



KAF FIRST FUND

ANNUAL REPORT

31 DECEMBER 2025

MANAGER'S REPORT

We are pleased to present the Manager's Report for the financial year ended 31 December 2025 ("the period").

1. Launch Date

The KAF First Fund ("KFF/the Fund") commenced operations on 16 January 1996 and will continue its operations until terminated according to the Deed dated 22 December 1995, Second Supplemental Deed dated 8 January 1999, Third Supplemental Deed dated 27 July 2001, Fourth Supplemental Deed dated 9 January 2014, Fifth Supplemental Deed dated 12 March 2015 and Sixth Supplemental Deed dated 20 March 2023.

2. Type of Fund

Income & Growth Fund.

3. Category of Fund

Balanced Fund.

4. Fund's Objective, Benchmark and Distribution Policy

KFF seeks to provide medium-to-long term investors with a reasonable level of income and capital growth by investing in both equities and fixed-income securities.

Diversification of investments across equities, fixed-income securities and money market instruments is a strategy used to reduce the investment risks. The equity portion is expected to contribute both capital and income returns. Investors will benefit from the stability arising from investments in fixed-income securities, which are expected to offer a steady flow of income and lower volatility.

KFF's asset allocation is subject to a maximum 60% exposure in equities and a minimum 40% in fixed-income securities and other liquid assets.

The benchmark used to measure KFF's performance is a weighted index derived by taking 60% from the returns of the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM-KLCI") and 40% of Maybank's monthly average 12-month fixed deposit rate. The weighted benchmark

MANAGER'S REPORT

index is designed to replicate KFF's investment policy of investing up to a maximum 60% of the Net Asset Value ("NAV") in equities.

Income distribution (if any) is incidental.

5. Review of Fund Operations and Performance

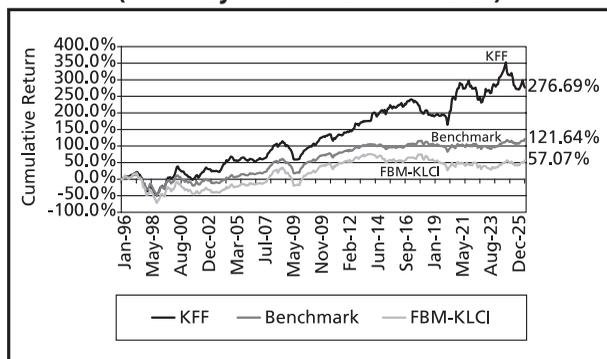
For the financial year under review, the Fund based on its NAV, recorded a return of negative 10.39%, underperforming the benchmark, which recorded a return of 2.46% due to the Fund's overweighting of energy and technology stocks, which underperformed the broader market during the year.

The Fund maintained a high equity exposure for most of the period with stock selection comprising a combination of value and growth stocks. KFF's objective remains in place, which is to grow the value of investments and providing medium to long-term capital growth.

Since inception, based on its NAV, KFF recorded a return of 276.69% compared to its benchmark, composite FTSE Bursa Malaysia KLCI Index and the Maybank 1-month GIA rate ("Balanced FBMS Index"), which rose by 121.64%.

No cross-trade transaction carried out during the reported period ended 31 December 2025. The Fund has not undertaken any securities lending or repurchase transaction for the reported period.

**Performance Chart since Inception
(16 January 1996 to 31 December 2025)**



Source: Novagni Analytics and Advisory Sdn Bhd, an independent source.

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Fund Performance as ranked by Lipper Asia Limited

| Period | KFF | | Mean of Industry: Non-Islamic Mixed Asset Balanced |
|--|----------|-------|--|
| | % Change | Rank | % Change |
| 3 months 26/09/2025 - 26/12/2025 | (4.42) | 24/24 | 0.64 |
| 6 months 26/06/2025 - 26/12/2025 | 1.77 | 23/24 | 5.97 |
| 1 years 26/12/2024 - 26/12/2025 | (10.00) | 24/24 | 1.77 |
| 3 years 26/12/2022 - 26/12/2025 | 7.23 | 23/24 | 23.18 |
| 5 years 25/12/2020 - 26/12/2025 | 1.57 | 22/23 | 19.48 |

Source: The Edge, 05 January 2026 issue, The Edge-Lipper Fund Performance Table, an independent source.

