

ANNUAL REPORT 31 January 2024

AHAM **RMB Bond** Fund

MANAGER AHAM Asset Management Berhad 199701014290 (429786-T) TRUSTEE HSBC (Malaysia) Trustee Berhad 193701000084 (1281-T)

AHAM RMB BOND FUND

Annual Report and Audited Financial Statements For The Financial Period Ended 31 January 2024

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FUND INFORMATION

Fund Name	AHAM RMB Bond Fund
Fund Type	Income
Fund Category	Bond (Wholesale)
Investment Objective	The Fund aims to provide investors with regular income
Benchmark	1 Year China Household Savings Deposit Rate Index
Distribution Policy	Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis. At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealsied income, (4) unrealsied capital gains, (5) capital, or (6) a combination of any of the above.

FUND PERFORMANCE DATA

Category	As at 31 Jan 2024 (%)	As at 31 Jan 2023 (%)	As at 31 Jan 2022 (%)
Portfolio composition			
Unquoted fixed income securities – local	7.26	-	-
Unquoted fixed income securities – foreign	88.42	95.98	93.62
Cash & cash equivalent	4.32	4.02	6.38
Total	100.00	100.00	100.00

Currency class	MYR	RMB	MYR	RMB	MYR	RMB
	Class	Class	Class	Class	Class	Class
Total NAV (million) NAV per Unit (in respective currencies)	20.119	31.954	30.196	36.008	34.714	44.269
	0.4488	0.4379	0.4504	0.4586	0.4911	0.4813
Unit in Circulation (million) Highest NAV Lowest NAV	44.833	72.965	67.042	78.523	70.682	91.983
	0.4519	0.4601	0.4926	0.4813	0.5077	0.5001
	0.4385	0.4322	0.4244	0.4292	0.4839	0.4730
Return of the Fund (%) - Capital Growth (%) - Income Distribution (%)	3.85	-0.43	-8.29	-4.72	-1.78	-3.74
	-0.36	-4.51	-8.29	-4.72	-1.78	-3.74
	4.22	4.28	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen) Net Distribution per Unit (sen) Total Expense Ratio (%) ¹	2.18 1.85	2.27 1.85 20	Nil Nil 1.	Nil Nil 18	Nil Nil 1.	Nil Nil 58
Portfolio Turnover Ratio (times) ²	1.	19	0.	60	1.	55

<u>Basis of calculation and assumption made in calculating the returns:</u>

The performance figures are a comparison of the growth/decline in Net Asset Value ('NAV') for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return = NAV per Unit end / NAV per Unit begin - 1

Income return = Income distribution per Unit / NAV per Unit ex-date

= (1+Capital return) x (1+Income return) - 1 Total return

¹ The TER of the Fund was higher due to the lower average NAV of the Fund during the financial year under review. ² The PTR of the Fund was higher due to increased trading activities of the Fund over the financial year under review.

Income Distribution / Unit Split

The NAV per unit prior and subsequent to the distribution was as follows:-

RMB Class

Cum Date	Ex-Date	Cum-distribution	Distribution per Unit (RMB)	Ex-distribution
19-Dec-23	20-Dec-23	0.4503	0.0185	0.4322

MYR Class

Cum Date	Ex-Date	Cum-distribution	Distribution per Unit (RM)	Ex-distribution
19-Dec-23	20-Dec-23	0.4600	0.0185	0.4385

No unit split was declared for the financial period ended 31 January 2024.

Income Distribution Breakdown

Class	Ex-Date	Income (per unit) (sens / cents)	Income (%)	Capital (per unit) (sens / cents)	Capital (%)
MYR	2023-12-20	1.0200	55	0.8300	45
CNH	2023-12-20	1.3000	70	0.5500	30

Fund Performance

Table 1: Performance of the Fund

	1 Year (1/2/23 - 31/1/24)	Since Commencement (2/7/21 - 31/1/24)
Benchmark	1.50%	3.93%
RMB Class	-0.43%	-8.67%
Outperformance	-1.93%	-12.60%
MYR Class	3.85%	-6.45%
Outperformance	2.35%	-10.38%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/2/23 - 31/1/24)	Since Commencement (2/7/21 - 31/1/24)
Benchmark	1.50%	1.50%
RMB Class	-0.43%	-3.45%
Outperformance	-1.93%	-4.95%
MYR Class	3.85%	-2.55%
Outperformance	2.35%	-4.05%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2024 (1/2/23 - 31/1/24)	FYE 2023 (1/2/22 - 31/1/23)	FYE 2022 (2/7/21 - 31/1/22)
Benchmark	1.50%	1.50%	0.88%
RMB Class	-0.43%	-4.72%	-3.74%
Outperformance	-1.93%	-6.22%	-4.62%
MYR Class	3.85%	-8.29%	-1.78%
Outperformance	2.35%	-9.79%	-2.66%

Source of Benchmark: Bloomberg

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

MANAGER'S REPORT

Performance Review (1 February 2023 to 31 January 2024)

RMB Class

For the period 1 February 2023 to 31 January 2024, the Fund registered a -0.43% return compared to the benchmark return of 1.50%. The Fund thus underperformed the Benchmark by -1.93%. The Net Asset Value per unit ("NAV") of the Fund as at 31 January 2024 was RMB0.4379 while the NAV as at 31 January 2023 was RMB0.4586. During the period under review, the Fund has declared an income distribution of RMB0.0185 per unit.

Since commencement, the Fund has registered a return of -8.67% compared to the benchmark return of 3.93%, underperforming by 12.60%.

MYR Class

For the period 1 February 2023 to 31 January 2024, the Fund registered a 3.85% return compared to the benchmark return of 1.50%. The Fund thus outperformed the Benchmark by 2.35%. The Net Asset Value per unit ("NAV") of the Fund as at 31 January 2024 was MYR0.4488 while the NAV as at 31 January 2023 was MYR0.4504. During the period under review, the Fund has declared an income distribution of MYR0.0185 per unit.

Since commencement, the Fund has registered a return of -6.45% compared to the benchmark return of 3.93%, underperforming by 10.38%.

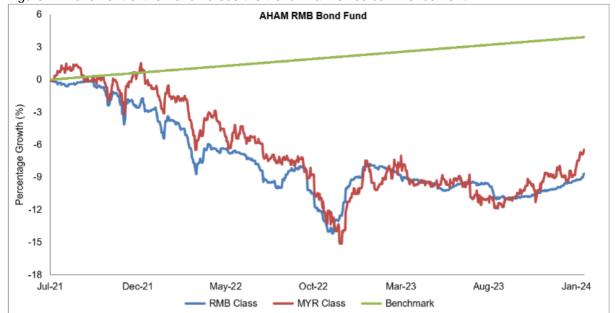


Figure 1: Movement of the Fund versus the Benchmark since commencement.

"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."

Benchmark: 1 Year China Household Savings Deposit Rate Index

Asset Allocation

As at 31 January 2024, the asset allocation of the Fund stood at 95.98% of the Fund's NAV in fixed income securities while the remaining was held in cash and cash equivalent.

Strategies Employed

The Fund invests mainly into RMB denominated bonds and aims to provide regular income to investors.

Market Review

Over the financial year under review, the Standard and Poor's ("S&P") 500 Index returned 18.42% with the Morgan Stanley Capital International ("MSCI") World index slightly behind at 14.66%. Specific to the Asian region, MSCI AC Asia ex Japan Index saw a return of -5.71% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") fared better returning 5.45% in Ringgit terms. Within bond markets, Bloomberg Barclays Global Aggregate Index gained 0.75% while domestically, the bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.79%.

Over the year, market volatility continued to affect economies globally as macro events and policy rate hikes at the start of the financial year influenced both stock and bond markets. The U.S. Federal Reserve ("Fed") have been engaging in a tightening monetary policy stance to address inflationary pressures driven by the economic fallout from the pandemic alongside the various conflicts in 2023 such as geopolitical instability arising from strained ties between U.S. and China, Russia's invasion of Ukraine and the more recent conflict between Israel and Hamas which weighed heavily on global economic growth. In a notable shift in tone towards the end of 2023, however, Fed Chair Jerome Powell struck a dovish chord and acknowledged that tighter U.S. monetary policy was slowing down the economy with market consensus expecting a rate cut in 2024. At its January Federal Open Market Committee ("FOMC") meeting, the Fed opted to keep benchmark rates unchanged, but pushed back the timing of potential rat cuts until more concrete evidence of easing inflation.

