

# **FIRST SUPPLEMENTAL INFORMATION MEMORANDUM**

This First Supplemental Information Memorandum is dated 16 February 2024.

## **OPUS SRI SUKUK FUND**

(constituted on 6 August 2021)

**Manager** : Opus Asset Management Sdn Bhd  
(Registration No. 199601042272 (414625-T))

**Trustee** : Deutsche Trustees Malaysia Berhad  
(Registration No. 200701005591 (763590-H))

**OPUS SRI SUKUK FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM DATED 11 NOVEMBER 2021 AND THIS FIRST SUPPLEMENTAL INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**UNITS OF THE FUND IS ONLY OFFERED FOR SALE TO SOPHISTICATED INVESTORS ONLY.**

## **Responsibility Statement**

This First Supplemental Information Memorandum has been seen and approved by the directors of Opus Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement in this First Supplemental Information Memorandum misleading.

## **Statements of Disclaimer**

A copy of this First Supplemental Information Memorandum has been lodged with the Securities Commission Malaysia ("SC").

**The SC has not authorised or recognised the Opus SRI Sukuk Fund and a copy of the Information Memorandum dated 11 November 2021 and this First Supplemental Information Memorandum (collectively, "Information Memorandums") have not been registered with the SC. The lodgement of the Information Memorandums should not be taken to indicate that the SC recommends the Opus SRI Sukuk Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandums.**

**The SC is not liable for any non-disclosure on the part of Opus Asset Management Sdn Bhd, the management company responsible for the Opus SRI Sukuk Fund and takes no responsibility for the contents in the Information Memorandums. The SC makes no representation on the accuracy or completeness of the Information Memorandums, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.**

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

## **Additional Statements**

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

If some of the underlying investments of Opus SRI Sukuk Fund are not actively traded, investors are warned that under such circumstances, they may face difficulty in redeeming their investments.

Opus SRI Sukuk Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

This First Supplemental Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction.

**INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.**

**THIS FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 16 FEBRUARY 2024 HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM OF OPUS SRI SUKUK FUND DATED 11 NOVEMBER 2021.**

This First Supplemental Information Memorandum is made to address the following changes:-

- 1) The references to “Abbas Investment Management Sdn Bhd (formerly known as Abbas IM Sdn Bhd)” and “AIM” are hereby replaced with “Opus Islamic Asset Management Sdn Bhd (formerly known as Abbas Investment Management Sdn Bhd)” and “OIAM” wherever they appear in the Information Memorandum.
- 2) The definitions of “Deed” and “Sophisticated Investors” referred to in pages 1-4 of the Information Memorandum dated 11 November 2021 has been amended as follows:-

	<b>Current information</b>	<b>Revised information</b>
<b>Deed</b>	means the deed dated 6 August 2021 and any other supplemental deed that may be entered into between the Trustee and us in respect of the Fund.	means the deed dated 6 August 2021, the first supplemental deed dated 30 October 2023 and any other supplemental deed that may be entered into between the Trustee and us in respect of the Fund.
<b>Sophisticated Investor</b>	As per the Information Memorandum dated 11 November 2021.	<p>means:</p> <p>(a) any person who is determined to be a sophisticated investor under the Guidelines on Categories of Sophisticated Investors; or</p> <p>(b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; and/or</p> <p>(c) any other category(ies) of investors as may be permitted by the SC from time to time.</p> <p><i>Note: For more information, please refer to our website at <a href="http://www.opusasset.com">www.opusasset.com</a> for the definition of Sophisticated Investor.</i></p>

- 3) The following new definition is to be inserted after the definition of “Deed” under “Glossary” in page 1 of the Information Memorandum dated 11 November 2021:

	<b>Current information</b>	<b>Revised information</b>
<b>ESG</b>	Nil	means environmental, social and governance.