Past performance is not necessary indication of future performance.

For the financial year ended 31 December 2025, the Fund realised net loss amounted to RM0.22 million. These arise from realised loss from the disposal of shares and income earned from dividends and interest.

As at end of the financial year under review, the Fund stood at net unrealised gain position of RM0.86 million. The Fund's NAV decreased to RM19.86 million as at 31 December 2025 from RM22.67 million as at 31 December 2024, primarily due to losses recorded on equity securities held.

| Returns | RM'000 |
|---|--------|
| Realised loss | |
| Equities securities | (588) |
| Management fee rebate on collective investment scheme | 24 |
| Dividend earned | 239 |
| Interest income | 108 |
| Unrealised gain | |
| Equities securities | 370 |
| Collective investment schemes | 493 |

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The NAV per unit of the Fund decreased to RM0.3945 (adjusted for income distribution) as at 31 December 2025 from RM0.4403 as at 31 December 2024.

We are pleased to declare a net distribution of 1.00 sen in 15 December 2025. The gross distribution of 1.00 sen represents a yield of 2.55% based on the Fund's closing NAV per unit of RM0.3923 as at 15 December 2025. The impact of the NAV of the Fund arising from the final distribution is as following:

| | RM/Unit as at 15 December 2025 |
|------------------------------------|--------------------------------------|
| NAV before distribution | 0.3923 |
| Less: Distribution of 1.00 sen net | (0.010) |
| NAV after distribution | 0.3823 |

6. Asset Allocation and Investment Strategies Employed

The Fund's equity exposure declined slightly during the review period; nevertheless, we intend to maintain it close to the 60% level. Equity selections were focused mainly on large caps and a mixture of small to mid cap stocks, whilst bond holdings were primarily held in high-grade papers with short to mid-duration positioning.

Other than the investment strategy stated in the Replacement Master Prospectus dated 30 September 2023, the designated Fund Manager has not employed any other investments strategy.

There were no significant changes in the Fund's state of affairs during the year.

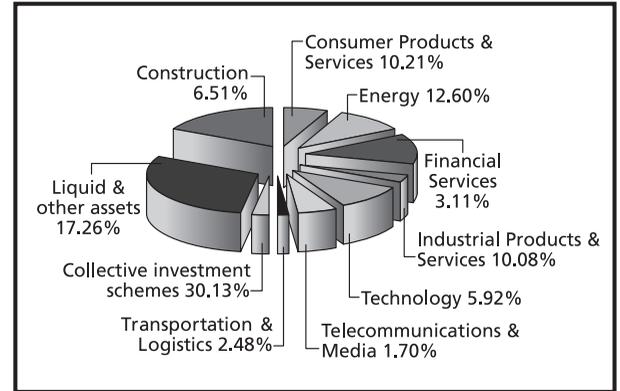
There were no circumstances which could materially affect any interest of the unit holders.

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Asset Allocation

| Asset Class | Percentage of NAV as at | | Changes in Exposure over period (%) |
|--------------------------------|-------------------------|----------------|-------------------------------------|
| | 31/12/2024 (%) | 31/12/2025 (%) | |
| Equity & derivative securities | 57.29 | 52.61 | (4.68) |
| Collective investment schemes | 25.15 | 30.13 | 4.98 |
| Liquid & other assets | 17.56 | 17.26 | (0.30) |

Portfolio of Investments and Other Assets as at 31 December 2025



7. Market Review

Global equities performed well during 2025, with MSCI World, MSCI Asia Pacific and MSCI ASEAN appreciating by 19.49%, 25.35% and 11.98%, respectively. In the United States, S&P 500, Dow Jones Industrial Index and NASDAQ increased by 16.39%, 12.97% and 20.36% respectively, during the review period. Unfortunately, local equities did not participate in the global rally, with FBM-KLCI recording a tepid gain of 2.30%, while FBM70 and FBM Small Cap declined by 10.82% and 12.20% respectively, in the same period.