While the sharp pace of policy tightening by the Fed during the earlier part of 2023 has not caused the economic downturn market participants anticipated, it inadvertently played a role in destabilising the banking

sector. Signs of tension in the banking sector from the accelerated increase in policy rates were visible in March 2023 through the fallout of Silicon Valley Bank ("SVB") and several other regional U.S. banks. With an abundant of deposits over loans, SVB had placed them into available-for-sale and held-to-maturity securities like Treasuries and mortgage-backed securities when yields were at all-time lows. However, as interest rates began to rise rapidly, it recorded massive outflows in deposits alongside the rest of the banking sector. SVB sold substantially all of its available-for-sale securities to accommodate the outflows, incurring a massive loss which eventually led to a bank run. Smaller U.S. banks were caught also caught in the turmoil as concerns spread.

Looking back on 2023, many predicted at the start of the year that 2023 would be lackluster for U.S. stocks on the back of expectations of economic weakening but to the surprise of investors, the S&P 500 gained 26.3% on a total-return basis over the year. U.S. equities started 2024 on a strong note underpinned by robust economic indicators that fortified the case for a soft landing, surging by 1.60% and reaching a new all-time high in January over the financial year under review. Despite smaller U.S stocks lagging relative to their larger counterparts, the mid-cap S&P 400 and small-cap Russell 2000 recorded solid gains of 16.4% and 16.9% respectively. Growth stocks also performed, in contrast to 2022 where value stocks outperformed. Notably, U.S. Gross Domestic Product ("GDP") surpassed expectations, expanding by 3.30% in the last quarter of 2023, exceeding the forecast of 2.00%.

Chinese equities started 2023 strong as markets anticipated the release of pent-up demand from the lockdown but this was short lived as the market trended downwards with weak consumer confidence, growing local debts and slowing global growth which weighed on jobs and investment activities and China equities remained subdued at the end of 2023 as economic data presented mixed signals in terms of recovery. Data released showed industrial output grew but retail sales missed estimates as analysts had expected a more robust recovery following a low base in 2022 when the economy was still hampered by COVID lockdowns. There was a slight uptick in July 2023, however. The MSCI China Index vaulted 9.30% during the month, driven by stimulus optimism before eventually trending downwards and ending 2023 down by 31.56%. The brief bright spot in July came as top party leaders unveiled measures at its Politburo meeting to reinvigorate growth in the country. Among the measures include a pledge by Beijing to provide stimulus support for its beleaguered property sector. In November, additional stimulus measures were announced to support its property sector. Regulators have drafted whitelist of 50 developers that would be eligible for a range of financing. Shenzhen also lowered the minimum downpayment requirement for second homes as well as loosened the definition of luxury homes. These adjustments are anticipated to lower transaction costs in the sector. Markets however are still apprehensive that the introduced measures are sufficient to stem the sector's decline.

Within the broader Asian regions, the Japan market reached its highest level in 33 years in June 2023, which was partly driven by continuous foreign inflows and finished the year with a 29.15% gain. The gains also come amid expectations of corporate governance reforms, structural shifts and optimism that the Fed has reached peak rates towards the end of the year. South Korea and Taiwan also achieved strong gains over the year due to sentiments over global economic growth. The waning U.S. dollar coupled with improvement in risk appetite also helped the economy. Despite a weak start to the year, India achieved strong gains over the year. Optimism about the nation's growth prospect, greater domestic participation and increased liquidity have all contributed to the strong performance.

Domestically, the benchmark KLCI saw a muted start to the year. With several policy announcements made by the government in July 2023 catching the attention of investors, markets started to gain. These positive sentiments lifted foreign investors' confidence as they poured into local equities. They include the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the National Energy Transition Roadmap as well as the New Industrial Masterplan. The unveiling of Budget 2024 in October 2023 also helped shed light on the government's policies and laid down the groundwork for the government's path to fiscal consolidation. According to the Budget, the government aims to narrow the fiscal deficit from 5.0% to 4.3% in 2024 in line with its broader policy objective to bring it down to 3.10% by 2026. Key measures announced to broaden the government's revenue include the increase of Sales and Service tax ("SST") from 6% to 8% as well as the introduction of a 10% capital gains tax for unlisted shares. To further bolster revenue, a luxury goods tax will also be applied to high-value items including jewellery and watches based on predefined thresholds.

U.S. headline Consumer Price Index ("CPI") rose by 3.4% year-on-year (November: 3.1%) in December while core CPI eased to 3.9% (November: 4.0%), signifying a long road for the Fed to achieve it's price stability

target of 2.0%, especially with geopolitical tension elevating commodity prices. Unemployment rate was held low at 3.7% (November: 3.7%), pointing towards a robust U.S. economy. Nonetheless, market participants drew comfort that most developed economies have approached their terminal rates, and monetary policies should ease as we enter 2024.

Domestically, Bank Negara Malaysia ("BNM") kept Overnight Policy Rate ("OPR") unchanged at 3.00% with a neutral statement during the January 2024 Monetary Policy Meeting ("MPC"). Malaysian Government Securities ("MGS") yield curve shifted lower at the start of 2024 on the back of ample domestic liquidity. Principal dealers were seen building positions at the 3 to 5-year space, while real money continued to cap any rise in long-term bond yields. One notable exception was the 10-year MGS which was re-priced higher (in yield terms) to trade in line with the curve, following its aggressive auction in December 2023. For the month of January 3-year, 10-year, and 30-year MGS yield closed at 3.45% (-8 basis points ("bps")), 3.81% (+8 bps), and 4.22% (-4 bps) respectively.

Investment Outlook

Within equities, we anticipate overweighting Taiwan and Korea tech sectors due to their strong earnings growth potential, driven by the cyclical rebound and their significant exposure to the AI theme. Both countries have established themselves as key players in the global technology supply chain, and could be well-positioned to capitalize on the increasing demand for advanced technological solutions. In India and Indonesia, the focus will be on banks, industrials, and consumer sectors, recognizing their growth potential within the respective economies. These sectors are poised to benefit from favorable demographic trends, rising consumer spending, and infrastructure development initiatives. Additionally, we see opportunities for value creation and market outperformance in these areas. Conversely, we are adopting an underweight stance on China and Hong Kong until there is clarity on policies aimed at stabilizing the property sector, which is currently experiencing a decline. Uncertainty surrounding regulatory measures and the potential impact on property developers and related industries necessitates a cautious approach in these markets.

On fixed income, we maintain our positive outlook in 2024 as global growth is expected to moderate on the back of restrictive monetary policies and rising geopolitical tension. Volatility is expected to persist but at a tighter range compared to 2023. Although inflation expectations have peaked, inflationary environment may persist driven by elevated commodity prices. The first half of 2024 appeared to be a smoother runway relative to the second half amid dovish sentiment and less political/policy uncertainties.

With that in mind, we expect yields to be range-bound with a downward skew in the near-term, but cautious on front-loaded rate cut expectations at the global space. The short-end of the curve looks more vulnerable to external shocks such as short-term Treasury yields foreign exchange fluctuations, while the long-end of the curve looks unattractive due to the flatness of the curve. Hence the 6 to 10-year Malaysia Government Securities ("MGS")/Government Investment Issue ("GII") offer better risk-adjusted return in our opinion.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

Soft commissions received from brokers/dealers may be retained by the management company only if the:-

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assist in the decision-making process.

During the financial year under review, no soft commission was received by the Manager on behalf of the Fund.

Cross Trade

Cross trade transactions have been carried out during the reported year and the Compliance and Risk Management Committee of the Fund has reviewed that such transactions are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

Securities Financing Transactions

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

Changes Made To the Fund's Information Memorandum

A Supplemental Deed and Replacement Information Memorandum was issued during the financial year under review with effective date 7 August 2023 to reflect the various changes made to the Fund. This includes:

- i. a change in the name of the Fund;
- ii. updates to be in line with the issuance of the revised Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework ("Guidelines"); and
- iii. disclosures added to allow the Fund to distribute out of capital.

A list of changes made to the Fund is outlined in the following pages.

