

RHB CHINA BOND FUND

ANNUAL REPORT

For the financial year ended 31 August 2021

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB China Bond Fund

Fund Category - Feeder Fund

Fund Type - Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund aims to maximise total return by investing in one (1) Target Fund.

Strategy

The Fund will invest principally in the Renminbi (“RMB”) denominated class 16 units of the Target Fund.

The investment objective of the Target Fund is to maximise total return. The Target Fund was launched on 11 November 2011. The Target Fund is one (1) of the sub-funds of the BlackRock Global Funds, an umbrella type open-ended variable capital investment company with segregated liability between sub-funds, incorporated with limited liability under the laws of Luxembourg.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sale and redemption transactions. This is to enable proper and efficient management of the Fund.

This Fund is a feeder fund that invests at least 95% of its NAV in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level.

When appropriate for all Classes (except RM Class & RMB Class), the Manager may participate in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging the currency risk exposure (if any) of the various currency Classes. The benefit of any upside of currency movement is limited when hedging the various currency Classes’ exposures to foreign currency as the primary interest is to protect the value of the various currency Classes.

The Fund's portfolio will be structured as follows:

At least 95% of - Investments in the RMB denominated class I6 units of the
Net Asset Value Target Fund.

The balance of the NAV shall be invested in liquid assets including money market instruments, deposits that are not embedded with or linked to financial derivative instruments ("Deposits") and collective investment schemes investing in money market instruments and Deposits.

Performance Benchmark

1-year China Household Savings Deposits Rate Index.

Permitted Investments and Restrictions

The Fund will invest in BlackRock Global Funds – China Bond Fund, financial derivatives, money market instruments and/or Deposits, units/shares of collective investment schemes and any other investments in line with the objective of the Fund, provided that there is no inconsistency with the Fund's objective.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

Distribution Policy

Incidental. Distribution, if any, is declared at the end of each quarter, or for any other period.

Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) will be reinvested, unless the Unit Holder specifically requests for distribution to be paid out to the Unit Holder by indicating in the purchase / switch form.

MANAGER'S REPORT

MARKET REVIEW

The low correlation / beta across onshore and offshore China bond markets has been the case for the past few years and even more apparent this year. The reason for the low correlation is the low onshore foreign exposure and the inefficient flow in money between the two markets. The onshore Chinese Credit market reflects the onshore view of China while the offshore Chinese Credit market reflects the offshore view of China.

Despite headline news related to targeted tightening, onshore yields remained roughly unchanged through the period, with compression seen in recent months. This was driven by stable liquidity conditions and weak economic data. Onshore demand for high quality state-owned enterprises (“SOEs”) continues to be strong, providing technical support for the market in general.

The Target Fund Manager is starting to see some early signs of targeted credit loosening, but this might take a couple of months to materialize. Rates could be range bound with the increase in government bond supply especially in August/September 2020. However, the overall economic trend and policy tone should remain supportive for the bond market in the medium to long term. The government will also proactively use fiscal policy in 2H and this should benefit local government financing vehicle (“LGFV”) sectors.

In the offshore market, although United States Treasury (“UST”) yields have come down from March 2021 highs, it remains about double that at the start of September 2020. Most recently at the Jackson Hole Symposium, United States (“US”) Federal Reserve (“Fed”) Chair Powell continued to put a wedge between the taper and rate hike discussion, keeping enough leeway for the timing of rate hike post the taper completion, creating an overall dovish backdrop for markets. The target portfolio has very low US duration exposure of ~2 years, to mitigate the impact of movement in US rates on Target Fund performance.

In August 2021, the Target Fund Manager saw the offshore China United States Dollar (“USD”) credit market outperforming, given the positive development regarding Huarong, with Chinese regulators settling on a hybrid solution falling between state bailout and a market approach. This vindicates the Target Fund Manager base case view of no haircuts or extensions in Huarong, and bonds recovered. This clearly demonstrates that authorities weighed the options of a market-based resolution against systemic risk, and finally decided that Huarong is too-big-to-fail. However, this does not reinstate the Target Fund Manager faith in state support for SOEs— on the contrary, it reinforces the fact that SOE evaluation should focus on two factors 1) standalone financials and 2) strategic importance.

Although offshore property has been underperforming on the back of tightening measures, it recovered towards the end of the period – while the Evergrande situation was still brewing, its effects were mitigated by supportive demand-side technicals. Within the target portfolio, the Target Fund Manager has trimmed overall offshore HY property sector exposure from 33.00% at the start of the period to 20.00% as of end August 2021, which helped to mitigate loss such that offshore China real estate for the Target Fund was flat between 1 September 2020 and 31 August 2021.

ECONOMIC REVIEW

The recent manufacturing sentiment print from China showed downward pressure due to mobility disruptions and policy tightening (around infrastructure and real estate investment) since the end of last year. New export orders were also softer, likely due to the closure of Ningbo port for 2 weeks. Price gauges were mixed but still suggest subdued industrial inflationary pressure, and this should provide room for People's Bank of China (“PBoC”) to ease when necessary.

The policy tone remains one of macro easing with micro tightening. From a macro standpoint, the Target Fund Manager expects stabilization to some pickup in liquidity going forward through various rate cuts, and growth supported through fiscal impulse. The PBoC’s policy meetings this month reiterated the efforts to maintain stable credit growth and increase support for select sectors (small and medium-sized enterprises (“SMEs”), green, innovations, and agriculture) using policy instruments such as re-lending, re-discount, and reserve requirement ratio (“RRR”) cuts. At the same time, the Target Fund Manager expects a continuation of targeted tightening towards sectors such as China real estate. While such tightening policies may cause volatility in the short term and credit events in some weaker developers, the Target Fund Manager expects that they should improve credit profiles in China property in the medium to long term.

REVIEW OF TARGET FUND PERFORMANCE AND STRATEGY DURING THE PERIOD

The target portfolio generated 3.98%* over the period, with positive returns from both onshore and offshore. In the offshore market, positive carry, more than offset the selloff in US rates and the spread widening due to idiosyncratic risks. In the onshore space, positive carry more than offset the marginal spread widening.

Over the period, the Target Fund Manager has been increasing their onshore exposure from 20.00% to 57.00% mainly through onshore rates bonds and high-quality Investment Grade (“IG”) credit to increase target portfolio resilience. Back in September/October 2020, the Target Fund Manager increased their onshore as part of the hedging strategy ahead of US elections. Subsequently in November 2020,

with increasing onshore defaults, the Target Fund Manager further increased their onshore exposure through IG central SOEs to build target portfolio resilience. In February 2021 this year, the Target Fund Manager trimmed down their overall HY credit beta by selling longer-dated credit in offshore and buying short-dated credit in onshore. To this point, the Target Fund Manager continues to be positioned defensively by continuing to move capital from offshore to onshore through high-quality strategically important SOEs and sovereigns. The Target Fund Manager also reduced their portfolio duration from 3.30 to 2.40 during the period by trimming USD duration to mitigate US rate risk.

The target portfolio remains income-focused with a yield of 6.60% with an average investment grade rating. The Target Fund Manager sees target portfolio resilience and credit quality increasing in importance for investments in the coming months. The target portfolio has been resilient, exhibiting low drawdowns amidst the volatility associated with the coronavirus given the diversification between the onshore and offshore Chinese bond markets. Despite global market volatility in credit, the target portfolio has held up well; the Target Fund has a 5Y ann. return of 5.77%* net of fees at a volatility of 2.40% (monthly, ann.).

*Performance refer to primary share class A2 CNH, net of fees. Performance is shown on a Net Asset Value (NAV) basis, with gross income reinvested where applicable.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

During the year under review, the fund has generated a return of -0.18%*, -0.04%*, 8.81%*, 1.53%*, 0.39%*, 0.89%*, and 2.66%* as compared with the benchmark return of 8.93%*, 4.73%*, 7.43%*, 7.43%*, 6.50%*, 7.65%*, and 1.41%* for AUD-Hedged Class, GBP-Hedged Class, RM Class, RM-Hedged Class, SGD-Hedged Class, USD-Hedge Class and RMB Class respectively. The Fund has met its objective of maximising total return.

* *Source: Lipper Investment Management (“Lipper IM”), 10 September 2021*

MARKET OUTLOOK AND STRATEGY GOING FORWARD

At this juncture, the Target Fund Manager holds a constructive view on the onshore market over offshore market. Firstly, the Target Fund Manager believes there is potential for US rates to move up on the back of economic recovery, though the pace would be more gradual given the dovish message at the Jackson hole symposium. This will negatively impact offshore IG credits given its high sensitivity against UST yields. Offshore IG credit looks fair from a valuation perspective and this does not provide enough yield buffer against rising US yields. Secondly, the Target Fund Manager expects the government will focus on “micro-tightening and macro-loosening” and this should provide support for the onshore bond market moving forward.

The Target Fund Manager is positive on onshore rates as they expect the PBoC to become more accommodative till the end of the year. The Target Fund Manager is looking to extend their onshore duration. In onshore, the Target Fund Manager likes companies in strategically important sectors which will benefit from expansionary fiscal policies in 2H. The recent change in wealth management valuation guidance resulted in some sell-off in bank papers (AT1/T2) which is not fundamentally driven. The Target Fund Manager is planning to increase bank papers (big 5 banks) for attractive carry. The Target Fund Manager also likes onshore short-dated (<1 year maturity) HY bonds for diversification and attractive relative valuations.

In the offshore space, the Target Fund Manager likes HY over IG. China offshore HY properties continue to offer attractive carry compared to Asia USD credit, emerging market (“EM”) and developed market (“DM”) credit and this market would be supported by positive technicals. The Target Fund Manager is positive on large benchmark names with more diversified funding channels, while avoiding weaker developers in the target portfolio given that policy would continue to remain tight in the foreseeable future.