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Global fixed-income markets rallied ahead of the Federal Open Market Committee ("FOMC") meeting in September, anticipating rate cuts, but stagnated subsequently despite the three 25 basis point ("bp") reductions by US Federal Reserve over the last four months of the year. The Fed's forward guidance remains murky as it navigates a softening labor market against stubbornly high tariff-fueled inflation. In Malaysia, Bank Negara had already acted preemptively, cutting its key interest rate by 25 bp in July. This was a protective measure to shield the domestic economy from escalating external trade risks and preserve growth momentum.

The Malaysian Government Securities ("MGS") benchmark 3-year, 5-year and 10-year yields closed the year at 3.00%, 3.26% and 3.49%, from 3.47%, 3.62% and 3.82%, respectively, in 2024. US Treasury benchmark 2-year, 5-year and 10-year yields declined to 3.47%, 3.73% and 4.17% from 4.24%, 4.38% and 4.57% in the previous period. The Malaysian Ringgit appreciated against the US Dollar in 2025, closing at RM 4.06 from RM 4.47 previously.

Malaysia's Gross Domestic Product ("GDP") grew by 5.2% Year-on-Year ("YoY") in the third quarter of 2025, an acceleration from the 4.4% recorded in the previous quarter. Private consumption rose 5.0%, supported by favorable labor market conditions and the government's continued social assistance programs such as Sumbangan Tunai Rahmah ("STR"). Malaysia continued to see a surge in tourism-related activities, with the services sector bolstered by a 9.5% increase in the food, beverage, and accommodation sub-sector. Exports grew by 1.4%, which, while softer than the previous quarter's 2.6%, still contributed positively to the overall balance of payments as net exports rebounded from earlier declines. On the supply side, all major sectors recorded positive growth, with the mining and quarrying sector notably soaring by 9.7% to reverse four consecutive quarters of contraction.

8. Market Outlook and Strategy

The primary driver of economic and financial market volatility in 2025 has been the uncertainty surrounding the new U.S. administration's policy agenda. While the administration has proposed sweeping fiscal and regulatory changes, significant political and logistical hurdles are limiting their implementation. Nevertheless, the new reciprocal tariffs appear to be a lasting feature of U.S. economic policy,

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not just a short-term negotiating tactic. Interestingly, global trade volumes have not declined as some models predicted. This resilience suggests two possibilities: either underlying global economic demand is strong enough to absorb the costs, or trade is effectively being rerouted to non-tariff countries, changing trade patterns rather than destroying volume.

Our investment strategy has always focused on identifying high-quality companies trading at attractive valuations. We believe companies that have benefited from trade diversion stemming from US-China trade tensions should continue to perform well in the current environment. Moreover, during periods of heightened volatility, markets often exhibit elevated levels of irrationality, where stock prices are driven more by sentiment than by underlying fundamentals. In an evolving landscape, the ability to navigate price inefficiencies becomes an essential component of portfolio resilience and alpha generation. We are ready to see compelling opportunities from the local market sell-off in 2025, reinforcing our view that the potential upside for long-term investors remains promising.

9. Changes made to the Fund's prospectus

There were no changes made to the Fund's prospectus during the reported period.

10. Soft Commission

The Manager had received a soft commission (in the form of goods and services) during the year under review, which intended to bring direct benefit or advantage to the management of KFF from one broker/dealer by virtue of transactions conducted for KFF. The broker/dealer had also executed trades for other funds or investments managed by the Manager.

The soft commission received is in the form of research services that can add value to the investment process by analysing data to extract insights and arrive at meaningful conclusions. Such data assists the Manager in the investment decision-making process which is of demonstrable benefit to unit holders of KFF and other funds or investments managed by the Manager.

The soft commissions received were for the benefit of the Fund, and there was no churning of trades.