Changes to the Information Memorandum

1) Fund Name

Information Memorandum dated 25 May 2021	Replacement Information Memorandum dated 7 August 2023
Affin Hwang RMB Bond Fund	AHAM RMB Bond Fund (formerly known as Affin Hwang RMB Bond Fund)

2) Definition of Business Day

Information Memorandum dated 25 May 2021	Replacement Information Memorandum dated 7 August 2023
Means a day on which the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day if one or more of the foreign markets in which the Fund is invested in are closed for business	Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading.

3) Distribution Policy

Information Memorandum dated 25 May 2021 Replacement Information Memorandum dated 7 August 2023

Income distribution, if any, will be paid out in the currencies in which the Classes are denominated.

You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested into additional Units if you do not select the mode of distribution in the application form. Any distribution payable which is less than or equal to the amount of RMB/MYR 300.00 would be automatically reinvested.

Cash Payment Process

Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.

Reinvestment Process

We will create the Units based on the NAV per Unit of the Class at the income payment date which is within two (2) Business Days after the distribution date. There will not be any cost for reinvestments of those additional Units, i.e. no Sales Charge will be imposed on such transaction.

Depending on the level of income the Fund generates, the Fund will provide distribution on an annual basis.

At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above. The rationale for distribution out of capital is to allow the Fund the ability to distribute income on a regular basis in accordance with the income distribution policy of the Fund.

Having the option to tap into the additional sources of income from (3) unrealised income, (4) unrealised capital gains and/or (5) capital (collectively known as "distribution out of capital") would give the Manager the flexibility to increase the amount of income distributable to Unit Holders after taking the distribution out of capital risk into consideration.

Distribution out of capital has a risk of eroding the capital of the Fund. Payment of distribution out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distribution involving any payment out of capital of the Fund will result in an immediate reduction of the NAV per Unit. As a result, the value of future returns would be diminished.

Income distribution, if any, will be paid out in the currencies in which the Classes are denominated. You may elect the mode of distribution in cash payment or additional Units by way of reinvestment by ticking the appropriate column in the application form. You may also inform us at any time before the income distribution date of your wish of receiving cash payment or additional Units via reinvestment. All distribution will be automatically reinvested into additional Units if you do not elect the mode of distribution in the application form.

Any distribution payable which is less than or equal to the amount of RMB/MYR 300.00 would be automatically reinvested.

Notwithstanding the above, we may also reinvest the distribution proceeds which remain unclaimed after twelve (12) months from the date of payment, provided that you still have an account with us.

Cash Payment Process

Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.

Reinvestment Process

We will create the Units based on the NAV per Unit of the Class at the income payment date which is within two (2) Business Days after the distribution date. There will not be any cost for reinvestments of those additional Units, i.e., no Sales Charge will be imposed on such reinvestment.

4) Terminology updates

Information Memorandum dated 25 May 2021	Replacement Information Memorandum dated 7 August 2023
Structured products	Embedded derivatives
The Fund also may invest into foreign markets other than PRC where the regulatory authorities are the ordinary or associate members of the IOSCO.	The Fund also may invest into foreign markets which are eligible markets other than PRC. Glossary definition:
	eligible markets Means an exchange, government securities market or an over-the-counter (OTC) market— a) that is regulated by a regulatory authority of that jurisdiction; b) that is open to the public or to a substantial number of market participants; and c) on which financial instruments are regularly traded.

5) Valuation of the Fund

Information Memorandum dated 25 May 2021

the Manager or its delegate, based on the methods or bases

Replacement Information Memorandum dated 7 August 2023

Bonds

For unlisted MYR denominated bonds, valuation will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated unlisted bonds, valuation will be based on the average indicative price quoted by independent and reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. For listed bonds, valuation of investments will be based on the closing price or last known transacted price on the eligible market on which the investment is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed bonds for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed bonds will be valued at fair value as determined in good faith by the Manager or its

delegate, based on the methods or bases which have been

approved by the Trustee after appropriate technical consultation.

Money Market Instruments

The valuation of MYR denominated money market instruments will be done using the price quoted by a Bond Pricing Agency registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institution.

Deposits

Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.

Derivatives or Structured Products

The valuation of derivatives or structured products will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives or structured products (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Collective investment schemes

An unlisted collective investment schemes will be valued based on its last published repurchase price. For listed collective investment schemes, the valuations shall be based on the market price of the respective collective investment schemes. Where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such investments are valued at fair value determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation and verified by the auditors of the Fund.

verified by the auditor of the Fund and approved by the Trustee.

Money market instruments

Valuation of MYR denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that that the price quoted by BPA differs from fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

Deposits

Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of deposits and the interests accrued thereon for the relevant period.

Derivatives or embedded derivatives

Valuation of derivatives or embedded derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives or embedded derivatives (e.g., interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued based on fair value as determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Collective investment schemes

Valuation in investments in unlisted collective investment schemes shall be based on the last published repurchase price. Valuation of investments in listed collective investment scheme shall be based on the closing price or last known transacted price on the eligible market on which the listed collective investment scheme is quoted. If the price is not representative of its fair value or is not available to the market, including in the event of suspension in the quotation of the listed collective investment schemes for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, such listed collective investment scheme will be valued at fair value determined in good faith by the Manager, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

6) Cooling-off Right

Information Memorandum dated 25 May 2021

WHAT IS COOLING-OFF RIGHT?

You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.

You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.

We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or "T day"). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or "T+1 day").

Processing is subject to receipt of a complete transaction form and such other documents as may be required by us

Replacement Information Memorandum dated 7 August 2023

WHAT IS COOLING-OFF RIGHT?

You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.

You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge of the Class, imposed on the day those Units were purchased.

- (i) If the price of a Unit on the day the Units were first purchased ("original price") is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), you will be refunded based on the market price at the point of cooling-off;
- (ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling- off.

You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.

Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.

WHAT IS THE PROCESS OF COOLING-OFF APPLICATION?

We will process your cooling-off request if your request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or "T Day"). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or "T+1 day").

Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

7) Suspension of Dealing in Units

Information Memorandum dated 25 May 2021

SUSPENSION OF DEALING IN UNITS

The Trustee may suspend the dealing in Units requests:

- (i) where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders' meeting to decide on the next course of action; or
- (ii) without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed twenty- one (21) days of the commencement of the suspension.

Replacement Information Memorandum dated 7 August 2023

SUSPENSION OF DEALING IN UNITS

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.

The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM RMB BOND FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 January 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad 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 the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
- 2. Valuation and pricing are 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.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat Manager, Investment Compliance Monitoring

Kuala Lumpur Date: 27 March 2024

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

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STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	<u>Note</u>	<u>2024</u> CNH	<u>2023</u> CNH
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets at amortised cost		28,897	8,662
Interest income from financial assets at fair value through profit or loss Net loss on foreign currency exchange		2,827,609 (87,811)	3,612,178 (129,972)
Net loss on forward foreign currency contracts at fair value through profit or loss	12	(1,469,120)	(1,067,858)
Net loss on financial assets at fair value through profit or loss Other income	10 7	(630,704)	(5,050,100) 10,252
		668,871	(2,616,838)
EXPENSES			
Management fee Trustee fee Auditors' remuneration Tax agent's fee Fund accounting fee Other expenses	4 5 6 11	(745,073) (37,308) (12,672) (5,544) (20,176) (71,718)	(867,932) (43,415) (12,197) (5,336) - (99,733)
Other expenses	• • •	(892,491)	(1,028,613)
NET LOSS BEFORE FINANCE COST AND TAXATION		(223,620)	(3,645,451)
Finance cost	8	(2,623,958)	-
NET LOSS BEFORE TAXATION		(2,847,578)	(3,645,451)
Taxation	9	(450,993)	(858,796)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		(3,298,571)	(4,504,247)
Decrease in net assets attributable to unitholders comprise the following:			
Realised amount Unrealised amount		(11,408,370) 8,109,799	(1,557,749) (2,946,498)
		(3,298,571)	(4,504,247)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024

