lines and helping to stabilize confidence in the property sector. Concurrently, authorities advanced efforts to manage local government financing vehicle (LGFV) debt risks through bond swaps and refinancing mechanisms, easing systemic concerns.

Externally, the U.S. Federal Reserve's pivot toward rate cuts in mid-2025 boosted global risk appetite and capital flows into emerging markets. Easing U.S.-China tensions, supported by renewed trade dialogues and selective tariff rollbacks on technology components, further lifted market confidence, particularly across China's tech and manufacturing sectors.

Sector-wise, the strongest performers included internet platforms, electric vehicles, and renewable energy — all beneficiaries of policy tailwinds and improving earnings. Consumption and tourism-related names also saw steady recovery amid gradual improvements in domestic demand.

Looking ahead, Chinese equities continue to trade at attractive valuations relative to global peers. Policy continuity, structural upgrades, and sustained fiscal flexibility are expected to underpin market resilience into 2026, although short-term volatility may persist as the economy transitions toward more balanced, innovation-led growth.

Securities Financing Transactions

For the financial period under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").

Income Distribution : Nil

Unit Split : Nil

Significant Changes In The State Of Affairs Of The Fund

For the financial period under review, there were no significant changes in the state of affairs of the Fund not otherwise as disclosed in the financial statements.

Circumstances That Materially Affect Interest Of Unitholders

For the financial period under review, there were no circumstances that materially affect any interest of the unitholders.

Cross Trade

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

Soft Commissions

During the financial period under review, the Investment Manager has received soft commissions from brokers in compliance with applicable legal, regulatory and industry standards. The brokers from whom the soft commission are received had also executed trades for other funds or investment managed by the Investment Manager. Examples of goods and services under such soft commission arrangement include research and advisory services, computer software or any other information facilities to the extent that they are used to support the investment decision making process, data and quotation and there was no churning of trades.

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF PHILLIP FOCUS CHINA FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 30 September 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Phillip Mutual Berhad** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For and on behalf of
CIMB Commerce Trustee Berhad

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
28 November 2025

STATEMENT BY THE MANAGER

We, **Datin Hajjah Nona Binti Salleh** and **Mohd Fadzli Bin Mohd Anas**, being two of the directors of **Phillip Mutual Berhad**, do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip Focus China Fund** as at 30 September 2025 and of its financial performance, changes in net asset value and cash flows for the financial period then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

DATIN HAJJAH NONA BINTI SALLEH
Chairperson

MOHD FADZLI BIN MOHD ANAS
Chief Executive Officer/ Executive Director

Kuala Lumpur, Malaysia
28 November 2025

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 30 September 2025

	Note	30.9.2025 RM	30.9.2024 RM
Assets			
Investments	3	11,137,000	8,650,025
Dividend receivable		13,576	17,793
Interest receivable		18	17
Amount due from Manager	6	70,397	200
Cash and cash equivalents	5	552,484	1,366,648
Tax recoverable		140,118	53,566
Total assets		<u>11,913,592</u>	<u>10,088,249</u>
Liabilities			
Amount due to Manager	6	24,427	70,792
Other payables		13,712	13,988
Total liabilities		<u>38,139</u>	<u>84,780</u>
Net Asset Value (“NAV”) of the fund		<u>11,875,453</u>	<u>10,003,469</u>
Equity			
Unitholders’ capital		2,895,308	3,967,995
Retained earnings		8,980,145	6,035,474
NAV attributable to unitholders	13	<u>11,875,453</u>	<u>10,003,469</u>
Total equity and liabilities		<u>11,913,591</u>	<u>10,088,249</u>
Number of units in circulation (Units)	14	<u>37,175,805</u>	<u>41,247,016</u>
NAV per unit (ex-distribution)	13	<u>0.3195</u>	<u>0.2426</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 September 2025