Within HY:

The Target Fund Manager is positive on China HY property from a fundamental perspective, but prefer to be positioned cautiously given policy tightening could weigh on near-term sentiment. The Target Fund Manager likes short-dated up-in-quality names as the carry play. As China’s property sector has entered its golden season, the government has introduced regulations to cool down the sector, such as the “3 red lines” to ensure leverage in the system is controlled. This is equity negative but bond positive. This will force the sector to deleverage moving forward, which can be seen as a good development for the sectors’ credit profile over the long run. While the 3 red lines policy should cause some issuers to face problems adjusting in the short term, the majority of the Target Fund Manager coverage are in the green or yellow categories (ie. pass all or 2 of the 3 red lines) and thus face less pressure during their ongoing deleveraging process. The Target Fund Manager believes this year should end up as a stable year in terms of contracted sales and is likely to see prudent land banking activities. This should lead to an improvement in credit profile overall but selected weaker developers may see margin and liquidity pressures. Within the China HY Property sector, the Target Fund Manager is mainly positive on larger issuers with more manageable leverage and more diversified funding channels. The Target Fund Manager base case view in terms of government action remains a maintenance of targeted tightening at a reasonable level to avoid broad-based contagion.

Within IG:

The Target Fund Manager is constructive on onshore central SOEs and strategic important LGFVs. The Target Fund Manager continues to expect a tighter credit

environment onshore as the government is seeking to deliver the economy and this means strategically important SOEs will continue to outperform industrial SOEs. In the Target Fund's strategy, the Target Fund Manager needs to assess both the systematic importance of the entity and also the fundamentals of the corporate. The Target Fund Manager is avoiding industrial local SOEs as they expect more credit differentiation going forward.

PERFORMANCE DATA

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund - RMB Class		
- Capital Return	(1.04)	5.52
- Income Return	3.74	1.92
- Total Return	2.66	7.55
1-year China Household Savings Deposits Rate Index	1.41	1.25

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund - RM Class		
- Capital Return	5.32	7.69
- Income Return	3.31	1.89
- Total Return	8.81	9.72
1-year China Household Savings Deposits Rate Index	7.43	4.80

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund – RM-Hedged Class		
- Capital Return	(2.26)	5.47
- Income Return	3.88	1.92
- Total Return	1.53	7.50
1-year China Household Savings Deposits Rate Index	7.43	4.80

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund – AUD- Hedged Class		
- Capital Return	(3.99)	4.12
- Income Return	3.97	1.94
- Total Return	(0.18)	6.14
1-year China Household Savings Deposits Rate Index	8.93	(3.61)

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund – USD- Hedged Class		
- Capital Return	(2.87)	5.45
- Income Return	3.87	1.91
- Total Return	0.89	7.46
1-year China Household Savings Deposits Rate Index	7.65	5.81

	Annual Total Return	
	Financial Year/Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund – SGD- Hedged Class		
- Capital Return	(3.27)	3.85
- Income Return	3.78	1.58
- Total Return	0.39	5.49
1-year China Household Savings Deposits Rate Index	6.50	3.38

	Annual Total Return	
	Financial Period Ended 31 August	
	2021 %	2020^ %
RHB China Bond Fund – GBP- Hedged Class		
- Capital Return	(3.64)	5.40
- Income Return	3.74	1.93
- Total Return	(0.04)	7.43
1-year China Household Savings Deposits Rate Index	4.73	0.17

	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.06.2019**- 31.08.2021 %
RHB China Bond Fund - RMB Class	2.66	4.98
1-year China Household Savings Deposits Rate Index	1.41	1.30

	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.06.2019**- 31.08.2021 %
RHB China Bond Fund - RM Class	8.81	8.41
1-year China Household Savings Deposits Rate Index	7.43	4.39

	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.06.2019**- 31.08.2021 %
RHB China Bond Fund – RM-Hedged Class	1.53	4.28
1-year China Household Savings Deposits Rate Index	7.43	4.39

	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.06.2019**- 31.08.2021 %
RHB China Bond Fund – AUD- Hedged Class	(0.18)	2.93
1-year China Household Savings Deposits Rate Index	8.93	2.46

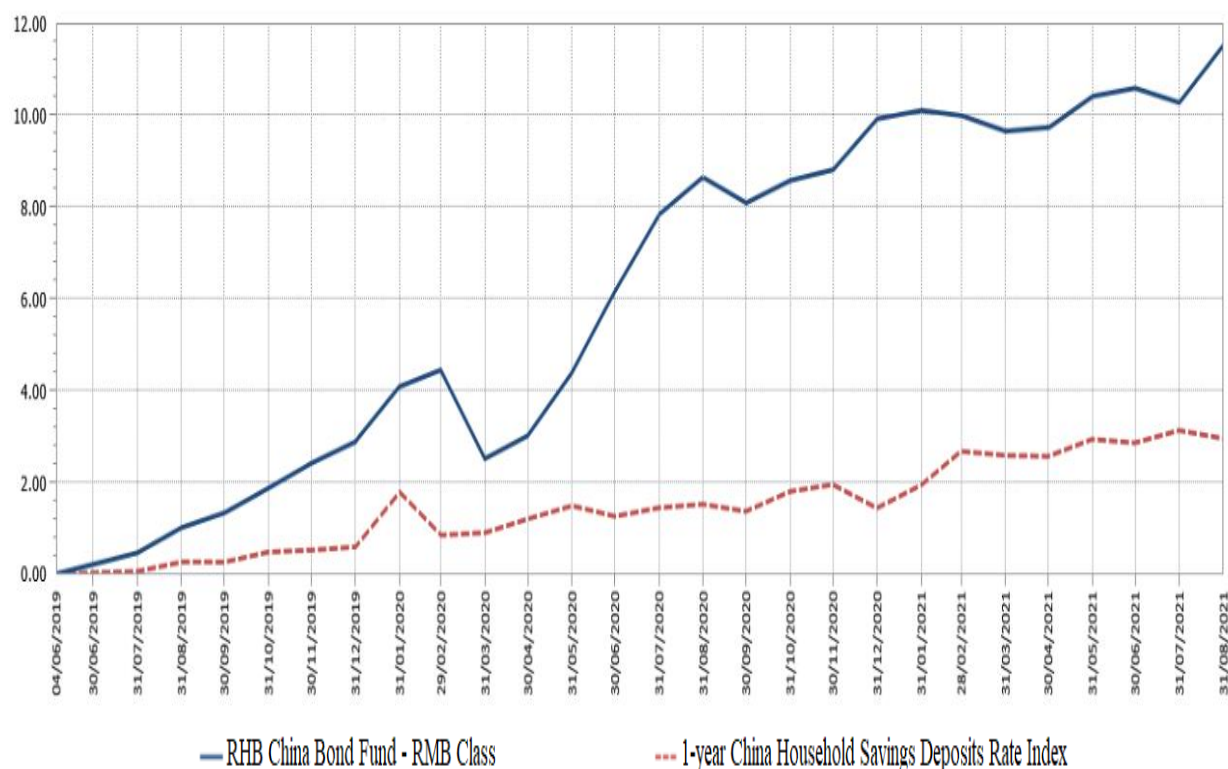
	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.06.2019**- 31.08.2021 %
RHB China Bond Fund – USD- Hedged Class	0.89	4.21
1-year China Household Savings Deposits Rate Index	7.65	4.59

	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 06.11.2019**- 31.08.2021 %
RHB China Bond Fund – SGD- Hedged Class	0.39	3.20
1-year China Household Savings Deposits Rate Index	6.50	5.43

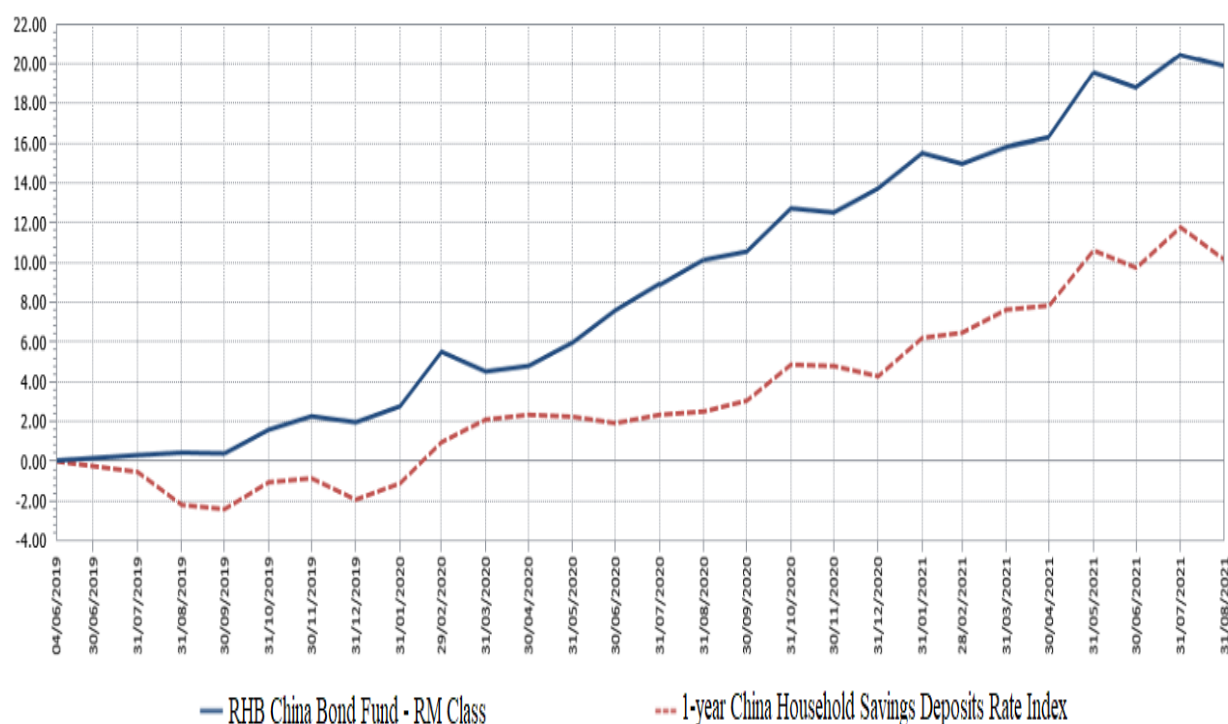
	Average Annual Returns	
	1 Year 31.08.2020- 31.08.2021 %	Since Inception 04.11.2019**- 31.08.2021 %
RHB China Bond Fund – GBP- Hedged Class	(0.04)	3.98
1-year China Household Savings Deposits Rate Index	4.73	2.66