KEY PERFORMANCE DATA

| Portfolio Composition | As At 31 December | | |
|--------------------------------------|---------------------|-----------------|-----------------|
| | 2025 | 2024 | 2023 |
| | (Percentage of NAV) | | |
| | % | % | % |
| Quoted Equities | | | |
| Construction | 6.51 | 3.81 | 2.11 |
| Consumer Products & Services | 10.21 | 3.88 | 6.43 |
| Energy | 12.60 | 16.15 | 14.36 |
| Financial Services | 3.11 | 1.97 | 2.47 |
| Industrial Products & Services | 10.08 | 14.33 | 9.03 |
| Technology | 5.92 | 8.22 | 18.83 |
| Telecommunications & Media | 1.70 | 4.02 | 1.88 |
| Transportation & Logistics | 2.48 | 4.91 | - |
| Utilities | - | - | 3.03 |
| Total Quoted Equities | 52.61 | 57.29 | 58.14 |
| Collective investment schemes | 30.13 | 25.15 | 19.34 |
| Liquid and other assets | 17.26 | 17.56 | 22.52 |
| Total | 100.00 | 100.00 | 100.00 |
| Total return for the year | (RM'000) | (RM'000) | (RM'000) |
| Capital growth | (1,755) | (143) | 1,819 |
| Income Distribution | (598) | 2,131 | 384 |

| Performance | Income Return | Capital Return | Annual Total Return | |
|-----------------------------|---------------|----------------|---------------------|-------------|
| | % | % | KFF % | Benchmark % |
| Financial year ended | | | | |
| 31.12.2025 | 2.62 | (12.67) | (10.39) | 2.46 |
| 31.12.2024 | 2.28 | 6.35 | 8.78 | 8.79 |
| 31.12.2023 | 2.40 | 7.64 | 10.23 | (0.47) |
| 31.12.2022 | 2.59 | (10.70) | (8.39) | (1.75) |
| 31.12.2021 | 3.07 | (0.65) | 2.41 | (1.36) |

KEY PERFORMANCE DATA

| | Average Annual Return | |
|-----------------|-----------------------|-------------|
| | KFF % | Benchmark % |
| One (1) year | (10.39) | 2.46 |
| Three (3) years | 2.48 | 3.65 |
| Five (5) years | 0.16 | 1.50 |

Source: Novagni Analytics & Advisory Sdn Bhd, an independent source.

Basis of calculation and assumption made in calculating the returns:-

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

An illustration of the above would be as follow:-

$$\begin{aligned} \text{Capital return} &= \text{NAV per Unit end} / \text{NAV per Unit begin} - 1 \\ \text{Income return} &= \text{Income distribution per Unit} / \text{NAV per Unit ex-date} \\ \text{Total return} &= (1 + \text{Capital return}) \times (1 + \text{Income return}) - 1 \end{aligned}$$

KEY PERFORMANCE DATA

| NAV and Units in Circulation | As at 31 December | | |
|---|-------------------|------------|------------|
| | 2025 | 2024 | 2023 |
| Total NAV (RM'000) | 19,859 | 22,667 | 22,968 |
| Units in Circulation (in '000) | 51,646 | 51,480 | 55,480 |
| NAV per unit (RM) | 0.3845 | 0.4403 | 0.4140 |
| Unit Prices for the year (RM per unit) | | | |
| NAV (year high) | 0.4430 | 0.4952 | 0.4279 |
| NAV (year low) | 0.3638 | 0.4138 | 0.3866 |
| NAV (year high, ex-distribution) | 0.3823 | 0.4377 | 0.4162 |
| NAV (year low, ex-distribution) | 0.3823 | 0.4377 | 0.4162 |
| NAV | 0.3845 | 0.4403 | 0.4140 |
| Distribution Per Unit | | | |
| Final - gross/net (sen per unit) | 1.00 | 1.00 | 1.00 |
| Payment date | 15-Dec-25 | 16-Dec-24 | 15-Dec-23 |
| Unit Split (unit) | Nil | Nil | Nil |
| Total Expense Ratio ("TER") | 1.69% | 1.73% | 1.72% |
| Portfolio Turnover Ratio ("PTR") | 0.26 times | 0.41 times | 0.49 times |

Note: Total Expense Ratio ("TER") is calculated by taking the total fees and recovered expenses incurred by the Fund divided by the average fund size. Portfolio Turnover Ratio ("PTR") is calculated by taking the average of the acquisition and disposal of the Fund divided by the average fund size.