	Note	1.4.2025 To 30.9.2025 RM	1.4.2024 To 30.9.2024 RM
Investment loss			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		223,781	248,569
Interest income		3,150	3,827
Net (loss)/gain on investments			
- Financial assets at FVTPL		443,071	(370,705)
- Foreign exchange		(184,263)	142,259
Net unrealised (loss)/gain on foreign exchange		15,309	(101,602)
Net unrealised gain/(loss) on changes in value of financial assets at FVTPL		1,302,185	1,236,961
		<u>1,803,233</u>	<u>1,159,309</u>
Expenses			
Audit fee		4,412	4,262
Tax agent's fee		1,706	1,706
Manager's fee	7	85,403	76,360
Trustee's fee	8	5,014	5,014
Custodian's fee	9	1,249	1,332
Brokerage and other transaction fees		24,238	20,529
Administration expenses		3,938	32,362
		<u>125,960</u>	<u>141,565</u>
Net income/(loss) before taxation		1,677,272	1,017,744
Taxation	12	-	(63,006)
Net income/(loss) after taxation		<u>1,677,272</u>	<u>954,738</u>
Total comprehensive income/(loss)		<u>1,677,272</u>	<u>954,738</u>
Total comprehensive income/(loss) comprises the following:			
Realised (loss)/gain		359,778	(180,621)
Unrealised gain/(loss)		1,317,494	1,135,359
		<u>1,677,272</u>	<u>954,738</u>

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

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial period ended 30 September 2025

	Note	Unitholders' capital RM	Retained earnings RM	NAV attributable to unitholders RM
At 1 April 2024		3,982,695	5,080,736	9,063,431
Net income after taxation		-	954,738	954,738
Creation of units	14	550,820	-	550,820
Cancellation of units	14	(565,520)	-	(565,520)
At 30 September 2024		<u>3,967,995</u>	<u>6,035,474</u>	<u>10,003,469</u>
At 1 April 2025		3,383,866	7,302,873	10,686,739
Net income after taxation		-	1,677,272	1,677,272
Creation of units	14	98,742	-	98,742
Cancellation of units	14	(587,300)	-	(587,300)
At 30 September 2025		<u>2,895,308</u>	<u>8,980,145</u>	<u>11,875,453</u>

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

STATEMENT OF CASH FLOWS

For the financial period ended 30 September 2025

	1.4.2025 To 30.9.2025 RM	1.4.2024 To 30.9.2024 RM
Cash flows from/(used in) operating and investing activities		
Proceeds from sale of investments	2,873,197	2,715,184
Purchase of investments	(4,174,743)	(2,306,126)
Dividends received	211,435	228,872
Interest received	3,177	3,838
Manager's fee paid	(85,236)	(77,065)
Trustee's fee paid	(5,041)	(5,040)
Custodian's fee paid	(1,249)	(1,331)
Payment for other fees and expenses	(11,435)	(46,555)
Tax paid	(17,713)	(24,654)
Net cash from/(used in) operating and investing activities	<u>(1,207,608)</u>	<u>487,123</u>
Cash flows from/(used in) financing activities		
Cash proceeds from units created	38,069	551,021
Cash paid on units cancelled	(588,782)	(506,612)
Net cash from financing activities	<u>(550,713)</u>	<u>44,409</u>
Net increase/(decrease) in cash and cash equivalents	(1,758,321)	531,532
Effect of exchange rate changes	(79,649)	(122,886)
Cash and cash equivalents at beginning of financial period	<u>2,390,454</u>	<u>958,002</u>
Cash and cash equivalents at end of financial period	<u>552,484</u>	<u>1,366,648</u>
Cash and cash equivalents comprise (Note 5):		
Cash at banks	310,484	1,159,648
Deposits with financial institutions	242,000	207,000
	<u>552,484</u>	<u>1,366,648</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 September 2025