	<u>Note</u>	<u>2024</u> CNH	<u>2023</u> CNH
ASSETS			
Cash and cash equivalents Amount due from Manager		2,858,981	3,670,714
- creation of units Financial assets at fair value through		14,932	-
profit or loss Forward foreign currency contracts at fair value	10	59,818,586	80,468,759
through profit or loss Tax recoverable	12	132,369 40,508	698,668 -
TOTAL ASSETS		62,865,376	84,838,141
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss Amount due to Manager	12	27,532	-
- management fee Amount due to Trustee		53,080 2,654	71,348 3,567
Auditors' remuneration Tax agent's fee		12,411 5,505	12,180 5,287
Fund accounting fee Other payables and accruals		1,539 46,231	- 47,567
Tax provision Deferred tax liabilities	14	- 196,813	563,678 295,118
	14		
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		345,765	998,745
NET ASSET VALUE OF THE FUND		62,519,611	83,839,396
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		62,519,611	83,839,396

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> CNH	<u>2023</u> CNH
FAIR VALUE OF OUTSTANDING UNITS			
- MYR Class - RMB Class		30,565,499 31,954,112	47,831,354 36,008,042
		62,519,611	83,839,396
NUMBER OF UNITS IN CIRCULATION			
- MYR Class - RMB Class	13(a) 13(b)	44,833,000 72,965,000	67,042,000 78,523,000
		117,798,000	145,565,000
NET ASSET VALUE PER UNIT (CNH)			
- MYR Class - RMB Class		0.6818 0.4379	0.7135 0.4586
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR Class - RMB Class		RM0.4488 CNH0.4379	RM0.4504 CNH0.4586

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	<u>2024</u> CNH	<u>2023</u> CNH
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/ THE DATE OF LAUNCH	83,839,396	97,194,706
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	1,868,483	1,232,732
- MYR Class - RMB Class	1,857,580 10,903	596,459 636,273
Creation of units arising from distributions	1,570,164	-
- MYR Class - RMB Class	1,037,160 533,004	- -
Cancellation of units	(21,459,861)	(10,083,795)
- MYR Class - RMB Class	(18,385,201) (3,074,660)	(6,855,163) (3,228,632)
Decrease in net assets attributable to unitholders during the financial year	(3,298,571)	(4,504,247)
- MYR Class - RMB Class	(1,775,394) (1,523,177)	1,164,464 (5,668,711)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
AT THE END OF THE FINANCIAL YEAR	62,519,611	83,839,396

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	<u>2024</u> CNH	<u>2023</u> CNH
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale and redemption of investments Purchase of investments Interest received Other income received Management fee paid Trustee fee paid Fund accounting fee paid Payment for other fees and expenses Net realised loss on forward foreign currency contracts Net realised gain on foreign exchange Tax paid	92,079,469 (74,582,823) 2,628,034 (763,341) (38,221) (18,637) (90,821) (875,289) 2,735,930 (1,153,484)	54,274,848 (49,018,742) 3,432,108 10,252 (878,544) (43,946) (73,044) (1,812,145) 412,611
Net cash flows generated from operating activities	19,920,817	6,303,398
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units Payments for cancellation of units Payment for distribution	1,861,309 (21,492,426) (1,053,794)	2,362,905 (10,838,653)
Net cash flows used in financing activities	(20,684,911)	(8,475,748)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(764,094)	(2,172,350)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(47,639)	(131,041)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	3,670,714	5,974,105
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	2,858,981	3,670,714

Cash and cash equivalents as at 31 January 2024 and 31 January 2023 comprise of bank balances.

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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 revenue and expenses during the reported 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

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

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:
 - Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) 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). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Interest income

Interest income from unquoted fixed income securities are recognised based on effective interest rate method on an accrual basis.

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 asset (after deduction of the loss allowance).

Realised gains and losses on sale of investments

For unquoted fixed income securities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium on investments.

C TAXATION

Tax expense for the year comprises current and deferred income tax.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

C TAXATION (CONTINUED)

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

D DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

At the Manager's discretion, the Fund may distribute (1) realised income, (2) realised capital gains, (3) unrealised income, (4) unrealised capital gains, (5) capital, or (6) a combination of any of the above.

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Renminbi ("CNH"), which is the Fund's functional and presentation currency.

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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 payments of principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies amount due to Manager, amount due to Trustee, payables for auditors' remuneration, tax agent's fee, fund accounting fee and other payables and accruals as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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.

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net loss on financial assets at fair value through profit and loss' in the year which they arise.

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 basis approved by the Trustee after appropriate technical consultation.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

Unquoted fixed income securities including money market instruments denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission ("SC") as per the SC's Guidelines on Unit Trust Funds. Where such quotation is not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities 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 non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

Unquoted fixed income securities including money market instruments denominated in foreign currencies are revalued at least twice a week by reference to the mid price quoted in Bloomberg using the Composite Bloomberg Bond Trader ("CBBT") which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However, if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

Financial assets at amortised cost and other financial liabilities, except for forward foreign currency contracts, are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. 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 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.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

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

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

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 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 bad debt recoveries. There are no write-offs/recoveries during the financial year.

H CASH AND CASH EQUIVALENTS

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

I DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets measured at fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities measured at fair value through profit or loss.

J CREATION AND CANCELLATION OF UNITS

The unitholders' capital to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the MYR class and RMB Class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's Net Asset Value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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 CNH primarily due to the following factors:

- i) Significant portion of the Fund's investment is in unquoted investments denominated in CNH.
- ii) Significant portion of the Fund's expenses are denominated in CNH.

M REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL ENDED 31 JANUARY 2024

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang RMB Bond Fund (the "Fund") pursuant to the execution of a Deed dated 7 May 2021 and First Supplemental Deed dated 14 July 2023 (the "Deed") entered into between AHAM Asset Management Berhad (the "Manager") and CIMB Commerce Trustee Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang RMB Bond Fund to AHAM RMB Bond Fund as amended by the First Supplemental Deed dated 14 July 2023.

The Fund commenced operations on 25 May 2021 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

The Fund may invest in any of the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Bond;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives;
- (e) Units or shares in collective investment schemes:
- (f) Embedded deriviatives; and
- (g) Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund's investment objective.

All investments will be subjected to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deed and the objective of the Fund.

The main objective of the Fund is to provide investors with regular income.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 27 March 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

<u>2024</u>	<u>Note</u>	At amortised <u>cost</u> CNH	At fair value through profit or loss CNH	<u>Total</u> CNH
Financial assets				
Cash and cash equivalents Amount due from Manager		2,858,981	-	2,858,981
 creation of units Unquoted fixed income securities Forward foreign currency contracts 	10 12	14,932 - -	59,818,586 132,369	14,932 59,818,586 132,369
Total		2,873,913	59,950,955	62,824,868
Financial liabilities				
Forward foreign currency contracts Amount due to Manager		-	27,532	27,532
- management fee Amount due to Trustee		53,080 2,654	-	53,080 2,654
Auditors' remuneration		12,411	-	12,411
Tax agent's fee Fund accounting fee		5,505 1,539	-	5,505 1,539
Other payables and accruals*		6,774	-	6,774
Total		81,963	27,532	109,495
<u>2023</u>				
Financial assets				
Cash and cash equivalents Unquoted fixed income securities Forward foreign currency contracts	10 12	3,670,714 - -	80,468,759 698,668	3,670,714 80,468,759 698,668
Total		3,670,714	81,167,427	84,838,141

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> CNH	At fair value through profit or loss CNH	<u>Total</u> CNH
2023 (continued)				
Financial liabilities				
Amount due to Manager				
- management fee		71,348	-	71,348
Amount due to Trustee		3,567	-	3,567
Auditors' remuneration		12,180	-	12,180
Tax agent's fee		5,287	-	5,287
Other payables and accruals*		8,110		8,110
Total		100,492		100,492

^{*} Excludes tax penalty provision of CNH39,457 (2023: CNH39,457).

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and 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 by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(a) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	<u>2024</u>	<u>2023</u>
	CNH	CNH
Unquoted investments		
Unquoted fixed income securities*	59,818,586	80,468,759

^{*} includes interest receivable of CNH883,683 (2023: CNH1,197,264).

The following table summarises the sensitivity of the Fund's loss after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 3% (2023: 5%) and decreased by 3% (2023: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted securities.

