

RHB EMERGING OPPORTUNITY UNIT TRUST

ANNUAL REPORT 2025

For the financial year ended 31 March 2025

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB Emerging Opportunity Unit Trust

Fund Category - Equity fund

Fund Type - Growth

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to achieve superior long term* capital appreciation through investments in companies with high growth potential.

Note: * “long term” in this context refers to a period of between 5-7 years.

Strategy

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

95% - 98% of Net Asset Value

- Investments in securities of companies with market capitalisation of not more than RM1.50 billion.

2% - 5% of Net Asset Value

- Investments in liquid assets including bonds, money market instruments and deposits with financial institutions.

The above mentioned restriction on market capitalisation is determined at the point of purchase. Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward. The risk management strategies and techniques employed by the Manager include diversification of this Fund's investments in terms of its exposure to

various industries, sectors and asset classes and/or type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity value and other available equity investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would normally not be below 20% of the Net Asset Value.

Performance Benchmark

The performance of the Fund is benchmarked against the FBM Small Cap Index.

Permitted Investments

The Fund may invest in securities traded on Bursa Malaysia or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions) and any other investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

Consistent with the Fund's objective to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually and will be reinvested.

MANAGER'S REPORT

MARKET REVIEW

The Financial Times Stock Exchange (“FTSE”) Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) increased by 2.60% month-on-month (“MoM”) to 1575.97 points in April 2024 supported by some sectors like the utilities, healthcare and industrials, despite the geopolitical tensions. The FBMKLCI increased by 1.31% MoM to 1596.68 points in May 2024 supported by some sectors like the technology, construction and property sectors. Bank Negara Malaysia (“BNM”) kept the overnight policy rate (“OPR”) at 3.00%, and Prime Minister Anwar Ibrahim announced the largest-ever increase in civil servants’ remuneration, exceeding 13.00%, to take effect from 01 December 2024, and the Malaysia’s National Semiconductor Strategy was launched on 28 May 2024. Externally, the United States (“US”) has made a decision to impose higher tariffs rate on Chinese semiconductors from 25.00% to 50.00% in year 2025. The FBMKLCI decreased by 0.41% MoM to 1590.09 points in June 2024 possibly due to profit taking. Market participants will closely monitor the impact arising from the floating of diesel prices in Peninsular Malaysia and the targeted diesel subsidy plans via fleet card on corporate earnings.

The FBMKLCI increased by 2.23% MoM to 1625.57 points in July 2024 possibly due increased interest from foreign investors. On 11 July 2024, BNM maintained the benchmark interest rate unchanged at 3.00%, as widely expected, amid resilient economic growth and manageable inflation. The FBMKLCI increased by 3.27% MoM to 1678.80 points in August 2024 possibly due to increase in interest from foreign investors, mainly in the banking sectors. BNM reported that the country's economy grew by 5.90% in second quarter of year 2024 (“2Q24”), up from a 4.20% expansion in first quarter of year 2024 (“1Q24”). The FBMKLCI declined by 1.78% MoM to 1648.91 points in September 2024 possibly due to profit-taking set in after the strong run-up in the past two months and investors turned their focus to China equities after China’s central bank implemented a range of broad stimulus measures. On 05 September 2024, BNM maintained the OPR at 3.00%, citing sustained economic growth and low inflation.

The FBMKLCI declined by 2.85% MoM to 1601.88 points in October 2024 possibly due to profit taking in the market, driven by concerns over geo-political tensions, negligible impact to corporate earnings from the recent Budget announcement, and the upcoming US presidential election on 05 November 2024. Key events to monitor include BNM’s Monetary Policy Committee meeting on 05th to 06th November 2024 for a monetary policy decision, the release of Malaysia’s third quarter of year 2024 (“3Q24”) Gross Domestic Product (“GDP”) data on 15 November 2024, and the release of Malaysia’s monthly Industrial Production Index (“IPI”) and Consumer Price Index (“CPI”) data, scheduled for 08th and 22nd of November 2024, respectively. Additionally, the US Federal Reserve (“Fed”) Federal Open Market Committee (“FOMC”) will hold its meeting on 06th to 07th November 2024. The FBMKLCI

declined by 0.47% MoM to 1594.29 points in November 2024 possibly due to profit taking in the market, driven by concerns over geo-political tensions, escalation of global trade tensions from US tariff threats and underwhelming third quarter result season. The FBMKLCI increased by 3.01% MoM to 1642.33 points in December 2024 possibly due to positioning for next year and also the positive sentiments over the coming announcement of the Johor-Singapore Special Economic Zone (“JS-SEZ”).

Going into the new year of 2025, the FBMKLCI decreased by 5.20% MoM to 1556.92 points in January 2025 possibly due to weak sentiments following the tighter US restrictions on Artificial Intelligence (“AI”) chips and the launch of Chinese AI chatbot DeepSeek, which operates with lower funding, energy and computing power. The FBMKLCI increased by 1.14% MoM to 1574.70 points in February 2025 possibly due to better performances from the banking sector, which are the key heavyweights in the Index. During the month, sentiment was also dampened by trade war fears after US President Donald Trump announced his decision to proceed with the 25.00% tariffs on all imports from Mexico and Canada and additional 10.00% tariffs on Chinese imports, doubling it to 20.00%. The FBMKLCI decreased by 3.88% MoM to 1513.65 points in March 2025 possibly due to concerns over escalating trade tensions raising the risks of recession. US President Donald Trump imposed 25.00% tariffs on Canada and Mexico effective 04 March 2025 and raised tariffs on Chinese goods by an additional 10.00%, bringing total tariffs on Chinese imports to 20.00% also effective on 04 March 2025.