[^] For the period since last day of Initial Offer Period

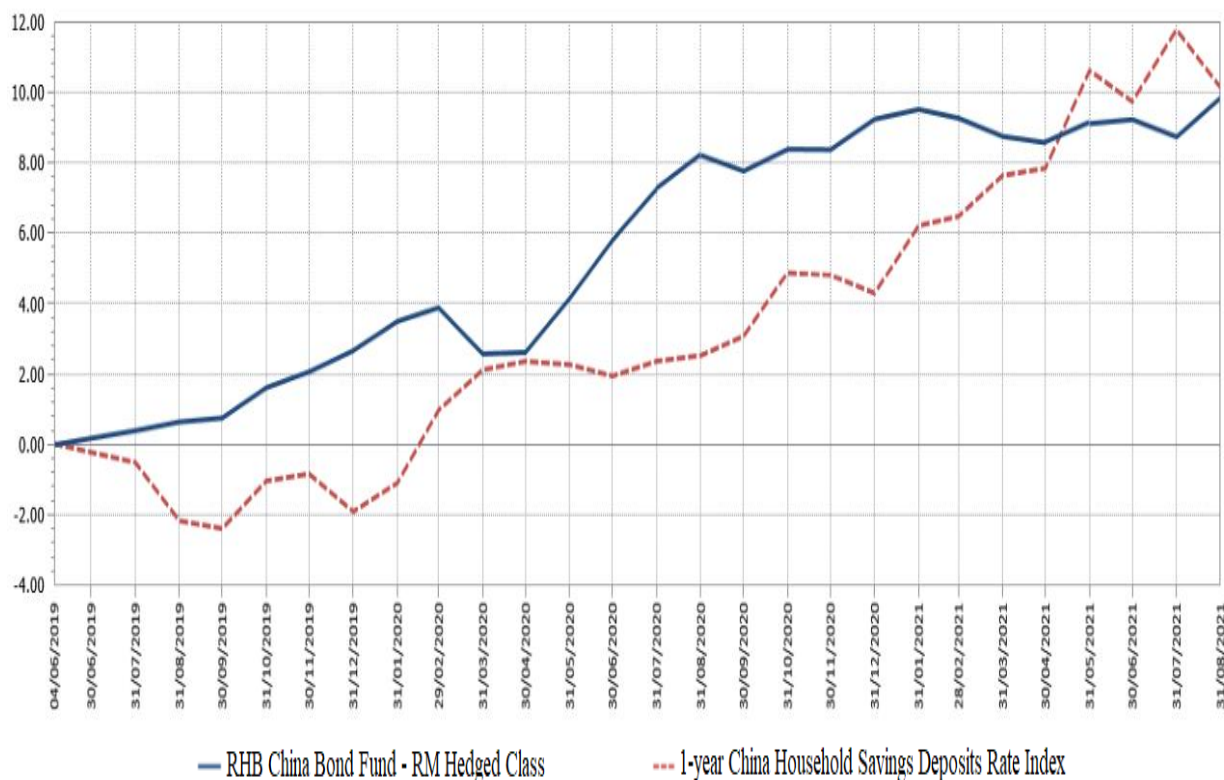
**Performance of RHB China Bond Fund - RMB Class
for the period from 4 June 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



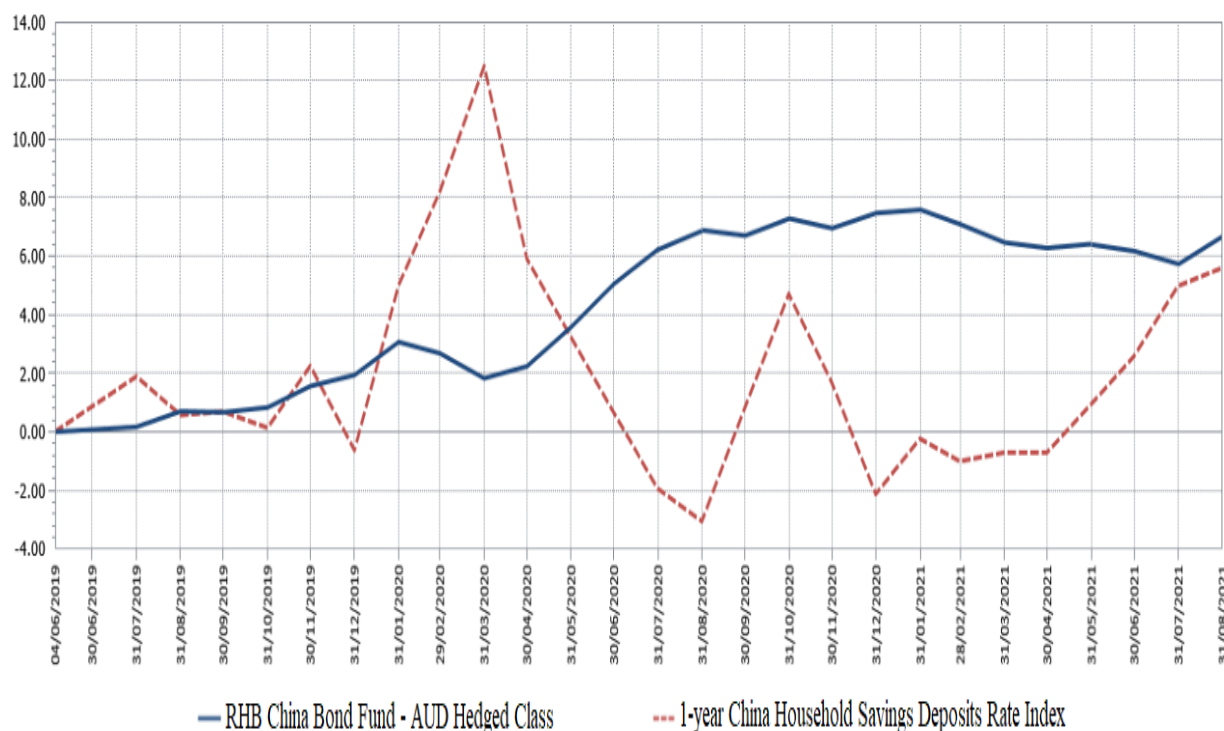
**Performance of RHB China Bond Fund - RM Class
for the period from 4 June 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



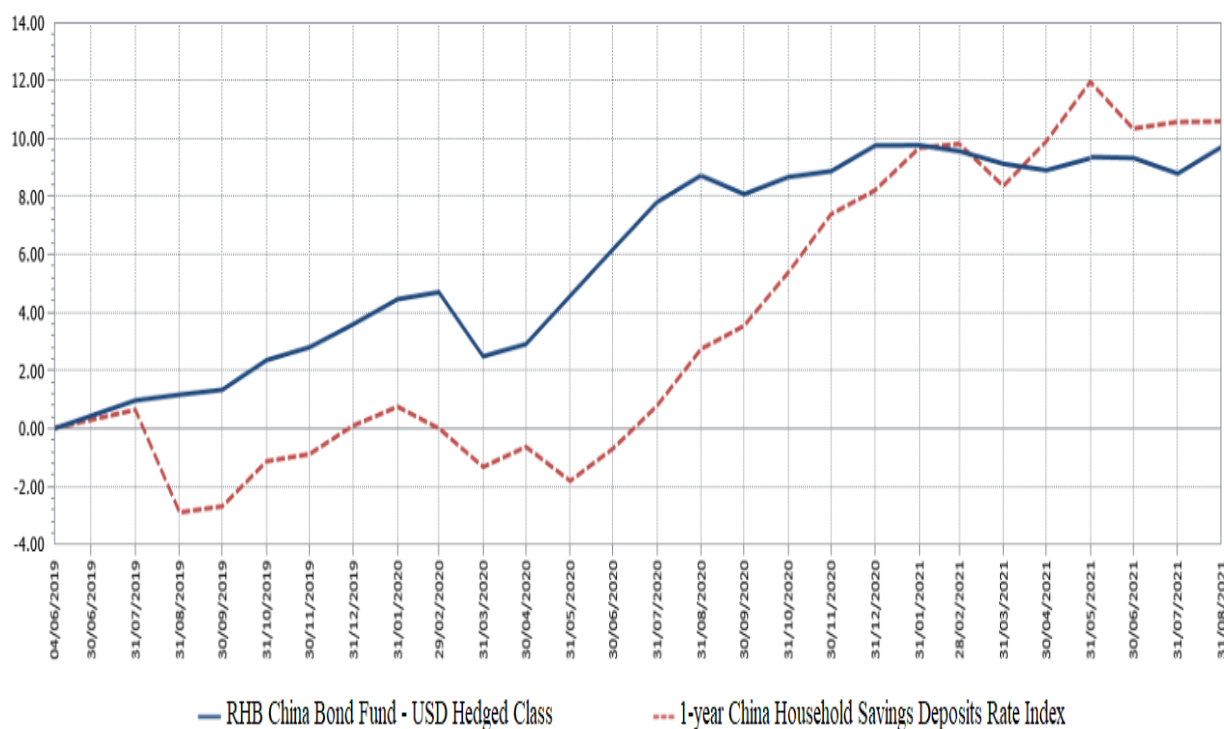
**Performance of RHB China Bond Fund – RM-Hedged Class
for the period from 4 June 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