1. The Fund, the Manager and their principal activities

Phillip Focus China Fund, formerly known as Pacific Focus China Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 24 February 2009 as amended by the Supplemental Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011, Third Supplemental Master Deed dated 4 March 2013, Fourth Supplemental Master Deed dated 5 October 2020 made between the Manager, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and the Trustee, CIMB Commerce Trustee Berhad, Fifth Supplemental Master Deed dated 6 November 2020, Sixth Supplemental Deed dated 25 November 2020 made between the Managers, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and Phillip Mutual Berhad (the new Manager with effect from 1 December 2020) and the Trustee of the Fund, CIMB Commerce Trustee Berhad, Seventh Supplemental Master Deed dated 1 July 2021 and Eighth Supplemental Master Deed dated 11 January 2023 made between the Manager, Phillip Mutual Berhad and the Trustee, CIMB Commerce Trustee Berhad, (the Deed and all its supplemental hereinafter referred to as the “Deeds”). The Fund was launched on 19 May 2009.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, foreign securities, unlisted securities, futures contracts and any other investments approved by the Securities Commission Malaysia.

The Manager, Phillip Mutual Berhad, is a company incorporated in Malaysia. Phillip Mutual Berhad is licensed by the Securities Commission Malaysia to carry on the regulated activities of dealing in securities restricted to unit trust schemes and dealing in private retirement schemes under the Capital Markets and Services Act 2007 and is a registered Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia that authorised to market and distribute unit trust schemes of another party. The Manager is engaged in the business of establishing and managing unit trust schemes, and marketing and distributing unit trust schemes of another party.

2. Material accounting policy information

(a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(b) Changes in accounting policies

Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except for the Amendments to MFRSs issued by the MASB that are relevant to the Fund’s operation and effective for annual periods beginning on or after 1 April 2023, as follows:

Amendments to MFS 101	<i>Disclosure of Accounting Policies</i>
Amendments to MFS 108	<i>Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>International Tax Reform - Pillar Two Model Rules</i>

The adoption of the Amendments to MFRSs did not result in significant changes in the accounting policies of the Fund and has no significant effect on the financial performance or position of the Fund, except as disclosed below:

Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Fund has adopted Amendments to MFRS 101 effective from 1 April 2023. The Amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the Amendments did not result in any changes to the accounting policies of the Fund, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 2(c) to 2(o).

New Standard and Amendments to MFRSs in issue but not yet effective

As at the date of authorisation of these financial statements, the New Standard and Amendments to MFRSs that are relevant to the Fund’s operation which were in issue but not yet effective and not early adopted by the Fund are as listed below:

Description	Effective for annual periods beginning on or after
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 101: <i>Classification of Liabilities as Current and Non-current</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9: <i>Financial Instruments</i> and MFRS 7: <i>Financial Instruments: Disclosures</i>	1 January 2026

The Manager of the Fund anticipates that the abovementioned New Standard and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these New Standard and Amendments to MFRSs will have no material impact on the financial statements of the Fund in the period of initial application.

(c) Functional and presentation currency

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

The Fund’s investors are mainly in Malaysia, with the subscriptions and redemptions of the redeemable shares denominated in RM. The primary activity of the Fund is to invest in equity-related securities in the Greater China region markets, and maximise returns compared to local Malaysian market. The fund’s performance is measured and reported to the investors in RM. The Investment Committee considers the RM as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the end of the reporting period.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(e) Financial instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the Fund's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include dividend receivable, interest receivable, amount due from Manager and cash and cash equivalents.

(ii) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial liabilities

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amounts due to Manager and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(f) Derecognition of financial assets and liabilitiesFinancial Assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial Liabilities

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

(g) Impairment of financial assets

Credit losses are recognised based on the expected credit loss ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund's financial statements. For balances which are short-term in nature and with not financing component (e.g. dividend receivable, interest receivable and amount due from Manager), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(h) 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.

Dividend income is recognised when the Fund's right to receive payment is established.

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

(i) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits with financial institutions with original maturities of 3 months or less which have an insignificant risk of change in value.

(k) Taxation

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

(l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(m) Distributions

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from Unitholders' Capital. Distributions are recognised in the statement of changes in NAV when they are approved by the Manager and the Trustee.

(n) Unitholders' capital

Unitholders' capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(o) Significant accounting estimates and judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. 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 affected in the future.