ECONOMIC REVIEW AND OUTLOOK

BNM maintained the OPR at 3.00% having last increased rates nearly 2-years ago. While BNM had reaffirmed, the government’s forecast for GDP growth to be around 4.50% to 5.50% in year 2025, Governor Dato’ Seri Abdul Rasheed Ghaffour acknowledged downside risks to growth have risen, citing ‘significant hurdles ahead’ amidst an uncertain external environment. This has led to the fixed income market pricing in to a certain degree of a potential cut in OPR later this year as BNM may prioritise managing growth risk. Indeed, Malaysia’s inflation as measured by the CPI fell to a 13-month low of just 1.50% Year-on-Year (“YoY”) in February 2025, from 1.70% in the month before as housing, utilities, household equipment and healthcare prices saw lower rate of inflation.

For Malaysia, the downside risks to growth have intensified especially after the announcement of reciprocal tariffs by the US. We believe that the case for BNM to eventually cut the OPR is highly probable as the central bank’s focus will be to manage this downside risk, considering that inflation have already declined below 2.00% in recent months’ readings. Inflation concerns from RON-95 subsidy rationalisation are likely to be more contained now as the Government have indicated that it will likely only be implemented for the top-15.00% earning (“T15”) which should keep a lid on overall inflation rate in the country.

MARKET OUTLOOK AND STRATEGY

We remain cautiously optimistic on domestic market outlook given that in the short term the market would be volatile due to the uncertainties over the US tariffs announcements and believe that the market would recover more sustainably after the US Fed cuts interest rate. We are of the view that the domestic market is likely to find its support as value emerged after the sharp selloff from the beginning of the year as Malaysia's fundamental supported by government's structural reforms and local liquidity remain strong.

In terms of strategy, we are cognizant of concerns on global economic growth and market volatility, therefore, we will focus on stocks with strong balance sheet, cashflows and good earnings growth potential, plus accumulating good quality stocks during weakness to benefit the fund in the longer term.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a negative return of 6.33%* against its benchmark negative return of 9.94%*. The Fund thus outperformed its benchmark by 3.61% during the financial year under review. The outperformance against the benchmark was due to strength from the equity holdings in the Industrials, Energy and Real Estate sectors. The Net Asset Value per unit of the Fund was RM0.4305 (2024: RM0.4597) as at 31 March 2025.

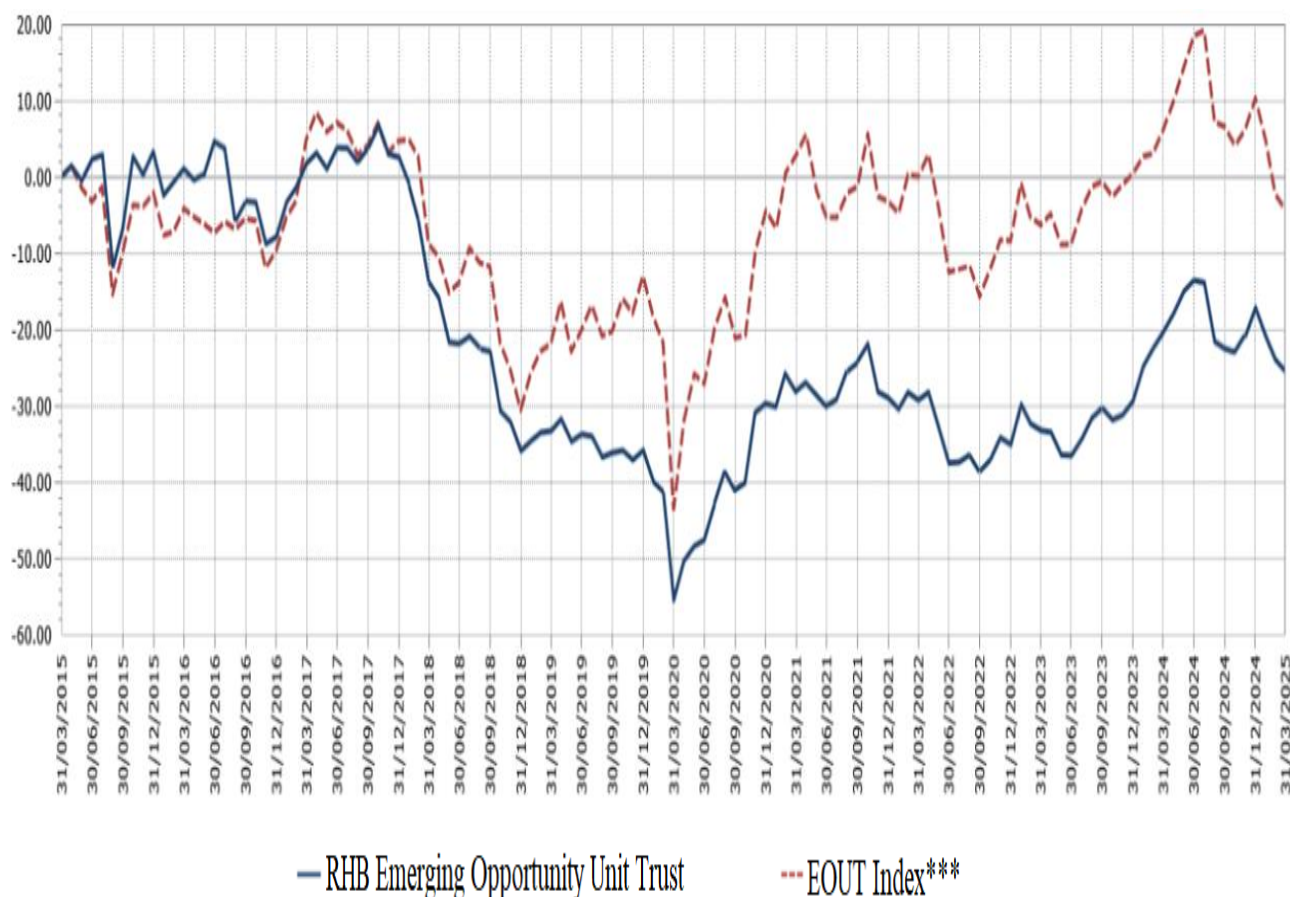
** Source: Lipper Investment Management ("Lipper IM"), 11 April 2025*