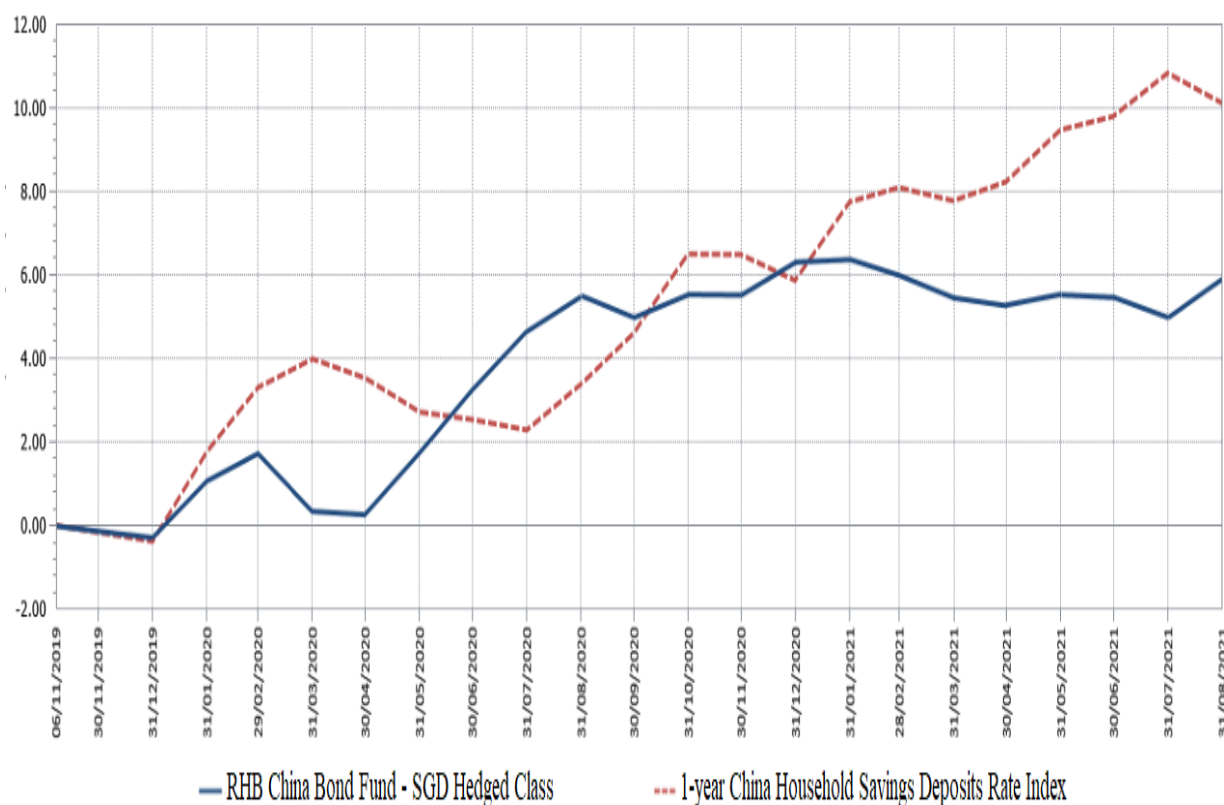
**Performance of RHB China Bond Fund – AUD-Hedged Class
for the period from 4 June 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



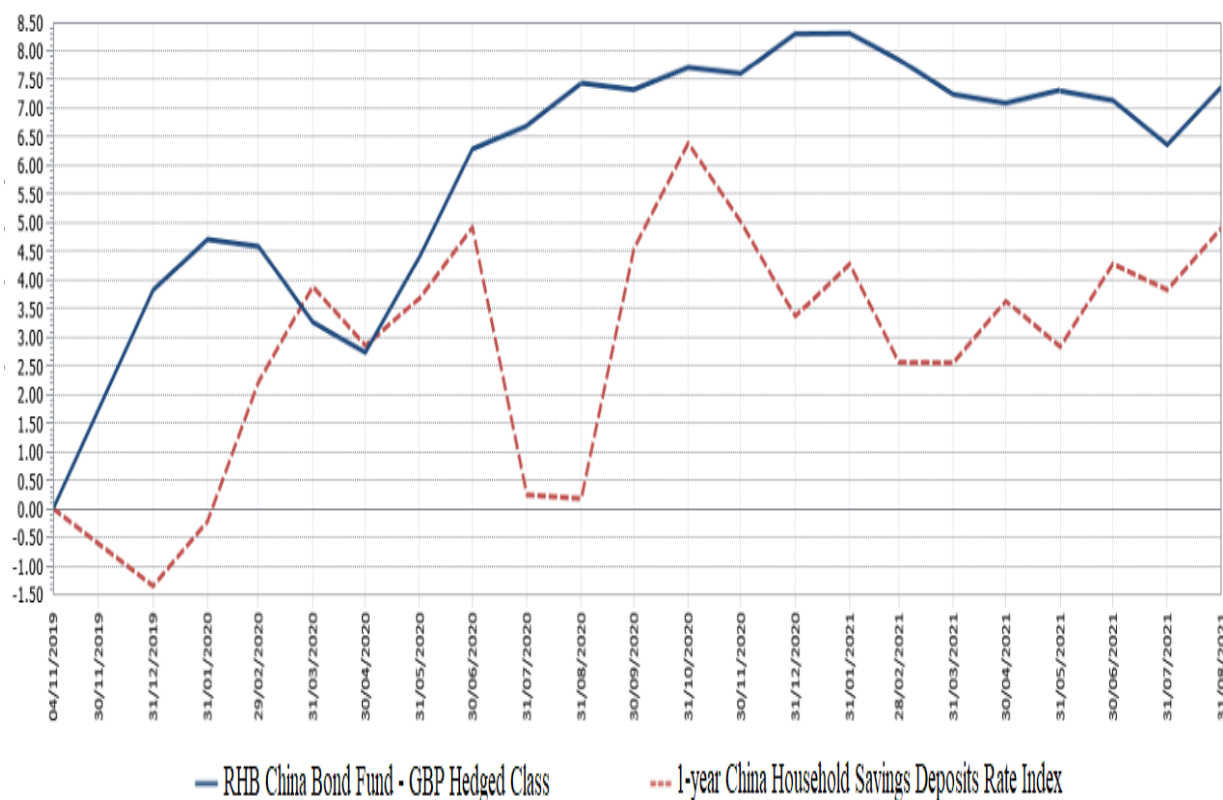
**Performance of RHB China Bond Fund – USD-Hedged Class
for the period from 4 June 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



**Performance of RHB China Bond Fund – SGD-Hedged Class
for the period from 6 November 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



**Performance of RHB China Bond Fund – GBP-Hedged Class
for the period from 4 November 2019** to 31 August 2021
Cumulative Return Over The Period (%)**



**** Being the last day of Initial Offer Period**

Source: Lipper IM, 10 September 2021

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

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

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

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

Fund Size – RMB Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	224.90	116.00
Units In Circulation (million)	213.09	108.91
Net Asset Value Per Unit (RMB)	1.0554	1.0651

Fund Size – RM Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	793.53	303.52
Units In Circulation (million)	447.36	170.35
Net Asset Value Per Unit (RMB)	1.7738	1.7818

Fund Size – RM-Hedged Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	684.90	543.48
Units In Circulation (million)	423.74	310.70
Net Asset Value Per Unit (RMB)	1.6163	1.7492

Fund Size – AUD-Hedged Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	194.91	157.06
Units In Circulation (million)	41.05	29.81
Net Asset Value Per Unit (RMB)	4.7482	5.2688

Fund Size – USD-Hedged Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	130.10	64.15
Units In Circulation (million)	19.41	8.77
Net Asset Value Per Unit (RMB)	6.7035	7.3171

Fund Size – SGD-Hedged Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	51.46	33.48
Units In Circulation (million)	10.65	6.39
Net Asset Value Per Unit (RMB)	4.8322	5.2435

Fund Size – GBP-Hedged Class	As at 31 August	
	2021	2020
Net Asset Value (RMB million)	16.47	9.37
Units In Circulation (million)	1.82	0.97
Net Asset Value Per Unit (RMB)	9.0504	9.6160

Historical Data	Financial Year/Period Ended 31 August	
	2021	2020
Unit Prices		
<u>RMB Class</u>		
NAV - Highest (RMB)	1.0751*	1.0754*
- Lowest (RMB)	1.0529*	0.9828*
<u>RM Class</u>		
NAV - Highest (RM)	1.1645*	1.0884*
- Lowest (RM)	1.0797*	0.9965*
<u>RM-Hedged Class</u>		
NAV - Highest (RM)	1.0686*	1.0701*
- Lowest (RM)	1.0363*	0.9662*
<u>AUD-Hedged Class</u>		
NAV - Highest (AUD)	1.0553*	1.0599*
- Lowest (AUD)	1.0060*	0.9711*
<u>USD-Hedged Class</u>		
NAV - Highest (USD)	1.0731*	1.0758*
- Lowest (USD)	1.0356*	0.9676*
<u>SGD-Hedged Class</u>		
NAV - Highest (SGD)	1.0437*	1.0439*
- Lowest (SGD)	1.0036*	0.9557*
<u>GBP-Hedged Class</u>		
NAV - Highest (GBP)	1.0608*	1.0645*
- Lowest (GBP)	1.0148*	0.9757*
Unit Split	-	-
Others		
Management Expense Ratio (MER) (%) #	1.02	0.20
Portfolio Turnover Ratio (PTR) (times) #	0.45	1.38

The MER and PTR are not comparable due to period covered are not same.

* The figures quoted are ex-distribution

Distributions Date	Financial Year Ended 31 August			
	Gross Distribution Per Unit (cent)	Net Distribution Per Unit (cent)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2021</u>				
<u>RMB Class</u>				
25.11.2020	1.0000	1.0000	1.0685	1.0590
25.02.2021	1.0000	1.0000	1.0739	1.0605
27.05.2021	0.9000	0.9000	1.0615	1.0538
26.08.2021	1.0000	1.0000	1.0634	1.0538
	3.9000	3.9000		
<u>RM Class</u>				
25.11.2020	0.7000	0.7000	1.1105	1.1045
25.02.2021	1.0000	1.0000	1.1287	1.1130
27.05.2021	1.0000	1.0000	1.1534	1.1491
26.08.2021	1.0000	1.0000	1.1587	1.1459
	3.7000	3.7000		
<u>RM-Hedged Class</u>				
25.11.2020	1.0000	1.0000	1.0652	1.0557
25.02.2021	1.0000	1.0000	1.0669	1.0533
27.05.2021	1.0000	1.0000	1.0491	1.0403
26.08.2021	1.0000	1.0000	1.0459	1.0363
	4.0000	4.0000		
<u>AUD-Hedged Class</u>				
25.11.2020	1.0000	1.0000	1.0510	1.0417
25.02.2021	1.0000	1.0000	1.0455	1.0317
27.05.2021	1.0000	1.0000	1.0236	1.0138
26.08.2021	1.0000	1.0000	1.0158	1.0060
	4.0000	4.0000		