- 4) The information on the Manager and the Trustee under “Corporate Directory” referred to in page 5 of the Information Memorandum dated 11 November 2021 have been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>THE MANAGER</b>	<p>NAME : Opus Asset Management Sdn Bhd</p> <p>REGISTRATION NO. : 199601042272 (414625-T)</p> <p>REGISTERED OFFICE : 2<sup>nd</sup> Floor, No. 2-4, Jalan Manau 50460 Kuala Lumpur</p> <p>TELEPHONE NO. : 603-2273 1221</p> <p>FAX NO. : 603- 2273 1220</p> <p>BUSINESS OFFICE : B-19-2, Northpoint Offices, Mid Valley City No.1, Medan Syed Putra Utara 59200 Kuala Lumpur</p> <p>TELEPHONE NO. : 603-2288 8882</p> <p>FAX NO. : 603-2288 8889</p>	<p>NAME : Opus Asset Management Sdn Bhd</p> <p>REGISTRATION NO. :199601042272 (414625-T)</p> <p>REGISTERED OFFICE : 2<sup>nd</sup> Floor, No. 2-4, Jalan Manau 50460 Kuala Lumpur</p> <p>TELEPHONE NO. : 603-2273 1221</p> <p>FAX NO. : 603- 2273 1220</p> <p>BUSINESS OFFICE : B-19-2, Northpoint Offices, Mid Valley City No.1, Medan Syed Putra Utara 59200 Kuala Lumpur</p> <p>TELEPHONE NO. : 603-2288 8882</p> <p>FAX NO. : 603-2288 8889</p>

**THIS FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 16 FEBRUARY 2024 HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM OF OPUS SRI SUKUK FUND DATED 11 NOVEMBER 2021.**

	WEBSITE ADDRESS : www.opusasset.com	WEBSITE ADDRESS : www.opusasset.com EMAIL : enquiry@opusasset.com
<b>THE TRUSTEE</b>	NAME : Deutsche Trustees Malaysia Berhad REGISTRATION NO. : 200701005591 (763590-H) REGISTERED OFFICE AND BUSINESS ADDRESS : Level 20, Menara IMC No.8, Jalan Sultan Ismail 50250 Kuala Lumpur TELEPHONE NO. : 603-2053 7522	NAME : Deutsche Trustees Malaysia Berhad REGISTRATION NO. : 200701005591 (763590-H) REGISTERED OFFICE AND BUSINESS ADDRESS : Level 20, Menara IMC No.8, Jalan Sultan Ismail 50250 Kuala Lumpur TELEPHONE NO. : 603-2053 7522 EMAIL : dtmb.rtm@db.com

- 5) The information on “Investment Strategy” referred to in pages 6-7 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Investment Strategy</b>	<p>The Fund seeks to achieve its objective by investing a minimum of 60% of its NAV in SRI Sukuk.</p> <p>For rated SRI Sukuk, we will invest in SRI Sukuk which have a minimum credit rating of at least AA3 or P1 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency) at the time of purchase. In the event of a credit downgrade, we reserve the right to deal with the SRI Sukuk in the best interests of Unit Holders.</p> <p>For the purpose of liquidity management, we will allocate up to 40% of the Fund’s NAV in cash and liquid assets.</p> <p>The Fund’s overall investment maturity profile is subject to active maturity structure management based on the profit rate outlook without any portfolio maturity limitation. The Fund may invest in SRI Sukuk with varying maturities.</p> <p><b>Sustainable and Responsible Investment Strategy</b> We shall employ a negative screening strategy when identifying investment opportunities for the Fund’s investments in SRI Sukuk. We will apply the negative-filter screening process to exclude sukuk that are not issued as SRI sukuk under the Guidelines in the selection, retention and realisation of the Fund’s investments. In respect of the SRI sukuk issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities, we will adopt the screening and methodology adopted by the Government of Malaysia in the issuance of such SRI sukuk.</p>	<p>The Fund seeks to achieve its objective by investing a minimum of 70% of its NAV in SRI Sukuk.</p> <p>For rated SRI Sukuk, we will invest in SRI Sukuk which have a minimum credit rating of at least AA3 or P1 by RAM (or equivalent rating by MARC or by any other reputable credit rating agency) at the time of purchase. In the event of a credit downgrade, we reserve the right to deal with the SRI Sukuk in the best interests of Unit Holders.</p> <p>For the purpose of liquidity management, we will allocate up to 30% of the Fund’s NAV in cash and liquid assets.</p> <p>The Fund’s overall investment maturity profile is subject to active maturity structure management based on the profit rate outlook without any portfolio maturity limitation. The Fund may invest in SRI Sukuk with varying maturities.</p> <p><b>Sustainable and Responsible Investment Strategy</b> We shall employ a negative screening strategy when identifying investment opportunities for the Fund’s investments in SRI Sukuk. We will identify and select sukuk that are issued as SRI sukuk under the Guidelines for the Fund’s investments. However, the negative screening strategy will not apply to sukuk issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities.</p> <p>For the liquid assets, we will identify and select Islamic money market instruments and Islamic deposits based on the issuer’s or the financial institution’s ESG scoring, which is derived based on our internal ESG scoring. We will assess the issuer and financial institution based on the following various ESG-related factors:</p>