% Change in price	Market value CNH	Impact on loss after tax/NAV CNH
<u>2024</u>		
- 3% 0% + 3%	57,166,856 58,934,903 60,702,950	(1,768,047) - 1,768,047
<u>2023</u>		
- 5% 0% + 5%	75,307,920 79,271,495 83,235,070	(3,963,575)

(b) Interest rate risk

In general, when interest rates rise, prices of unquoted fixed income securities will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income security until maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Interest rate risk (continued)

This risk is crucial in an unquoted fixed income securities fund 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.

Investors should note that unquoted fixed income securities and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's loss after taxation and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 1% (100 basis points) (2023: 2% (200 basis points)) with all other variables held constant.

% Change in interest rate	Impact on loss after tax/NAV	
-	2024	2023
	CNH	CNH
+ 1% (2023: + 2%)	(58,642)	51,172
- 1% (2023: - 2%)	66,019	443,616

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Renminbi, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Renminbi based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

<u>2024</u>	Unquoted fixed income securities CNH	Forward foreign currency <u>contracts</u> CNH	Cash and cash equivalents CNH	due from <u>Manager</u>	<u>Total</u> CNH
Financial assets					
Euro Malaysian Ringgit Singapore Dollar United States	2,296,468 4,536,388	- 48,487 -	574,444 18,055 110,077	14,932	2,870,912 4,617,862 110,077
Dollar	15,065,188	83,882	1,650,394	-	16,799,464
	21,898,044	132,369	2,352,970	14,932	24,398,315
			Forward foreign currency contracts CNH	Net assets attributable to uniholders CNH	<u>Total</u> CNH
Financial liabilities					
Malaysian Ringgit United States Dollar			27,532	30,565,499	30,565,499 27,532
		:	27,532	30,565,499	30,593,031

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund: (continued)

2023 Financial assets	Unquoted fixed income securities CNH	Forward foreign currency <u>contracts</u> CNH	Cash and cash equivalents CNH	Amount due from <u>Manager</u> CNH	<u>Total</u> CNH
Euro Malaysian Ringgit Singapore Dollar		1,258,084 - 3,519,631	- - -	31,930 72,181 2,079,071	1,290,014 72,181 5,598,702
United States Dollar		19,642,766	698,668	317,688	20,659,122
		24,420,481	698,668	2,500,870	27,620,019
				Net assets attributable to uniholders CNH	<u>Total</u> CNH
Financial liabilities					
Malaysian Ringgit				47,831,354	47,831,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in rate</u> %	Impact on loss after <u>tax/NAV</u> CNH
2024		
Euro Malaysian Ringgit Singapore Dollar United States Dollar	+/- 6.09% +/- 4.75% +/- 3.48% +/- 4.38%	+/- 174,839 -/+ 1,232,513 +/- 3,831 +/- 734,611
<u>2023</u>		
Euro Malaysian Ringgit Singapore Dollar United States Dollar	+/- 8.54% +/- 6.99% +/- 5.33% +/- 7.56%	,,

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described in the Deed and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

<u>2024</u>	Unquoted fixed income securities CNH	Forward foreign currency <u>contracts</u> CNH	Cash and cash equivalents CNH	Amount due from <u>Manager</u> CNH	<u>Total</u> CNH
Consumer Discretionary					
- BBB+	3,040,064	_	-	-	3,040,064
- BBB-	1,405,377	-	-	-	1,405,377
Energy					
- A1	774,940	-	-	-	774,940
Financial Services					
- AAA	-	97,708	2,858,981	-	2,956,689
- AA3	-	34,661	-	-	34,661
- Aa3	5,106,815	-	-	-	5,106,815
- A3	4,475,775	-	-	-	4,475,775
- A2	8,802,576	-	-	-	8,802,576
- BBB-	5,735,913	-	-	-	5,735,913
- Baa2	3,413,298	-	-	-	3,413,298
Non-Rated ("NR")	3,090,416	-	-	-	3,090,416
Government					
- Aa3	1,041,163	-	-	-	1,041,163
- Aaa	1,421,856	-	-	-	1,421,856
- A1	3,763,981	-	-	-	3,763,981
- Baa2	767,348	-	-	-	767,348
- NR	9,838,342	-	-	-	9,838,342
Real Estate					
- A2	1,000,933	-	-	-	1,000,933
- A3	1,353,187	-	-	-	1,353,187
- NR	2,043,501	-	-	-	2,043,501
Technology					
- Baa3	1,314,167	-	-	-	1,314,167
Utilities					
- A3	1,428,934	-	-	-	1,428,934
Others					
- NR	-		-	14,932	14,932
	59,818,586	132,369	2,858,981	14,932	62,824,868

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

Basic Materials - Baa3	<u>otal</u> NH
Consumer Discretionary - A3	
- A3	195
- BBB+ 2,996,564 - 2,996,564 - Baa3 2,570,456 - 2,570,456 Financial Services - AAA - 110,222 3,670,714 3,780,935 - AA3 - 588,446 - 588,446 - Aa3 2,004,112 - 2,004,11 - A3 4,981,569 - 4,981,569 - A2 12,069,211 - 12,069,21 - A1 3,004,184 - 3,004,184 - BBB- 5,367,231 - 5,367,231 - Baa3 2,553,877 - 2,553,873 - Baa1 1,242,877 - 1,242,873 - NR 8,136,763 - 8,136,763 Government - AA+ 2,015,197 - 2,015,197 - NR 1,031,165 - 1,031,165 Industrials - NR 1,334,393 - 1,334,393 Real Estate	
- Baa3 Financial Services - AAA - 110,222 3,670,714 3,780,93 - AA3 - Aa3 - 588,446 - Aa3 - 588,446 - Aa3 - Aa4 - Aa3 - Aa3 - Aa4 - Aa3 - Aa4 - Aa3 - Aa4 - Aa3 - Aa4 - Aa4 - Aa3 - Aa4 - Aa3 - Aa4 - Aa4 - Aa3 - Aa4 - Aa4 - Aa3 - Aa4 - Aa3 - Aa4 - Aa4 - Aa3 - Aa4 -	770
Financial Services - AAA - AA3 - AA4 - AB4 - AB5,569 - AA5 - AA2 - AA1 - AA1 - AA1 - AA1 - AA1 - AA1 - BBB- - AA1 - BBB- - BA3 - BA4 - BA4 - AA+ - AA	564
- AAA - 110,222 3,670,714 3,780,93 - AA3 - 588,446 - 588,44 - Aa3 2,004,112 - 2,004,1 - A3 4,981,569 - 4,981,56 - A2 12,069,211 - 12,069,2 - A1 3,004,184 - 3,004,18 - BBB- 5,367,231 - 5,367,23 - Baa3 2,553,877 - 2,553,87 - Baa1 1,242,877 - 1,242,87 - NR 8,136,763 - 8,136,76 Government - AA+ 2,015,197 - 2,015,19 - NR 1,031,165 - 1,031,16 Industrials - NR 1,334,393 - 1,334,393 Real Estate	1 56
- AA3	
- Aa3	
- A3	
- A2	
- A1	
- BBB- 5,367,231 - 5,367,23 - Baa3 2,553,877 - 2,553,83 - Baa1 1,242,877 - 1,242,83 - NR 8,136,763 - 8,136,763 Government - AA+ 2,015,197 2,015,19 - NR 1,031,165 - 1,031,16 Industrials - NR 1,334,393 1,334,393 Real Estate	
- Baa3 2,553,877 - 2,553,87 - Baa1 1,242,877 - 1,242,87 - NR 8,136,763 - 8,136,76 Government - AA+ 2,015,197 2,015,19 - NR 1,031,165 - 1,031,16 Industrials - NR 1,334,393 1,334,39 Real Estate	
- Baa1	
- NR 8,136,763 8,136,766 Government - AA+ 2,015,197 2,015,197 - NR 1,031,165 1,031,166 Industrials - NR 1,334,393 1,334,396 Real Estate	
Government - AA+	
- AA+ 2,015,197 2,015,19 - NR 1,031,165 - 1,031,10 Industrials - NR 1,334,393 1,334,39 Real Estate	′63
- NR 1,031,165 1,031,16 Industrials - NR 1,334,393 1,334,39 Real Estate	
Industrials - NR	
- NR 1,334,393 1,334,393 Real Estate	165
Real Estate	
	393
- A+ 1,960,808 - 1,960,80	
- BBB 3,848,110 3,848,1	
- Ba3 1,353,756 - 1,353,75	
- Caa3 929,417 - 929,4	
- C 287,225 287,22	
- NR 8,285,458 - 8,285,45	1 58
Technology	
- Baa3 1,238,082 - 1,238,08	
- Baa2 1,267,736 - 1,267,73	′36
Utilities	
- A1 5,026,219 5,026,2	
- Baa3	J84
80,468,759 698,668 3,670,714 84,838,14	141

