

**RHB GOLDEN DRAGON FUND**

**ANNUAL REPORT 2024**

For the financial year ended 31 December 2024

## GENERAL INFORMATION ABOUT THE FUND

### **Name, Category and Type**

Fund Name - RHB Golden Dragon Fund

Fund Category - Mixed Asset Fund

Fund Type - Growth and Income

### **Investment Objective, Policy and Strategy**

#### Objective of the Fund

The Fund aims to maximise total returns through a combination of long term\* growth of capital and current income.

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

#### Strategy

The Fund seeks to achieve its investment objective through a diversified portfolio of equities and equity-linked securities issued by companies whose businesses are in the Greater China (i.e. the People’s Republic of China, Hong Kong SAR and Taiwan) (“China Equities”) and Malaysian fixed income securities.

The Fund’s direct investments in the China Equities are those of companies whose securities are listed on the Hong Kong, Shanghai, Shenzhen and Taiwan Stock Exchanges, including Greater China companies that are listed in other non-Greater China markets such as the United States of America, London and Singapore Stock Exchanges. These are companies that have at least 50% of its business operations located in Greater China and/or have at least 50% of its revenues derived from the Greater China. The Fund’s investments will also include collective investment schemes domiciled in Singapore, Luxembourg, Hong Kong, United Kingdom and United States of America investing primarily in the Greater China markets. The Fund’s direct investments are not sector specific and can invest in a broad range of sectors and industries. It seeks to add value by investing in a selective range of opportunities identified by the Manager as having a strong attraction based on company fundamentals.

The Fund’s investment in fixed income securities will be that of Malaysian debt securities issued by corporations, financial institutions and governments (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least investment grade ratings by any

Domestic Rating Agencies or its equivalent rating by a reputable rating establishment) as well as fixed income collective investment schemes, money market instruments, cash and deposits.

The Manager employs a bottom-up investment process involving rigorous company research. In addition, the Manager also employs a top-down process to review asset allocation at both the regional/country and sector levels. The Manager believes long-term investment performance can be achieved by employing a rigorous research process that enables the Manager to identify companies that generate superior returns as well as by identifying companies that are undervalued.

The Fund's portfolio will comprise a blend of carefully selected China Equities (as aforementioned), Malaysian debt securities (as aforementioned), money market instruments, cash and deposits subject always to a minimum allocation of 30% in China Equities and 30% in Malaysian debt securities/fixed income securities, money market instruments, cash and deposits.

Thus, the Fund's portfolio will be structured as follows:

30% - 70% of the Fund's Net Asset Value

- Investments in securities of and securities relating to companies whose businesses are in the Greater China and are listed on the Greater China markets and/or other markets.

30% - 70% of the Fund's Net Asset Value

- Investments in Malaysian fixed income securities, money market instruments, cash and deposits.

In reviewing this asset allocation strategy, the Fund's asset mix would range from 30% - 70% in China Equities and 30% - 70% in Malaysian fixed income securities, money market instruments, cash and deposits. Accordingly, the Fund will be able to have a maximum exposure to the China Equities market of up to 70% whilst maintaining a minimum of 30% in Malaysian fixed income securities, money market instruments, cash and deposits to provide stability through diversification of the asset class. Similarly, the Fund can also invest up to 70% in Malaysian fixed income securities, money market instruments, cash and deposits whilst maintaining the minimum of 30% in China Equities market to diversify the portfolio and to provide capital growth.

Given this asset mix, the Fund will be able to tap into varied markets conditions in order to capitalise on any market opportunities. The actual percentage of assets invested in China Equities and fixed income securities will therefore vary from time to time, depending on the judgment of the Manager as to the general market and economic conditions, trends and yields, interest rates and changes in fiscal and monetary policies. Thus, although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income securities, 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 following a prolonged rise in equity values and the other available 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.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as 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 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 up to 100% of the Fund's equity investments into other asset classes such as debt securities, money market instruments and deposits, which are defensive in nature.

### **Performance Benchmark**

The performance of the Fund is benchmarked against a composite benchmark comprising:

50% MSCI Golden Dragon Index (RM);

50% Quant Shop Malaysian Government Securities Medium (3 – 7 years) Index.

### **Permitted Investments**

The Fund may invest in securities traded on the 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, money market instruments, deposits and any other investments permitted by the Securities Commission Malaysia from time to time.

## **Distribution Policy**

Consistent with the Fund's objective to maximize total returns through a combination of long term\* growth of capital and current income, the Fund will distribute a portion of its returns to unit holders. Distributions, if any, after deduction of taxation and expenses are generally declared annually.

Note: \* "long term" in this context refers to a period between 5 - 7 years.

## MANAGER'S REPORT

### MARKET REVIEW

Morgan Stanley Capital International (“MSCI”) China rallied 19.00% in Hong Kong Dollar (“HKD”) in year 2024 given stimulus expectation and supportive measures by the government to address key issues such as property downturn and high unemployment.

In January 2024, China’s latest macro data showed retail growth below expectations, the China Economic Work Conference (“CEWC”) was in line with low expectations, and property and Local Government Financing Vehicles (“LGFVs”) risks are still unfolding. The CEWC brought no surprise. The policy focus on industrial transformation and higher productivity via innovation does boost the outlook for hard tech and digital infra names. The meeting called for efforts to pursue progress while ensuring stability, consolidate stability through progress and prioritizing development before addressing problems, the latter two terms are new this year. "High-quality development" was reiterated many times.

In February 2024, market rebounded strongly. Drivers were better than expected high-frequency data (e.g., January 2024 credit report, Lunar New Year consumption), a surprisingly large 25 basis points (“bps”) cut in the 5year loan prime rate (“LPR”), the national team’s buying of key A share index-linked Exchange Traded Fund (“ETF”)s (CSI300, CSI500, CSI1000, ChiNext and A50), and a new reform-minded China Securities Regulatory Commission (“CSRC”) chairman.

National People's Congress headlines were in-line to slightly better than expected incl. a year 2024 ~5.00% Gross Domestic Product (“GDP”) growth target, “new quality productivity”, “old-swapping-new” scheme for selected equipment & appliance, and a multi-year special sovereign bond issuance plan. Fourth quarter of year 2023 (“4Q23”) results saw beats from index-heavy internet names on cost-cut-led margin expansion, and improving shareholder return plans (higher payout and buyback).

On 12 April 2024, the State Council released Nine Initiative 3.0 on capital markets, a once every decade guideline to help boost A-shares. On 16 April 2024, China’s first quarter GDP growth of 5.30% year-on-year (“YoY”) came in better-than-expected. Although Industrial production came in below expectations, rising 4.50% YoY.

The April 2024 Politburo meeting noted “more efforts to coordinate the study of policy measures to digest existing housing inventory and to optimize new housing development.” The Politburo meeting announced to hold the 3rd Plenum in July 2024. Further loosening property measures ensued, Beijing and Tianjin announced to ease property purchase restrictions, a first in 13 years for Beijing, late on 30 April 2024.

On 17 May 2024, China's housing policy combo boosted financial/property names. Xi's enterprise symposium on 23 May 2024 was seen by some investors as a shift toward pro market mechanism. On 21 and 23 May 2024, President Xi's statement and Ministry of Industry and Information Technology's recent actions were aimed at overcapacity in solar and New Electric Vehicle ("NEV"), sectors. In late May 2024, the CSRC tightened loopholes over major shareholder stake sales. At end May 2024, China's State Administration for Market Regulation released a draft proposal to promote fair business practices in the platform economy, including regulating platforms' commission rates to merchants. Office of the United States Trade Representative proposed to hike tariffs on more China imports (NEV, battery parts, solar, aluminium, etc.)

In June 2024, lower expectations for strong policy stimulus by the Third Plenum, mixed economic activity data, M1 contraction and no medium-term lending facility ("MLF") or LPR cut, as well as a depreciating Chinese Yuan ("CNY") vs United States Dollar ("USD"), sent China equities lower. The 3rd Plenum Communique was high level and the decision was comprehensive with a five-year horizon, but the end of July 2024 Politburo meeting highlighted three items the market cares about boosting domestic consumption, addressing overcapacity, and aligning non-economic and economic policy actions. 5.00% GDP growth for year 2024 was reiterated.