Judgements made in applying accounting policies

In the process of applying the Fund's accounting policies, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Investments

	30.9.2025	30.9.2024
	RM	RM
Financial Assets At FVTPL		
Quoted investments		
- Equity securities	<u>11,137,000</u>	<u>8,650,025</u>

Equity securities

The composition of quoted investments at the end of the reporting period is as detailed below.

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
30.09.2025				
<u>Hong Kong</u>				
Automobiles & Components				
37,400	Geely Automobile Holdings Limited	347,832	395,124	3.33
Banks				
181,320	China Construction Bank Corporation	651,430	732,930	6.17
29,500	China Merchants Bank Co., Ltd.	694,189	745,439	6.28
		1,345,619	1,478,369	12.45
Capital Goods				
5,300	Techtronic Industries Co Ltd	275,325	285,123	2.40
95,400	Zoomlion Heavy Industry Science & Technology Co Limited-H	319,486	375,830	3.16
		594,811	660,953	5.57
Consumer Durables & Apparel				
8,600	ANTA Sports Products Limited	424,837	434,536	3.66
60,000	China Lilang Ltd	134,650	115,429	0.97
38,000	Haier Smart Home Co. Ltd	563,834	520,362	4.38
8,200	Shenzhou International Group Holdings Limited	416,629	273,188	2.30
		1,539,951	1,343,515	11.31
Consumer Services				
700	TRIP.COM GROUP LTD	206,941	225,455	1.90
Insurance				
12,000	AIA Group Limited	397,190	484,090	4.08
23,300	Ping An Insurance (Group) Company of China Limited	710,410	667,970	5.62
		1,107,599	1,152,060	9.70
Materials				
418,000	China Forestry Holdings Company Ltd***	-	-	-
Media & Entertainment				
3,300	Tencent Holdings Limited	855,079	1,182,341	9.96

** This security was suspended from trading since 23 February 2017 and the cost and fair value had been written down to nil as there was no further news on this security

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Retailing				
12,000	Alibaba Group Holding Limited	809,862	1,147,810	9.67
Technology Hardware & Equipment				
42,000	Pax Global Technology Ltd	160,573	130,507	1.10
13,600	Sunny Optical Technology Group Co., Limited	619,907	664,757	5.60
15,600	Xiaomi Corporation	456,676	455,233	3.83
		1,237,155	1,250,497	10.53
Utilities				
14,200	ENN Energy Holdings Ltd	550,175	493,801	4.16
Total equity securities – Hong Kong		8,595,025	9,329,925	78.56
<u>United States of America</u>				
Retailing				
1,060	PDD Holdings Incorporated	568,666	589,149	4.96
Semiconductors & Semi. Equipment				
1,037	Taiwan Semiconductor Manufacturing Company Limited	458,931	1,217,926	10.26
Total equity securities - United States of America		1,027,597	1,807,075	15.22
Total quoted investments		9,622,621	11,137,000	93.78
Unrealised loss from quoted investments			1,514,379	

Changes of unrealised gain/(loss) on financial assets at FVTPL comprises:

	30.09.2025 RM	30.09.2024 RM
Net unrealised gain/(loss) on changes in fair value of quoted investments	1,698,758	2,609,642
Net unrealised (loss)/gain on foreign currency fluctuation in quoted investments denominated in foreign currency	(392,145)	(1,372,681)
	1,306,613	1,236,961

4. Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Total RM
30.9.2025		
Financial assets at FVTPL		
Quoted investments	<u>11,137,000</u>	<u>11,137,000</u>
30.9.2024		
Financial assets at FVTPL		
Quoted investments	<u>8,650,025</u>	<u>8,650,025</u>

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposits with a licensed financial institution.