The TER was lower than those of the previous years due to overall decrease in the Fund's expenses during the year under review (refer to Note 14).

The PTR was lower than the previous years due to decrease in portfolio rebalancing activities undertaken by the Fund (refer to Note 15).

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

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

We, **Universal Trustee (Malaysia) Berhad** ("the Trustee") being the Trustee of **KAF First Fund** ("the Fund") are of the opinion that **KAF Investment Funds Berhad** ("the Manager"), acting in the capacity of Manager of the Fund, has fulfilled their duties in the following manner for the financial year ended 31 December 2025.

- (a) The Fund is being managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, Supplemental Deed, other provisions of the Deed, the SC's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) Valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

During the financial year, a total distribution of 1.00 sen per unit (net) has been distributed to the unit holders of the Fund. We are of the view that the distribution is consistent with the objective of the Fund.

For and on behalf of the Trustee,
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

AHMAD MAHADI
Manager

Kuala Lumpur, Malaysia
26 February 2026

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
KAF FIRST FUND

We, **Datuk Khatijah Ahmad** and **Mohammed Reza Tan Sri Abu Talib**, two of the Directors of **KAF Investment Funds Berhad**, do hereby state that, in the opinion of the Manager, the audited financial statements set out on pages 17 to 66 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2025 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
KAF Investment Funds Berhad

Datuk Khatijah Ahmad **Mohammed Reza Tan Sri Abu Talib**
Director Executive Director

Kuala Lumpur, Malaysia
26 February 2026

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of **KAF First Fund** ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 17 to 66.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
KAF FIRST FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 February 2026

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|--------------------|------------------|
| INCOME | | | |
| Dividend income | | 238,867 | 274,743 |
| Interest income from financial assets at amortised cost | | 108,296 | 152,960 |
| Net (loss)/gain on financial assets at fair value through profit or loss | 6 | (2,319,109) | 2,033,591 |
| | | <u>(1,971,946)</u> | <u>2,461,294</u> |
| EXPENSES | | | |
| Manager's fee | 3 | (312,322) | (356,811) |
| Trustee's fee | 4 | (12,455) | (13,894) |
| Transaction costs | | (35,664) | (61,942) |
| Audit fee | | (9,000) | (9,000) |
| Tax agent's fee | | (6,200) | (6,200) |
| Other expenses | | (5,690) | (24,965) |
| | | <u>(381,331)</u> | <u>(472,812)</u> |
| NET (LOSS)/PROFIT BEFORE TAXATION | | (2,353,277) | 1,988,482 |
| TAXATION | 5 | - | - |
| NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS/ INCOME FOR THE FINANCIAL YEAR | | <u>(2,353,277)</u> | <u>1,988,482</u> |
| Net (loss)/profit after taxation is made up of the following: | | | |
| Realised amount | | (598,276) | 2,131,436 |
| Unrealised amount | | (1,755,001) | (142,954) |
| | | <u>(2,353,277)</u> | <u>1,988,482</u> |

The details of the distribution are shown in Note 11 to the financial statements.