People's Bank of China ("PBOC"), CSRC and China Banking and Insurance Regulatory Commission ("CBIRC")'s stimulus combo on 24 September 2024 and the surprise Politburo meeting call for stronger stimulus on 26 September 2024 sent the market into a rebound. However, markets remain volatile. National Development and Reform Commission, Ministry of Finance ("MOF") and Ministry of Housing and Urban-Rural Development failed expectations as policy direction prioritized risk mitigation over growth stimulation.

MSCI Taiwan was a outperformer, rallying 146.00% in year 2024 on the cyclical turnaround in the broader technology space and also structural growth from Artificial Intelligence ("AI"). This was well supported by earnings upgrades and guidance by technology companies.

Malaysian fixed income market ended year 2024 with a decently positive returns where the benchmark Financial Times Stock Exchange ("FTSE") Bond Pricing Agency Malaysia ("BPAM") Ringgit All Bond Index gained 4.33% on a full-year basis. The gains were mainly contributed by the coupon income accrued from the bonds as yields were largely driven by Bank Negara Malaysia ("BNM")'s steady policy of maintaining the Overnight Policy Rate ("OPR") unchanged at 3.00%, providing a conducive and stable interest rate environment for fixed income assets to perform well. Notably, the re-emergence of Malaysia as one of the preferred spot for foreign direct investments ("FDI") have also supported sentiments which had led to the Malaysian Ringgit ("MYR") emerging as the best performing currency in Asia, gaining about 3.00% vs. the USD when many other currencies depreciated.

## **ECONOMIC REVIEW AND OUTLOOK**

China's November 2024 macro data continued to highlight an imbalance between solid production activity and underlying softness in domestic demand. Retail sales rose 3.00% YoY in November 2024, implying a sequential fall of 1.10% month-on-month ("MoM"). Industrial production was in line with expectations, rising 5.40% YoY, reflecting a solid sequential gain of 1.00% MoM. Fixed asset investment ("FAI") came in a touch below expectations, growing 2.40% YoY in November 2024 (vs. 3.40% YoY in October 2024). The breakdown showed that manufacturing investment continued to outperform (9.30% YoY), while real estate investment remained weak (-11.5% YoY)

China is expected to grow 5.00% and expand its fiscal deficit ratio to about 4.00% in year 2025.

In terms of economic numbers, Malaysia's growth remained strong, with the final third quarter of year 2024 ("3Q24") GDP recorded at 5.30% YoY. The growth was led by continued strong momentum in the construction sector (+19.90% YoY), private investments (+15.50% YoY) and manufacturing (+5.60% YoY). The growth numbers are broadly on track with the MOF's projection range of 4.50 to 5.50% for year 2024. Meanwhile, Malaysia's headline Consumer Price Index ("CPI") was recorded at 1.90% YoY in October 2024 (from 1.80% in September 2024) led by increases in food prices and personal care items. Core inflation reading which excludes fresh food and price-administered goods remained stable at 1.80%, unchanged from the month before. Notably, the inflation numbers are below BNM's forecast range of 2.00% to 3.50% which would provide the central bank the flexibility to keep OPR unchanged and support economic growth.

## **MARKET OUTLOOK AND STRATEGY GOING FORWARD**

We anticipate that China's recovery will be bumpy. We believe that the reopening play in China has been played out and will be still focusing on State-owned enterprises ("SOE") reforms in year 2025. We are maintaining our infrastructure theme. Under the infrastructure theme, we continue to be aligned to the Politburo's policies in the renewable energy, information technology, platforms and industrial sectors. Supportive policies for technological innovation with an emphasis to strengthen technological innovation and industrial supply chain resilience. For State-owned enterprises reform, there will be an aligning of SOE operational and development with China's strategic goals notably self-sufficiency in technology, energy and food supply with additional focus on return on equity and operating cash flows as key performance indicator's ("KPI's"). We also favour selective consumer bets given the government's support for consumption in year 2025. We believe the property sector will take some time to recover but there are opportunities for the strong property companies and property management companies to gain in times of difficulties.

Our base case is unchanged for Malaysia where we expect BNM to hold the OPR unchanged at 3.00% for a prolonged period of time as Malaysia's inflation rate remain stable and whilst GDP growth momentum is strong. The risks to OPR change is roughly balanced with inflation potentially reaccelerating next year following the civil service salary hike and RON-95 subsidy rationalisation while risks to growth have now turned decisively negative arising from Donald Trump's potential trade policies. Notably, the Bank of Korea had lowered its interest rate last week, the first cut since year 2020, citing slowdown in growth and the increased uncertainty following Trump's election victory. In our opinion, this could pivot BNM towards a rate cut bias which would bode well for Malaysia fixed income market.

In addition, the technical conditions are also highly conducive for Malaysia fixed income to perform well. Investors demand had been growing steadily in year 2024, primarily from institutional investors and we expect this trend to continue in year 2025 as the job market remain strong and wage growth translating into savings and demand for investment products including fixed income assets. Meanwhile, the government is also pursuing lower fiscal deficit by widening its tax bracket and removing subsidies (e.g. diesel and Ron-95) which would mean that net government issuances will continue to reduce. This combination of increasing demand and tight supply creates a natural support for domestic fixed income assets backing our projection for yet another positive return in year 2025.

In summary, we are positive on the fixed income market in year 2025 buoyed by the 3 main factors supporting the local market i.e. stable OPR, growing investors' demand and lower government budget deficit. We advocate portfolios to stay invested in the fixed income space and increase allocation whenever any exacerbated selling occurs.

## **REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR**

For the financial year under review, the Fund registered a return of 4.77%\* against its benchmark positive return of 10.49%\*. The Fund thus underperformed its benchmark by 5.72% during the financial year under review. The Net Asset Value per unit of the Fund was RM0.4527 (2023: RM0.4321) as at 31 December 2024.

For equities, the key contributors came from stock picks in Taiwan information technology sector and our overweight allocation to that sector, stock picks in Taiwan Financials and Hong Kong financials stock picks also added value. Our key detractors came from China consumer discretionary, overweight in real estate and communication services stock picks.

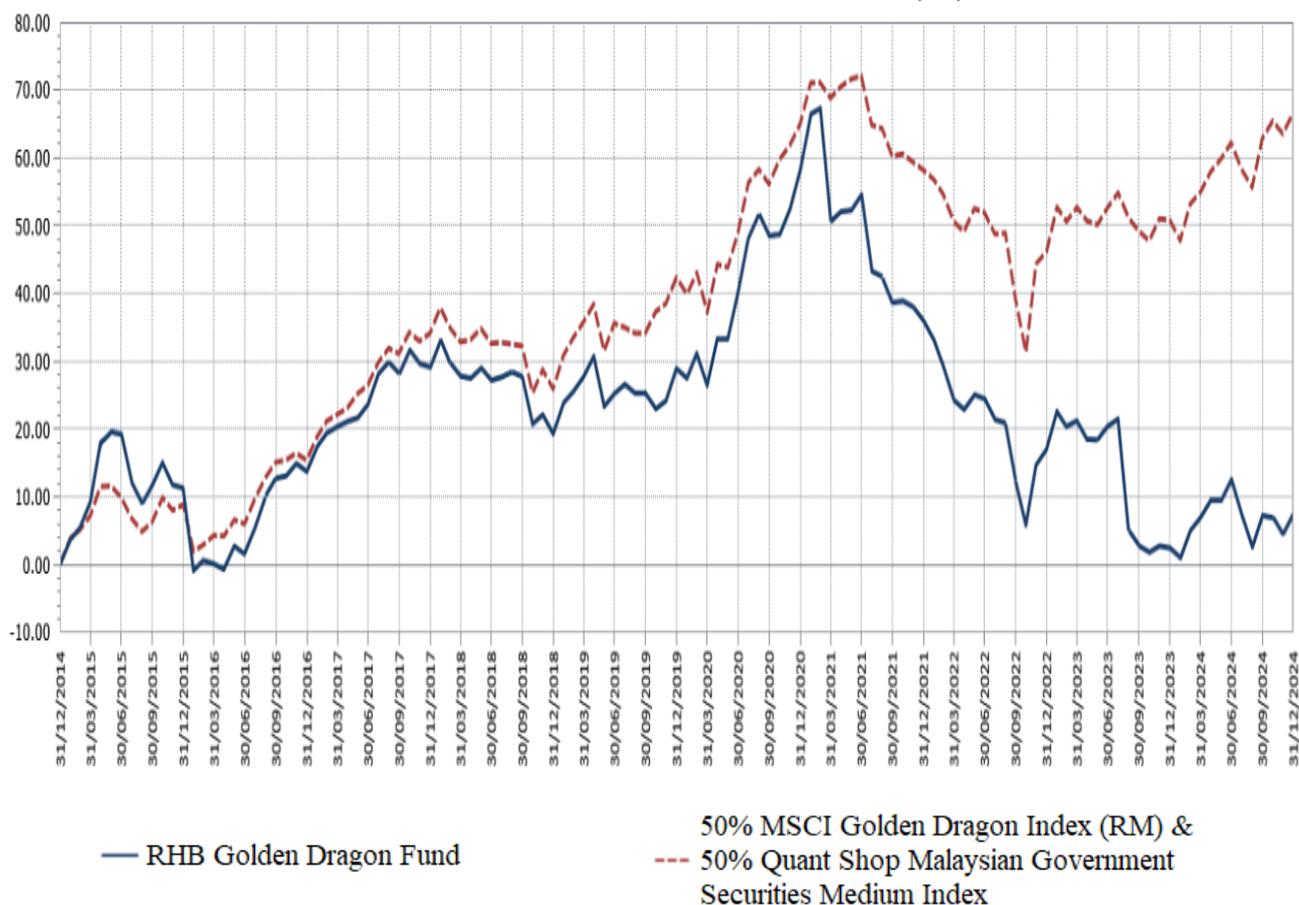
*\*Source: Lipper Investment Management ("Lipper IM"), 13 January 2025*