	30.9.2025 RM	30.9.2024 RM
Cash at banks:		
- Malaysia	3,382	3,627
- Outside Malaysia	<u>307,102</u>	<u>1,156,021</u>
	<u>310,484</u>	<u>1,159,648</u>
Deposits with licensed financial institutions:		
- Commercial Bank	<u>242,000</u>	<u>207,000</u>
	<u>242,000</u>	<u>207,000</u>
Cash and cash equivalents	<u>552,484</u>	<u>1,366,648</u>

The weighted average rate of return and remaining maturity of deposits with financial institution at the reporting date were as follows:

	Weighted average effective interest rate (% per annum)		Weighted average remaining maturity (Days)	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
Deposits with licensed financial institution:				
- Commercial bank	<u>2.70</u>	<u>2.95</u>	<u>1</u>	<u>1</u>

6. Amount due from/to Manager

Amount due from Manager represents amount receivable for units created, while amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

Management fee is payable on a monthly basis and amount receivable/payable for units created/cancelled is received/paid within 7 (2024: 7) business days from the transaction dates.

7. Manager’s fee

The Manager’s fee provided in the financial statements is computed at 1.60% (2024: 1.60%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

8. Trustee’s fee

The Trustee’s fee provided in the financial statements is computed at 0.05% (2024: 0.05%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

9. Custodian’s fee

The custodian’s fee provided in the financial statements ranges from 0.01% to 0.30% (2024: 0.01% to 0.30%) per annum, computed based on the NAV attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

10. Portfolio Turnover Ratio (“PTR”)

	1.4.2025 to 30.9.2025	1.4.2024 to 30.9.2024
Portfolio turnover ratio (“PTR”)	<u>0.33 times</u>	<u>0.26 times</u>

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial period is higher due to increase in investing activities.

11. Total Expense Ratio (“TER”)

	1.4.2025 to 30.9.2025	1.4.2024 to 30.9.2024
Total expense ratio (“TER”) ¹	<u>0.96%</u>	<u>1.93%</u>

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial period calculated on a daily basis. The TER for the current financial period is lower than the previous financial year due to higher percentage of decrease in expenses compared with average net asset value.

¹The TER does not include brokerage and other transaction fees.

12. Taxation

	1.4.2025 to 30.9.2025 RM	1.4.2024 to 30.9.2024 RM
Estimated Malaysian income tax:		
Current period's provision	-	63,006

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2024: 24%) of the estimated assessable income for the financial period.

In the previous financial year, the income of the Fund which is received in Malaysia from outside Malaysia during the period from 1 January 2022 to 30 June 2022 was subject to the tax rate of 3% on gross foreign-sourced income received in Malaysia. Foreign-sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%. Foreign-sourced income received in Malaysia from 1 January 2024 to 31 December 2026 is exempted from income tax per Exemption Order 2024 [PU(A)250/2024].

A reconciliation of income tax expense applicable to net income/(loss) before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

	1.4.2025 to 30.9.2025 RM	1.4.2024 to 30.9.2024 RM
Net income/(loss) before taxation	1,677,272	1,017,744
Taxation at Malaysian statutory rate of 24% (2024: 24%)	402,545	244,259
Tax effects of:		
Income not subject to tax	(322,765)	(391,588)
Losses not subject to tax	(110,011)	113,354
Expenses not deductible for tax purpose	21,556	14,626
Restriction on tax deductible expenses for unit trust funds	8,675	19,349
Foreign-sourced income	-	63,006
Tax expense for the period	-	63,006

13. Net asset value (“NAV”) attributable to unitholders

	30.9.2025 RM	30.9.2024 RM
Unitholders' capital	2,895,308	3,967,995
Retained earnings:		
- Realised reserves	7,389,865	6,233,257
- Unrealised reserves	1,590,280	(197,783)
NAV attributable to unitholders	8,980,145	6,035,474
	11,875,453	10,003,469

The NAV per unit is rounded up to four decimal places.

14. Number of units in circulation

	30.9.2025		30.9.2024	
	No. Of Units	RM	No. Of Units	RM
At beginning of the period	38,940,125	3,383,866	41,412,031	3,982,695
Creation	323,456	98,742	2,271,485	550,820
Cancellation	(2,087,775)	(587,300)	(2,436,500)	(565,520)
At end of the period	<u>37,175,805</u>	<u>2,895,308</u>	<u>41,247,016</u>	<u>3,967,995</u>

15. Units held by the Manager and its related parties

There were no units held by the Manager and other related parties.

