

**CIMB FTSE CHINA 25
(FORMERLY KNOW AS CIMB FTSE XINHUA CHINA 25)**

QUARTERLY REPORT (UNAUDITED)

**FOR THE FINANCIAL PERIOD FROM 1 JULY 2011
TO 30 SEPTEMBER 2011**

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INVESTOR LETTER

Dear Valued Investors,

2011 was ushered in with a lot of optimism. Most analysts, if not all, were positive that the 2010 market rally would have spilt over into this year. However, it seems like the year may not be as predictable as we thought.

Nevertheless, as we all know the market is always cyclical. It goes up and comes down based on the current uncertainties. Ultimately, if you are a long-term investor, the best thing to do is to stay invested and not react emotionally by panic selling. What investors should do is to try to think forward with a plan and have a preferred asset allocation based on their risk tolerance. A well diversified portfolio is also important to mitigate risks in the long-term.

Usually, the source of market volatility is a mix of short and long-term causes. One of several immediate short-term causes has of course been the Standard and Poor's (S&P) ratings downgrade of long-term U.S. Government debt from AAA to AA+. The S&P downgrade had caused a massive downshift of investor's risk appetite that has been underway for several weeks.

We believe that once the current market turmoil subsides, we expect repercussions from the U.S. downgrade to be limited. Some fears that investors have, while certainly understandable in situation like this, are unsupported.

To be fair, here are some positive facts for the US:-

- US treasuries remain one of the safest investments even at AA+ rating;
- Over 60% of global allocated foreign exchange reserves are in USD and they are still highly in demand;
- US Treasuries are the most liquid securities traded in the world and it is hard to find alternatives or substitutes.
- Huge amounts of forced selling of US Treasures have yet to be seen

Overall, given the uncertainty in the markets, we still hold on to our view that the US will not go into a double dip recession. We will continue to remain positive on Asian Equities for second half of 2011 as we believe that strong fund flows into Asian fixed income markets may eventually have a positive spill over effect into the regional equity markets.

On another note, we are happy to announce that CIMB-Principal has garnered a total of 8 awards this year and will maintain our momentum of achievements in the industry for the best interest of our investors.

We are also happy to announce that CIMB-Principal Asset Management Berhad ("CIMB-Principal") is now GIPS-compliant.

GIPS or Global Investment Performance Standards are a set of standardized principles that provide guidance on how investment firms should calculate and report their investment results to prospective and current clients.

INVESTOR LETTER (CONTINUED)

By being GIPS-compliant, investors can now have a greater level of confidence in the integrity of performance presentations as well as our general practices. We trust this will provide further assurance that the performance and reporting figures we cite are prepared to the highest standards.

With this, we at CIMB-Principal will strive to consistently provide investors with potential capital gains over the long-term and at the same time become the most reliable and trusted fund house in the industry. We look forward to supporting your journey through the interesting financial markets to come.

Yours sincerely

Campbell Tupling

Chief Executive

CIMB-Principal Asset Management Berhad

MANAGER'S REPORT

What is the investment objective of the Fund?

To provide investment results that closely corresponds to the performance of the Benchmark Index, regardless of its performance.

Has the Fund achieved its objective?

For the period under review, the Fund is in line with its stated objective.

What are the Fund investment policy and its strategy?

A passive strategy whereby the Manager may adopt either a Replication Strategy or a Representative Sampling Strategy.

Fund category/ type

Exchange-traded fund / Equity / Index Tracking

How long should you invest for?

Recommended 3 to 5 years.

Indication of short-term risk (low, moderate, high)

High

When was the Fund launched?

9 July 2010*

What was the size of the Fund as at 30 September 2011?

RM 10.82 million (13.65 million units)

What is the Fund's benchmark?

FTSE China 25 or such replacement index as may be determined by the Manager, subject to the approval of Securities Commission.

What is the fund distribution policy?

Annually, subject to the discretion of the Manager.

What was the net income distribution for the financial period ended 30 September 2011?

No distribution was declared for the period ended 30 September 2011.

* Listing date

PERFORMANCE DATA

Details of portfolio composition of the Fund are as follows:

	30.09.2011	30.09.2010
	%	%
Sector		
Quoted investments	99.50	99.72
Liquid assets and others	0.50	0.28
	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the financial periods are as follows:

	30.09.2011	30.09.2010
Net Asset Value (RM million)	10.82	22.08
Units In circulation (Million)	13.65	21.45
Net Asset Value per Unit (RM)	0.7923	1.0294
Highest NAV per Unit (RM)	1.0106	1.0466
Lowest NAV per Unit (RM)	0.7779	0.9703
Market Price per Unit (RM)	0.7900	1.025
Highest Market Price per Unit (RM)	1.0150	1.0500
Lowest Market Price per Unit (RM)	0.7650	0.9700
Total return (%)^	(20.62)	1.58
-capital growth (%)	(20.62)	1.58
-income growth (%)		-
Management Expenses Ratio (%)	0.35	0.23
Portfolio Turnover Ratio (times) #	0.09	0.66

(Launch date : 9 July 2010)

For the quarter, the portfolio turnover ratio was minimal at 0.09 times mainly attributable to trading activities due to Index rebalancing.