	<p>We will evaluate the Fund's investments on a quarterly basis to ensure that the investments of the Fund comply with the Guidelines and the overall impact of the investments of the Fund is not inconsistent with any other sustainability considerations. If the Fund's investment no longer complies with the Guidelines and/or become inconsistent with the investment policy and strategy of the Fund, we shall dispose of the investment if the value of the investment exceeds or is equal to the investment cost. The Fund is allowed to hold the investment if the value of the investment is below the investment cost. The Fund is also permitted to retain the profit received during the holding period until such time when the market value of the investment held is equal to the investment cost.</p> <p>However, the negative screening strategy will not apply to the remaining portion of the Fund's NAV (i.e., up to 40% of the Fund's NAV) which are held for the purpose of liquidity management.</p>	<ul style="list-style-type: none"> <li>- Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;</li> <li>- Social: such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);</li> <li>- Governance: such as board of directors of the issuer's or financial institution's independence, managers' remuneration, respect of minority shareholders rights.</li> </ul> <p>After assessing these factors, an overall ESG score of "Positive", "Neutral" or Negative" is assigned to the issuer and financial institution. Generally, a "Negative" score indicates that the issuer or financial institution has high level of ESG risk and has minimal measures in place to mitigate such risk; a "Positive" or "Neutral" score indicates that the issuer or financial institution has limited ESG risk. We will not place with overall negative score of ESG financial institutions.</p> <p>The Fund will maintain at least 2/3 of its NAV in investments (excluding sukuk issued or guaranteed by the Malaysian government, BNM, government-related entities and/or quasi-government related entities and SRI Sukuk which has been converted) that are subject to the above sustainability considerations at all times.</p> <p>We will evaluate the Fund's investments on a quarterly basis to ensure that the investments of the Fund comply with the Guidelines and the overall impact of the investments of the Fund is not inconsistent with any other sustainability considerations. If the Fund breaches the minimum asset allocation threshold of 2/3 of its NAV in investments that are subject to the above sustainability considerations and/or the Fund's investment become inconsistent with the investment policy and strategy of the Fund, we shall rectify the breach or dispose of the investment within 3 months from the date of the breach. The 3-month period may be extended due to any appreciation or depreciation in value of the Fund's investments, repurchase of Units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in, or downgrade in or cessation of a credit rating if it is in the best interest of the Unit Holders and the Trustee's consent is obtained. Such extension will be subject to at least a monthly review by the Trustee.</p> <p>In relation to convertible SRI Sukuk, we may dispose of such convertible SRI Sukuk prior to conversion. In the event the SRI Sukuk is converted, we will dispose the investment and replace it with other investments which are in line with the Fund's sustainability considerations as set out above within 3 months from the date of conversion. The SRI Sukuk which has been converted will be</p>
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	<p><b>Temporary Defensive Position</b> We may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to certain adverse conditions which include but not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio, periods of high repurchases or any other adverse conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, we will reduce the Fund's investment exposure in RM-denominated SRI Sukuk and hold more cash. The cash will be placed in Islamic deposits with financial institutions to reduce the exposure during market downturn and to help preserve the Fund's capital and mitigate losses.</p> <p>We are allowed to implement temporary defensive positions up to a maximum of 3 months from the date the temporary defensive positions is implemented.</p>	<p>excluded from the minimum asset allocation threshold of 2/3 of its NAV in investments that are subject to the above sustainability considerations.</p> <p><b>Temporary Defensive Position</b> We may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to certain adverse conditions which include but not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio, periods of high repurchases or any other adverse conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, we will reduce the Fund's investment exposure in SRI Sukuk and hold more cash. The cash will be placed in Islamic deposits with financial institutions to reduce the exposure during market downturn and to help preserve the Fund's capital and mitigate losses. We will ensure that at least 2/3 of the Fund's NAV remains in investments that meet the sustainability considerations of the Fund during such temporary defensive position.</p> <p>We are allowed to implement temporary defensive positions up to a maximum of 3 months from the date the temporary defensive positions is implemented.</p>
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- 6) The information on "Asset Allocation" referred to in page 7 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	Current information	Revised information												
<b>Asset Allocation</b>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Asset Class</th> <th style="text-align: center;">% of Fund's NAV</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">SRI Sukuk</td> <td style="text-align: center;">Minimum 60%</td> </tr> <tr> <td style="text-align: center;">Cash and liquid assets*</td> <td style="text-align: center;">Up to 40%</td> </tr> </tbody> </table>	Asset Class	% of Fund's NAV	SRI Sukuk	Minimum 60%	Cash and liquid assets*	Up to 40%	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Asset Class</th> <th style="text-align: center;">% of Fund's NAV</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">SRI Sukuk</td> <td style="text-align: center;">Minimum 70%</td> </tr> <tr> <td style="text-align: center;">Cash and liquid assets*</td> <td style="text-align: center;">Up to 30%</td> </tr> </tbody> </table>	Asset Class	% of Fund's NAV	SRI Sukuk	Minimum 70%	Cash and liquid assets*	Up to 30%
	Asset Class	% of Fund's NAV												
	SRI Sukuk	Minimum 60%												
Cash and liquid assets*	Up to 40%													
Asset Class	% of Fund's NAV													
SRI Sukuk	Minimum 70%													
Cash and liquid assets*	Up to 30%													
	<i>*Liquid assets comprise of Islamic money market instruments and Islamic deposits.</i>	<i>*Liquid assets comprise of Islamic money market instruments and Islamic deposits.</i>												