Distributions Date	Financial Year Ended 31 August (continued)			
	Gross Distribution Per Unit (cent)	Net Distribution Per Unit (cent)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2021 (continued)</u>				
<u>USD-Hedged Class</u>				
25.11.2020	1.0000	1.0000	1.0703	1.0608
25.02.2021	1.0000	1.0000	1.0693	1.0560
27.05.2021	1.0000	1.0000	1.0516	1.0427
26.08.2021	1.0000	1.0000	1.0453	1.0356
	4.0000	4.0000		
<u>SGD-Hedged Class</u>				
25.11.2020	0.8000	0.8000	1.0408	1.0333
25.02.2021	1.0000	1.0000	1.0402	1.0266
27.05.2021	1.0000	1.0000	1.0196	1.0103
26.08.2021	1.0000	1.0000	1.0134	1.0036
	3.8000	3.8000		
<u>GBP-Hedged Class</u>				
25.11.2020	0.8000	0.8000	1.0572	1.0499
25.02.2021	1.0000	1.0000	1.0541	1.0404
27.05.2021	1.0000	1.0000	1.0341	1.0244
26.08.2021	1.0000	1.0000	1.0247	1.0148
	3.8000	3.8000		

Distributions Date	Financial Period Ended 31 August			
	Gross Distribution Per Unit (cent)	Net Distribution Per Unit (cent)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2020</u>				
<u>RMB Class</u>				
28.05.2020	1.0000	1.0000	1.0433	1.0337
26.08.2020	1.0000	1.0000	1.0754	1.0652
	2.0000	2.0000		
<u>RM Class</u>				
28.05.2020	1.0000	1.0000	1.0557	1.0502
26.08.2020	1.0000	1.0000	1.0848	1.0782
	2.0000	2.0000		
<u>RM-Hedged Class</u>				
28.05.2020	1.0000	1.0000	1.0402	1.0309
26.08.2020	1.0000	1.0000	1.0701	1.0603
	2.0000	2.0000		
<u>AUD-Hedged Class</u>				
28.05.2020	1.0000	1.0000	1.0345	1.0254
26.08.2020	1.0000	1.0000	1.0599	1.0493
	2.0000	2.0000		
<u>USD-Hedged Class</u>				
28.05.2020	1.0000	1.0000	1.0443	1.0346
26.08.2020	1.0000	1.0000	1.0758	1.0657
	2.0000	2.0000		
<u>SGD-Hedged Class</u>				
28.05.2020	1.0000	1.0000	1.0159	1.0067
26.08.2020	0.6000	0.6000	1.0439	1.0381
	1.6000	1.6000		
<u>GBP-Hedged Class</u>				
28.05.2020	1.0000	1.0000	1.0421	1.0334
26.08.2020	1.0000	1.0000	1.0645	1.0542
	2.0000	2.0000		

DISTRIBUTIONS

For the financial year under review, the Fund has declared a gross distributions of 3.9000 cent per unit for RMB Class, 3.7000 cent per unit for RM Class, 4.0000 cent per unit for RM-Hedged Class, AUD-Hedged Class, USD-Hedged Class and 3.8000 cent per unit for SGD-Hedged Class and GBP-Hedged Class, which is equivalent to a gross distribution yield of 3.67%, 3.29%, 3.80%, 3.87%, 3.79%, 3.70% and 3.65% based on the average net asset value per unit for the financial year.

PORTFOLIO STRUCTURE

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

	As at 31 August	
	2021	2020
Sectors	%	%
Collective investment scheme – foreign	98.06	94.20
Liquid assets and other net current assets <i>(inclusive of forward foreign currency contracts)</i>	1.94	5.80
	<u>100.00</u>	<u>100.00</u>

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

BREAKDOWN OF UNIT HOLDINGS BY SIZE – RMB CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	1	8.33	36	0.02
50,001 to 500,000	2	16.67	759	0.35
500,001 and above	9	75.00	212,295	99.63
Total	12	100.00	213,090	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE - RM CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	7	14.00	22	0.01
5,001 to 10,000	6	12.00	53	0.01
10,001 to 50,000	12	24.00	377	0.08
50,001 to 500,000	10	20.00	1,489	0.33
500,001 and above	15	30.00	445,420	99.57
Total	50	100.00	447,361	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – RM-HEDGED CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	3	13.64	4	-
5,001 to 10,000	2	9.09	14	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	17	77.27	423,724	100.00
Total	22	100.00	423,742	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – AUD-HEDGED CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	1	8.33	10	0.02
10,001 to 50,000	1	8.33	23	0.06
50,001 to 500,000	4	33.34	1,060	2.59
500,001 and above	6	50.00	39,954	97.33
Total	12	100.00	41,047	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – USD-HEDGED CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	5	29.40	137	0.71
50,001 to 500,000	6	35.30	1,034	5.33
500,001 and above	6	35.30	18,235	93.96
Total	17	100.00	19,406	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – SGD-HEDGED CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	2	22.22	47	0.44
50,001 to 500,000	5	55.56	1,012	9.50
500,001 and above	2	22.22	9,589	90.06
Total	9	100.00	10,648	100.00

BREAKDOWN OF UNIT HOLDINGS BY SIZE – GBP-HEDGED CLASS

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	(‘000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	4	80.00	831	45.66
500,001 and above	1	20.00	989	54.34
Total	5	100.00	1,820	100.00

* Excluding Manager’s stock

SOFT COMMISSION

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund’s investments.

During the financial year under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided are of demonstrable benefit to the unitholders.

RHB CHINA BOND FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> <u>RMB</u>	<u>2020</u> <u>RMB</u>
ASSETS			
Bank balances	5	23,695,027	29,842,764
Deposits with licensed financial institutions	5	20,039,776	11,495,178
Investments	6	2,055,614,808	1,155,899,607
Forward foreign currency contracts	7	3,476,043	11,052,506
Amount due from Fund Manager of collective investment scheme		2,079,800	-
Amount due from Manager		2,285,775	42,158,141
Distribution income receivables		8,592,316	5,594,131
Other receivables		-	3,936,537
TOTAL ASSETS		<u>2,115,783,545</u>	<u>1,259,978,864</u>
LIABILITIES			
Amount due to Fund Manager of collective investment scheme		-	28,100,000
Amount due to Manager		3,803,680	1,133,447
Accrued management fee		1,434,295	756,503
Amount due to Trustee		71,715	37,825
Distribution payables		969,181	278,671
Forward foreign currency contracts	7	13,224,907	2,586,377
Other payables and accruals		23,257	26,697
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>19,527,035</u>	<u>32,919,520</u>
NET ASSET VALUE		<u>2,096,256,510</u>	<u>1,227,059,344</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,096,256,510</u>	<u>1,227,059,344</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RMB	<u>2020</u> RMB
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING			
UNITS			
- RMB Class		224,902,919	116,001,272
- RM Class		793,525,843	303,517,039
- RM-Hedged Class		684,896,432	543,477,189
- AUD-Hedged Class		194,906,675	157,060,817
- USD-Hedged Class		130,095,624	64,148,943
- SGD-Hedged Class		51,457,770	33,480,881
- GBP-Hedged Class		16,471,247	9,373,203
		<u>2,096,256,510</u>	<u>1,227,059,344</u>
UNITS IN CIRCULATION			
RMB Class (Units)	8(a)	213,090,864	108,906,061
RM Class (Units)	8(b)	447,361,070	170,345,817
RM-Hedged Class (Units)	8(c)	423,742,241	310,699,547
AUD-Hedged Class (Units)	8(d)	41,048,639	29,809,675
USD-Hedged Class (Units)	8(e)	19,407,128	8,766,969
SGD-Hedged Class (Units)	8(f)	10,648,853	6,385,229
GBP-Hedged Class (Units)	8(g)	1,819,954	974,751
		<u>1,157,118,749</u>	<u>635,888,049</u>
NET ASSET VALUE PER UNIT:			
RMB Class (RMB)		1.0554	1.0651
RM Class (RMB)		1.7738	1.7818
RM-Hedged Class (RMB)		1.6163	1.7492
AUD-Hedged Class (RMB)		4.7482	5.2688
USD-Hedged Class (RMB)		6.7035	7.3171
SGD-Hedged Class (RMB)		4.8322	5.2435
GBP-Hedged Class (RMB)		<u>9.0504</u>	<u>9.6160</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021 (CONTINUED)

	<u>2021</u> RMB	<u>2020</u> RMB
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES:		
RMB Class (RMB)	1.0554	1.0651
RM Class (RM)	1.1393	1.0805
RM-Hedged Class (RM)	1.0381	1.0607
AUD-Hedged Class (AUD)	1.0073	1.0476
USD-Hedged Class (USD)	1.0368	1.0658
SGD-Hedged Class (SGD)	1.0050	1.0376
GBP-Hedged Class (GBP)	<u>1.0161</u>	<u>1.0530</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

			Financial period from 15.05.2019 (date of inception) to 31.08.2020
	<u>Note</u>	<u>2021</u> RMB	<u>RMB</u>
INCOME			
Distribution income		119,335,773	32,483,177
Interest income from deposits with licensed financial institutions		502,816	288,566
Net (loss)/gain on investments	6	(24,626,109)	15,309,167
Net foreign currency exchange loss		(8,922,170)	(2,507,520)
Net loss on forward foreign currency contracts	7	<u>(81,902,526)</u>	<u>(3,796,489)</u>
		4,387,784	41,776,901
EXPENSES			
Management fee	9	(21,662,380)	(491,612)
Trustee fee	10	(886,292)	(221,407)
Audit fee		(9,900)	(16,001)
Tax agent's fee		(6,300)	(11,616)
Other expenses		<u>(82,443)</u>	<u>(116,307)</u>
		(22,647,315)	(856,943)
Net (loss)/income before finance cost and taxation		(18,259,531)	40,919,958