Period	Total return (%)	Annualised (%)
- Since inception (SI)^	(21.82)	(18.17)
- One year	(23.03)	(23.03)
- Benchmark SI	(20.79)	(17.30)
	30.09.2010 to 30.09.2011	Since Inception to 30.09.2010
	(%)	(%)
Annualised return^ (%)	(23.03)	1.58

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance data and figures have been verified by Consulting Actuaries, Mercer (Malaysia) Sdn. Bhd (253344-U)

MARKET REVIEW (01 JULY 2011 TO 30 SEPTEMBER 2011)

Entering the third quarter 2011, inflation remained the key concern in China and policy worries continued to weigh on the Chinese equities. Markets across the globe shed value in August over the US recovery anxiety and the continued debt crisis in Europe. Chinese equities plunged in tandem with the global markets. Chinese equities continued to fall in September as Fed disappointed markets on Operation Twist leading to foreign outflows. Worries on global recession along with Eurozone debt problems and a possibility of hard landing in China further drove the Chinese stock market into deep red. There were also growing concerns surrounding financials in China, in particularly on the issue of funding to property companies and small medium enterprises.

FUND PERFORMANCE

	3 months to 30.09.2011 (%)	1 year to 30.09.2011 (%)	Since Inception to 30.09.2011 (%)
Income	-	-	-
Capital [^]	(20.62)	(23.03)	(21.82)
Total Return [^]	(20.62)	(23.03)	(21.82)
Annualised Return [^]	(59.99)	(23.03)	(18.17)
Benchmark	(21.00)	(22.72)	(20.79)
Market Price per Unit	(21.39)	(22.93)	(22.55)

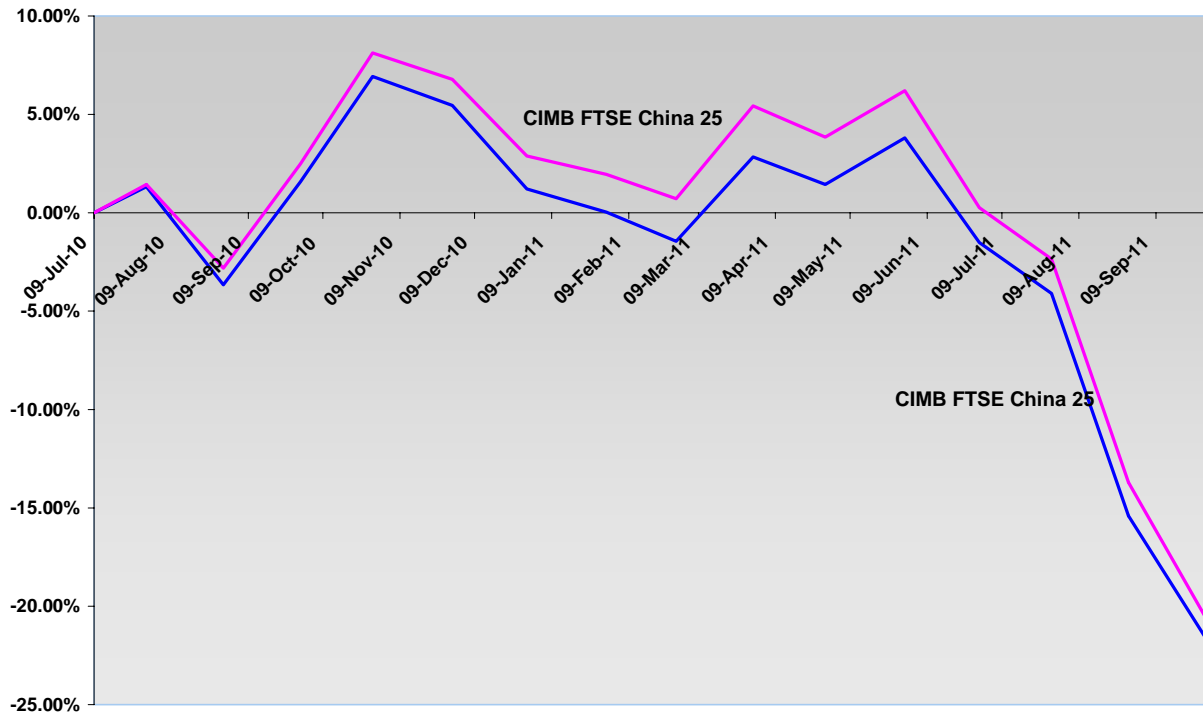
[^] Based on NAV per Unit

For the period under review, the Fund declined 20.62% in line with the benchmark decline of 21.00%.

There were some minor adjustments to the weighting and composition of the Fund following the quarterly review changes of the benchmark. For the quarter, Anhui Conch Cement was included in the Fund to replace China Railway Group.

The last available published market price of the Fund quoted on Bursa Malaysia was RM 0.79, a decline of 21.39% for the period.

FUND PERFORMANCE (CONTINUED)



Changes in Net Asset Value (“NAV”)

	30.09.2011	30.09.2010	% changes
Net Asset Value (“NAV”) (RM Million)	10.82	22.08	(50.99)
NAV/unit (RM)	0.7923	1.0294	(23.03)

For the 1-year period, the total NAV fell by 50.99% while the NAV per unit decreased by 23.03%. The fall in total NAV was mainly attributable to fund redemptions and investment performance. The decline in NAV per unit was due mainly to investment performance.