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

2024	Within one month CNH	Between one month to one year CNH	<u>Total</u> CNH
Forward foreign currency contracts Amount due to Manager - management fee Amount due to Trustee Auditors' remuneration Tax agent's fee Fund accounting fee	53,080 2,654 - - 1,539	27,532 - 12,411 5,505	27,532 53,080 2,654 12,411 5,505 1,539
Other payables and accruals# Net assets attributable to unitholders*	62,576,884	52,222	6,774 62,519,611 62,629,106
2023			
Amount due to Manager - management fee Amount due to Trustee Auditors' remuneration Tax agent's fee Other payables and accruals# Net assets attributable to unitholders*	71,348 3,567 - - 83,839,396 83,914,311	12,180 5,287 8,110 - 25,577	71,348 3,567 12,180 5,287 8,110 83,839,396 83,939,888

[#] Excludes tax penalty provision of CNH39,457 (2023: CNH39,457).

^{*} Outstanding units are cancelled on demand at the unitholders' option (Note J). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

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 unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. 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.

The fair value of financial assets traded in active market (such as trading securities) is based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the bid prices for financial assets which falls within the bid-ask spread.

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- 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 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities (by class) measured at fair value:

	<u>Level 1</u> CNH	<u>Level 2</u> CNH	<u>Level 3</u> CNH	<u>Total</u> CNH
2024				
Financial assets at fair value through profit or loss: - unquoted fixed income				
securities - forward foreign currency	-	59,818,586	-	59,818,586
contracts		132,369	-	132,369
	-	59,950,955	-	59,950,955
Financial liabilities at fair value through profit or loss - forward foreign currency contracts	- 	27,532		27,532
2023				
Financial assets at fair value through profit or loss: - unquoted fixed income				
securities - forward foreign currency	-	80,468,759	-	80,468,759
contracts	-	698,668	-	698,668
	-	81,167,427	-	81,167,427

Financial instruments that trade in markets that are not 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. These include unquoted fixed income securities and forward foreign currency contracts. 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.

(ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities, except for forward foreign currency contracts, are a reasonable approximation of the fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 January 2024, the management fee is recognised at a rate of 1.00% (2023: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, excluding foreign custodian fees and charges, calculated on a daily basis.

For the financial year ended 31 January 2024, the Trustee fee is recognised at a rate of 0.05% (2023: 0.05%) per annum on the NAV of the Fund, excluding foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is CNH20,176 (2023: CNH NIL) during financial year.

7 OTHER INCOME

This is pertaining to the consent fee received from the bonds during the financial year ended 31 January 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

8 DISTRIBUTIONS

There was no distribution made during the financial year ended 31 January 2023.

Distribution to write aldone is form the	fallaia a a a			<u>2024</u> CNH
Distribution to unitholders is from the	following source	es:		
Interest income Previous year's realised income				2,224,521 976,164
Gross realised income Less: Expenses				3,200,685 (42,842)
Less: Taxation				3,157,843 (533,885)
Net distribution amount				2,623,958
Ex date	ross distribution MYR Class RM	per unit (sen) RMB Class CNH	Net distribution MYR Class RM	per unit (sen) RMB Class CNH
20.12.2023	2.18048	2.27120	1.8500	1.8500
	Income distribution CNH	Income distribution %	Capital distribution CNH	Capital <u>distribution</u> %
MYR Class RMB Class	714,250 933,543	55.14% 70.27%	581,204 394,961	44.86% 29.73%

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Included in distribution for the financial year is an amount of CNH 2, made from previous years' realised income.

The Fund has incurred an unrealised loss of CNH Nil (2023: CNH2,946,498) for the financial year ended 31 January 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

9 TAXATION

	<u>2024</u> CNH	<u>2023</u> CNH
Current taxation Deferred tax (Note 14)	549,298 (98,305)	563,678 295,118
	450,993	858,796

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

	<u>2024</u> CNH	<u>2023</u> CNH
Net loss before taxation	(2,847,578)	(3,645,451)
Tax at Malaysian statutory rate of 24%	(683,419)	(874,908)
Tax effects of: Investment loss not brought to tax Expenses not deductible for tax purposes Restriction on tax deductible expenses for Wholesale Funds Foreign income subject to different tax rate	290,464 662,088 181,860	1,446,542 35,315 211,552 40,295
Tax expense	450,993	858,796

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> CNH	<u>2023</u> CNH
Financial assets at fair value through profit or loss: - unquoted fixed income securities – local	4,536,388	-
- unquoted fixed income securities – foreign	55,282,198	80,468,759
	59,818,586	(5,050,100)
Net loss on financial assets at fair value through profit or loss:		
- realised loss on sale of investments	(8,864,728)	(1,239,264)
 unrealised gain/(loss) on changes in fair value 	8,234,024	(3,810,836)
	(630,704)	(5,050,100)

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 31 January 2024 are as follows:

Name of issuer Bonds	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
4.662% Government Investment				
Issue Call: 31.03.2038 (NR) 5.357% Government Investment	329,150	835,832	830,233	1.33
Issue Call: 15.05.2052 (NR) 3.892% Malaysia Government	197,490	554,961	540,701	0.86
Securities Call: 15.03.2027 (NR) 4.498% Malaysia Government	658,300	1,580,964	1,560,326	2.50
Securities Call: 15.04.2030 (NR)	658,300	1,617,686	1,605,128	2.57
	1,843,240	4,589,443	4,536,388	7.26
Accumulated unrealised loss on unquoted fixed income				
securities – local		(53,055)		
Total unquoted fixed income securities – local		4,536,388		

⁽ii) There are no unquoted fixed income securities – local as at 31 January 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

- (b) Unquoted fixed income securities foreign
 - (i) Unquoted fixed income securities foreign as at 31 January 2024 are as follows:

Name of issuer Bonds	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
2.625% AAC Technologies Holdings Inc Call: 02.05.2026 (Baa3)	1,437,187	1,276,439	1,314,167	2.10
2.70% AIA Group Ltd Call: 07.04.2026 (A2)	2,874,373	2,602,020	2,680,210	4.29
3.50% BNP Paribas SA 29.03.2028 (NR)	1,001,261	1,019,243	1,031,630	1.65
3.50% BNP Paribas SA Call: 20.03.2025 (NR)	2,002,522	2,057,120	2,058,786	3.29
2.65% China Development Bank Corporation 18.06.2024 (A1)	3,003,783	3,008,079	3,009,801	4.81
3.00% China Government Bond 15.10.2053 (NR) 0% China Govt International Bond	2,002,522	2,090,957	2,169,200	3.47
17.11.2024 (A1)	777,746	735,313	754,180	1.21
3.55% CLP Power HK Financing Ltd Call: 06.02.2025 (A3)	1,437,187	1,424,670	1,428,934	2.29
3.70% DBS Group Holdings Ltd Call: 03.03.2026 (A2) 3.67% Emirates NBD Bank PJSC	3,003,783	3,037,316	3,070,817	4.91
13.07.2028 (A2) 4.00% Emirates NBD Bank PJSC	1,001,261	1,007,156	1,021,711	1.63
18.11.2025 (A2) 2.92% Export-Import Bank of China	2,002,522	2,038,522	2,029,838	3.25
17.04.2030 (NR) 4.25% Far East Horizon Ltd	3,003,783	3,114,497	3,132,754	5.01
26.10.2026 (BBB-) 4.7% Far East Horizon Ltd	2,874,373	2,600,581	2,670,624	4.27
09.02.2024 (BBB-) 3.40% First Abu Dhabi Bank	3,003,783	3,067,927	3,065,289	4.90
18.08.2025 (Aa3) 3.00% Geely Finance HK Ltd	2,002,522	2,039,922	2,031,512	3.25
05.03.2025 (BBB-) 3.30% Henderson Land MTN Ltd	1,437,187	1,391,176	1,405,377	2.25
01.06.2024 (NR) 3.30% Hong Kong Government	2,002,522	2,044,064	2,043,501	3.27
Bond 07.06.2033 (Aa3) 0.976% HSBC Holdings PLC Call:	1,001,261	1,005,034	1,041,163	1.67
24.05.2024 (A3)	1,437,187	1,404,996	1,417,234	2.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