## PERFORMANCE DATA

	<b>Annual Total Returns</b>				
	<b>Financial Year Ended 31 December</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
RHB Golden Dragon Fund					
- Capital Return	4.77	(12.42)	(13.85)	(14.07)	22.81
- Income Return	-	-	-	-	-
- Total Return	4.77	(12.42)	(13.85)	(14.07)	22.81
50% MSCI Golden Dragon Index (RM) & 50% Quant Shop Malaysian Government Securities Medium Index	10.49	3.20	(7.62)	(4.11)	15.92

	<b>Average Annual Returns</b>			
	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
	<b>31.12.2023-</b>	<b>31.12.2021-</b>	<b>31.12.2019-</b>	<b>31.12.2014-</b>
	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
RHB Golden Dragon Fund	4.77	(7.53)	(3.56)	0.72
50% MSCI Golden Dragon Index (RM) & 50% Quant Shop Malaysian Government Securities Medium Index	10.49	1.75	3.20	5.24

**Performance of RHB Golden Dragon Fund  
for the period from 31 December 2014 to 31 December 2024  
Cumulative Return Over The Period (%)**



*Source: Lipper IM, 13 January 2025*

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 December 2014.

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

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.

<b>Fund Size</b>	<b>As at 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Net Asset Value (RM million)	12.55	14.40	17.55
Units In Circulation (million)	27.73	33.33	35.56
Net Asset Value Per Unit (RM)	0.4527	0.4321	0.4934

<b>Historical Data</b>	<b>Financial Year Ended 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Unit Prices</b>			
NAV - Highest (RM)	0.4896	0.5246	0.5776
- Lowest (RM)	0.4205	0.4237	0.4465
<b>Distribution and Unit Split</b>	-	-	-
<b>Others</b>			
Total Expense Ratio (TER) (%) #	2.25	2.13	2.11
Portfolio Turnover Ratio (PTR) (times) ##	1.29	0.91	1.33

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

## The PTR for the financial year was higher compared with the previous financial year due to more investment 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:

<b>Sectors</b>	<b>As at 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
<b>Equities</b>			
Consumer Products & Services	13.60	13.31	15.76
Energy	1.40	0.46	0.74
Financial Services	10.08	7.47	9.19
Health Care	1.85	1.02	0.96
Industrial Products & Services	2.45	0.48	3.58
Information Technology	5.18	1.08	-
Materials	0.52	1.93	1.47
Mining	-	-	0.76
Property	1.50	1.24	3.22
Technology	19.91	18.69	11.41
Telecommunications & Media	5.27	7.24	7.15
Utilities	-	1.61	-
	<hr/>	<hr/>	<hr/>
	61.76	54.53	54.24
Collective investment schemes	3.33	0.98	1.81
Unquoted fixed income securities	24.97	20.09	32.14
Liquid assets and other net current assets	9.94	24.40	11.81
	<hr/>	<hr/>	<hr/>
	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 GOLDEN DRAGON FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>ASSETS</b>			
Bank balances	5	1,516,767	3,341,492
Deposits with licensed financial institutions	5	-	261,213
Investments	6	11,303,744	10,887,252
Amount due from brokers		-	132,517
Dividend receivables		3,256	16,245
Tax recoverable		-	9,243
<b>TOTAL ASSETS</b>		<u>12,823,767</u>	<u>14,647,962</u>
<b>LIABILITIES</b>			
Amount due to brokers		174,994	195,734
Amount due to Manager		5,451	1,295
Accrued management fee		19,290	21,870
Amount due to Trustee		643	729
Tax payable		33,160	-
Other payables and accruals		39,220	24,779
<b>TOTAL LIABILITIES</b>		<u>272,758</u>	<u>244,407</u>
<b>NET ASSET VALUE</b>		<u>12,551,009</u>	<u>14,403,555</u>
<b>EQUITY</b>			
Unit holders' capital		84,716,266	87,256,902
Accumulated losses		(72,165,257)	(72,853,347)
		<u>12,551,009</u>	<u>14,403,555</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	7	<u>27,725,000</u>	<u>33,334,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4527</u>	<u>0.4321</u>

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

**RHB GOLDEN DRAGON FUND**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>INCOME/(LOSS)</b>			
Dividend income		244,981	227,407
Interest income from deposits with licensed financial institutions		57,319	54,317
Interest income from unquoted fixed income securities		163,769	275,946
Net realised gain/(loss) on disposal		213,184	(471,009)
Net unrealised gain /(loss) on changes in fair value		736,366	(1,758,284)
Net foreign currency exchange (loss)/gain		(220,045)	64,312
		<u>1,195,574</u>	<u>(1,607,311)</u>
<b>EXPENSES</b>			
Management fee	8	(252,198)	(296,888)
Trustee's fee	9	(8,407)	(9,896)
Audit fee		(7,100)	(7,100)
Tax agent's fee		(14,439)	(14,681)
Transaction cost		(115,043)	(96,223)
Other expenses		(58,155)	(47,324)
		<u>(455,342)</u>	<u>(472,112)</u>
Net income/(loss) before taxation		740,232	(2,079,423)
Taxation	10	(52,142)	27,882
Net income/(loss) after taxation		<u>688,090</u>	<u>(2,051,541)</u>
Net income/(loss) after taxation made up as follow:			
Realised amount		164,179	(395,505)
Unrealised amount		523,911	(1,656,036)
		<u>688,090</u>	<u>(2,051,541)</u>

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

**RHB GOLDEN DRAGON FUND**  
**STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	<b>Unit holders’ capital RM</b>	<b>Accumulated losses RM</b>	<b>Total net asset value RM</b>
Balance as at 1 January 2023	88,348,385	(70,801,806)	17,546,579
Movement in net asset value:			
Net loss after taxation	-	(2,051,541)	(2,051,541)
Creation of units arising from applications	30,735	-	30,735
Cancellation of units	(1,122,218)	-	(1,122,218)
Balance as at 31 December 2023	<u>87,256,902</u>	<u>(72,853,347)</u>	<u>14,403,555</u>
Balance as at 1 January 2024	87,256,902	(72,853,347)	14,403,555
Movement in net asset value:			
Net income after taxation	-	688,090	688,090
Creation of units arising from applications	49,639	-	49,639
Cancellation of units	(2,590,275)	-	(2,590,275)
Balance as at 31 December 2024	<u>84,716,266</u>	<u>(72,165,257)</u>	<u>12,551,009</u>