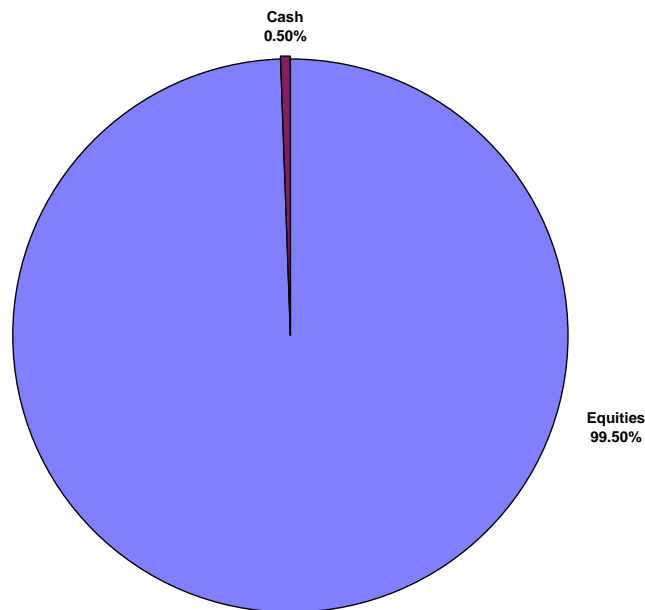
Performance data represents the combined income and capital return as a result of holding units in the fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures have been verified by Consulting Actuaries, Mercer (Malaysia) Sdn Bhd (253344-U).

PORTFOLIO STRUCTURE

Asset allocation

(% of NAV)	30 September 2011	30 September 2010
Underlying Fund	99.50	99.72
Liquid assets and others	0.50	0.28
TOTAL	100.00	100.00

The Fund remained fully invested during the period under review. A minimal level of liquid assets was maintained primarily for liquidity purposes.



MARKET OUTLOOK

The recent tender won by Sun Hung Kai Properties for the Nam Cheong Station property which is lower than the estimated bid highlighted the prevailing level of cautiousness in Hong Kong. The below-consensus price is expected to be negative on the sentiment of the physical property market. News of financial institutions to lay off up to 30,000 staff by year end further contributed to the weak sentiment.

However, amidst the bad news, we do see opportunity. The Hang Seng Index which at one stage is more than 20% down would have reflected all the negativity. After the global market sell off in the third quarter, inflation in China has taken a backseat to wider market concerns. China policy tightening having peaked, soft landing in sight and inflation projected to drop to 5% from over 6% presently provide positive catalysts which we have not seen since 1Q2011. Tourists' arrival and Rmb derived demand would help to keep Hong Kong's economy on an even keel, albeit at a slower pace next year.

INVESTMENT STRATEGY

As this is an exchange-traded fund, the Fund will continue to remain fully invested in the benchmark index stocks with minimal cash kept for liquidity purposes in order to track the performance of the benchmark.

UNIT HOLDING STATISTICS

Breakdown of unit holdings by size as at 30 September 2011 are as follows:

Size of unit holding	No of unit holders	No of units Held (million)	% of units held
5,000 and below	149	0.41	3.00
5,001 to 10,000	79	0.71	5.20
10,001 to 50,000	90	2.35	17.22
50,001 to 500,000	31	4.50	32.97
500,001 and above	6	5.68	41.61
	355	13.65	100.00

SOFT COMMISSIONS AND REBATES

Dealings on investments of the Fund through brokers or dealers will be on terms which are best available for the Fund. Any rebates from brokers or dealers will be directed to the account of the Fund.

The Investment Manager may from time to time receive and retain soft commissions in the form of subscription for real-time services or advisory services that assist in the decision-making process relating to the Fund's investments from brokers or dealers.

During the financial period under review, the management company did not receive any rebates and soft commissions from brokers or dealers.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF
CIMB FTSE CHINA 25**

We, being the Directors of CIMB-Principal Asset Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 10 to 34 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 September 2011 and of its financial performance, changes in equity and cash flows of the Fund for the financial period ended on that date in accordance with Financial Reporting Standards and the Securities Commission's Exchange-Traded Funds Guidelines.

For and on behalf of the Manager
CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
(Company No.: 304078-K)

John Campbell Tupling
Chief Executive Officer/Director

Datuk Noripah Kamso
Director

Kuala Lumpur

25 November 2011

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

	Note	30.09.2011 RM	30.09.2010 RM
INCOME			
Dividend income		42,586	88,107
Net realised loss on sale of investments		(135,010)	(162,995)
Realised foreign currency exchange loss		(33,211)	(48,654)
Unrealised foreign currency exchange profit/loss)		749,589	(763,965)
Unrealised (loss)/profit on change in value of investment		(3,406,424)	1,468,712
		(2,782,470)	581,205
LESS: EXPENSES			
Manager's fee	4	18,511	28,863
Trustee's fee	5	4,537	4,093
Audit Fee	4	6,301	11,932
Tax Agent Fee	4	2,294	705
Administration expenses		12,004	2,038
		43,647	47,631
NET (LOSS)/PROFIT BEFORE TAXATION		(2,826,117)	533,574
TAXATION	7	(17,027)	-
NET (LOSS)/PROFIT AFTER TAXATION		(2,809,090)	533,574
Net (loss)/profit after taxation is made up as follows:			
Realised amount		(43,648)	(171,173)
Unrealised amount		(2,765,442)	704,747
		(2,809,090)	533,574