- 7) The information on "Benchmark" referred to in page 7 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	Current information	Revised information
<b>Benchmark</b>	<p>Maybank 12-month Islamic fixed deposit rate</p> <p>Source: Malayan Banking Berhad</p>	<p>Maybank 12-month Islamic fixed deposit rate</p> <p>Source: Malayan Banking Berhad</p> <p><i>Note: The benchmark of the Fund is used only for the purpose of measuring the performance of the Fund.</i></p>

**THIS FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 16 FEBRUARY 2024 HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM OF OPUS SRI SUKUK FUND DATED 11 NOVEMBER 2021.**

- 8) The information on “Deed” referred to in page 8 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Deed</b>	6 August 2021	<ul style="list-style-type: none"> <li>• Deed dated 6 August 2021</li> <li>• First Supplemental Deed dated 30 October 2023</li> </ul>

- 9) The information on “List of Expenses related to the Fund” referred to in page 10 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>List of Expenses related to the Fund</b>	<ul style="list-style-type: none"> <li>▪ Auditors’ fee and charges;</li> <li>▪ Tax adviser’s fee and charges;</li> <li>▪ Shariah adviser’s fee and charges;</li> <li>▪ Taxes and duties charged by the government and/or relevant authorities;</li> <li>▪ Fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;</li> <li>▪ Fees, charges, costs and expenses relating to the preparation, printing, posting and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law;</li> <li>▪ Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and</li> <li>▪ Any other charges permitted by the Deed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Auditors’ fee and charges;</li> <li>▪ Tax adviser’s fee and charges;</li> <li>▪ Shariah adviser’s fee and charges;</li> <li>▪ Taxes and duties charged by the government and/or relevant authorities;</li> <li>▪ Fees in relation to fund valuation and accounting services;</li> <li>▪ Fees, charges, costs and expenses relating to the preparation, printing, posting and lodgment of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant law;</li> <li>▪ Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and</li> <li>▪ Any other charges permitted by the Deed.</li> </ul>

- 10) The information on “Distribution Policy” referred to in page 13 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Distribution Policy</b>	The Fund intends to distribute income, if any, at least once a year on best effort basis. However, the Manager reserves the right not to distribute income at its absolute discretion.	<p>The Fund will distribute income, if any, at least once a year on best effort basis. The Fund may distribute from realised income, realised gains and/or capital. However, the Manager reserves the right not to distribute at its sole and absolute discretion.</p> <p><b>Distribution out of the Fund’s capital has the effect of lowering the NAV of the Fund, may reduce part of the Unit Holders’ original investment and may also result in reduced future returns to Unit Holders. When a substantial amount of the original investment is being returned to the Unit Holders, it has a risk of eroding the capital of the Fund and may, over time, cause the NAV of the Fund to fall. The greater the risk of capital erosion that exists, the greater the likelihood that, due to capital erosion, the value of future returns would also be diminished.</b></p>

- 11) The following new risks are to be inserted after “Shariah non-compliance risk” under “Specific Risks of Investing in the Fund” in page 15 of the Information Memorandum dated 11 November 2021:

	<b>Current information</b>	<b>Revised information</b>
<b>Capital Distribution Risk</b>	Nil.	The Fund may distribute income out of its capital. The declaration and payment of distribution may have the effect of lowering the NAV of the Fund. In addition, distribution out of the Fund’s capital may reduce part of the Unit Holders’ original investment and/or capital gains attributable to the original investments and may also result in reduced future returns to Unit Holders.
<b>Sustainability Risk</b>	Nil.	<p>There is a risk that we may not apply the sustainable and responsible investment strategy correctly which may lead to the Fund foregoing investment opportunities or may invest in investments which do not meet the sustainability considerations of the Fund.</p> <p>As part of the investment strategy of the Fund, we adopt negative screening strategy for the Fund’s investment in sukuk and our internal ESG scoring for the Fund’s investments in liquid assets at each step of our investment process, i.e., the selection, monitoring and realisation of the Fund’s investments. We will monitor the Fund’s investments on a quarterly basis to ensure that the investments of the Fund adhere to the sustainability considerations of the Fund. This enables the Fund to manage its exposure to investments with sustainability risks as well as those with valuations that do not reflect such sustainability risks.</p>

- 12) The information on the Designated External Fund Manager under “External Investment Manager” referred to in page 20 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Designated External Fund Manager</b>	<p><b>Ahmad Fuad Alhabshi</b> <b>Chief Executive Officer</b></p> <p>En. Fuad has held the post of Chief Executive Officer in AIM since November 2020 and was instrumental in setting up the firm. He has over 12 years’ experience in portfolio management, credit analysis, product development, and analytics during his time with OpusAM, where he started his career. En Fuad holds a Master of Science degree in Analogue and Digital Integrated Circuit Design from Imperial College London, UK and a Bachelor of Science degree in Electronic Engineering from the University of Warwick, UK. He has been a holder of a Capital Markets Services Representative’s Licence since 2010.</p>	<p><b>Ahmad Zarul Fitri Bin Mohd Azam</b> <b>Investment Manager</b></p> <p>En. Zarul is an Investment Manager in Opus that joined in February 2022. He oversees multiple discretionary and wholesale funds within the Opus group. He started his career as an intern at Morgan Stanley Wealth Management Brisbane in the relative value and arbitraging team during the 2008 global financial crisis.</p> <p>Later, he joined RHB Bank as a Cross Market trader in 2011 where he is primarily in charge in maintaining the principal dealership as well as trading multiple cross currency assets. He then was scouted in 2015 by Kumpulan Wang Persaraan (Diperbadankan) to manage their government &amp; quasi and Asian fixed income portfolios where he managed asset under management worth RM 50 billion.</p>



		<p>In 2017, he was recruited by United Overseas Bank Malaysia Berhad (UOB) to setup their Credit Trading Desk, Structure Credit Desk, as well as Retail Bond Business. He grew the business to generate RM 20 million a year in profit within 2 years as well as developing new credit derivative products for UOB.</p> <p>He holds a Bachelor of Commerce (Finance) from the University of Queensland, Australia and is a holder of Capital Markets Services Representative's License.</p>
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- 13) The information on sub-paragraph (a) of the Unit Holders' Rights under "Salient Terms of the Deed" referred to in page 26 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Unit Holders' Rights</b>	(a) to receive distribution of income, if any, of the Fund;	(a) to receive distribution of income and/or capital, if any, of the Fund;

- 14) The information on the Termination of the Fund under "Salient Terms of the Deed" referred to in page 27 of the Information Memorandum dated 11 November 2021 has been amended as follows:

	<b>Current information</b>	<b>Revised information</b>
<b>Termination of the Fund</b>	<p>The Fund may be terminated or wound up should a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.</p> <p>The Manager shall be entitled to terminate the Fund and/or a Class, as the case may be, upon the occurrence of any of the following events:</p> <p>(a) if the Fund is left with no Unit Holders;</p> <p>(b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and/or a Class.</p>	<p>The Fund may be terminated or wound up should a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.</p> <p>Subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior approval of the Unit Holders, terminate the Fund and/or a Class, as the case may be, if such termination:</p> <p>(a) is required by the relevant authorities;</p> <p>(b) is in the best interests of Unit Holders and the Manager in consultation with the Trustee deems it to be uneconomical for the Manager to continue managing the Fund.</p> <p>Notwithstanding the aforesaid, if the Fund is left with no Unit Holder, the Manager shall be entitled to terminate the Fund.</p>