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

**RHB GOLDEN DRAGON FUND  
STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from redemption of investments		-	178,210
Proceeds from sale of investments		18,531,026	15,647,436
Purchase of investments		(17,985,525)	(13,430,804)
Dividends received		256,252	214,742
Interest received from deposits with financial institutions		57,319	54,317
Interest received from unquoted fixed income securities		142,215	208,760
Management fee paid		(254,778)	(301,932)
Trustee's fee paid		(8,493)	(10,064)
Payment for other fees and expenses		(65,253)	(70,613)
Net realised foreign exchange loss		(15)	(1,380)
Tax paid		(9,739)	(13,740)
Net cash generated from operating activities		<u>663,009</u>	<u>2,474,932</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		49,639	30,735
Cash paid for units cancelled		(2,586,119)	(1,147,153)
Net cash used in financing activities		<u>(2,536,480)</u>	<u>(1,116,418)</u>
Net (decrease)/increase in cash and cash equivalents		(1,873,471)	1,358,514
Foreign currency translation differences		(212,467)	64,535
Cash and cash equivalents at the beginning of the financial year		<u>3,602,705</u>	<u>2,179,656</u>
Cash and cash equivalents at the end of the financial year	5	<u>1,516,767</u>	<u>3,602,705</u>

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

**RHB GOLDEN DRAGON FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

The RHB Golden Dragon Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a master deed dated 27 April 2004 as modified via 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 was launched on 8 May 2007 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.

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 main objective of the Fund is to maximise total returns through a combination of long term (between 5 – 7 years) growth of capital and current income.

The Manager, a company incorporated in Malaysia, and 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 24 February 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 high 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 January 2024**

The Fund has applied the following standards and amendments for the first time for the financial period beginning 1 January 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 January 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”).

## **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 January 2024 and have not been early adopted (continued)

- 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.
    - 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **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 assets 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 investment and deposits with licensed financial institutions are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers 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.

#### 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 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.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Recognition and measurement (continued)

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 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.

Interest on debt securities at fair value through profit or loss is recognised in the statement of income and expenses.

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.

Unquoted fixed income securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with SC as per the SC’s Guidelines on Unit Trust Funds.

Unquoted fixed income securities denominated in foreign currencies are valued on each valuation day using the Bloomberg Generic Price (BGN price) provided by Bloomberg. Where BGN prices are not available on a valuation day, these unquoted fixed income securities will be valued by reference to the average indicative yield quoted by three independent and reputable financial institutions.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Recognition and measurement (continued)

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA or the BGN price for a specific unquoted fixed income security differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) Records its basis for using a non-BPA/BGN price;
- (ii) Obtains necessary internal approvals to use the non-BPA/BGN price; and
- (iii) Keeps an audit trail of all decisions and basis for adopting the market price

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period 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.

#### 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.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.2 Financial assets (continued)**

#### 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.

### **2.3 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.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **2.4 Unit holders' capital (continued)**

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.

### **2.5 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 and unquoted fixed income securities are 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.

Realised gain or losses on disposal of unquoted fixed income securities are measured by the difference between net disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **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 Amount due from/to brokers**

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.

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.

### **2.9 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.

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.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

### **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.

### **3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

#### Price risk

Price risk is the risk that the fair value of an investment 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 RM8,170,075 (2023: RM7,994,153) in equity securities and collective investment schemes.

The Fund is exposed to price risk arising from interest rate risk in relation to its investments of RM3,133,669 (2023: RM2,893,099) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate risk and the related sensitivity analysis are disclosed in "Interest rate risk" below.

The sensitivity analysis is based on the assumption that the price of the quoted securities investments and collective investment schemes fluctuate by +/- 5% with all other variables held constant, the impact on statement of income and expense and net asset value is +/- RM408,504 (2023: RM399,708).

#### Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Interest rate risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss before taxation and net asset value as at reporting date to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate fluctuation by +/- 1% with all other variables held constant.

<u>% Change in interest rate</u>	<b>Impact on profit or loss before taxation and net asset value</b>	
	<u>2024</u> RM	<u>2023</u> RM
+1%	(11,923)	(12,827)
- 1%	11,982	12,901

The Fund's exposure to interest rate risk arises from investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

#### 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 analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/- RM474,014 (2023: RM562,123).

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Currency risk (continued)

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

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets/ (liabilities)*</u> RM	<u>Total</u> RM
<b><u>2024</u></b>				
Chinese Yuan	1,203,923	4,136	-	1,208,059
Hong Kong Dollar	3,958,761	-	(175,707)	3,783,054
Taiwan Dollar	3,007,391	-	(19,150)	2,988,241
United States Dollar	-	1,500,934	-	1,500,934
	<u>8,170,075</u>	<u>1,505,070</u>	<u>(194,857)</u>	<u>9,480,288</u>
<b><u>2023</u></b>				
Chinese Yuan	398,770	4,648	-	403,418
Hong Kong Dollar	4,442,491	-	(61,334)	4,381,157
Taiwan Dollar	2,781,905	73,628	(80,332)	2,775,201
United States Dollar	370,987	3,228,692	83,013	3,682,692
	<u>7,994,153</u>	<u>3,306,968</u>	<u>(58,653)</u>	<u>11,242,468</u>

\* Comprise amount due from/(to) brokers, dividend receivables and other payable and accruals.

#### 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. For investments in fixed income securities, risk is minimised by spreading its maturity profile. 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.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk (continued)

For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the Bursa Malaysia Securities Berhad (“Bursa Malaysia”). 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 and counterparties of the Fund:

	<u>Investments</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other financial assets*</u> RM	<u>Total</u> RM
<b><u>2024</u></b>				
AAA	-	1,516,767	-	1,516,767
AA3	152,884	-	-	152,884
A2	2,980,785	-	-	2,980,785
Other	-	-	3,256	3,256
	<u>3,133,669</u>	<u>1,516,767</u>	<u>3,256</u>	<u>4,653,692</u>
<b><u>2023</u></b>				
AAA	-	3,602,705	-	3,602,705
AA3	150,687	-	-	150,687
A2	2,742,412	-	-	2,742,412
Other	-	-	148,762	148,762
	<u>2,893,099</u>	<u>3,602,705</u>	<u>148,762</u>	<u>6,644,566</u>

\* Comprise amount due from brokers and dividend receivables.

#### 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.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Liquidity risk (continued)

The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

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.

	<b><u>Less than 1 month</u> RM</b>	<b><u>Between 1 month to 1 year</u> RM</b>
<b><u>2024</u></b>		
Amount due to brokers	174,994	-
Amount due to Manager	5,451	-
Accrued management fee	19,290	-
Amount due to Trustee	643	-
Other payables and accruals	-	39,220
	<b>200,378</b>	<b>39,220</b>
<b><u>2023</u></b>		
Amount due to brokers	195,734	-
Amount due to Manager	1,295	-
Accrued management fee	21,870	-
Amount due to Trustee	729	-
Other payables and accruals	-	24,779
	<b>219,628</b>	<b>24,779</b>

#### Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM84,716,266 (2023: RM87,256,902) and accumulated losses of RM72,165,257 (2023: RM72,853,347). 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.