PERFORMANCE DATA

	Annual Total Returns Financial Year Ended 31 March				
	2025 %	2024 %	2023 %	2022 %	2021 %
RHB Emerging Opportunity Unit Trust					
- Capital Return	(6.33)	19.40	(5.68)	(1.57)	60.92
- Income Return	-	-	-	-	-
- Total Return	(6.33)	19.40	(5.68)	(1.57)	60.92
EOUT Index***	(9.94)	13.35	(6.34)	(2.73)	81.89

	Average Annual Returns			
	1 Year 31.03.2024- 31.03.2025 %	3 Years 31.03.2022- 31.03.2025 %	5 Years 31.03.2020- 31.03.2025 %	10 Years 31.03.2015- 31.03.2025 %
RHB Emerging Opportunity Unit Trust	(6.33)	1.80	10.81	(2.88)
EOUT Index***	(9.94)	(1.48)	11.08	(0.44)

**Performance of RHB Emerging Opportunity Unit Trust
for the period from 31 March 2015 to 31 March 2025
Cumulative Return Over The Period (%)**



Source: Lipper IM, 11 April 2025

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 March 2015.

The calculation of the above returns is based on computation methods of Lipper.

*** Following the cessation of the KLSE Second Board Index in the year 2007, the Fund's composite benchmark (EOUT Index) was replaced with the FBM Second Board Index and the Fund's composite benchmark performance has been adjusted to reflect the new benchmark.

On 3 August 2009, Bursa Malaysia Securities Berhad ("BMSB") implemented a new framework which combined the Second Board with the Main Board to form a new unified board, the "Main Market". Consequently, the Manager changed the Fund's component benchmark to the FBM Small Cap Index to best reflect the Fund's underlying investments.

Accordingly, a combination of benchmark/composite benchmark has been used for the performance computation as follows:

From Since Launch – October 2007	70% KLSE Second Board Index + 30% FBM EMAS Index
November 2007 – July 2009	70% FBM Second Board + 30% FBM EMAS Index
August 2009 onwards	FBM Small Cap Index

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

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Fund Size	As at 31 March		
	2025	2024	2023
Net Asset Value (RM million)	4.87	5.85	5.36
Units In Circulation (million)	11.32	12.72	13.92
Net Asset Value Per Unit (RM)	0.4305	0.4597	0.3850

Historical Data	Financial Year Ended 31 March		
	2025	2024	2023
Unit Prices			
NAV - Highest (RM)	0.5225	0.4597	0.4204
- Lowest (RM)	0.4032	0.3621	0.3423
Distribution and Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.89	2.14	1.77
Portfolio Turnover Ratio (PTR) (times) ##	0.63	0.67	0.55

The TER for the financial year was lower compared with the previous financial year due to higher average net asset value for the financial year under review.

The PTR for the financial year was lower compared with the previous financial year due to lesser investments activities for the financial year under review.

DISTRIBUTION

For the financial year under review, no distribution has been proposed by the Fund.

PORTFOLIO STRUCTURE

The asset allocations of the Fund as at reporting date were as follows:

Sectors	As at 31 March		
	2025	2024	2023
	%	%	%
Equities			
Construction	18.88	14.94	6.59
Consumer Products & Services	6.58	4.89	23.15
Energy	8.16	19.52	12.41
Health Care	-	-	0.30
Industrial	14.05	-	-
Industrial Products & Services	26.83	31.95	31.37
Plantation	6.47	5.28	4.35
Property	8.80	10.54	3.33
Technology	-	-	3.55
Transportation & logistics	1.48	3.38	3.96
Utilities	-	0.93	-
TSR & Warrants	-	-	0.04
	91.25	91.43	89.05
Collective investment schemes	5.36	4.73	6.36
Liquid assets and other net current assets	3.39	3.84	4.59
	100.00	100.00	100.00

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions for the financial year under review.

CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial year under review.

SOFT COMMISSION

Soft commissions were received by the management company for the financial year under review from brokers/dealers who have also executed trades for other funds or investment managed by the management company or Fund Manager. The soft commissions were utilised for research data and materials that assist in the decision making process relating to the Fund's investment. The soft commissions received were for the benefit of the funds and there were no churning of trades.

RHB EMERGING OPPORTUNITY UNIT TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
ASSETS			
Bank balances	5	64,069	80,599
Deposits with licensed financial institutions	5	146,077	155,380
Investments	6	4,706,949	5,620,657
Dividend receivables		9,364	13,144
TOTAL ASSETS		<u>4,926,459</u>	<u>5,869,780</u>
LIABILITIES			
Amount due to brokers		12,867	-
Amount due to manager		15,064	-
Accrued management fee		6,152	7,266
Amount due to Trustee		246	291
Tax payable		2,022	2,022
Other payables and accruals		17,755	15,000
TOTAL LIABILITIES		<u>54,106</u>	<u>24,579</u>
NET ASSET VALUE		<u>4,872,353</u>	<u>5,845,201</u>
EQUITY			
Unit holders' capital		13,042,105	13,695,095
Accumulated losses		(8,169,752)	(7,849,894)
		<u>4,872,353</u>	<u>5,845,201</u>
UNITS IN CIRCULATION (UNITS)	7	<u>11,317,000</u>	<u>12,717,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4305</u>	<u>0.4597</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

RHB EMERGING OPPORTUNITY UNIT TRUST
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
(LOSS)/INCOME			
Dividend income		206,506	217,928
Interest income from deposits with licensed financial institutions		4,576	4,316
Net realised gain/(loss) on disposal		313,473	(9,989)
Net unrealised (loss)/gain on changes in fair value		(705,623)	894,941
Net foreign currency exchange gain		279	468
		<u>(180,789)</u>	<u>1,107,664</u>
EXPENSES			
Management fee	8	(84,688)	(79,489)
Trustee's fee	9	(3,388)	(3,180)
Audit fee		(6,200)	(6,200)
Tax agent's fee		(5,655)	(16,085)
Transaction cost		(32,115)	(31,372)
Other expenses		(7,023)	(10,130)
		<u>(139,069)</u>	<u>(146,456)</u>
Net (loss)/income before taxation		(319,858)	961,208
Taxation	10	-	(2,028)
Net (loss)/income after taxation		<u>(319,858)</u>	<u>959,180</u>
Net (loss)/income after taxation is made up as follow:			
Realised amount		385,713	63,771
Unrealised amount		(705,571)	895,409
		<u>(319,858)</u>	<u>959,180</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

RHB EMERGING OPPORTUNITY UNIT TRUST
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Unit holders' <u>capital</u> RM	Accumulated <u>losses</u> RM	Total net asset <u>value</u> RM
Balance as at 1 April 2023	14,169,941	(8,809,074)	5,360,867
Movement in net asset value:			
Net income after taxation	-	959,180	959,180
Creation of units arising from applications	303,714	-	303,714
Cancellation of units	(778,560)	-	(778,560)
Balance as at 31 March 2024	<u>13,695,095</u>	<u>(7,849,894)</u>	<u>5,845,201</u>
Balance as at 1 April 2024	13,695,095	(7,849,894)	5,845,201
Movement in net asset value:			
Net loss after taxation	-	(319,858)	(319,858)
Creation of units arising from applications	38,815	-	38,815
Cancellation of units	(691,805)	-	(691,805)
Balance as at 31 March 2025	<u>13,042,105</u>	<u>(8,169,752)</u>	<u>4,872,353</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

RHB EMERGING OPPORTUNITY UNIT TRUST
STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		3,939,258	3,743,655
Purchase of investments		(3,436,948)	(3,395,842)
Dividends received		209,590	214,710
Interest received from deposits with licensed financial institutions		4,576	4,316
Management fee paid		(85,802)	(79,103)
Trustee's fee paid		(3,433)	(3,164)
Payment for other fees and expenses		(15,427)	(30,904)
Net cash generated from operating activities		<u>611,814</u>	<u>453,668</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		38,815	303,714
Cash paid for units cancelled		(676,741)	(781,253)
Net cash used in financing activities		<u>(637,926)</u>	<u>(477,539)</u>
Net decrease in cash and cash equivalents		(26,112)	(23,871)
Foreign currency translation differences		279	468
Cash and cash equivalents at the beginning of the financial year		<u>235,979</u>	<u>259,382</u>
Cash and cash equivalents at the end of the financial year	5	<u>210,146</u>	<u>235,979</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of the financial statements.