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

			Financial period from 15.05.2019 (date of inception) to 31.08.2020
	<u>Note</u>	<u>2021</u> RMB	<u>RMB</u>
FINANCE COST (EXCLUDING (DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions:			
RMB Class	12(a)	(8,496,352)	(1,796,062)
RM Class	12(b)	(26,968,595)	(3,416,656)
RM-Hedged Class	12(c)	(30,095,876)	(7,912,880)
AUD-Hedged Class	12(d)	(8,943,777)	(2,524,827)
USD-Hedged Class	12(e)	(4,995,661)	(941,679)
SGD-Hedged Class	12(f)	(2,150,864)	(296,687)
GBP-Hedged Class	12(g)	(650,377)	(117,448)
		<u>(82,301,502)</u>	<u>(17,006,239)</u>
Net (loss)/income before taxation		(100,561,033)	23,913,719
Taxation	11	<u>-</u>	<u>-</u>
Net (decrease)/increase in net assets attributable to unitholders		<u>(100,561,033)</u>	<u>23,913,719</u>
Net (decrease)/increase in net assets attributable to unitholders is made up of the following:			
Realised amount		(57,630,453)	(380,678)
Unrealised amount		(42,930,580)	24,294,397
		<u>(100,561,033)</u>	<u>23,913,719</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to <u>31.08.2020</u>
	RMB	RMB
Net assets attributable to unitholders at the beginning of the financial year/date of inception	1,227,059,344	-
Movement due to units created and cancelled during the financial year/period:		
Creation of units from distributions		
RMB Class	8,475,018	1,774,812
RM Class	25,048,184	3,305,840
RM-Hedged Class	28,769,469	7,657,925
AUD-Hedged Class	8,480,326	2,448,946
USD-Hedged Class	4,973,541	940,795
SGD-Hedged Class	2,146,642	296,199
GBP-Hedged Class	650,267	110,766
	<u>78,543,447</u>	<u>16,535,283</u>
Creation of units from applications		
RMB Class	156,715,577	122,776,383
RM Class	668,539,743	305,448,970
RM-Hedged Class	417,288,222	558,724,692
AUD-Hedged Class	135,943,855	150,912,275
USD-Hedged Class	140,652,933	72,517,581
SGD-Hedged Class	40,784,167	33,793,165
GBP-Hedged Class	12,703,895	9,125,521
	<u>1,572,628,392</u>	<u>1,253,298,587</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to <u>31.08.2020</u>
	RMB	RMB
Cancellation of units		
RMB Class	(54,062,393)	(11,323,797)
RM Class	(199,802,406)	(8,653,263)
RM-Hedged Class	(243,233,117)	(29,474,360)
AUD-Hedged Class	(88,532,941)	(6,836,372)
USD-Hedged Class	(69,534,730)	(9,431,631)
SGD-Hedged Class	(20,673,146)	(968,822)
GBP-Hedged Class	(5,574,907)	-
	<u>(681,413,640)</u>	<u>(66,688,245)</u>
Net (decrease)/increase in net assets attributable to unitholders during the financial year/period	<u>(100,561,033)</u>	<u>23,913,719</u>
Net assets attributable to unitholders at the end of the financial year/period	<u>2,096,256,510</u>	<u>1,227,059,344</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

		Financial period from 15.05.2019 (date of inception) to 31.08.2020 RMB
	<u>Note</u>	<u>2021</u> RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceed from sale of investments		14,414,447
Purchase of investments		(1,126,904,887)
Interest received from deposits with licensed financial institutions		288,566
Distribution income received		26,889,046
Management fee paid		(3,671,646)
Trustee's fees paid		(183,582)
Payment for other fees and expenses		(117,227)
Net realised loss on foreign currency forward contracts		(12,262,618)
Net realised loss on foreign exchange		(2,532,235)
Net cash used in operating activities		<u>(1,104,080,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created		1,211,140,446
Cash paid for units cancelled		(65,554,798)
Cash paid for income distribution		(192,285)
Net cash generated from financing activities		<u>1,145,393,363</u>
Net increase in cash and cash equivalents		41,313,227
Foreign currency translation difference		24,715
Cash and cash equivalents at the beginning of the financial year/at the date of inception		-
Cash and cash equivalents at the end of the financial year/period	5	<u>41,337,942</u>

The accompanying notes are an integral part of the financial statements.

RHB CHINA BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB China Bond Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed (“the Deed”) dated 8 May 2019 between RHB Asset Management Sdn Bhd (“the Manager”) and CIMB Commerce Trustee Berhad (“the Trustee”).

The Fund was launched on 15 May 2019 and will continue in operations until terminated according to the conditions provided in the Deed. The principal activity of the Fund is to invest in Authorised Investments as defined under the Deed.

The main objective of the Fund is to maximise total return by investing in one (1) Target Fund i.e RMB denominated class I6 unit of the BlackRock Global Funds (“BGF”) – China Bond Fund.

All investments will be subject to the Securities Commission’s (“SC”) Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed and Information Memorandum, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

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

These financial statements were authorised for issue by the Manager on 25 October 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. It also requires the Manager to exercise its 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.

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 September 2020:

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020)

The Framework was revised with the primary purpose to assist the International Accounting Standards Board (“IASB”) to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 September 2020: (continued)

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020) (continued)

Key changes include: (continued)

- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes are made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards have to apply the revised Framework from 1 September 2020.

- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’ (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The revised Framework and adoption of the amendments to published standards did not have any impact on the current year or any prior period and is not likely to affect future periods.

(b) A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 September 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets

Classification

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

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

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

The Fund classifies cash and cash equivalents, amount due from Fund Manager of collective investment scheme, amount due from Manager, distribution income receivables and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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

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

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

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

Derivative investments are forward foreign currency contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in the statement of income and expenses when settled or at the date of the statement of financial position at which they are included in the measurement of the derivative financial instrument.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities

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

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

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

The Fund's policies on derivative instruments are stated in Note 2.2 and Note 2.13.

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

2.4 Creation and cancellation of units

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

The Fund issues seven classes of cancellable units, which are cancelled at the unitholders' option. The units are classified as financial liabilities as they do not have identical features subject to restrictions as stipulated in the Information Memorandum and SC Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. 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 attributable to the unit class. The outstanding units are carried at the redemption amount that is payable at the statement of financial position date if the unitholders exercise the right to put the unit back to the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Creation and cancellation of units (continued)

Units are created and cancelled at the unitholder's option at prices based on the Fund's net asset value per share of the respective classes at the close of business on the relevant dealing day. The Fund's net asset value per share of the respective classes is calculated by dividing the net assets attributable to the unitholders of each class of units with the total number of outstanding units for each respective class.

2.5 Income recognition

Distribution of income from collective investment scheme is recognised when the Fund's right to receive payment is established. Distribution of income is received from financial assets measured at FVTPL.

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

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

Realised gain or loss on sale of the collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gain or loss on forward foreign currency contracts are measured by the net settlement amount as per the forward foreign currency contract.

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

2.6 Taxation

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

Tax on distribution income from foreign collective investment scheme is based on the tax regime of the respective country that the Fund invests in.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions which are subject to an insignificant risk of changes in value.

2.8 Distribution

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

2.9 Amount due from/to Fund Manager of collective investment scheme

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

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

2.10 Presentation and functional currency

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Presentation and functional currency (continued)

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 RMB primarily due to the following factors:

- (i) The Fund's investments are denominated in RMB
- (ii) The Fund's significant expenses are denominated in RMB.

2.11 Foreign currency translation

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

2.12 Increase/decrease in net assets attributable to unitholders

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

2.13 Derivative financial instruments

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivative financial instruments are initially recognised at fair value on the date derivative contracts are entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of 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 financial instrument is designated as a hedging instrument, and the nature of the item being hedged. Derivative financial instruments that do not qualify for hedge accounting are classified as FVTPL and accounted for as above.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Information Memorandum or SC Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

Market risk is a risk that arises when the prices of investments in the market place are affected by circumstances such as general market or economic events. These circumstances, which may be a local or global event, can affect a local market where the Target Fund is invested in or global markets and subsequently, the value of the Target Fund's investments.

Price risk

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

The Fund is exposed to collective investment scheme price risk for its investments of RMB2,055,614,808 (2020: RMB1,155,899,607) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the collective investment scheme fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RMB102,780,740 (2020: RMB57,794,980).

Interest rate risk

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

The Fund is denominated in Chinese Yuan Renminbi (“RMB”), as such investors who are converting from Australian Dollar (“AUD”), British Pound Sterling (“GBP”), Ringgit Malaysia (“RM”), Singapore Dollar (“SGD”) and United States Dollar (“USD”) to RMB to invest into the Fund will be subject to currency risk, as the distribution and payment at maturity is in RMB. When RMB moves unfavourably against AUD, GBP, RM, SGD and USD currencies, investors may face currency losses if they convert from RMB to AUD, GBP, RM, SGD and USD.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5% with all other variable held constant, the impact on statement of income and expenses and net asset value is (-)RMB38,021,375/+RMB37,980,223 (2020: +/-RMB52,773,863).

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

	Cash and cash equivalents	Amount due from/(to) Manager	Payables	Foreign currency forward contracts	Net assets attributable to unitholders	Total
	RMB	RMB	RMB	RMB	RMB	RMB
<u>2021</u>						
AUD	2,716,237	156,106	(151,412)	(7,855,465)	(194,906,675)	(200,041,209)
GBP	425,257	-	(2)	(119,303)	(16,471,247)	(16,165,295)
RM	9,394,240	(996,118)	(807,476)	(822,486)	(1,478,422,275)	(1,471,654,115)
SGD	1,323,957	-	(1,096)	(70,490)	(51,457,770)	(50,205,399)
USD	1,910,829	(1,624,544)	(5,019)	(881,120)	(130,095,624)	(130,695,478)
	<u>15,770,520</u>	<u>(2,464,556)</u>	<u>(965,005)</u>	<u>(9,748,864)</u>	<u>(1,871,353,591)</u>	<u>(1,868,761,496)</u>
<u>2020</u>						
AUD	5,817,328	3,067,577	(38,597)	9,578,647	(157,060,817)	(138,635,862)
GBP	1,295,582	201,470	(3,401)	35,000	(9,373,203)	(7,844,552)
RM	5,809	31,769,692	(224,081)	349,097	(846,994,228)	(815,093,711)
SGD	1,549,491	572,669	(482)	14,671	(33,480,881)	(31,344,532)
USD	2,015,181	1,087,253	(817)	(1,511,286)	(64,148,943)	(62,558,612)
	<u>10,683,391</u>	<u>36,698,661</u>	<u>(267,378)</u>	<u>8,466,129</u>	<u>(1,111,058,072)</u>	<u>(1,055,477,269)</u>

3. FINANCIAL 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 liquidity risk that exists at the Fund level is associated with the inability of the Target Fund to meet large redemption in a timely manner. In the event of large redemption request that would result in the total redemption shares in the Target Fund to be more than 10% of the shares in the Target Fund or a particular share class of the Target Fund, part or all of such requests for redemption may be deferred for a period typically not exceeding ten business days of the Target Fund.