16. Transactions with brokers/dealers

Details of transactions with the brokers/dealers for the financial period are as follows:

	Value of trade [#] RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
30.09.2025				
Affin Hwang Investment Bank Bhd	448,597	7.03	342	2.25
CCB International (Singapore) Pte Ltd	1,648,044	25.83	4,120	27.16
Shenwan Hongyuan Securities (H.K.) Limited	4,284,250	67.14	10,711	70.59
	<u>6,380,891</u>	<u>100</u>	<u>15,172</u>	<u>100</u>

[#] Excludes brokerage and other transaction fees.

* Only applicable to equity securities.

The transactions above are with non related parties.

17. Financial risk management objectives and policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk and single issuer risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the relevant Securities Commission Malaysia guidelines.

(i) 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 seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

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

(a) Price risk

Price risk is the adverse changes in the fair value of securities as a result of changes in the levels of equity indices and the value of individual securities. The price risk exposure arises from the Fund's quoted investments.

The table below summarises the effect on the net income before tax and NAV attributable to unitholders of the Fund at the end of the reporting period due to possible changes in prices, with all other variables held constant:

Change in price (%)	Effect on net income before tax and NAV attributable to unitholders Increase/(Decrease)	
	30.9.2025	30.9.2024
	RM	RM
+5	556,850	432,501
(5)	(556,850)	(432,501)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the returns on deposits with financial institutions. In the event of reduction in interest rates, the returns on deposits with financial institutions will decrease while prices of fixed income securities will increase, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the portfolio of fixed income securities and deposits with financial institutions.

The Fund's exposure to interest rate risk with respect to deposits with a licensed financial institution is not considered to be significant at the end of reporting period and consequently no sensitivity analysis on interest rate risk has been presented.

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The table below indicates the currencies to which the Fund had significant exposure at the end of the reporting period on its net asset value. The analysis shows the currency risk concentration and calculates the effect on NAV attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

	Currency risk RM	Concentration as a % of NAV	Changes in currency rates %	Effect on net income before tax and NAV attributable to unitholders RM
30.9.2025				
HKD	9,329,925	78.56	+5	466,496
USD	1,807,075	15.22	+5	90,354
30.9.2024				
CNY	14,636	0.15	+5	732
HKD	7,603,626	76.01	+5	380,181
USD	2,204,988	22.04	+5	110,249

An equivalent decrease in the currency rates shown above would have resulted in an equivalent, but opposite impact.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk generally arises from investments, cash and cash equivalents, dividend receivable, interest receivable and amount due from Manager. The maximum exposure to credit risk is presented in the Statement of Financial Position. Cash and cash equivalents are placed in financial institutions with strong credit ratings. The Investment Committee of the Fund will invest predominantly in equity-related securities of companies listed in the greater China region (i.e. China, Hong Kong S.A.R. and Taiwan) as part of their investing decision-making process.

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are payable on demand.

(iv) Specific risk

The Fund is exposed to the individual risks of the respective companies issuing securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of investments of the Fund.

(v) Single issuer risk

The Fund's exposure to securities issued by any issuer is limited to not more than a certain percentage of the Fund's net asset value. Under such restriction, the risk exposure to the securities of any issuer is minimised.

18. Operating segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

19. Capital management

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time maintain sufficient liquidity to meet unitholders' redemptions.

CORPORATE INFORMATION**THE MANAGER**

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Datuk Ir. Hamzah Bin Hasan

Datin Hajjah Nona Binti Salleh

En. Mohd Fadzli Bin Mohd Anas

Mr. Lim Wen Sheong

Mr. Lee Chay Khiong (Alternate Director to Mr. Lim Wen Sheong)

Ms. Ma Jie

Datuk Ir. Elias Bin Ismail (Appointed on 20 December 2024)

INVESTMENT MANAGER

Phillip Capital Management Sdn Bhd (Registration No: 199501004372)(333567-D)

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