RHB EMERGING OPPORTUNITY UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Emerging Opportunity Unit Trust (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 27 April 2004 and as modified by its First Supplemental Master Deed dated 8 June 2004, Second Supplemental Master Deed dated 19 October 2005, Third Supplemental Master Deed dated 8 December 2005, Fourth Supplemental Master Deed dated 28 February 2006, Fifth Supplemental Master Deed dated 9 March 2006, Sixth Supplemental Master Deed dated 22 September 2006, Seventh Supplemental Master Deed dated 15 December 2006, Eighth Supplemental Master Deed dated 30 January 2007, Ninth Supplemental Master Deed dated 9 April 2007, Tenth Supplemental Master Deed dated 14 May 2007, Eleventh Supplemental Master Deed dated 15 May 2007, Twelfth Supplemental Master Deed dated 27 June 2007, Thirteenth Supplemental Master Deed dated 24 December 2007, Fourteenth Supplemental Master Deed dated 28 February 2013, Fifteenth Supplemental Master Deed dated 4 September 2013, Sixteenth Supplemental Master Deed dated 2 March 2015, Seventeenth Supplemental Master Deed dated 8 May 2015, Eighteenth Supplemental Master Deed dated 25 May 2015, Nineteenth Supplemental Master Deed dated 3 June 2015, Twentieth Supplemental Master Deed dated 11 December 2018 and Twenty-First Supplemental Master Deed dated 7 February 2023 (hereinafter referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund commenced operations on 18 May 2004 and will continue its operations until terminated according to the conditions provided in the Deeds. The principal activity of the Fund is to invest in Permitted Investments as defined under the Deeds.

The main objective of the Fund is to achieve superior long term capital appreciation through investments in companies with high growth potential.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Unit Trust Funds, SC’s requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The Manager, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 21 May 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, except those as disclosed in the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS and IFRS 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 income and expenses during the financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

(a) Standards and amendments to existing standards effective 1 April 2024

The Fund has applied the following standards and amendments for the first time for the financial period beginning 1 April 2024:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The adoption of the above accounting standard, annual improvement and improvement does not give rise to any material financial impact to the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

- (b) New standards, amendments and interpretations effective after 1 April 2024 and have not been early adopted
- Amendments to MFRS 9 and MFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ (effective 1 January 2025)
 - The new MFRS introduces a new structure of profit or loss statement. The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).
 - MFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027) replaces MFRS 101 ‘Presentation of Financial Statements’.
 - The new MFRS introduces a new structure of profit or loss statement.
 - a) Income and expenses are classified into three new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investment in associates and joint venture and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

- b) Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

2.2 Financial assets

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial asset measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely payment of principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and dividend receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

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. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of income and expenses.

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net unrealised gains or losses on changes in fair value in the financial year/period in which they arise.

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

Quoted investments and collective investment schemes are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the year from the date of placement to the date of the statement of financial position, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to brokers, amount due to manager, accrued management fee, amount due to Trustee, and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

2.4 Unit holders' capital

The unit holders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". These criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the statement of income and expenses of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if the unit holders exercise the right to put the units back to the Fund.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Income recognition

Dividend income from quoted investments and collective investment schemes are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Interest income from short-term deposits with licensed financial institutions is recognised on an accrual basis using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gains or losses on disposal of quoted investments and collective investment schemes are arrived at after accounting for cost of investments, determined on the weighted average cost method.

Net income or loss is the total of income less expenses.

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate and includes all taxes based upon the taxable income earned during the financial year.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.8 Presentation and functional 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 ("RM"), which is the Fund's presentation and functional currency.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Presentation and functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- Part of the Fund's cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund's units are denominated in RM.
- The Fund's significant expenses are denominated in RM.
- The Fund's investments are significantly denominated in RM.

2.9 Amount due from/to brokers and counterparties

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from brokers balance is held for collection.

Amounts due from/to counterparties represent forward/spot contract receivables/payables and interest receivables/payables for cross-currency swap agreements that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from counterparties balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers and counterparties at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the brokers and counterparties, probability that the brokers and counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

2.10 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, currency risk, credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC's Guidelines on Unit Trust Funds.

Market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictably.

Price risk

Price risk is the risk that the fair value of the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to equity securities and collective investment schemes (other than those arising from interest rate risk) price risk for its investments of RM4,706,949 (2024: RM5,620,657) in equity securities and collective investment schemes.

The sensitivity analysis is based on the assumption that the price of the quoted securities investments fluctuate by +/-(-) 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/-(-) RM235,347 (2024: +/-(-) RM281,033).

Interest rate risk

Interest rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market interest rates. The Fund's exposure to the interest rate risk is mainly from short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis. Therefore, exposure to interest rate fluctuation is minimal.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it deemed necessary.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5%, with all other variables held constant, the impact on statement of income and expenses and net asset value is +/- RM415 (2024: +/- RM943).

The following table sets out the currency risk concentration of the Fund:

	Cash and cash <u>equivalents</u> RM	Other payables and <u>accruals</u> RM	<u>Total</u> RM
<u>2025</u>			
Taiwan Dollar	-	(5,555)	(5,555)
United States Dollar	13,849	-	13,849
	<u>13,849</u>	<u>(5,555)</u>	<u>8,294</u>
<u>2024</u>			
Taiwan Dollar	-	(5,800)	(5,800)
United States Dollar	24,662	-	24,662
	<u>24,662</u>	<u>(5,800)</u>	<u>18,862</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	Cash and cash <u>equivalents</u> RM	Dividend <u>receivables</u> RM	<u>Total</u> RM
<u>2025</u>			
AAA	210,146	-	210,146
Others	-	9,364	9,364
	<u>210,146</u>	<u>9,364</u>	<u>219,510</u>
<u>2024</u>			
AAA	235,979	-	235,979
Others	-	13,144	13,144
	<u>235,979</u>	<u>13,144</u>	<u>249,123</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