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

	Less than 1 month RMB	Between 1 month to 1 year RMB
<u>2021</u>		
Amount due to Manager	3,803,680	-
Accrued management fee	1,434,295	-
Amount due to Trustee	71,715	-
Distribution payables	969,181	-
Foreign currency forward contracts	8,916,289	4,584,593
Other payables and accruals	-	23,257
Net assets attributable to unitholders*	2,096,256,510	-
	<u>2,111,451,670</u>	<u>4,607,850</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

	Less than 1 month RMB	Between 1 month to 1 year RMB
<u>2020</u>		
Amount due to Fund Manager of collective investment scheme	28,100,000	-
Amount due to Manager	1,133,447	-
Accrued management fee	756,503	-
Amount due to Trustee	37,825	-
Distribution payables	278,671	-
Foreign currency forward contracts	749,905	1,844,482
Other payables and accruals	-	26,697
Net assets attributable to unitholders*	1,227,059,344	-
	<u>1,258,115,695</u>	<u>1,871,179</u>

- * Outstanding units are redeemed on demand at the unitholder's option. 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 typically retain them for the medium to long term.

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Information Memorandum and the SC Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	Cash and cash equivalents	Investments	Foreign currency forward contracts	Other financial assets*	Total
	RMB	RMB	RMB	RMB	RMB
2021					
Financial institutions:					
- AAA	43,734,803	-	2,992,259	-	46,727,062
- AA2	-	-	483,784	-	483,784
- AA3	-	-	-	-	-
Others	-	2,055,614,808	-	12,957,891	2,068,572,699
	<u>43,734,803</u>	<u>2,055,614,808</u>	<u>3,476,043</u>	<u>12,957,891</u>	<u>2,115,783,545</u>
2020					
Financial institutions:					
- AAA	41,337,942	-	9,542,947	-	50,880,889
- AA2	-	-	19,023	-	19,023
- AA3	-	-	1,490,536	-	1,490,536
Others	-	1,155,899,607	-	51,688,809	1,207,588,416
	<u>41,337,942</u>	<u>1,155,899,607</u>	<u>11,052,506</u>	<u>51,688,809</u>	<u>1,259,978,864</u>

* Comprise amount due from Fund Manager of collective investment scheme, amount due from Manager, distribution income receivables and other receivables.

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of RMB2,096,256,510 (2020: RMB1,227,059,344). 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 net assets attributable to unitholders 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.

4. FAIR VALUE ESTIMATION

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

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

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

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

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

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

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

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

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

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

	<u>Level 1</u> RMB	<u>Level 2</u> RMB	<u>Level 3</u> RMB	<u>Total</u> RMB
<u>2021</u>				
Investments:				
- Collective investment scheme	2,055,614,808	-	-	2,055,614,808
Derivative instruments:				
- Forward foreign currency contracts assets	-	3,476,043	-	3,476,043
- Forward foreign currency contracts liabilities	-	(13,224,907)	-	(13,224,907)
	<u>2,055,614,808</u>	<u>(9,748,864)</u>	<u>-</u>	<u>2,045,865,944</u>

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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

	<u>Level 1</u> RMB	<u>Level 2</u> RMB	<u>Level 3</u> RMB	<u>Total</u> RMB
<u>2020</u>				
Investments:				
- Collective investment scheme	1,155,899,607	-	-	1,155,899,607
Derivative instruments:				
- Forward foreign currency contracts assets	-	11,052,506	-	11,052,506
- Forward foreign currency contracts liabilities	-	(2,586,377)	-	(2,586,377)
	<u>1,155,899,607</u>	<u>8,466,129</u>	<u>-</u>	<u>1,164,365,736</u>

Investments in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that are traded in markets which 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. This includes 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.

The Fund's policies on valuation of these financial assets are stated in Note 2.2 and Note 2.13.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2021</u> RMB	<u>2020</u> RMB
Bank balances	23,695,027	29,842,764
Deposits with licensed financial institutions	20,039,776	11,495,178
	<u>43,734,803</u>	<u>41,337,942</u>

6. INVESTMENTS

	<u>2021</u> RMB	<u>2020</u> RMB
Investments:		
- Collective investment scheme - foreign	<u>2,055,614,808</u>	<u>1,155,899,607</u>
		Financial period from 15.05.2019 (date of inception) to 31.08.2020
	<u>2021</u> RMB	<u>31.08.2020</u> RMB
Net (loss)/gain on investments comprised:		
- Net realised gain/(loss) on disposal	134,869	(524,761)
- Net unrealised (loss)/gain on changes in fair value	(24,760,978)	15,833,928
	<u>(24,626,109)</u>	<u>15,309,167</u>

Investments as at 31 August 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RMB	<u>Fair Value</u> RMB	<u>% of Net Asset Value</u> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>LUXEMBOURG</u>				
BGF China Bond Fund I6 RMB	19,820,797	<u>2,064,541,858</u>	<u>2,055,614,808</u>	<u>98.06</u>

6. INVESTMENTS (CONTINUED)

Investments as at 31 August 2020 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RMB	<u>Fair Value</u> RMB	% of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>LUXEMBOURG</u>				
BGF China Bond Fund I6 RMB	11,033,788	<u>1,140,065,679</u>	<u>1,155,899,607</u>	<u>94.20</u>

7. FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 August 2021, there were 26 (2020: 108) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contract amounted to RMB1,112,609,000 (2020: RMB714,652,000).

The forward foreign currency contracts entered into was for hedging against the currency exposure arising from the investment in collective investment scheme denominated in RMB.

As the Fund has not adopted hedge accounting, the change in the fair value of the forward foreign currency contract is recognised immediately in statement of income and expenses.

Net fair value loss on forward foreign currency contracts is as follows:

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) to <u>31.08.2020</u> RMB
Net fair value loss on forward foreign currency contracts is as follows:		
- Net realised loss on forward foreign currency contracts	(63,687,533)	(12,262,618)
- Unrealised (loss)/gain on forward currency contracts	(18,214,993)	8,466,129
	<u>(81,902,526)</u>	<u>(3,796,489)</u>

As at 31 August 2021, there are three (2020: eight) forward foreign currency contracts outstanding with RHB Bank Berhad.

Set out below are the significant related party balances as at year end and transactions during the year.

Related Party Balances

	<u>2021</u> RMB	<u>2020</u> RMB
Foreign currency forward contracts:		
Balances outstanding with RHB Bank Berhad	<u>455,509</u>	<u>(140,043)</u>

8. UNITS IN CIRCULATION

(a) RMB Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	108,906,061	-
Creation of units during the financial year/period:		
Arising from applications	147,175,000	118,092,000
Arising from distributions	8,018,803	1,687,061
Cancellation of units during the financial year/period	<u>(51,009,000)</u>	<u>(10,873,000)</u>
At the end of the financial year/period	<u>213,090,864</u>	<u>108,906,061</u>

(b) RM Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	170,345,817	-
Creation of units during the financial year/period:		
Arising from applications	375,019,000	173,517,200
Arising from distributions	14,111,253	1,866,617
Cancellation of units during the financial year/period	<u>(112,115,000)</u>	<u>(5,038,000)</u>
At the end of the financial year/period	<u>447,361,070</u>	<u>170,345,817</u>

(c) RM-Hedged Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	310,699,547	-
Creation of units during the financial year/period:		
Arising from applications	242,458,000	324,034,500
Arising from distributions	17,430,694	4,422,047
Cancellation of units during the financial year/period	<u>(146,846,000)</u>	<u>(17,757,000)</u>
At the end of the financial year/period	<u>423,742,241</u>	<u>310,699,547</u>

8. UNITS IN CIRCULATION (CONTINUED)

(d) AUD-Hedged Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	29,809,675	-
Creation of units during the financial year/period:		
Arising from applications	26,885,000	30,785,000
Arising from distributions	1,682,964	484,675
Cancellation of units during the financial year/period	(17,329,000)	(1,460,000)
At the end of the financial year/period	<u>41,048,639</u>	<u>29,809,675</u>

(e) USD-Hedged Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	8,766,969	-
Creation of units during the financial year/period:		
Arising from applications	20,026,000	9,918,300
Arising from distributions	733,159	127,669
Cancellation of units during the financial year/period	(10,119,000)	(1,279,000)
At the end of the financial year/period	<u>19,407,128</u>	<u>8,766,969</u>

(f) SGD-Hedged Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	6,385,229	-
Creation of units during the financial year/period:		
Arising from applications	8,003,000	6,515,000
Arising from distributions	434,624	57,229
Cancellation of units during the financial year/period	(4,174,000)	(187,000)
At the end of the financial year/period	<u>10,648,853</u>	<u>6,385,229</u>

8. UNITS IN CIRCULATION (CONTINUED)

(g) GBP-Hedged Class

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year/at the date of inception	974,751	-
Creation of units during the financial year/period:		
Arising from applications	1,372,000	963,000
Arising from distributions	70,203	11,751
Cancellation of units during the financial year/period	(597,000)	-
At the end of the financial year/period	<u>1,819,954</u>	<u>974,751</u>

9. MANAGEMENT FEE

In accordance with Information Memorandum, the management fee provided in the financial statements is up to 1.20% (2020: 1.20%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. As the Fund invests in the Target Fund, the management fee charged by the Target Fund is included in the management fee and hence unitholders will incur an effective annual management fees at the rate stated above.

10. TRUSTEE'S FEE

In accordance with the Information Memorandum, the Trustee's fee provided in the financial statements is 0.04% (2020: 0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year; subject to a minimum fee of RM15,000 per annum.