#### 4. FAIR VALUE ESTIMATION (CONTINUED)

##### 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)

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
<b><u>2024</u></b>				
<b>Financial assets at FVPTL:</b>				
- Quoted investments	7,751,681	-	-	7,751,681
- Collective investment schemes	418,394	-	-	418,394
- Unquoted fixed income securities	-	3,133,669	-	3,133,669
	<u>8,170,075</u>	<u>3,133,669</u>	<u>-</u>	<u>11,303,744</u>
<b><u>2023</u></b>				
<b>Financial assets at FVPTL:</b>				
- Quoted investments	7,852,966	-	-	7,852,966
- Collective investment schemes	141,187	-	-	141,187
- Unquoted fixed income securities	-	2,893,099	-	2,893,099
	<u>7,994,153</u>	<u>2,893,099</u>	<u>-</u>	<u>10,887,252</u>

#### 4. FAIR VALUE ESTIMATION (CONTINUED)

##### Fair value hierarchy (continued)

Investments in active listed equities, i.e. quoted investments and collective investment schemes whose value are based on published market prices and published price in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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>2024</u> RM	<u>2023</u> RM
Bank balances	1,516,767	3,341,492
Deposits with licensed financial institutions	-	261,213
	<u>1,516,767</u>	<u>3,602,705</u>

#### 6. INVESTMENTS

	<u>2024</u> RM	<u>2023</u> RM
Investments:		
- Quoted investments - foreign	7,751,681	7,852,966
- Collective investment schemes	418,394	141,187
- Unquoted fixed income securities - local	3,133,669	2,893,099
	<u>11,303,744</u>	<u>10,887,252</u>

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b><u>CHINA</u></b>				
<b>Consumer Products &amp; Services</b>				
Foshan Haitian Flavouring & Fo	2,300	63,579	64,334	0.51
Haier Smart Home Co Ltd	10,500	201,057	182,171	1.46
Wulianye Yibin Co Ltd	1,400	139,815	119,477	0.95
		<u>404,451</u>	<u>365,982</u>	<u>2.92</u>
<b>Financial Services</b>				
China Merchants Bank Co Ltd	5,800	136,918	138,907	1.11
<b>Health Care</b>				
Jiangsu Hengrui Pharmaceuticals Co Ltd	2,000	62,103	55,943	0.45
<b>Industrial Products &amp; Services</b>				
Contemporary Amperex Technology Co Ltd	1,900	280,253	307,991	2.45
<b>Information Technology</b>				
JCET Group Co Ltd	5,300	103,485	131,970	1.05
Naura Technology Group Co Ltd	300	65,388	71,483	0.57
		<u>168,873</u>	<u>203,453</u>	<u>1.62</u>
<b>Technology</b>				
Luxshare Precision Industry Co Ltd	5,300	130,212	131,647	1.05
<b>TOTAL CHINA</b>		<b><u>1,182,810</u></b>	<b><u>1,203,923</u></b>	<b><u>9.60</u></b>

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b>(CONTINUED)</b>				
<b><u>HONG KONG</u></b>				
<b>Consumer Products &amp; Services</b>				
Alibaba Group Holding Ltd	5,700	272,252	270,254	2.15
Beigene Ltd	2,600	191,686	163,368	1.30
China Mengniu Dairy Co Ltd	12,000	100,076	121,248	0.97
Geely Automobile Holdings Ltd	19,000	135,492	162,021	1.29
Jd.Com Inc	3,550	314,479	277,803	2.21
Meituan	1,900	197,735	165,848	1.32
Yum China Holdings Inc	500	78,620	107,657	0.86
Zhongsheng Group Holdings Ltd	9,000	88,357	72,293	0.58
		<u>1,378,697</u>	<u>1,340,492</u>	<u>10.68</u>
<b>Energy</b>				
Petrochina Co Ltd	50,000	195,237	175,785	1.40
<b>Financial Services</b>				
China Construction Bank Corporation	72,000	256,980	268,459	2.14
Hong Kong Exchanges & Clearing Ltd	1,100	154,490	186,591	1.48
Industrial & Commercial Bank of China Ltd	42,000	124,674	125,909	1.00
Ping An Insurance Group Co of China Ltd	4,500	107,599	119,237	0.95
		<u>643,743</u>	<u>700,196</u>	<u>5.57</u>
<b>Health Care</b>				
Innovent Biologics Inc	2,500	56,058	52,649	0.41
Sino Biopharmaceutical Ltd	67,000	130,052	123,366	0.99
		<u>186,110</u>	<u>176,015</u>	<u>1.40</u>

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN (CONTINUED)</b>				
<b><u>HONG KONG (CONTINUED)</u></b>				
<b>Materials</b>				
Zijin Mining Group Co Ltd	8,000	71,575	65,089	0.52
<b>Property</b>				
China Resources Land Ltd	14,500	216,277	188,141	1.50
<b>Technology</b>				
AAC Technologies Holdings Inc	5,500	121,345	118,676	0.94
Xiaomi Corporation	5,800	75,093	115,138	0.92
		196,438	233,814	1.86
<b>Telecommunications &amp; Media</b>				
Bilibili Inc	1,040	88,386	84,975	0.68
Tencent Holdings Ltd	2,400	395,662	575,860	4.59
		484,048	660,835	5.27
<b>TOTAL HONG KONG</b>		<b>3,372,125</b>	<b>3,540,367</b>	<b>28.20</b>
<b><u>TAIWAN</u></b>				
<b>Financial Services</b>				
CTBC Financial Holding Co Ltd	80,000	318,049	426,346	3.40
<b>Information Technology</b>				
Alchip Technologies Ltd	1,000	395,215	447,064	3.56

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b>(CONTINUED)</b>				
<b><u>TAIWAN (CONTINUE)</u></b>				
<b>Technology</b>				
ASE Technology Holding Co Ltd	5,000	92,026	110,403	0.88
Delta Electronics Inc	3,000	146,042	176,031	1.40
Hon Hai Precision Industry Co Ltd	5,000	117,017	125,396	1.00
Mediatek Inc	1,000	176,473	192,865	1.53
Taiwan Semiconductor Manufacturing Co Ltd	8,000	459,754	1,172,180	9.34
Wiwynn Corporation	1,000	313,956	357,106	2.85
		<u>1,305,268</u>	<u>2,133,981</u>	<u>17.00</u>
<b>TOTAL TAIWAN</b>		<b><u>2,018,532</u></b>	<b><u>3,007,391</u></b>	<b><u>23.96</u></b>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>		<b><u>6,573,467</u></b>	<b><u>7,751,681</u></b>	<b><u>61.76</u></b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
<b><u>HONG KONG</u></b>				
ChinaAMC ETF Series -				
ChinaAMC CSI 300 Index Etf	10,400	285,768	260,790	2.08
CSOP FTSE China A50 ETF	21,200	166,884	157,604	1.25
		<u>452,652</u>	<u>418,394</u>	<u>3.33</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>		<b><u>452,652</u></b>	<b><u>418,394</u></b>	<b><u>3.33</u></b>

## 6. INVESTMENTS (CONTINUED)

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

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
<b>UNQUOTED FIXED INCOME SECURITIES - LOCAL</b>					
5.60% Alpha Circle Sdn Bhd 18/11/2022	C IS*	170,100	170,100	-	-
5.60% Alpha Circle Sdn Bhd 18/11/2022	C IS*	1,750,000	1,796,200	-	-
2.60% MEX I IMTN Tranche 13 21/01/2037	A1	394,940	344,969	458,361	3.65
2.60% MEX I IMTN Tranche 14 21/01/2038	A1	1,038,462	904,950	1,216,351	9.69
2.60% MEX I IMTN Tranche 15 21/01/2039	A1	571,073	469,857	675,671	5.39
2.60% MEX I IMTN Tranche 16 23/01/2040	A1	526,176	427,487	630,402	5.02
6.20% MEX II Sdn Bhd 29/04/2032	D**	4,300,000	4,526,664	-	-
6.20% Tanjung Bin Energy Issuer Berhad 16/03/2032	AA3	140,000	152,706	152,884	1.22
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES - LOCAL</b>			<b>8,792,933</b>	<b>3,133,669</b>	<b>24.97</b>
<b>TOTAL INVESTMENTS</b>			<b>15,819,052</b>	<b>11,303,744</b>	<b>90.06</b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b><u>CHINA</u></b>				
<b>Consumer Products &amp; Services</b>				
Kweichow Moutai Co Ltd	100	111,037	111,292	0.77
<b>Information Technology</b>				
Zhongji Innolight Co Ltd	1,100	68,744	80,085	0.56
<b>Technology</b>				
Maxscend Microelectronics Co Ltd	1,600	134,920	145,467	1.01
Will Semiconductor Co Ltd Shanghai	900	61,200	61,926	0.43
		196,120	207,393	1.44
<b>TOTAL CHINA</b>		<b>375,901</b>	<b>398,770</b>	<b>2.77</b>
<b><u>HONG KONG</u></b>				
<b>Consumer Products &amp; Services</b>				
Alibaba Group Holding Ltd	9,400	489,459	417,714	2.90
BYD Co Ltd	1,000	104,804	126,024	0.87
China Mengniu Dairy Co Ltd	4,000	64,515	49,375	0.34
LI Auto Inc	800	66,696	69,172	0.48
Meituan	1,100	53,767	52,955	0.37
New Oriental Education & Technology Group Inc	2,200	63,045	71,447	0.50
Sands China Ltd	11,200	124,003	150,430	1.04
Shenzhou International Group Holdings Ltd	2,400	112,373	113,422	0.79
Trip.com Group Ltd	1,000	169,384	163,173	1.13
		1,248,046	1,213,712	8.42