Liquidity risk exists when particular investments are difficult to sell. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 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	Between 1 month to 1 year RM
<u>2025</u>		
Amount due to brokers	12,867	-
Amount due to Manager	15,064	-
Accrued management fee	6,152	-
Amount due to Trustee	246	-
Other payables and accruals	-	17,755
	<u>34,329</u>	<u>17,755</u>
<u>2024</u>		
Accrued management fee	7,266	-
Amount due to Trustee	291	-
Other payables and accruals	-	15,000
	<u>7,557</u>	<u>15,000</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM13,042,105 (2024: RM13,695,095) and accumulated losses of RM8,169,752 (2024: RM7,849,894). 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 unit holders. 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 unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. FAIR VALUE ESTIMATION

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

The fair value of financial assets and financial liabilities traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodologies and assumptions:

- (i) For bank balances and deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

Fair value hierarchy

The Fund adopted MFRS 13 “Fair Value Measurement” in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets at fair value through profit or loss (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2025</u>				
Financial assets at FVTPL:				
- Quoted investments - local	4,445,684	-	-	4,445,684
- Collective investment schemes - local	261,265	-	-	261,265
	<u>4,706,949</u>	<u>-</u>	<u>-</u>	<u>4,706,949</u>
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted investments - local	5,344,214	-	-	5,344,214
- Collective investment schemes - local	276,443	-	-	276,443
	<u>5,620,657</u>	<u>-</u>	<u>-</u>	<u>5,620,657</u>

Investments in active listed equities, i.e. published investments and collective investment schemes whose values are based on published and published market prices in active markets are classified within Level 1. The Fund does not adjust the published prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2025</u> RM	<u>2024</u> RM
Bank balances	64,069	80,599
Deposits with licensed financial institutions	146,077	155,380
	<u>210,146</u>	<u>235,979</u>

6. INVESTMENTS

	<u>2025</u> RM	<u>2024</u> RM
Investments:		
- Quoted investments - local	4,445,684	5,344,214
- Collective investment schemes - local	261,265	276,443
	<u>4,706,949</u>	<u>5,620,657</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2025 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED INVESTMENTS - LOCAL				
Construction				
AME Elite Consortium Berhad	149,800	210,510	253,162	5.20
Kerjaya Prospek Group Berhad	164,970	175,553	341,488	7.01
MN Holdings Berhad	174,100	171,657	188,028	3.85
Muhibbah Engineering M Berhad	205,100	154,257	137,417	2.82
		711,977	920,095	18.88
Consumer Products & Services				
AEON Co (M) Berhad	74,700	61,691	103,833	2.13
MBM Resources Berhad	12,700	40,777	68,961	1.42
Mynews Holdings Berhad	250,600	169,961	147,854	3.03
		272,429	320,648	6.58
Energy				
Dayang Enterprise Holdings Berhad	115,800	142,008	226,968	4.66
Hibiscus Petroleum Berhad	37,880	55,933	71,593	1.47
Wah Seong Corporation Berhad	97,900	91,437	98,879	2.03
		289,378	397,440	8.16
Industrial				
HI Mobility Berhad	50,500	61,610	67,165	1.38
Solarvest Holdings Berhad	170,500	248,219	286,440	5.88
Southern Cable Group Berhad	309,200	202,313	330,844	6.79
		512,142	684,449	14.05
Industrial Products & Services				
Ann Joo Resources Berhad	203,500	171,015	140,415	2.88
Aurelius Technologies Berhad	60,600	158,994	192,102	3.94
CPE Technology Berhad	84,800	94,323	56,816	1.17
Kellington Group Berhad	108,500	100,947	375,410	7.70
Pantech Group Holdings Berhad	225,000	146,340	165,375	3.39
Supercomnet Technologies Berhad	166,400	214,570	179,712	3.70

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2025 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED INVESTMENTS – LOCAL (CONTINUED)				
Industrial Products & Services (continued)				
Uchi Technologies Berhad	63,200	192,862	197,184	4.05
		1,079,051	1,307,014	26.83
Plantation				
TA Ann Holdings Berhad	37,900	109,224	148,568	3.05
TSH Resources Berhad	138,800	138,033	166,560	3.42
		247,257	315,128	6.47
Property				
LBS Bina Group Berhad	415,000	183,789	192,975	3.96
Matrix Concepts Holdings Berhad	173,475	148,168	235,926	4.84
		331,957	428,901	8.80
Transportation & logistics				
Tasco Berhad	114,300	100,745	72,009	1.48
TOTAL QUOTED INVESTMENTS - LOCAL		3,544,936	4,445,684	91.25
COLLECTIVE INVESTMENT SCHEMES - LOCAL				
Real Estate Investment Trusts				
Al-Aqar Healthcare Real Estate Investment Trust	58,100	73,533	72,625	1.49
AME Real Estate Investment Trust	117,900	150,601	188,640	3.87
		224,134	261,265	5.36
TOTAL COLLECTIVE INVESTMENT SCHEMES - LOCAL		224,134	261,265	5.36
TOTAL INVESTMENTS		3,769,070	4,706,949	96.61