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note	30.09.2011	30.09.2010 RM
CURRENT ASSETS			
Financial assets at fair value through profit or loss	8	10,761,951	22,020,029
Cash and cash equivalents	9	24,242	16,887
Due from broker		37,127	-
Dividend income receivable		43,272	70,960
TOTAL ASSETS		10,866,592	22,107,876
CURRENT LIABILITIES			
Management fee payable		5,633	10,695
Amount due to Trustee		1,480	1,479
Other payables and accruals	10	44,037	14,563
TOTAL LIABILITIES		51,150	26,737
NET ASSET VALUE OF THE FUND	11	10,815,442	22,081,139
EQUITY			
Unitholders' capital		13,476,255	22,081,139
Retained earnings		(2,660,813)	-
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	10,815,442	22,081,139
Number of units in circulation	11	13,650,000	21,450,000
Net asset value per unit (RM)		0.7923	1.0294

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM
1 JULY 2011 TO 30 SEPTEMBER 2011**

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 30 June 2011	13,476,255	148,277	13,624,532
Movement in unitholders' contribution:			
Creation of units	-	-	-
Cancellation of units	-	-	-
Total comprehensive income for the financial period	-	(2,809,090)	(2,809,090)
Balance as at 30 September 2011	13,476,255	(2,660,813)	10,815,442

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 9 July 2010	-	-	-
Movement in unitholders' contribution:			
Creation of units	21,547,565	-	21,547,565
Cancellation of units	-	-	-
Total comprehensive income for the financial period	-	533,574	533,574
Balance as at 30 September 2010	21,547,565	533,574	22,081,139

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

UNAUDITED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011

	Note	30.09.2011 RM	30.09.2010 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from sales of investments		1,135,806	2,965,965
Purchase of investments		(1,217,628)	(24,469,247)
Dividends received		242,442	17,148
Trustee's fee paid		(4,537)	(2,614)
Manager's fee paid		(19,563)	(18,168)
Payments for other fees and expenses		(269,975)	(114)
Net cash outflow from operating activities		<u>(133,455)</u>	<u>(21,507,030)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Cash proceeds from units created		-	21,547,565
Payments for cancellation of units		-	-
Net cash inflow from financing activities		<u>-</u>	<u>21,547,565</u>
Net increase in cash and cash equivalents		(133,455)	40,535
Effect of unrealised foreign exchange		157,697	(23,648)
Cash and cash equivalents at the end of the financial period	9	<u>24,242</u>	<u>16,887</u>

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

**UNAUDITED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

CIMB FTSE China 25 (*formerly known as CIMB FTSE Xinhua China 25*) (the "Fund") was constituted pursuant to the execution of a Deed dated 19 April 2010 and has been entered into between CIMB-Principal Asset Management Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

On 16 December 2010, the Fund's Benchmark Index, FTSE/Xinhua China 25 Index was renamed FTSE China 25 Index and concurrent with this change, the Fund also announced the change of name to CIMB FTSE China 25. The Fund's change of its name is pursuant to the Supplemental Deed dated 8 December 2010.

The principal activity of the Fund is to provide investment results that closely correspond to the performance of the FTSE China 25 Index (*formerly known as FTSE/Xinhua China 25 Index*), regardless of its performance. The Benchmark Index is designed to represent the performance of the stocks of the mainland Chinese market that are available to international investors. The Benchmark Index consists of the 25 largest and most liquid Chinese stocks (Red Chip and H shares) listed and trading on the Hong Kong Stock Exchange.

The Fund commenced operations on 9 July 2010 and will continue its operations until terminated by the Manager. All investments will be subjected to the Securities Commission Guidelines on Exchange Traded Funds, the Deed and the objective of the Fund.

The Manager, a company incorporated in Malaysia, is a subsidiary of CIMB Group Sdn Bhd and regards CIMB Group Holdings Berhad as its ultimate holding company. Its principal activities are the management of unit trusts and fund management activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standards ("FRS") and the MASB approved accounting standards in Malaysia for entities other than private entities.

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(m).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- (i) Standards, amendments and interpretations to published standards that are applicable and effective:
- FRS 7 “Financial instruments: Disclosures” (effective from 1 January 2010) provides information to users of financial statements about an entity’s exposure to risks and how the entity manages those risks. The improvement to FRS 7 clarifies that entities must not present total profit income and expense as a net amount within finance costs on the face of the statement of comprehensive income. This standard does not have any impact on the classification and valuation of the Fund’s financial statements.
 - The revised FRS 101 “Presentation of financial statements” (effective from 1 January 2010) prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity. ‘Non-owner changes in equity’ are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period.
 - FRS 107 “Statement of cash flows” (effective from 1 January 2010) clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.
 - FRS 110 “Events after the balance sheet date” (effective from 1 January 2010) reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time.
 - FRS 118 “Revenue” (effective from 1 January 2010) provides more guidance when determining whether an entity is acting as a ‘principal’ or as an ‘agent’. This standard does not have material impact on the classification and valuation of the Fund’s financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Standards, amendments and interpretations to published standards that are applicable and effective (continued):

- Amendment FRS 132 “Financial Instruments: Presentation”

In the previous financial year, the Fund had classified its puttable instruments as liabilities in accordance with FRS 132, 'Financial instruments: Presentation'. However, the FRS 132 (amendment), 'Financial instruments: Presentation', and FRS 101 (amendment), 'Presentation of financial statements' - 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2010) (the 'amendment') requires puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met.