11. TAXATION

(a) Tax charge for the financial year/period

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) <u>to 31.08.2020</u> RMB
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) <u>to 31.08.2020</u> RMB
Net (loss)/income before finance cost and taxation	(18,259,531)	40,919,958
Tax calculated at statutory tax rate of 24%	(4,382,287)	9,820,790
Tax effects of:		
- Income not subject to tax	(1,053,068)	(10,026,456)
- Expenses not deductible for tax purposes	229,240	83,839
- Restriction on tax deductible expenses	5,206,115	121,827
Tax expense	-	-

12. DISTRIBUTIONS

Distributions to unitholders are from the following sources:

(a) RMB Class

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) to 31.08.2020 RMB
Distribution income	10,701,011	1,869,827
Less: Expenses	(2,204,659)	(73,765)
Net distribution amount	<u>8,496,352</u>	<u>1,796,062</u>

(b) RM Class

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) to 31.08.2020 RMB
Distribution income	34,036,758	3,540,422
Less: Expenses	(7,068,163)	(123,766)
Net distribution amount	<u>26,968,595</u>	<u>3,416,656</u>

(c) RM-Hedged Class

	<u>2021</u> RMB	Financial period from 15.05.2019 (date of inception) to 31.08.2020 RMB
Distribution income	38,667,047	8,340,645
Less: Expenses	(8,571,171)	(427,765)
Net distribution amount	<u>30,095,876</u>	<u>7,912,880</u>

12. DISTRIBUTIONS (CONTINUED)

Distributions to unitholders are from the following sources: (continued)

(d) AUD-Hedged Class

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020
	RMB	RMB
Distribution income	11,504,225	2,664,825
Less: Expenses	(2,560,448)	(139,998)
Net distribution amount	<u>8,943,777</u>	<u>2,524,827</u>

(e) USD-Hedged Class

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020
	RMB	RMB
Distribution income	6,294,250	984,602
Less: Expenses	(1,298,589)	(42,923)
Net distribution amount	<u>4,995,661</u>	<u>941,679</u>

(f) SGD-Hedged Class

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020
	RMB	RMB
Distribution income	2,675,371	306,615
Less: Expenses	(524,507)	(9,928)
Net distribution amount	<u>2,150,864</u>	<u>296,687</u>

12. DISTRIBUTIONS (CONTINUED)

Distributions to unitholders are from the following sources: (continued)

(g) GBP-Hedged Class

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020
	RMB	RMB
Distribution income	809,372	119,837
Less: Expenses	(158,995)	(2,389)
Net distribution amount	<u>650,377</u>	<u>117,448</u>

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020

Distributions during the financial year/period

Distributions dates

RMB Class

	<u>Cent per unit Gross/Net</u>	<u>Cent per unit Gross/Net</u>
25 November 2020	1.0000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	0.9000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>3.9000</u>	<u>2.0000</u>

RM Class

25 November 2020	0.7000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>3.7000</u>	<u>2.0000</u>

RM-Hedged Class

25 November 2020	1.0000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>4.0000</u>	<u>2.0000</u>

12. DISTRIBUTIONS (CONTINUED)

	<u>2021</u>	Financial period from 15.05.2019 (date of inception) to 31.08.2020
Distributions during the financial year/period		
<u>Distributions dates</u>	<u>Cent per unit</u>	<u>Cent per unit</u>
<u>AUD-Hedged Class</u>		
25 November 2020	1.0000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>4.0000</u>	<u>2.0000</u>
<u>USD-Hedged Class</u>		
25 November 2020	1.0000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>4.0000</u>	<u>2.0000</u>
<u>SGD-Hedged Class</u>		
25 November 2020	0.8000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	0.6000
	<u>3.8000</u>	<u>1.6000</u>
<u>GBP-Hedged Class</u>		
25 November 2020	0.8000	-
25 February 2021	1.0000	-
27 May 2021 / 28 May 2020	1.0000	1.0000
26 August 2021 / 26 August 2020	1.0000	1.0000
	<u>3.8000</u>	<u>2.0000</u>

There were unrealised losses of RMB42,930,580 for the financial year ended 31 August 2021.

13. MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u> %	Financial period from 15.05.2019 (date of inception) to <u>31.08.2020</u> %
MER	<u>1.02</u>	<u>0.20</u>

The MER ratio is calculated based on total expenses of the Fund to the average net asset value of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u> %	Financial period from 15.05.2019 (date of inception) to <u>31.08.2020</u> %
PTR (times)	<u>0.45</u>	<u>1.38</u>

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

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

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

	31.08.2021		31.08.2020	
	Units	RMB	Units	RMB
The Manager				
- RMB Class	773	816	553	589
- RM Class	74	131	759	1,352
- RM-Hedged Class	498	805	10,216	17,870
- AUD-Hedged Class	1,412	6,704	323	1,702
- USD-Hedged Class	928	6,221	136	995
- SGD-Hedged Class	504	2,435	326	1,709
- GBP-Hedged Class	22	199	627	6,029
	4,211	17,311	12,940	30,246
RHB Capital Nominees (Tempatan) Sdn Bhd				
- RMB Class	10,062,171	10,619,937	7,836,730	8,346,901
- RM Class	59,350,523	105,275,530	25,447,587	45,342,511
- RM-Hedged Class	14,447,515	23,351,582	7,950,816	13,907,567
- AUD-Hedged Class	404,999	1,923,012	372,014	1,960,067
- USD-Hedged Class	211,110	1,415,175	846,140	6,191,291
- SGD-Hedged Class	122,979	594,264	120,726	633,027
- GBP-Hedged Class	72,270	654,070	45,013	432,845
	84,671,567	143,833,570	42,619,026	76,814,209

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

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

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

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

16. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 August 2021 are as follows:

<u>Fund Manager</u>	<u>Value of trades RMB</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RMB</u>	<u>Percentage of total brokerage fees %</u>
BlackRock (Luxembourg) S.A	<u>2,012,558,690</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial period ended 31 August 2020 are as follows:

<u>Fund Manager</u>	<u>Value of trades RMB</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RMB</u>	<u>Percentage of total brokerage fees %</u>
BlackRock (Luxembourg) S.A	<u>1,169,419,334</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

17. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2021</u> RMB	<u>2020</u> RMB
Financial assets		
Financial assets at fair value through profit or loss (“FVTPL”)		
• Collective investment scheme	2,055,614,808	1,155,899,607
• Foreign currency forward contracts	3,476,043	11,052,506
	<u>2,059,090,851</u>	<u>1,166,952,113</u>
Financial assets at amortised cost		
• Bank balances	23,695,027	29,842,764
• Deposits with licensed financial institutions	20,039,776	11,495,178
• Amount due from Fund Manager of collective investment scheme	2,079,800	-
• Amount due from Manager	2,285,775	42,158,141
• Distribution income receivables	8,592,316	5,594,131
• Other receivables	-	3,936,537
	<u>56,692,694</u>	<u>93,026,751</u>
Financial liabilities		
Financial liability at fair value through profit or loss (“FVTPL”)		
• Foreign currency forward contracts	13,224,907	2,586,377
	<u>13,224,907</u>	<u>2,586,377</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Fund Manager of collective investment scheme	-	28,100,000
• Amount due to Manager	3,803,680	1,133,447
• Accrued management fee	1,434,295	756,503
• Amount due to Trustee	71,715	37,825
• Distribution payables	969,181	278,671
• Other payables and accruals	23,257	26,697
	<u>6,302,128</u>	<u>30,333,143</u>

18. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of COVID-19, both domestically and globally, has impacted the Fund's performance during the financial year.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

**STATEMENT BY MANAGER
RHB CHINA BOND FUND**

We, Dato' Darawati Hussain and Datuk Seri Dr Govindan A/L Kunchambo, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 August 2021 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager

Dato' Darawati Hussain
Director

Datuk Seri Dr Govindan A/L Kunchambo
Director

25 October 2021

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF RHB CHINA BOND FUND

We, CIMB Commerce Trustee Berhad being the trustee for RHB China Bond Fund ("the Fund") are of the opinion that RHB Asset Management Sdn Bhd ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 August 2021.

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- (b) Valuation and pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distributions of income by the Fund are appropriate and reflect the investment objective of the Fund.

For and on behalf of
CIMB Commerce Trustee Berhad

Ng Lai Peng
Authorised Signatory

Kuala Lumpur
25 October 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB CHINA BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB China Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 August 2021 and of its financial performance and its cash flows for the financial year ended 31 August 2021 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 August 2021, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 24 to 65.

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 RHB CHINA BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB CHINA BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB CHINA BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

OTHER MATTERS

This report is made solely to the 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
25 October 2021

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

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

PRINCIPAL AND BUSINESS OFFICE

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

E-mail Address : rhbam@rhbgroup.com

Tel: 03 - 9205 8000

Fax: 03 - 9205 8100

Website: www.rhbgroup.com

BOARD OF DIRECTORS

Mr Yap Chee Meng (*Independent Non-Executive Chairman*)

Mr Chin Yoong Kheong (*Senior Independent Non-Executive Director*)

Ms Ong Yin Suen (*Managing Director / Chief Executive Officer*)

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

YBhg Datuk Seri Dr Govindan A/L Kunchambo (*Independent Non-Executive Director*)

Encik Mohd Rashid Bin Mohamad (*Non-Independent Non-Executive Director*)
(*Appointed with effect from 11 August 2021*)

INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

Puan Sharifatu Laila Syed Ali

CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Cik Hasnita Sulaiman (MAICSA No. 7060582)

BRANCH OFFICE

Kuala Lumpur Office	B-9-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2171 2755/ 03-2166 7011 Fax: 03-2770 0022
Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Batu Pahat Office	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271/ 07-438 0988 Fax: 07-438 0277
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615

Kuching Office	<p>Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508</p> <p>Yung Kong Abell, Units 1-10 2nd Floor Lot 365 Section 50 Jalan Abell 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-230 326</p>
Kota Bharu Office	<p>Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890</p>
Kota Kinabalu Office	<p>Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu Sabah Tel: 088-528 686/ 088-528 692 Fax: 088-528 685</p>
Melaka Office	<p>581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212</p>
Miri Office	<p>Lot 1268 & 1269, Second Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri, Sarawak Tel: 085-422 788 Fax: 085- 415 243</p>
Penang Office	<p>3rd Floor, 44 Lebuhr Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640</p>
Prai Office	<p>No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528</p>

TRUSTEE	CIMB Commerce Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	KPMG Tax Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Bhd Affin Bank Bhd Alliance Bank Bhd AmBank Bhd Areca Capital Sdn Bhd CIMB Bank Bhd CIMB Investment Bank Bhd Citibank Bhd HSBC Bank (M) Bhd iFast Capital Sdn Bhd Kenanga Investors Bhd Maybank Bhd OCBC Bank (M) Bhd Philip Mutual Bhd United Overseas Bank (M) Bhd UOB Kay Hian Securities (M) Sdn Bhd

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