- (b) Unquoted fixed income securities foreign (continued)
 - (i) Unquoted fixed income securities foreign as at 31 January 2024 are as follows: (continued)

Name of issuer	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
<u>Bonds</u>				
3.40% HSBC Holdings PLC Call: 29.06.2026 (A3) 3.20% Hyundai Capital Services Inc	3,003,783	3,032,750	3,058,541	4.89
11.08.2024 (BBB+) 3.15% QNB Finance Ltd 04.02.2026	3,003,783	3,045,387	3,040,064	4.86
(Aa3) 3.315% QNB Finance Ltd	1,001,261	1,023,217	1,023,869	1.64
11.03.2025 (Aa3)	2,002,522	2,040,315	2,051,434	3.28
1.75% Republic of Indonesia 24.04.2025 (Baa2) 1.625% Sinochem Offshore Capital	777,746	764,943	767,348	1.23
Co Ltd 29.10.2025 (A3)	1,437,187	1,347,774	1,353,187	2.16
3.50% Societe Generale SA Call: 09.07.2025 (Baa2) 3.30% Swire Properties MTN	2,002,522	1,977,854	2,039,699	3.26
Financing 25.07.2025 (A2) 1.30% Three Gorges Finance II	1,001,261	1,000,628	1,000,933	1.60
21.06.2024 (A1)	777,746	752,764	774,940	1.24
1.875% United States Treasury N/B 31.08.2024 (Aaa) 5.00% Westpac Banking Corporation	1,437,187	1,427,961	1,421,856	2.27
Call: 21.09.2027 (Baa2)	1,437,187	1,313,724	1,373,599	2.20
Total unquoted fixed income securities – foreign	55,188,950	54,692,349	55,282,198	88.42
Accumulated unrealised gain on unquoted fixed income securities – foreign		589,849		
Total unquoted fixed income securities – foreign		55,282,198		

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

- (b) Unquoted fixed income securities foreign (continued)
 - (ii) Unquoted fixed income securities foreign as at 31 January 2023 are as follows:

Name of issuer	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
<u>Bonds</u>				
3% AAC Technologies Holdings Inc Call: 01.03.2023 (Baa2) 1.625% AusNet Services Holdings	1,351,340	1,245,437	1,267,736	1.51
Pty Ltd Call: 11.09.2026 (Baa3) 2.95% Australia New Zealand Bank	1,463,460	1,220,103	1,258,084	1.50
Gp Call: 22.07.2025 (Baa1) 2.88% Bank of China Ltd 28.07.2024	1,351,340	1,279,092	1,242,877	1.48
(NR) 3.875% Bluestar Finance Holdings	3,000,000	3,044,206	3,049,302	3.64
Ltd Call: 24.06.2023 (Baa3) 5.75% Celestial Miles Ltd Call:	2,702,680	2,656,049	2,697,495	3.22
31.01.2024 (NR) 2.65% China Development Bank	1,351,340	1,189,511	1,334,393	1.59
Corp 18.06.2024 (A1) 2.84% China Government Bond	3,000,000	3,003,518	3,004,184	3.58
08.04.2024 (NR) 5.85% CIFI Holdings Group Co Ltd	1,000,000	1,025,967	1,031,165	1.23
Call: 20.02.2023 (NR) 6.45% CIFI Holdings Group Co Ltd	3,000,000	2,887,181	977,416	1.17
Call: 06.02.2023 (NR) 3.7% DBS Group Holdings Ltd Call:	2,702,680	2,714,183	907,424	1.08
03.03.2026 (A2) 4% Emirates NBD Bank PJSC	7,000,000	7,084,043	6,988,129	8.34
18.11.2025 (A2) 4.25% Far East Horizon Ltd	2,000,000	2,050,376	2,016,438	2.41
26.10.2026 (BBB-) 4.7% Far East Horizon Ltd	2,702,680	2,540,067	2,424,342	2.89
09.02.2024 (BBB-) 3.4% First Abu Dhabi Bank	3,000,000	3,066,700	2,942,889	3.51
18.08.2025 (Aa3) 4% Geely Automobile Holdings Ltd	2,000,000	2,045,564	2,004,112	2.39
Call: 09.12.2024 (Baa3)	2,702,680	2,702,887	2,570,456	3.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

- (b) Unquoted fixed income securities foreign (continued)
 - (ii) Unquoted fixed income securities foreign as at 31 January 2023 are as follows: (continued)

Name of issuer Bonds (continued)	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
3.3% Henderson Land MTN Ltd 01.06.2024 (NR) 3% HKCG Finance Ltd 30.10.2023 (A1) 3.3% Hong Kong Government Bond 11.01.2028 (AA+)	2,000,000 5,000,000 2,000,000	2,044,068 5,044,179 2,003,769	2,045,301 5,026,219 2,015,197	2.44 5.99 2.40
3.4% HSBC Holdings PLC Call: 29.06.2026 (A3) 3.8% Huarong Finance 2017 Co 07.11.2025 (Baa3)	5,000,000 1,282,700	5,042,218 1,146,594	4,981,569 1,193,887	5.94 1.42
2.5% Huarong Finance 2019 Co Ltd Call: 24.02.2023 (Baa3) 3.2% Hyundai Capital Services Inc 11.08.2024 (BBB+)	1,351,340 3,000,000	1,443,207 3,045,387	1,359,990 2,996,564	1.62 3.57
 4.15% Industrial & Commercial Bank of China Call: 16.11.2025 (NR) 7.4% KWG Group Holdings Ltd Call: 20.02.2023 (NR) 3.5% Mapletree North Asia 	2,000,000 1,351,340	2,076,303 1,341,323	2,050,910 708,927	2.45 0.85
Commercial Trust Call: 08.06.2026 (NR) 2.125% Meituan Call: 28.09.2025 (Baa3)	2,565,400 1,351,340	2,326,814 1,283,444	2,325,744 1,238,082	2.77 1.48
6.15% NWD Finance BVI Ltd Call: 16.03.2025 (NR) 2.7% People's Bank Of China 23.02.2023 (NR)	1,351,340	1,348,376	1,320,646	1.58
6.25% Powerlong Real Estate Call: 15.03.2023 (Caa3)	2,702,680	2,714,534	929,417	1.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

- (b) Unquoted fixed income securities foreign (continued)
 - (ii) Unquoted fixed income securities foreign as at 31 January 2023 are as follows: (continued)

Name of issuer Bonds	Nominal <u>value</u> CNH	Adjusted <u>cost</u> CNH	Fair <u>value</u> CNH	Percentage of NAV %
3.2% Sun Hung Kai Properties Cap Mk 14.08.2027 (A+) 4.5% United Overseas Bank Ltd	2,000,000	1,798,512	1,960,808	2.34
Call: 06.04.2027 (A2) 3.45% Vanke Real Estate HK Co Ltd	3,000,000	3,009,696	3,064,644	3.66
25.05.2024 (BBB) 3.4% Volkswagen International	4,000,000	4,017,537	3,848,110	4.59
Finance NV 08.12.2023 (A3) 6.8% Yanlord Land HK Co Ltd	3,000,000	3,026,859	3,008,770	3.59
Call: 17.02.2023 (Ba3) 8.5% Yuzhou Group Holdings Co Ltd	1,351,340	1,327,108	1,353,756	1.61
Call: 26.02.2023 (C)	1,351,340	1,335,075	287,225	0.34
Total unquoted fixed income securities – foreign	88,987,020	88,165,989	80,468,759	95.98
Accumulated unrealised loss on unquoted fixed income securities – foreign		(7,697,230)		
Total unquoted fixed income securities – foreign		80,468,759		

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

11 OTHER EXPENSES

	71,718	99,733
Other expenses Tax penalty provision*	34,567 37,151	60,276 39,457
	<u>2024</u> CNH	<u>2023</u> CNH

^{*} Provision of tax penalty was contributed by the under provision of tax payable estimate for financial year 2023.