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
QUOTED INVESTMENTS - LOCAL				
Construction				
AME Elite Consortium Berhad	96,700	126,195	170,192	2.91
Econpile Holdings Berhad	152,500	54,403	79,300	1.36
Kerjaya Prospek Group Berhad	203,870	216,948	364,927	6.24
Muhibbah Engineering M Berhad	286,000	215,103	258,830	4.43
		612,649	873,249	14.94
Consumer Products & Services				
AEON Co (M) Berhad	74,700	61,691	81,423	1.39
Lii Hen Industries Berhad	150,100	129,824	145,597	2.49
MBM Resources Berhad	12,700	40,777	58,928	1.01
		232,292	285,948	4.89
Energy				
Dayang Enterprise Holdings Berhad	142,600	174,874	343,666	5.88
Hibiscus Petroleum Berhad	47,880	70,699	124,009	2.12
Perdana Petroleum Berhad	503,600	122,913	166,188	2.84
Velesto Energy Berhad	1,127,100	93,318	332,495	5.69
Wah Seong Corporation Berhad	136,500	114,188	174,720	2.99
		575,992	1,141,078	19.52
Industrial Products & Services				
Ann Joo Resources Berhad	161,800	173,432	181,216	3.10
Aurelius Technologies Berhad	60,600	158,994	161,802	2.77
CPE Technology Berhad	144,400	150,967	153,064	2.62
EG Industries Berhad	40,900	56,872	51,943	0.89
HSS Engineers Berhad	74,400	71,464	86,304	1.48
Kellington Group Berhad	155,900	145,048	414,694	7.09
Pantech Group Holdings Berhad	294,700	191,673	277,018	4.74
Solarvest Holdings Berhad	96,600	125,848	149,730	2.56
Uchi Technologies Berhad	63,200	192,862	247,112	4.23
Wellcall Holdings Berhad	86,600	125,903	144,622	2.47
		1,393,063	1,867,505	31.95

6. INVESTMENTS (CONTINUED)

Investments as at 31 March 2024 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> Net Asset Value %
QUOTED INVESTMENTS – LOCAL (CONTINUED)				
Plantation				
TA Ann Holdings Berhad	37,900	109,224	151,600	2.60
TSH Resources Berhad	138,800	138,033	156,844	2.68
		247,257	308,444	5.28
Property				
LBS Bina Group Berhad	566,600	239,156	407,952	6.98
Matrix Concepts Holdings Berhad	115,650	148,168	208,170	3.56
		387,324	616,122	10.54
Transportation & logistics				
Tasco Berhad	242,400	212,509	197,556	3.38
Utilities				
PBA Holdings Berhad	29,200	56,917	54,312	0.93
TOTAL QUOTED INVESTMENTS - LOCAL		3,718,003	5,344,214	91.43
COLLECTIVE INVESTMENT SCHEMES - LOCAL				
Real Estate Investment Trusts				
Al-Aqar Healthcare Real Estate Investment Trust	45,400	57,658	57,204	0.98
AME Real Estate Investment Trust	122,600	147,031	166,736	2.85
UOA Real Estate Investment Trust	47,300	54,463	52,503	0.90
		259,152	276,443	4.73
TOTAL COLLECTIVE INVESTMENT SCHEMES - LOCAL		259,152	276,443	4.73
TOTAL INVESTMENTS		3,977,155	5,620,657	96.16

7. UNITS IN CIRCULATION

	<u>2025</u> Units	<u>2024</u> Units
At the beginning of the financial year	12,717,000	13,923,000
Creation of units arising from applications during the financial year	84,000	720,000
Cancellation of units during the financial year	<u>(1,484,000)</u>	<u>(1,926,000)</u>
At the end of the financial year	<u>11,317,000</u>	<u>12,717,000</u>

8. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.50% (2024: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

9. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2024: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10. TAXATION

(a) Tax charge for the financial year

	<u>2025</u> RM	<u>2024</u> RM
Current taxation	<u>-</u>	<u>2,028</u>

10. TAXATION (CONTINUED)

(b) Numerical reconciliation of income tax expense

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

	<u>2025</u> RM	<u>2024</u> RM
Net (loss)/income before taxation	<u>(319,858)</u>	<u>961,208</u>
Tax calculated at statutory income tax rate of 24%	(76,766)	230,690
Tax effects of:		
- Investment loss not brought to tax/(Investment income not subject to tax)	43,389	(263,811)
- Expenses not deductible for tax purposes	11,564	14,273
- Restriction on tax deductible expenses	<u>21,813</u>	<u>20,876</u>
Tax expense	<u>-</u>	<u>2,028</u>

11. TOTAL EXPENSE RATIO (“TER”)

	<u>2025</u> %	<u>2024</u> %
TER	<u>1.89</u>	<u>2.14</u>

The TER ratio is calculated based on total expenses excluding investment transaction related costs of the Fund to the average net asset value of the Fund calculated on a daily basis.

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.63</u>	<u>0.67</u>

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial year to the average net asset value of the Fund calculated on a daily basis.