Those criteria include: (i) the puttable instruments must entitle the holder to a pro-rata share of net assets; (ii) the puttable instruments must be the most subordinated class and that class's features must be identical; (iii) there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and (iv) the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer. As a result, the prior year financial statements are restated from amounts previously reported to conform with the amendment. The amendment has been applied retrospectively.

- FRS 139 “Financial Instruments: Recognition and Measurement”

In the previous financial year, unrealised gains or losses from the derivative financial instrument are recognised in the statement of financial position as receivables and payables while the corresponding effect are transferred to the fair value reserve included in the capital and reserves attributable to equity holders of the fund.

However, the FRS 139 (new standard) 'Financial Instruments: Recognition and Measurement' (effective 1 January 2010) (the 'standard') requires the Fund to recognise all derivatives in its balance sheet as either assets or liabilities and shall measure them at fair value (except for a derivative that is linked to and that must be settled by delivery of an unquoted equity instrument whose fair value cannot be measured reliably) at the beginning of the financial period in which this standard is initially applied. Because all derivatives, other than those that are designated hedging instruments, are considered held for trading, the unrealised gains or losses transferred to the fair value reserve in the previous financial period shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial period in which this Standard is initially applied (other than for a derivative that is a designated hedging instrument).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

In respect of FRS 7 and FRS 139, the Fund has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standards on the financial statements of the Fund. Comparative related to financial instruments have not been adjusted and therefore the corresponding balances are not comparable.

- (ii) The new standards, amendments and interpretations to published standards which are relevant to the Fund and have not been early adopted are:

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Fund will apply this standard when effective.

The Fund has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Fund.

(b) Financial assets and liabilities

Classification

The Fund designates its investment in collective investment scheme as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents. The Fund classifies amount due to Trustee, other payables and accruals as other financial liabilities.

Recognition and measurement

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

Recognition and measurement (continued)

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

Gains or losses from the changes in fair value of the investments including the effect of currency translation are presented in the statement of comprehensive income in the financial period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment schemes or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in selling in such selling price)

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income recognition

Dividend income is recognised on the ex-dividend date.

Interest on deposits is recognised on accruals basis using the effective interest method.

Realised gain or loss on sale of collective investment schemes is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

(d) Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

(e) Creation and cancellation of units

The Fund issues cancellable units, which are cancelled upon accepted redemption applications submitted by Participating Dealer to the Manager in accordance with the terms of a Participating Dealer Agreement and the Deed, and are classified as equity. Cancellable units can be returned to the Fund at any Dealing Day for cash equal to a proportionate share of the Fund’s net asset value (“NAV”). The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholder exercises the right to return the unit to the Fund.

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

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit earned during the financial period. Tax on dividend income from foreign quoted investments is based on the tax regime of the respective countries that the Fund invests in.

(h) Amount due from/to Manager of Collective Investment Scheme

Amounts due from/to manager of Collective Investment Scheme represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from manager of Collective Investment Scheme. A provision for impairment of amounts due from manager of Collective Investment Scheme is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant manager. Significant financial difficulties of the manager, probability that the manager will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from manager of Collective Investment Scheme is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(i) Transaction costs

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Segmental information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographic segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's manager that undertakes strategic decisions for the Fund.

(k) Financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

Financial instruments as at 30 September 2011 are as follows:

	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
Financial assets at fair value through profit or loss (Note 8)	-	10,761,951	10,761,951
Cash and cash equivalents (Note 9)	24,242	-	24,242
Amount due to broker	37,127	-	37,127
Dividend receivable	43,272	-	43,272
	<u>104,641</u>	<u>10,761,951</u>	<u>10,866,592</u>

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

(l) Realised and unrealised portions of net income after tax

The analysis of realised and unrealised net income after tax as presented on the statement of comprehensive income is prepared in accordance with Securities Commission Guidelines on Exchange Traded Funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in conformity with FRS and the SC Guidelines on Exchange Traded Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results may differ from those estimates.

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

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to provide investment results that closely correspond to the performance of the FTSE China 25 Index, regardless of its performance. Therefore, the Manager adopts a passive strategy in the management of the Fund.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated by the SC Guidelines on Exchange Traded Fund.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities price risk arising from investments held by the Fund for which prices in the future are uncertain. The very nature of an exchange traded fund, however, helps mitigate this risk because a fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the fund. As at 30 September 2011, the Fund's overall exposures to price risk were as follows:

	2011 RM
Financial asset at fair value through profit or loss	10,761,951

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of FTSE China 25 Index (the "Underlying Index") as at 30 September 2011.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risk (continued)

(i) Price risk (continued)

The analysis is based on the assumptions that the Underlying Index fluctuates by 18.80%, which is the standard deviation of the daily fluctuation of the Underlying Index from the date of constitution of the Fund to 30 September 2011, with all other variables held constant, and that the fair value of the investments moved in the same quantum with the fluctuation in the Index.