**THE REMAINING PAGE IS INTENTIONALLY LEFT BLANK**

- 15) The tax adviser's letter under "Tax Adviser's Letter" referred to in pages 30 to 36 of the Information Memorandum dated 11 November 2021 has been updated as follows:



**Crowe KL Tax Sdn Bhd**  
197101000345 (10709-X)  
Level 15, Tower C, Megan Avenue 2  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Malaysia  
Main +6 03 2788 9898  
Fax +6 03 2788 9899  
www.crowe.my

Date: 18 October 2023

Opus Asset Management Sdn Bhd  
B-19-2 Northpoint Offices  
Mid Valley City  
No. 1 Medan Syed Putra Utara  
59200 Kuala Lumpur

Dear Sirs

**OPUS SRI SUKUK FUND  
TAXATION OF THE FUND AND UNIT HOLDERS**

This letter is prepared for inclusion in the First Supplemental Information Memorandum for the Opus SRI Sukuk Fund (hereinafter referred to as "the Fund"), with the purpose of updating the tax information within the Information Memorandum.

**1. INFORMATION ON THE FUND**

The Fund is an investment scheme that is required to adhere to the *Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework* issued by the Securities Commission Malaysia ("SC") pursuant to the Capital Markets and Services Act, 2007 ("CMSA").

The scope of this letter is to address on the taxation implications in Malaysia.

**2. TAXATION OF A UNIT TRUST FUND**

**2.1 Taxable income**

The taxation of the Fund which is a unit trust scheme is governed principally by Sections 61 and 63B of the Income Tax Act, 1967 ("ITA"). Further, the Inland Revenue Board of Malaysia ("IRBM") has issued the Public Ruling 7/2013: Unit Trust Funds Part I – An Overview and Public Ruling 7/2014: Unit Trust Funds - Part II – Taxation of Unit Trusts dated 28 May 2013 and 4 November 2014 respectively to explain the tax treatments for Unit Trust Funds.

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The Fund's trustee is Deutsche Trustees Malaysia Berhad, which is a resident in Malaysia for tax purposes. As the trustee is a tax resident in Malaysia, the Fund is also regarded as a Malaysian tax resident.

**(a) Malaysia sourced income**

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income derived from or accruing in Malaysia is liable to income tax unless specifically exempted under the law. In this respect, any gains or profits received, in lieu of interest, for transactions conducted in accordance with the principles of *Shariah*, will be treated as interest and be accorded the same treatment as if they were interest in accordance with Section 2(7) of the MITA. Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transaction conducted in accordance with the principles of *Shariah*. The income tax rate applicable to the Fund is 24%.

**(b) Foreign sourced income**

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income derived from outside Malaysia is subject to Malaysian income tax when the income is received in Malaysia from outside Malaysia at the prevailing tax rate applicable to the Fund.

Where the Fund has suffered foreign tax on the foreign sourced income that is subject to Malaysian tax, the Fund may claim bilateral (for a country that has a double tax agreement with Malaysia) or unilateral (for a country not having a double tax agreement with Malaysia) relief against the Malaysian tax payable.

However, this is not applicable to the Fund as the Fund is not permitted to invest in overseas assets.

**2.2 Exempt income / Non taxable income**

**(a) Profits from the realization of investments**

Gains from sale of investments will not be treated as income of the Fund and hence, are not subject to income tax [Section 61(1) of the MITA].

**(b) Dividend income**

Dividends received by the Fund from Malaysian entities which are tax exempted are not subject to income tax. This includes dividends distributed under the single tier tax system [Paragraph 12B, Schedule 6 of the MITA].

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**(c) Interest income**

Interest income received by the Fund from the following is exempted from income tax:

- (i) Any savings certificates issued by the Government [*Paragraph 19 to Schedule 6 of the MITA*];
- (ii) Securities or bonds issued or guaranteed by the Government [*Paragraph 35(a) to Schedule 6 of the MITA*];
- (iii) Debentures or sukuk, other than convertible stock, approved by the Securities Commission [*Paragraph 35(b) to Schedule 6 of the MITA*];
- (iv) Bon Simpanan Malaysia issued by Central Bank of Malaysia [*Paragraph 35(d) to Schedule 6 of the MITA*];
- (v) Deposits with banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 or any development financial institution prescribed under the Development Financial Institutions Act 2002. The exemption shall not apply to a wholesale fund which is a money market fund [*Paragraph 35A to Schedule 6 of the MITA*];
- (vi) Islamic securities (including sukuk) originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority [*Paragraph 33B to Schedule 6 of the MITA*], provided that the exemption shall not apply to:
  - i. interest paid or credited to a company in a same group, or
  - ii. interest paid or credited to a bank licensed under the Financial Services Act 2013, an Islamic bank licensed under the Islamic Financial Services Act 2013 or a development financial institution prescribed under the Development Financial Institutions Act 2002.
  - iii. interest paid or credited by a special purpose vehicle to a company (both are in the same group) pursuant to the issuance of asset-backed securities approved by the Securities Commission Malaysia or Labuan Financial Services Authority;
- (vii) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad [*Income Tax (Exemption) (No. 5) Order 2001*];
- (viii) Bonds (other than convertible loan stock) issued by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotations Berhad ("MESDAQ") [*Income Tax (Exemption) (No. 13) Order 2001*];
- (ix) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad / Danaharta Urus Sdn Bhd [*Income Tax (Exemption) (No. 6) Order 2003*];
- (x) Sukuk Issue which has been issued by Malaysia Global Sukuk Inc [*Income Tax (Exemption)(No. 31) Order 2002*];
- (xi) Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad [*Income Tax (Exemption) Order 2010*];

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- (xii) Sukuk Wakala, other than convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad [*Income Tax (Exemption) (No. 4) Order 2011*];
- (xiii) Sukuk Kijang issued by BNM Kijang Berhad [*Income Tax (Exemption) (No. 10) Order 2013*];
- (xiv) Sukuk Wakala with a nominal value up to USD1.5b, other than convertible loan stock, issued by the Malaysian Sovereign Sukuk Berhad [*Income Tax (Exemption) (No. 3) Order 2015*]; and
- (xv) Sukuk Wakala with a nominal value up to USD1.5b (other than convertible loan stock) issued by Malaysia Sukuk Global Berhad [*Income Tax (Exemption) (No. 2) Order 2016*].

**(d) Discount income or profit derived**

Tax exemption is given on discount income received on the securities and debentures mentioned in items 2.2 (c) (ii) to (iv) above [*Paragraph 35(a) to Paragraph 35(d) to Schedule 6 of the MITA*].

**2.3 Deductibility of expenses**

Section 33(1) of the MITA allows expenses incurred "wholly and exclusively in the production of gross income" to be deductible against the gross income, e.g. interest incurred on a loan to finance investments can be deducted against the dividend or interest income from that investment.

In addition, Section 63B allows partial deduction for other non-direct expenses known as "permitted expenses". "Permitted expenses" comprise the manager's remuneration, charges for maintenance of register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage. The amount deductible is calculated based on the formula below:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividends, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividends and interest (whether such dividend or interest is exempt or not), rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period.

Dividend income is deemed to include income distributed by a unit trust for the purpose of calculating the above deduction.



The special deduction of expenses is subject to a minimum of 10% of the total permitted expenses incurred for that basis period. The allowable portion of permitted expenses will be deducted from the aggregate income. Should the deduction exceeds the income assessable to tax, the excess is not allowed to be carried forward for offset against the income of future years of assessment.

#### 2.4 Real Property Gains Tax ("RPGT")

Generally, gains on disposal of investments by the Fund will not be subject to Income Tax in Malaysia as mentioned in 3.2(a).

Nevertheless, capital gains from disposals of chargeable assets, such as real properties or shares in real property companies will be subject to RPGT as follows:

- (a) Gains arising from disposals made within 3 years from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 30%;
- (b) Gains arising from disposals made between the 4<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 20%;
- (c) Gains arising from disposals made between the 5<sup>th</sup> year from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 15%; and
- (d) Gains arising from disposals made after 5 years from the date of acquisition of the chargeable assets are subject to RPGT at the rate of 10%.

*[Schedule 5 of the Real Property Gains Tax Act 1976]*

#### 2.5 Sales and Service Tax ("SST")

Pursuant to the Sales Tax Act 2018, sales tax shall be charged and levied on all taxable goods which are locally manufactured or imported into Malaysia. The rates for sales tax are 5%, 10% or a specific rate. On the other hand, pursuant to the Service Tax Act 2018, service tax shall be charged and levied on any taxable services provided in Malaysia by a registered person in carrying on his business or any imported taxable service. The rate for service tax is 6%.

If the Fund provides any taxable services such as management and consulting services with a total value of RM500,000 or more in a 12 months period, the Fund shall be liable for service tax registration and shall be required to charge service tax on the said services.