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b>(CONTINUED)</b>				
<b><u>HONG KONG (CONTINUED)</u></b>				
<b>Energy</b>				
PetroChina Co Ltd	22,000	68,343	66,727	0.46
<b>Financial Services</b>				
AIA Group Ltd	3,800	176,532	151,999	1.06
Bank of China Ltd	70,000	118,119	122,615	0.85
China Construction Bank Corporation	104,000	292,421	284,260	1.97
Industrial & Commercial Bank of China Ltd	62,000	145,104	139,215	0.97
PICC Property & Casualty Co Ltd	12,000	68,590	65,457	0.45
		800,766	763,546	5.30
<b>Health Care</b>				
CSPC Pharmaceutical Group Ltd	16,000	66,983	68,279	0.47
Sichuan Kelun-Biotech Biopharmaceutical Co Ltd	1,300	70,110	78,630	0.55
		137,093	146,909	1.02
<b>Industrial Products &amp; Services</b>				
Weichai Power Co Ltd	9,000	68,273	68,984	0.48
<b>Materials</b>				
Aluminum Corp of China Ltd	60,000	149,429	137,545	0.95
CMOC Group Ltd	33,000	86,371	82,827	0.58
		235,800	220,372	1.53

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b>(CONTINUED)</b>				
<b><u>HONG KONG (CONTINUED)</u></b>				
<b>Property</b>				
China Resources Land Ltd	8,000	138,443	131,667	0.91
China Vanke Co Ltd	11,200	58,318	47,532	0.33
		<u>196,761</u>	<u>179,199</u>	<u>1.24</u>
<b>Technology</b>				
ASMPT Ltd	1,700	81,136	74,445	0.52
Lenovo Group Ltd	12,000	68,605	77,025	0.53
Sunny Optical Technology Group Co Ltd	1,700	70,886	70,798	0.49
Xiaomi Corporation	15,800	128,403	144,881	1.02
		<u>349,030</u>	<u>367,149</u>	<u>2.56</u>
<b>Telecommunications &amp; Media</b>				
China Telecom Corporation Ltd	70,000	170,675	153,886	1.07
Kuaishou Technology	4,300	142,024	133,833	0.93
Netease Inc	1,200	124,090	99,174	0.69
Tencent Holdings Ltd	3,800	572,947	655,797	4.55
		<u>1,009,736</u>	<u>1,042,690</u>	<u>7.24</u>
<b>Utilities</b>				
China Resources Gas Group Ltd	3,200	44,375	48,152	0.33
China Resources Power Holdings Co Ltd	20,000	183,094	183,864	1.28
		<u>227,469</u>	<u>232,016</u>	<u>1.61</u>
<b>TOTAL HONG KONG</b>		<b><u>4,341,317</u></b>	<b><u>4,301,304</u></b>	<b><u>29.86</u></b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b>				
<b>(CONTINUED)</b>				
<b><u>TAIWAN</u></b>				
<b>Consumer Products &amp; Services</b>				
Eclat Textile Co Ltd	2,000	150,080	168,600	1.17
Makalot Industrial Co Ltd	1,000	53,943	53,175	0.37
		<u>204,023</u>	<u>221,775</u>	<u>1.54</u>
<b>Financial Services</b>				
CTBC Financial Holding Co Ltd	43,000	143,831	182,858	1.27
Fubon Financial Holding Co Ltd	13,350	108,356	129,762	0.90
		<u>252,187</u>	<u>312,620</u>	<u>2.17</u>
<b>Information Technology</b>				
Silergy Corporation	1,000	73,677	75,000	0.52
<b>Materials</b>				
Elite Material Co Ltd	1,000	62,777	57,300	0.40
<b>Technology</b>				
ASE Technology Holding Co Ltd	9,000	152,619	182,250	1.27
MediaTek Inc	2,000	262,015	304,500	2.11
Novatek Microelectronics Corporation	1,000	76,288	77,550	0.54
Taiwan Semiconductor Manufacturing Co Ltd	14,000	804,570	1,245,300	8.65
Unimicron Technology Corporation	4,000	102,887	105,600	0.73
United Microelectronics Corporation	14,000	100,833	110,460	0.77
Yageo Corporation	1,000	90,290	89,550	0.62
		<u>1,589,502</u>	<u>2,115,210</u>	<u>14.69</u>
<b>TOTAL TAIWAN</b>		<b><u>2,182,166</u></b>	<b><u>2,781,905</u></b>	<b><u>19.32</u></b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows: (continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net</u> <u>Asset</u> <u>Value</u> %
<b>QUOTED INVESTMENTS - FOREIGN</b> <b>(CONTINUED)</b>				
<b><u>UNITED STATES</u></b>				
<b>Consumer Products &amp; Services</b>				
PDD Holdings Inc	431	228,155	289,463	2.01
Vipshop Holdings Ltd	1,000	73,124	81,524	0.57
		<u>301,279</u>	<u>370,987</u>	<u>2.58</u>
<b>TOTAL UNITED STATES</b>		<b><u>301,279</u></b>	<b><u>370,987</u></b>	<b><u>2.58</u></b>
<b>TOTAL QUOTED INVESTMENTS – FOREIGN</b>		<b><u>7,200,663</u></b>	<b><u>7,852,966</u></b>	<b><u>54.53</u></b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
<b><u>HONG KONG</u></b>				
CSOP FTSE China A50 ETF	21,200	166,884	141,187	0.98
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>		<b><u>166,884</u></b>	<b><u>141,187</u></b>	<b><u>0.98</u></b>

## 6. INVESTMENTS (CONTINUED)

Investments as at 31 December 2023 are as follows: (continued)

<u>Name of Instruments</u>	<u>Rating</u>	<u>Nominal Value</u> RM	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of Net Asset Value</u> %
<b>UNQUOTED FIXED INCOME SECURITIES - LOCAL</b>					
5.60% Alpha Circle Sdn Bhd 11/18/22	C IS	170,100	170,100	-	-
5.60% Alpha Circle Sdn Bhd 18/11/2022	C IS	1,750,000	1,796,200	-	-
2.60% MEX I IMTN Tranche 13 21/01/2037	A2	394,940	341,277	424,161	2.94
2.60% MEX I IMTN Tranche 14 21/01/2038	A2	1,038,462	896,006	1,121,595	7.79
2.60% MEX I IMTN Tranche 15 21/01/2039	A2	571,073	464,468	622,016	4.32
2.60% MEX I IMTN Tranche 16 23/01/2040	A2	526,176	422,787	574,640	3.99
6.20% MEX II Sdn Bhd 29/04/2032	D**	4,300,000	4,526,664	-	-
6.20% Tanjung Bin Energy Issuer Berhad 16/03/2032	AA3	140,000	153,877	150,687	1.05
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES – LOCAL</b>			<b>8,771,379</b>	<b>2,893,099</b>	<b>20.09</b>
<b>TOTAL INVESTMENTS</b>			<b>16,138,926</b>	<b>10,887,252</b>	<b>75.60</b>

<sup>^</sup> Maturity date extended to 31/12/2030

## 6. INVESTMENTS (CONTINUED)

### \* Alpha Circle Sdn Bhd ("ACSB") RM60 million Senior Sukuk Musharakah and RM55 million Junior Sukuk Musharakah

Alpha Circle Sdn Bhd ("ACSB") has, since 2016, undertaken various re-termining exercises for its Senior Sukuk due to its lumpy debt maturities, and volatile foreign worker permit or Pas Lawatan Kerja Sementara ("PLKS") volumes owing to changes in government policy relating to the recruitment of foreign workers. In recent years, ACSB's parent company and concessionaire, NERS Sdn Bhd ("NERS"), has been adversely affected by lower PLKS volumes due to closure of international borders and the restriction on intake of foreign workers amid the pandemic. ACSB has continued to rely on Sukukholders' indulgence to defer shortfalls on the Senior Sukuk obligations with repayments on a piecemeal basis. On 18 January 2023, MARC downgraded ACSB's rating to C from B after noting that ACSB has continued to face payment delays that have led to a severe liquidity crunch. Repayments over the years have, nonetheless, reduced the Senior Sukuk outstanding amount by 92% or RM498 million, from RM540 million to RM42 million currently. The latest repayment of the Senior Sukuk made by ACSB amounted to RM10 million on 28 July 2023.