This represents management's best estimate of a reasonable possible shift in the fair value through profit or loss, having regard to the historical volatility of the prices.

The Underlying Index is used as the Fund is designed to provide investment results that closely correspond to the performance of the Underlying Index.

% Change in underlying index	Market value RM	Change in net asset value RM
-18.80%	8,738,704	(2,023,247)
0.00%	10,761,951	-
18.80%	12,785,198	2,023,247
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(ii) Currency risk

The Fund's investments are denominated in foreign currencies. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations of the Fund as at 30 September 2011 arising from the denomination of the Fund's financial instruments in foreign currency.

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
HKD	10,761,951	16,951	10,778,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Currency risk (continued)

The table below summarises the sensitivity of the Fund's investments, cash and cash equivalent fair value to changes in foreign exchange movements as at 30 September 2011. The analysis is based on the assumption that the foreign exchange rate fluctuates by 6.20%, which is the standard deviation of the daily fluctuation of the exchange rate of HKD against MYR from the date of constitution of the Fund to 30 September 2011, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any fluctuation in foreign exchange rate will result in a corresponding increase/decrease in the net assets attributable to unit holders by approximately 6.20%.

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

	Change in foreign exchange rate %	Impact on net income before tax RM	Impact on net asset value RM
HKD	6.20	668,292	668,292

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The major classes of financial assets of the Fund are dividend receivable, and cash and cash equivalents.

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

Industry	Cash and cash equivalents RM	Amount due from broker	Dividends receivable RM	Total RM
Energy	-	-	19,204	19,204
Finance	24,242	37,127	-	61,369
Telecommunications	-	-	24,068	24,068
Total	24,242	37,127	43,272	104,641

All financial assets of the Fund as at 30 September 2011 are neither past due nor impaired.

As at 30 September 2011, all cash and cash equivalents are placed with Deutsche Bank.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

	Less than 1 month RM	Less than 1 year RM	Total RM
At 30 September 2011			
Amount due to trustee	1,480	-	1,480
Other payables and accruals	5,632	44,038	49,670
	7,112	44,038	51,150
Contractual cash out flows	7,112	44,038	51,150

(d) Single issuer risk

Any major price fluctuation of a particular security invested by the Fund may affect the Fund's net asset value and thus the prices of units.

The single issuer risk is managed by adhering to the investment limits as specified in the SC Guidelines on Exchange Traded Funds.

(e) Passive investment

The Fund is not actively managed. Accordingly, the Fund may be affected by a decline in the Benchmark Index. The Manager does not attempt to select stocks individually or take defensive in declining markets

(f) Tracking error Risk

Changes in the NAV of the Fund are unlikely to replicate the exact changes in the Benchmark Index. This is due to, among other things, the fees and the expenses payable by the Fund and transaction fees and stamp duty incurred in adjusting the composition of the Fund's portfolio because of the changes in the Benchmark Index and dividends received, but not distributed, by the Fund. In addition, as a result of the unavailability of Index securities, the Transaction Costs in making an adjustment or for certain other reasons, there may be timing differences between changes in the Benchmark Index and the corresponding adjustment to the shares which comprise the Fund's portfolio.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Foreign security risks

The Fund invests entirely within or relates within or relates to the equity markets of a single country. These markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic development. The principal risk factors, which could decrease the value of the investor's investment, are listed and described below:

- less liquid and less efficient securities markets;
- greater price volatility;
- exchange rate fluctuations and exchange controls;
- less publicly available information about issuers;
- higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- difficulties in enforcing contractual obligations;
- lesser levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- more substantial government involvement in the economy;
- higher rates of inflations; and
- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

(h) Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not follow the rules set out in the Fund's constitution, or the law that govern the Fund, or act fraudulently or dishonestly. It also includes the risk of the Manager not complying with internal control procedures. The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the manager.

(i) Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders. The Manager will provide In-Kind Creation Basket which comprises a portfolio of the Underlying Index shares in substantially the same composition and weighting as the Underlying Index and cash component to be delivered by the Participating Dealer in the case of creations and to be transferred to the Participating Dealer in the case of cancellations. The Fund maintains sufficient quantity of shares and cash in proportion to the In-Kind Basket.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. MANAGEMENT FEE, AUDIT FEE AND TAX AGENT'S FEE

In accordance with Clause 15.1 of the Deed, the Manager is entitled to a fee of up to 3.00% per annum calculated and accrued daily based on the net asset value of the Fund.

For the financial period ended 30 September 2011, the management fee is recognised at a rate of 0.60% per annum.

For financial period ended 30 September 2011, audit fee and tax agent fee are RM 6,301 (2010: RM 11,932) and RM 2,294 (2010: RM 705) respectively.

There will be no further liability to the Manager, auditor and tax agent other than amounts recognised above.

5. TRUSTEE'S FEES

In accordance with Clause 15.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.20% per annum, calculated based on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum, excluding foreign sub-custodian fees and charges.

For the financial period ended 30 September 2011, the Trustee's fee is recognised at a rate of 0.08% per annum.

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

6. LICENSE FEE

License fee is payable to FTSE International Limited, the Underlying Index provider.

For the financial period ended 30 September 2011, the License fee is recognised at a rate of 0.04% per annum of the net asset value of the Fund, calculated on daily basis.