Expenses such as management fees, trustee fees and other expenses paid by the Fund may be subject to service tax at 6%.



### 3. TAXATION OF UNIT HOLDERS

#### 3.1. Distribution of taxable income

The general provisions under the MITA are applicable to income received by unit holders. In addition, the tax treatments for unit holders are explained in the IRBM's Public Ruling 5/2013 – Taxation of Unit Holders of Unit Trust Funds dated 23 May 2013. Unit holders will be taxed on their share of the total taxable income of the Fund distributed to them. This income distribution carries with it a tax credit for the tax paid by the Fund on its taxable income. This tax credit may be utilised by the unit holders to set off the tax payable by them pursuant to Section 110(9A) of the MITA. The tax authorities will refund any excess of tax credit over tax chargeable to the unit holders.

Distributions of income from the Fund received by individuals and other non-corporate unit holders who are residents in Malaysia for tax purposes will be taxed at graduated rates from 1% to 30%. Individuals and other non-corporate unit holders who are not resident in Malaysia, will be subject to tax at the non-resident rate applicable of 30% on the distributions of income received.

Corporate unit holders, whether resident or not resident in Malaysia, will be subject to tax at the corporate tax rate of 24% on the distributions of income from the Fund received by them. For small and medium scale companies (SME) with a paid-up capital of RM2.5 million and below and having an annual business income of not more than RM50 million, the corporate tax rates applicable effective from the year of assessment 2023 are as follows:

- Chargeable income of first RM150,000 : 15%
- Chargeable income of between RM150,001 and RM600,000 : 17%
- Chargeable income exceeding RM600,000 : 24%

However, a company with a paid-up capital of not exceeding RM2.5 million will not qualify as a SME under the following circumstances:

- i. more than 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a "related company";
- ii. more than 50% of the paid up capital in respect of the ordinary shares of the "related company" is directly or indirectly owned by the first mentioned company; or
- iii. more than 50% of the paid up capital in respect of the ordinary shares of the first mentioned company and the "related company" is directly or indirectly owned by another company.

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"Related company" is defined as a company which has a paid-up capital exceeding RM2.5 million in respect of ordinary shares at the beginning of the basis period for a year of assessment.

Effective from the year of assessment 2024, the above scale rates applicable for SME shall not apply to companies with more than 20% of its ordinary shares being directly or indirectly owned by foreigners, i.e. companies incorporated outside Malaysia or individuals who are non-Malaysian citizens.

### **3.2 Distribution of tax exempt income**

Distributions of tax exempt income by the Fund from gains from realisation of investments, exempted interest/discount income and exempted dividends including single tier dividends, will be exempted from tax in the hands of the unit holders.

### **3.3 Distribution to a unit trust holder**

Where a unit trust is a retail money market fund:

- (a) A unit holder other than an individual is chargeable to tax on income distributed from the interest income which is exempted under Paragraph 35A of Schedule 6 to the MITA [Section 61(1A) of the MITA]; and
- (b) Accordingly, a unit trust is required to withhold tax at 24% on distributions made out of the income exempted under Paragraph 35A of Schedule 6 to the MITA to the unit holders other than an individual, pursuant to Section 109DA of the MITA. The tax withheld must be remitted within one month of the distribution to the IRBM to avoid late payment penalty of 10%. Unit holders who are Malaysian tax residents are entitled for a set off against the tax charged on its chargeable income under Section 110(9A) in respect of the tax withheld. For non-resident unit holders, the tax withheld is a final tax.

### **3.4 Unit splits, distribution out of capital of the Fund and sale, transfer or redemption of units**

Unit splits issued by the Fund and distribution out of capital of the Fund are not taxable in the hands of the unit holders. Any gains realised by unit holders (other than dealers in securities, insurance companies or financial institutions) from the sale, transfer or redemption of the units are treated as capital gains and thus, will not be taxable.

However, the gains realised by a person trading or dealing in securities, insurance companies or financial institutions are generally regarded as business income and are subject to income tax.

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We hereby confirm that, as at the date of this letter, the statements made correctly reflect our understanding of the tax position under the current Malaysian income tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. In addition, unit holders are advised to seek professional advice on their respective tax positions.

Yours faithfully  
**Crowe KL Tax Sdn Bhd**

A handwritten signature in black ink, appearing to read "Foo Meng Huei".

**Foo Meng Huei**  
*Executive Director, Tax*

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*[End]*