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

The number of units held by the Manager and related party are as follows:

	2025		2024	
	Units	RM	Units	RM
The Manager	5,519	2,376	5,072	2,332
RHB Capital Nominees (Tempatan) Sdn Bhd	454,598	195,704	777,336	357,341

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of ultimate holding company of the Manager is under nominees structure.

Other than the above, there were no units held by Directors or parties related to the Manager.

The holding company and the ultimate holding company of the Manager is RHB Investment Bank Berhad and RHB Bank Berhad respectively. The Manager treats RHB Bank Berhad group of companies including RHB Investment Bank Berhad and its subsidiaries as related parties.

14. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 March 2025 are as follows:

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	5,834,300	78.84	17,577	78.28
Affin Hwang Investment Bank Berhad	529,238	7.15	1,588	7.07
CIMB Securities Sdn Bhd (FKA KAF)	374,048	5.06	1,122	5.00
Maybank Investment Bank Berhad	343,288	4.64	1,371	6.11
CGS International Securities Malaysia Sdn Bhd	113,671	1.54	341	1.52
Nomura Securities Malaysia Sdn Bhd	83,907	1.13	168	0.75
UOB Kay Hian Securities Malaysia Sdn Bhd	78,314	1.06	157	0.70
MIDF Amanah Investment Bank Berhad	43,110	0.58	129	0.57
	<u>7,399,876</u>	<u>100.00</u>	<u>22,453</u>	<u>100.00</u>

14. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 March 2024 are as follows:

Brokers/ <u>Financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank Berhad*	3,564,394	49.91	10,832	51.95
CGS-CIMB Securities Sdn Bhd	842,311	11.80	2,528	12.12
Affin Hwang Investment Bank Berhad	674,286	9.44	2,043	9.80
UOB Kay Hian Securities Malaysia Sdn Bhd	587,087	8.22	1,194	5.73
Maybank Investment Bank Berhad	510,240	7.15	1,540	7.39
MIDF Amanah Investment Bank Berhad	400,064	5.60	1,236	5.93
CIMB Securities Sdn Bhd (FKA KAF)	338,542	4.74	1,016	4.87
Hong Leong Investment Bank Berhad	170,374	2.39	354	1.70
CLSA Securities Malaysia Sdn Bhd	53,602	0.75	107	0.51
	<u>7,140,900</u>	<u>100.00</u>	<u>20,850</u>	<u>100.00</u>

* Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2025</u> RM	<u>2024</u> RM
Financial assets		
Financial assets at FVTPL		
• Quoted investments	4,445,684	5,344,214
• Collective investment schemes	261,265	276,443
	<u>4,706,949</u>	<u>5,620,657</u>
 Financial assets at amortised cost		
• Bank balances	64,069	80,599
• Deposits with licensed financial institutions	146,077	155,380
• Dividend receivables	9,364	13,144
	<u>219,510</u>	<u>249,123</u>
 Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to brokers	12,867	-
• Amount due to manager	15,064	-
• Accrued management fee	6,152	7,266
• Amount due to Trustee	246	291
• Other payables and accruals	17,755	15,000
	<u>52,084</u>	<u>22,557</u>

**STATEMENT BY MANAGER
RHB EMERGING OPPORTUNITY UNIT TRUST**

We, Chin Yoong Kheong and Ng Chze How, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 March 2025 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Chin Yoong Kheong
Director

Ng Chze How
Director

21 May 2025

TRUSTEE'S REPORT

To the unit holders of RHB Emerging Opportunity Unit Trust (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 31 March 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, RHB Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Lee Cincee
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur
21 May 2025

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB EMERGING OPPORTUNITY UNIT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Emerging Opportunity Unit Trust (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2025, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 10 to 38.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB EMERGING OPPORTUNITY UNIT TRUST (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB EMERGING OPPORTUNITY UNIT TRUST (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB EMERGING OPPORTUNITY UNIT TRUST (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
21 May 2025

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Email address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website: <https://rhbgroup.com/myinvest>

BOARD OF DIRECTORS

Mr Chin Yoong Kheong (*Independent Non-Executive Chairman*)

YBhg Dato' Darawati Hussain (*Senior Independent Non-Executive Director*)

Puan Sharizad Binti Juma'at (*Independent Non-Executive Director*)

Encik Mohd Farid Bin Kamarudin (*Chief Executive Officer / Managing Director*)
(*Resigned with effect from 14 June 2024*)

Mr Ng Chze How (*Chief Executive Officer / Managing Director*)
(*Appointed with effect from 11 September 2024*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Encik Mohd Farid Bin Kamarudin (*Resigned with effect from 14 June 2024*)

Mr Ng Chze How (*Appointed with effect from 11 September 2024*)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

BRANCH OFFICE

Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611 / 09-517 3615 Fax: 09-517 3612
Kuching Office	Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508 Yung Kong Abell, Units 1-10 2nd Floor Lot 365 Section 50 Jalan Abell 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office	Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuhr Pantai 10300 Georgetown, Penang Tel: 04-264 5639
Prai Office	No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Berhad Affin Bank Berhad AmBank (Malaysia) Berhad AmInvestment Bank Berhad Astute Fund Management Berhad (APEX) Areca Capital Sdn Bhd CIMB Private Banking Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Manulife Asset Management Services Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Principal Asset Management Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

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