There will be no further liability to the FTSE International Limited in respect of license fee other than the amounts recognised above.

7. TAXATION

	30.09.2011	30.09.2010
	RM	RM
Current taxation - foreign	17,027	-

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

	30.09.2011	30.09.2010
	RM	RM
Net (loss)/profit before taxation	(2,826,117)	533,574
Taxation at Malaysian statutory rate of 25%	(706,529)	133,393
Tax effects of:		
Net profit on sale of investment deduction for the tax purposes	33,752	(145,301)
Unrealised loss on value of investment not deductible for tax purposes	851,606	-
Net loss on foreign exchange currency not subject to tax	(169,095)	-
Expenses not deductible for tax purposes	4,708	-
Restriction on tax deductible expenses for unit trust funds	2,585	11,908
Taxation	17,027	-

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011
	RM
Designated at fair value through profit or loss at inception	
- Foreign quoted shares	10,761,951
Net gain on financial assets at fair value through profit or loss	
- Realised gain on disposals	(135,010)
- Change in unrealised fair value gain	(3,406,424)
	(3,541,434)

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

As at 30.09.2011

	Quantity	Aggregate cost RM	Market value RM	Percentage of net asset value %
Agricultural Bank of China	378,000	601,758	399,068	3.69
Air China Ltd	48,300	174,183	108,506	1.00
Aluminium Corp Of China Ltd	84,000	211,990	119,617	1.11
Anhui Conch Cement Corp Ltd	27,300	269,869	241,297	2.23
Bank of China Ltd	399,000	641,890	400,014	3.70
Bank of Communication Corp	189,000	575,561	362,719	3.35
China CITIC Bank Corp Ltd	231,000	457,884	305,316	2.82
China Coal Energy Corp Ltd	84,000	352,985	243,016	2.25
China Construction Bank Corp	483,000	1,256,744	946,713	8.75
China COSCO Holdings	52,500	170,220	69,605	0.64
China Life Insurance Corp	63,000	771,638	484,656	4.48
China Merchants Bank	73,500	570,084	360,313	3.33
China Minsheng Banking Corp Ltd	84,000	224,450	164,646	1.52
China Mobile Ltd	37,800	1,208,460	1,192,564	11.03
China Pacific Insurance	37,800	467,228	351,892	3.25
China Petroleum & Chemical Corp (SINOPEC)	159,600	415,265	501,568	4.64
China Shenhua Energy Company Ltd	35,700	428,583	453,592	4.19
China Telecom Corp Ltd	231,000	358,989	468,845	4.34
China Unicom	67,200	296,797	446,572	4.13
CNOOC Ltd	153,300	886,857	815,495	7.54
Industrial and Commercial Bank of China Ltd	504,000	1,158,328	787,825	7.28
Petrochina Corp Ltd	189,000	697,279	747,866	6.92
Ping An Insurance Group Corp of China Ltd	21,000	627,619	379,819	3.51
Yanzhou Coal Mining Corp Ltd	42,000	413,869	294,231	2.72
Zijin Mining Group Corp Ltd	124,000	189,158	116,196	1.08
TOTAL QUOTED INVESTMENTS	<u>3,799,000</u>	<u>13,427,688</u>	<u>10,761,951</u>	<u>99.50</u>
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		144,163		
EFFECT OF UNREALISED FOREIGN EXCHANGE DIFFERENCES		<u>(2,809,900)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u><u>10,761,951</u></u>		

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

As at 30.09.2010

	Quantity	Aggregate cost RM	Market value RM	Percentage of net asset value %
China Petroleum & Chemical Corp	330,000	840,425	902,257	4.09
China Railway Group Ltd	165,000	357,702	398,672	1.81
China Telecom Corp Ltd	594,000	913,464	1,005,597	4.55
Air China Limited	132,000	444,159	562,337	2.55
China Unicom (Hong Kong) Ltd	198,000	855,068	893,864	4.05
PetroChina Company Limited	264,000	942,725	947,370	4.29
CNOOC Limited	165,000	872,351	986,188	4.47
China Construction Bank Corp	726,000	1,895,931	1,961,884	8.88
China Mobile Limited	66,000	2,134,956	2,083,846	9.44
Datang International Power Gen	132,000	178,021	169,960	0.77
China CITIC Bank Corp Ltd	363,000	746,829	714,068	3.23
China Shenhua Energy Co. Ltd	71,500	834,001	912,093	4.13
BYD Co Limited	26,000	588,285	644,225	2.92
Industrial and Commercial Bank China Communications Construction	726,000	1,715,065	1,667,602	7.55
China Coal Energy Company	165,000	495,901	483,914	2.19
China COSCO Holdings Co Ltd.	165,000	673,177	841,931	3.81
China COSCO Holdings Co Ltd.	99,000	321,153	345,035	1.56
Ping An Insurance Group Company	36,500	979,814	1,148,804	1.74
Aluminum Corp of China	132,000	325,983	383,983	1.74
China Pacific Insurance (G) Co	39,600	498,009	458,735	2.08
China Life Insurance Co Limited	104,000	1,443,519	1,266,752	5.74
Zijin Mining Group Co Ltd-H	132,000	290,030	346,215	1.57
Bank of Communication Co. Ltd	264,000	910,513	880,225	3.99
China Merchants Bank - H	99,000	772,115	786,852	3.56
Bank of China Limited	759,000	1,262,438	1,227,620	5.56
	<u>5,953,600</u>	<u>21,291,634</u>	<u>22,020,029</u>	<u>96.27</u>
Effect of unrealised foreign exchange gain difference recognised in income statement		(740,317)		
Fair value reserve		<u>1,468,712</u>		
		<u><u>22,020,029</u></u>		