On 15 March 2023, a news article was published on the arrest of several individuals by Malaysian Anti-Corruption Commission ("MACC") over alleged misappropriation of funds involving a project facilitating the registration, recruitment and biometric security system for foreign workers in the country. Investigations relating to the charges mentioned in the article are still ongoing, although we are not privy to the progress of this investigation. However, Sukukholders were made to understand that there was a diversion of funds with respect to the April 2022 to November 2022 payments from JIM as instructed by the Directors of NERS without the Sukukholders' and Trustee's consent ("Misappropriated Funds").

To avoid a default and risk termination of the concession at the time, Sukukholders collectively agreed to pass resolutions to extend the maturity of the RM60 million Senior Sukuk principal due on 23 March 2023 until further notice from the Sukukholders or until 31 May 2023 (i.e. the concession expiry), whichever is earlier. Sukukholders were informed by NERS that a lawsuit has been brought by S5 Systems Sdn Bhd ("S5", which operates and maintains the NERS system) against NERS for amounts owed for services provided. Following a hearing on 3 April 2023, NERS was placed under Judicial Management.

While the Judicial Manager ("JM") has attempted to make contact with Kementerian Dalam Negeri ("KDN") to negotiate for an extension of the concession, the JM has been unsuccessful in securing a meeting. The concession expired on 31 May 2023, although there was no official notification from KDN at that time. Sukukholders passed resolutions to extend the maturity of the Senior Sukuk to 31 December 2023 and the Junior Sukuk to 31 March 2024 given uncertainties surrounding the concession. On 8

## 6. INVESTMENTS (CONTINUED)

### \* Alpha Circle Sdn Bhd ("ACSB") RM60 million Senior Sukuk Musharakah and RM55 million Junior Sukuk Musharakah (continued)

August 2023, Sukukholders were notified that KDN has decided not to grant an extension of the concession via a letter dated 3 August 2023. Without the extension of the concession, there will be no future cash inflows from the concession.

Meanwhile, payments from Jabatan Imigresen Malaysia ("JIM") for billings for the month of December 2023 up to April 2023 are lower than expected, as the Government has made profit-sharing deductions to the payments ("Profit-Sharing Deductions"). Sukukholders are of the view that such payments were not justified and have requested for the JM to seek clarification from JIM on this. Payment from JIM for May 2023 billing remains outstanding ("May 2023 Payment").

The JM had provided a Statement of Proposal ("SOP") to all creditors of NERS on 10 Nov 2023 for voting during a Creditors' Meeting on 1 Dec 2023. The SOP detailed amounts owing to all creditors and the JM's action plan for recovery, without any mention of the position and ranking of creditors. Sukukholders were generally not agreeable to this as based on the advice of the Trustee's solicitor, Shook Lin & Bok ("SLB"), the security of Sukukholders may be challenged by the other major creditor of NERS, i.e. S5, at a later stage since a Dissolution Event ("DE") has not been called. As such, the requisite approval (from creditors holding 75% of the outstanding amounts claimed) to pass the SOP was not obtained.

Sukukholders approved resolutions to call a Dissolution Event ("DE") and appoint a receiver and manager ("R&M") on 28 Feb 2024. A DE Notice was sent to the issuer on 5 Mar 2024 and the R&M was to be formally appointed on 8 Apr 2024 to take over the recovery process from the JM. On 8 Apr 2024, Sukukholders were notified that Ultiotech Sdn Bhd ("Ultiotech", formerly known as S5), has commenced action against NERS, where it is seeking for NERS to be placed under JM ("JM Application"). In light of this, the Trustee had put on hold the enforcement of the security furnished by NERS, including the appointment of the R&M.

A hearing for the JM Application was held on 24 May 2024, where the Judge fixed a case management on 16 Jul 2024, before delivery of his decision on 10 Sep 2024. On 10 Sep 2024, the Judge dismissed the JM Application. The Trustee is at liberty to enforce the security of the Sukuk and the appointment of the R&M has been effective on 11 Sep 2024.

On 26 Nov 2024, Sukukholders were notified by the Trustee that it had been served with Notices of Appeal (dated 21 Nov 2024), which were filed by Ultiotech against the Court's decision delivered on 24 Oct 2024. The case management is fixed for 24 Jan 2025.

## **6. INVESTMENTS (CONTINUED)**

### **\*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme**

On 18 October 2019, MARC had downgraded the rating of MEX II Sdn Bhd’s (“MEX II”) RM1.3 billion Sukuk Murabahah Programme from AA- to A whilst maintaining the rating on a negative outlook premised on rising completion risk and increased uncertainty with regard to completion and associated tolling date of the 16.8-km Lebuhraya KLIA (MEX Extension) project. MARC further placed MEX II’s ratings on MARCWatch Negative on 22 May 2020 due to the lack of construction progress at the Expressway.

On 30 October 2020, MEX II fulfilled its obligation on the Sukuk with a full and timely profit payment of circa RM39 million from monies previously ring-fenced for the sole benefit of Sukukholders in a reserve account.

On 18 November 2020, MARC downgraded MEX II’s ratings to BBB from A and the rating remained on MARCWatch Negative following concerns on MEX II’s timely ability to obtain additional financing to meet its debt obligations in April 2021 and complete a sukuk restructuring exercise.

On 9 February 2021, MARC further downgraded the rating to BB from BBB while maintaining the rating on MARCWatch Negative due to escalating risk that MEX II may not be able to obtain a liquidity line in time to meet Sukuk principal and profit payments of RM68.7 million due on 29 April 2021.

## 6. INVESTMENTS (CONTINUED)

### \*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme (continued)

On 26 March 2021, MARC downgraded MEX II’s rating to C from BB while maintaining the rating on MARCWatch Negative due to mounting liquidity pressure and the risk of missing the upcoming Sukuk payments on 29 April 2021, further highlighting that MEX II’s viability rests on a successful Sukuk restructuring through which additional funding will be available to complete the Expressway.

On 26 April 2021, Sukukholders holding in aggregate not less than 75% of the nominal value of the Sukuk had consented to the deferment of Sukuk principal and profit amounting to RM68.7 million originally due on (i) 28 April 2021 (i.e., principal repayment of RM30 million and the profit payment in respect of this tranche only) and (ii) 30 April 2021 (i.e., profit payments in respect of the other tranches) for 4 months until 27 August 2021.

On 24 August 2021, Sukukholders voted to approve the deferment of Sukuk obligations falling due on 27 August 2021 and 29 October 2021 to 31 December 2021 to buy more time for the proposed restructuring. On 3 January 2022, the Trustee formally declared an Event of Default when MEX II failed to remit the deferred amount on due date of 31 December 2021 upon which the Dissolution Amount of RM1,378,113,337.59 became immediately due and payable to Sukukholders. Resolutions for the Trustee to declare an Event of Default and to subsequently appoint a receiver were passed by Sukukholders earlier. Sukukholders had also earlier formally rejected MEX II’s request to extend the deferment period beyond 31 December 2021 as well as rejected the company’s restructuring proposal.

On 5 January 2022, MEX II applied for a Judicial Management Order (“JM Application”), resulting in an automatic moratorium against enforcement and such other creditor action. The Court had earlier fixed a Hearing on 23 February 2022 for the JM Application as well as for the Trustee (acting for and behalf of the Sukukholders) to seek leave of Court to proceed with enforcement/appointment of a receiver during the automatic moratorium period.

The Court Hearing, however, was postponed several times due to adjournments sought by the legal representative of MEX II and allowed by the Court for the parties to file further documents, from originally 23 February 2022 to 28 February 2022 then to 4 March 2022 and subsequently continued on 8 March 2022. The Judge then decided to reserve his decision to 26 April 2022.