12 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 9 (2023: 4) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contract amounted to CNH17,957,021 (2023: CNH19,550,603). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in United States Dollar and Malaysian Ringgit. As the Fund has not adopted hedge accounting during the financial year, the changes in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2024</u> CNH	<u>2023</u> CNH
Financial assets at fair value through profit or loss: - forward foreign currency contracts	132,369	698,668
Financial liabilities at fair value through profit or loss: - forward foreign currency contracts	27,532	-
Net loss on forward foreign currency contracts at fair value through profit or loss - realised loss on forward foreign currency contracts - unrealised (loss)/gain on changes in fair value	(875,289) (593,831)	(1,812,145) 744,287
	(1,469,120)	(1,067,858)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

12 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

- (a) Forward foreign currency contracts
 - (i) Forward foreign currency contracts as at 31 January 2024 is as follows:

	Receivables RM	Payables RM	Fair <u>value</u> RM	Percentage of NAV %
Affin Hwang Investment Bank Bhd# CIMB Bank Bhd	5,476,940 12,480,081	5,442,279 12,409,905	34,661 70,176	0.06 0.11
Total forward foreign currency contracts	17,957,021	17,852,184	104,837	0.17

(ii) Forward foreign currency contracts as at 31 January 2023 is as follows:

	Receivables RM	Payables RM	Fair <u>value</u> RM	Percentage of NAV %
Affin Hwang Investment Bank Bhd# CIMB Bank Bhd	12,696,140 6,854,463	12,107,694 6,744,241	588,446 110,222	0.70 0.13
Total forward foreign currency contracts	19,550,603	18,851,935	698,668	0.83

[#] The Manager is of the opinion that all transactions with the former immediate holding company of the Manager have been entered in the normal course of business at agreed terms between the related parties.

13 NUMBER OF UNITS IN CIRCULATION

(a) MYR Class units in circulation

	2024 No. of units	2023 No. of units
At the beginning of the financial year	67,042,000	70,682,000
Creation of units arising from applications	2,641,045	921,000
Creation of units arising from distribution	1,539,955	-
Cancellation of units	(26,390,000)	(4,561,000)
At the end of the financial year	44,833,000	67,042,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

13 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) RMB Class units in circulation

	2024 No. of units	2023 No. of units
At the beginning of the financial year	78,523,000	91,983,000
Creation of units arising from applications	24,000	1,278,000
Creation of units arising from distribution	1,232,093	-
Cancellation of units	(6,814,093)	(14,738,000)
At the end of the financial year	72,965,000	78,523,000

14 DEFERRED TAX LIABILITIES

	<u>2024</u> CNH	<u>2023</u> CNH
Deferred tax liabilities	196,813	295,118

The movements in the deferred tax liabilities balances are as follows:

F	Foreign interest receivables or financial assets at fair value	
	through	gh profit or loss
	2024	2023
	CNH	CNH
Balance at the beginning of the financial year	295,118	-
Transfer to income statement (Note 9)	(98,305)	295,118
Balance as at the end of the financial year	196,813	295,118

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

15 TRANSACTIONS WITH DEALERS

(i) Details of transactions with the top 10 dealers for the financial year ended 31 January 2024 are as follows:

Name of dealers	Value <u>of trade</u> CNH	Percentage of total trade %
	CIVIT	70
Euroclear Bank S.A. / N.V.	53,233,184	38.13
Euroclear Bank Brussels	16,441,696	11.78
Bank Of China	16,212,209	11.61
Wells Fargo Securities, Charlotte, US	8,600,361	6.16
HSBC (Hong Kong Global Market Equity Operations)	8,536,890	6.11
Clearstream Banking Luxembourg	6,689,298	4.79
Depository Trust Company	4,016,975	2.88
J.P. Morgan Securities LLC	3,600,768	2.58
Morgan Stanley And Co. International PLC	2,866,077	2.05
RHB Investment Bank Bhd#	2,782,920	1.99
Others#	16,638,672	11.92
	139,619,050	100.00
	139,619,050	100.0

(ii) Details of transactions with the top 10 dealers for the financial year ended 31 January 2023 are as follows:

Name of dealers	Value <u>of trade</u> CNH	Percentage of total trade %
Bank Of China The Hongkong And Shanghai Banking Corporation Ltd HSBC Bank (China) Company Ltd MarketAxess Capital Standard Chartered Bank, London# Nomura Singapore Limited DBS Bank Ltd BNP Paribas (China) Ltd Clearstream Banking Luxembourg Australia And New Zealand Banking Group Limited Others	21,796,088 12,222,359 7,285,334 6,403,809 5,839,600 5,023,346 3,047,247 3,008,697 3,002,640 2,692,922 11,760,138	26.55 14.89 8.88 7.80 7.11 6.12 3.71 3.67 3.66 3.28 14.33
	=======================================	=======================================

There is no brokerage fee paid to the dealers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

15 TRANSACTIONS WITH DEALERS (CONTINUED)

Included in the transactions with dealers are cross trades conducted between the Fund and other funds; and mandates managed by the Manager:

Name of dealers	<u>2024</u> CNH	<u>2023</u> CNH
MarketAxess RHB Investment Bank Berhad Standard Chartered Bank, London	17,804,218 7,153,838 -	3,929,710
	24,958,056	3,929,710

The cross trades are conducted between the Funds and other funds; and mandates managed by the Manager as follows:

	<u>2024</u> CNH	<u>2023</u> CNH
AHAM Asia Bond Fund (formerly known as Affin		
Hwang Asia Bond Fund)	1,375,405	-
AHAM Flexible Maturity Income Fund 15	1,263,148	-
AHAM Flexible Maturity Income Fund 20 (formerly		
known as Affin Hwang Flexible Maturity Income		
Fund 20)	1,368,103	-
AHAM Hard Currencies Fixed Income Fund		
(formerly known as Affin Hwang Hard Currencies		
Fixed Income Fund)	4,014,696	1,968,774
AHAM Select AUD Income Fund	1,287,473	-
AHAM Select Bond Fund	5,439,902	-
Private mandates	10,209,329	1,960,936
	24,958,056	3,929,710

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

16 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

Directors of AHAM Asset Management Berhad

Related parties	Relationship
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager

Directors of the Manager

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

16 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The units held by the Manager as at the end of the financial year as follows:

N.	No. of units	CNH		
The Manager:		CINIT	No. of units	CNH
AHAM Asset Management Berhad (The units are held legally for booking purposes) - MYR Class - RMB Class	10,368 10,538	7,069 4,615	10,004 10,488	7,138 4,810

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

17 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u> %	<u>2023</u> %
TER	1.20	1.18

TER is derived from the following calculation:

 $\frac{(A + B + C + D + E) \times 100}{G}$ TER Management fee В Trustee fee = С Auditors' remuneration D Tax agent's fee = Ε Fund accounting fee F Other expenses G Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is CNH74,608,122 (2023: CNH86,836,111).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONTINUED)

18 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2024</u>	<u>2023</u>
PTR (times)	1.19	0.60

PTR is derived from the following calculation:

(Total acquisition for the financial year + total disposal for the financial year) ÷ 2 Average NAV of the Fund for the financial year calculated on a daily basis

where: total acquisition for the financial year = CNH74,582,823 (2023: CNH49,018,742) total disposal for the financial year = CNH103,695,492 (2023: CNH55,925,654)

19 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT"), resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 43 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 January 2024 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 January 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager, **AHAM ASSET MANAGEMENT BERHAD**

DATO' TENG CHEE WAI EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur 27 March 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM RMB BOND FUND

(Formerly known as Affin Hwang RMB Bond Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM RMB Bond Fund ("the Fund") (formerly known as Affin Hwang RMB Bond Fund) give a true and fair view of the financial position of the Fund as at 31 January 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 January 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 43.

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 UNITHOLDERS OF AHAM RMB BOND FUND (CONTINUED)

(Formerly known as Affin Hwang RMB Bond Fund)

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 the 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, 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM RMB BOND FUND (CONTINUED)

(Formerly known as Affin Hwang RMB Bond Fund)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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.
- (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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM RMB BOND FUND (CONTINUED)

(Formerly known as Affin Hwang RMB Bond Fund)

OTHER MATTERS

This report is made solely to the unitholders 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 27 March 2024

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