9. CASH AND CASH EQUIVALENTS

	30.09.2011	30.09.2010
	RM	RM
Bank balances in a licensed bank	24,242	16,887

The currency profile of cash and cash equivalents is as follows:

	30.09.2011	30.09.2010
	RM	RM
- Ringgit Malaysia	7,291	(12,935)
- Hong Kong Dollar	16,951	29,822
	24,242	16,887

10. OTHER PAYABLES AND ACCRUALS

	30.09.2011	30.09.2010
	RM	RM
Provision for audit fee	31,301	11,932
Provision for tax agent fee	3,756	706
Other accruals	8,980	1,924
	44,037	14,562

11. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Net Asset Value (NAV) attributable to unit holders is represented by:

	Note	30.09.2011	30.09.2010
		RM	RM
Unit holders' contribution	(a)	13,476,255	11,058,930
Retained earnings		(2,660,813)	1,332,164
		10,815,442	22,081,139

11. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

(a) UNIT HOLDERS' CONTRIBUTION/ UNIT IN CIRCULATION

	30.09.2011		30.09.2010	
	No of units	RM	No of units	RM
At the beginning of the financial year	13,650,000	13,624,532	-	-
Add: Creations arising from application	-	-	21,450,000	21,547,565
Less: Cancellation of units	-	-	-	-
Total comprehensive income for the financial period	-	(2,809,090)	-	533,574
At end of the financial period	<u>13,650,000</u>	<u>10,815,442</u>	<u>21,450,000</u>	<u>22,081,139</u>
Approved size of the Fund	<u>500,000,000</u>		<u>500,000,000</u>	

In accordance with the Deed, the Manager may increase the size of the Fund from time to time with the approval of the Trustee and the Securities Commission. The maximum number of units that can be issued out for circulation of the Fund is 500,000,000. As at 30 September 2011, the number of units not yet issued is 486,350,000 (2010: 478,550,000).

The Manager, CIMB-Principal Asset Management Berhad, did not hold any units in the Fund as at 30 September 2011.

12. MANAGEMENT EXPENSE RATIO ("MER")

	30.09.2011	30.09.2010
MER	<u>0.35</u>	<u>0.23</u>

MER is derived based on the following calculation:

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

A	=	Trustee's fee
B	=	Custodian fee
C	=	Audit fee
D	=	Transaction costs
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average net asset value of the Fund calculation on a daily basis

The average net asset value of the Fund for the financial period calculated on daily basis is RM 12,276,213 (2010: RM20,909,380)

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	30.09.2011	30.09.2010
PTR (times)	0.09	0.66

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM 1,156,177 (2010: RM 24,469,247)

total disposal for the financial period = RM 1,176,555 (2010: RM 2,965,965)

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

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

<u>Related parties</u>	<u>Relationship</u>
CIMB-Principal Asset Management Berhad	The Manager
CIMB-Principal Asset Management (S) Pte. Ltd.	Investment Adviser of the Fund
CIMB Group Sdn Bhd	Holding company of the Manager
CIMB Group Holdings Berhad (“CIMB”)	Ultimate holding company of the Manager
Subsidiaries and associates of CIMB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

Units held by the Manager and parties related to the Manager

There were no units held by the Manager and parties related to the Manager as at the end of the financial period.

In addition to related party disclosure mentioned elsewhere in the financial statements, there are no other significant related party transactions and balances.

15. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with all brokers for the financial period ended 30 September 2011 are as follows:

Brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Citigroup Global Markets Asia Ltd (Hk)	1,839,173	78.87	5,667	76.23
China International Capital Corp Hk Securities Ltd	492,775	21.13	1,767	23.77
	<u>2,331,948</u>	<u>100.00</u>	<u>7,434</u>	<u>100.00</u>

Details of transactions with all brokers for the financial period ended 30 September 2010 are as follows:

Brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
Credit Suisse Sec (S) Pte Ltd	2,823,342	10.29	1,440	11.59
CIMB Berhad #	18,344,822	66.87	5,897	47.46
China International Capital Corp. HK	533,132	1.94	1,333	10.73
Citi Group Global Market	5,733,914	20.90	3,755	30.23
	<u>27,435,210</u>	<u>100.00</u>	<u>12,425</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted on normal terms with CIMB Bank Labuan, a company related to the Manager amounting to RM18,344,822

16. SEGMENT INFORMATION

The Fund is designed to provide investment results that closely correspond to the performance of the FTSE CHINA 25 Index, regardless of its performance. In managing the Fund, the Manager attempts to achieve a high positive correlation and a low tracking error between the Net Asset Value of the Fund's portfolio and the Underlying Index. The internal reporting provided to the CEO for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS. The CEO is responsible for the performance of the fund and considers the business to have a single operating segment.

DIRECTORY

Head office of the Manager

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