## 6. INVESTMENTS (CONTINUED)

### \*\* MEX II Sdn Bhd (“MEX II”) RM1.30 billion Sukuk Murabahah Programme (continued)

On 26 April 2022, the Court dismissed the Issuer’s application for JM order and further allowed the Trustee’s Leave Application. Pursuant to the favorable outcome, Ernst & Young (EY) was appointed as the Receiver and Manager (R&M) of the secured property via Extraordinary Resolutions in Writing on 29 April 2022.

On 29 April 2022, Notice of Appeals (Appeals) were filed by the Issuer against the High Court’s decision and pursuant to case management on 1 September 2022, the High Court has fixed the cases to be heard on 15 May 2023.

On 10 May 2022, the Issuer served Notices of Motion (NOM) to preserve its assets until full and final dispose of the Appeal. On 12 August 2022, the Court of Appeal ruled in favour of Sukukholders by dismissing the NOMs.

EY had resigned on 13 February 2023, and BDO Consulting Sdn Bhd (BDO) has been appointed to replace EY as the R&M with effect from 27 February 2023. BDO will work with Sukukholders as well as the relevant government authorities and parties to expedite the restructuring of the Sukuk.

On 15 May 2023, the Court of Appeal has ruled in favour of the Sukukholders whereby the appeal sought by MEX II has been unsuccessful. On 15 Jun 2023, MEX II filed Motions to Appeal to Federal Court. A hearing took place on 26 Sep 2023, where the Appeal by MEX II was dismissed, exhausting all legal options for MEX II.

The R&M continues to work on a restructuring proposal for MEX II and has submitted a proposal to Kementerian Kerja Raya on 21 Nov 2023 and revised proposals on 15 Mar 2024 and 13 Sep 2024, which incorporates some feedback from the government agencies. Discussions with the government agencies remain ongoing.

## 7. UNITS IN CIRCULATION

	<u>2024</u> Units	<u>2023</u> Units
At beginning of the financial year	33,334,000	35,561,000
Creation of units arising from applications during the financial year	113,000	68,000
Cancellation of units during the financial year	<u>(5,722,000)</u>	<u>(2,295,000)</u>
At end of the financial year	<u>27,725,000</u>	<u>33,334,000</u>

## 8. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (2023: 1.80%) 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% (2023: 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>2024</u> RM	<u>2023</u> RM
Current taxation	52,142	-
Over provision of tax in prior year	-	(27,882)
	<u>52,142</u>	<u>(27,882)</u>

(b) Numerical reconciliation of income tax expense

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

	<u>2024</u> RM	<u>2023</u> RM
Net income/(loss) before taxation	<u>740,232</u>	<u>(2,079,423)</u>
Tax calculated at a statutory income tax rate of 24%	177,656	(499,062)
Tax effects of:		
- (Investment income not subject to tax)/Investment loss not brought to tax	(234,796)	385,755
- Expenses not deductible for tax purpose	45,847	40,118
- Restriction on tax deductible expenses	63,435	73,189
- Over provision of tax in prior year	-	(27,882)
Tax expense	<u>52,142</u>	<u>(27,882)</u>

## 11. TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>2.25</u>	<u>2.13</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>2024</u>	<u>2023</u>
PTR (times)	<u>1.29</u>	<u>0.91</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:

	<u>2024</u>		<u>2023</u>	
	Units	RM	Units	RM
The Manager	5,144	2,329	5,505	2,379
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>1,260,897</u>	<u>570,808</u>	<u>1,377,889</u>	<u>595,386</u>

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 December 2024 are as follows:

<b>Brokers/Financial institutions</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
J.P. Morgan Securities PLC	6,202,897	17.07	12,406	17.16
Macquarie Capital (Australia) Ltd	5,577,967	15.35	11,156	15.43
CLSA Limited	5,249,426	14.45	10,499	14.52
China Int Capital Corp Hong Kong Sec Ltd	3,032,142	8.34	6,064	8.39
CIMB Securities Sdn Bhd (Formerly Known as KAF Equities Sdn Bhd)	2,876,322	7.92	5,753	7.96
Instinet Pacific Limited	2,813,942	7.74	5,628	7.78
Citigroup Global Markets Singapore	2,367,894	6.52	4,736	6.55
Haitong International Securities	2,223,381	6.12	4,447	6.15
CL Securities Taiwan Company Ltd	1,229,058	3.38	2,458	3.40
Citigroup Global Markets Asia Ltd	1,210,079	3.33	2,228	3.08
Others*	3,555,398	9.78	6,927	9.58
	<u>36,338,506</u>	<u>100.00</u>	<u>72,302</u>	<u>100.00</u>

#### 14. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 December 2023 are as follows:

<b>Brokers/Financial institutions</b>	<b>Value of trades RM</b>	<b>Percentage of total trades %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
J.P. Morgan Securities PLC	4,552,184	15.92	9,105	15.70
Macquarie Capital (Australia) Ltd	3,779,248	13.22	7,559	13.04
China Int Capital Corp Hong Kong Sec Ltd	2,915,457	10.20	5,831	10.06
Citigroup Global Markets Asia Ltd	2,587,511	9.05	5,467	9.43
Credit Suisse (Hong Kong) Limited	2,505,711	8.76	5,011	8.64
CIMB Securities Sdn Bhd (Formerly Known as KAF Equities Sdn Bhd)	2,376,142	8.32	4,752	8.20
CLSA Limited	2,327,277	8.15	4,655	8.03
Instinet Pacific Limited	2,027,167	7.09	4,054	6.99
Credit Suisse Taipei	1,610,274	5.63	3,221	5.56
Haitong International Securities	972,860	3.40	1,946	3.36
Others*	2,937,714	10.26	6,374	10.99
	<u>28,591,545</u>	<u>100.00</u>	<u>57,975</u>	<u>100.00</u>

\* Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the Manager, of which the value of trades amounted to RM1,079,926 (2023: RM356,740) and brokerage fees amounted to RM2,160 (2023: RM713).

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>2024</u> RM	<u>2023</u> RM
<b>Financial assets</b>		
Financial assets at FVTPL		
• Quoted investments	7,751,681	7,852,966
• Collective investment schemes	418,394	141,187
• Unquoted fixed income investments	3,133,669	2,893,099
	<u>11,303,744</u>	<u>10,887,252</u>
Financial assets at amortised cost		
• Bank balances	1,516,767	3,341,492
• Deposits with licensed financial institutions	-	261,213
• Amount due from brokers	-	132,517
• Dividend receivables	3,256	16,245
	<u>1,520,023</u>	<u>3,751,467</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
• Amount due to brokers	174,994	195,734
• Amount due to Manager	5,451	1,295
• Accrued management fee	19,290	21,870
• Amount due to Trustee	643	729
• Other payables and accruals	39,220	24,779
	<u>239,598</u>	<u>244,407</u>

**STATEMENT BY MANAGER  
RHB GOLDEN DRAGON FUND**

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 December 2024 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

24 February 2025

## TRUSTEE'S REPORT

To the unit holders of RHB Golden Dragon Fund (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 31 December 2024 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.

Notwithstanding the above, the value of investment in the debenture of MEX I Capital Bhd amounting to 23.75% of the Fund's NAV (as at 31 December 2024) had inadvertently exceeded the investment spread limits as prescribed in paragraph (5) under Schedule B\* of SC Guidelines on Unit Trust Funds. The Management Company will continue to monitor the position until rectified.

For HSBC (Malaysia) Trustee Berhad

Lee Cincee  
Senior Manager, Trustee and Fiduciary Services

Kuala Lumpur  
24 February 2025

\*Paragraph (5) The value of a fund's investments in (a) transferable securities; and (b) money market instruments, issued by any single issuer must not exceed 15% of the fund's NAV (single issuer limit). In determining the single issuer limit, the value of the fund's investments in instruments in paragraph (3) issued by the same issuer must be included in the calculation.

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB GOLDEN DRAGON FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of RHB Golden Dragon Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 December 2024 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 December 2024, 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 significant accounting policies, as set out on pages 14 to 57.

### 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 GOLDEN DRAGON FUND (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 GOLDEN DRAGON FUND (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 GOLDEN DRAGON FUND (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  
24 February 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*)

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)  
(*Resigned with effect from 29 February 2024*)

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**

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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
Kota Kinabalu Office	Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu, Sabah Tel: 088-528 686 / 088-528 692 Fax: 088-528 685
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

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

**RHB** ♦ Asset Management

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