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 7 | 3,370,207 | 4,033,390 |
| Financial assets at fair value through profit or loss | 6 | 16,432,886 | 18,686,692 |
| Amount due from broker | 8 | 494,935 | - |
| Dividend receivables | | 15,652 | - |
| TOTAL ASSETS | | 20,313,680 | 22,720,082 |
| LIABILITIES | | | |
| Amount due to broker | 8 | 409,238 | - |
| Amount due to Manager | | | |
| - Manager's fee | | 25,230 | 27,338 |
| Amount due to Trustee | | 1,096 | 1,124 |
| Other payables and accruals | 9 | 18,748 | 24,204 |
| TOTAL LIABILITIES | | 454,312 | 52,666 |
| NET ASSET VALUE ("NAV") OF THE FUND | | 19,859,368 | 22,667,416 |
| EQUITY | | | |
| Unit holders' capital | | 19,069,038 | 19,021,097 |
| Retained earnings | | 790,330 | 3,646,319 |
| TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | 19,859,368 | 22,667,416 |
| NUMBER OF UNITS IN CIRCULATION | 10 | 51,646,107 | 51,480,141 |
| NAV PER UNIT | | 0.3845 | 0.4403 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Unit holders' capital RM | Retained earnings RM | Total RM |
|---|------|-----------------------------|-------------------------|-------------------|
| BALANCE AS AT 1 JANUARY 2025 | | 19,021,097 | 3,646,319 | 22,667,416 |
| Movement in unit holders' capital: | | | | |
| Creation of units arising from applications | | 887,132 | - | 887,132 |
| Creation of units arising from distribution | | 502,712 | - | 502,712 |
| Cancellation of units | | (1,341,903) | - | (1,341,903) |
| | | 47,941 | - | 47,941 |
| Total comprehensive loss for the financial year | | - | (2,353,277) | (2,353,277) |
| Distribution | 11 | - | (502,712) | (502,712) |
| | | - | (2,855,989) | (2,855,989) |
| BALANCE AS AT 31 DECEMBER 2025 | | 19,069,038 | 790,330 | 19,859,368 |
| BALANCE AS AT 1 JANUARY 2024 | | 20,806,336 | 2,161,335 | 22,967,671 |
| Movement in unit holders' capital: | | | | |
| Creation of units arising from applications | | 544,872 | - | 544,872 |
| Creation of units arising from distribution | | 503,498 | - | 503,498 |
| Cancellation of units | | (2,833,609) | - | (2,833,609) |
| | | (1,785,239) | - | (1,785,239) |
| Total comprehensive income for the financial year | | - | 1,988,482 | 1,988,482 |
| Distribution | 11 | - | (503,498) | (503,498) |
| | | - | 1,484,984 | 1,484,984 |
| BALANCE AS AT 31 DECEMBER 2024 | | 19,021,097 | 3,646,319 | 22,667,416 |

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of investments | | 4,504,550 | 11,390,807 |
| Purchase of investments | | (4,715,178) | (10,239,281) |
| Dividends received | | 223,215 | 292,269 |
| Interest income received | | 108,296 | 152,960 |
| Manager's fee paid | | (290,466) | (339,332) |
| Trustee's fee paid | | (12,483) | (13,917) |
| Payment of other fees and expenses | | (26,346) | (39,505) |
| Net cash (used in)/ generated from operating activities | | (208,412) | 1,204,001 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from creation of units | | 887,132 | 544,872 |
| Payments for cancellation of units | | (1,341,903) | (2,883,325) |
| Net cash used in financing activities | | (454,771) | (2,338,453) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (663,183) | (1,134,452) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | 4,033,390 | 5,167,842 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 7 | 3,370,207 | 4,033,390 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | | |
| Cash at bank | | 60,367 | 16,767 |
| Deposit with licensed financial institutions | | 3,309,840 | 4,016,623 |
| | 7 | 3,370,207 | 4,033,390 |

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

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

There are no standards, amendments to published standards and interpretations to existing standards that are effective for annual periods beginning on 1 January 2025 that have a material effect on the financial statements of the Fund.

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

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when when the liability is extinguished or qualifies for derecognition);
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective (cont'd)

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) (cont'd)
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
 - MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
- (a) Income and expenses are classified into 3 new main categories:
- (i) Operating category which typically includes results from the main business activities;
 - (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - (iii) Financing category that presents income and expenses from financing liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective (cont'd)

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'. (cont'd)
- (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
- Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

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

B INCOME RECOGNITION

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Interest income from deposits with licensed financial institutions and unquoted fixed-income security are recognised using the effective interest rate method on an accrual basis.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

B INCOME RECOGNITION (CONT'D)

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

Realised gains or losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, which is determined on a weighted average cost basis (for equity securities and collective investment schemes).

C DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from the realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee of the Fund.

D TAXATION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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.

Investment in collective investment schemes are debt instruments with contractual cash flows that do not represent solely payments of principal and interest, and therefore are classified as fair value through profit or loss.

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

The Fund classifies amount due to broker, amount due to Manager, amount due to Trustee and other payables and accruals as financial liabilities measured at amortised cost.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net gain/(loss) on financial assets at fair value through profit or loss in the financial year in which they arise.

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

Collective investment schemes are valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

In accordance to the Deeds, quoted investments in Malaysia are valued at the last traded market price quoted on the Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

Unquoted fixed-income securities are revalued to reflect its fair value on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission Malaysia ("SC") as per the SC's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed-income security differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price and keeps as audit trail of all decisions and basis for adopting the use of non-BPA price.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest rate method over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(iii) Impairment for assets carried at amortised cost

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

(iii) Impairment for assets carried at amortised cost (cont'd)

Qualitative criteria:

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

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

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to pay 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and deposits with a licensed financial institution with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) BROKERS

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

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

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

I TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

J CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unit holder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV. The outstanding units are carried at the redemption amount that is payable as at the date of the statement of financial position if the unit holder exercises the right to put the units back to the Fund.

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

K UNIT HOLDERS' CAPITAL

The unit holders' capital to the Fund meets the definition of puttable instruments classified as equity instruments under MFRS 132 'Financial Instruments: Presentation'. Those criteria include:

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

K UNIT HOLDERS' CAPITAL (CONT'D)

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

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

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

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

KAF First Fund (hereinafter referred to as “the Fund”) was constituted pursuant to a Deed dated 22 December 1995, between KAF Investment Funds Berhad (“the Manager”) and Universal Trustee (Malaysia) Berhad (“the Trustee”) as well as subsequent issuance of the 1st Supplementary Deed dated 8 July 1996, 2nd Supplementary Deed dated 8 January 1999, 3rd Supplementary Deed dated 27 July 2001, 4th Supplementary Deed dated 9 January 2014, 5th Supplementary Deed dated 12 March 2015 and 6th Supplementary Deed dated 20 March 2023 (collectively referred to as “the Deeds”).

The principal activity of the Fund is to invest in “Permitted Investments” as defined under Article 7 of the Deed, which includes securities and shares of companies quoted on Bursa Securities, fixed-income securities and short-term investments. The Fund commenced operations on 16 January 1996 and will continue its operations until terminated according to the conditions in the Deed.

All investments will be subject to the SC’s Guidelines on Unit Trust Funds and the Deeds, except where exemptions and variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, KAF Investment Funds Berhad, is incorporated in Malaysia. Its principal activities are the management of unit trust funds and provision of fund management.

The principal place of business of the Manager is located at Level 13 Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund as at financial year end are as follows:

| Financial assets at fair value through profit or loss | Financial assets at amortised cost | Total |
|---|------------------------------------|-------|
| RM | RM | RM |

2025

| | | | |
|---|-------------------|------------------|-------------------|
| Cash and cash equivalents | - | 3,370,207 | 3,370,207 |
| Financial assets at fair value through profit or loss | 16,432,886 | - | 16,432,886 |
| Amount due from broker | - | 494,935 | 494,935 |
| Dividend receivables | - | 15,652 | 15,652 |
| | <u>16,432,886</u> | <u>3,880,794</u> | <u>20,313,680</u> |

2024

| | | | |
|---|-------------------|------------------|-------------------|
| Cash and cash equivalents | - | 4,033,390 | 4,033,390 |
| Financial assets at fair value through profit or loss | 18,686,692 | - | 18,686,692 |
| | <u>18,686,692</u> | <u>4,033,390</u> | <u>22,720,082</u> |

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk and interest rate risk), liquidity risk and credit risk from its financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk

(a) Price risk

The Fund is exposed to price risk because of the investments held by the Fund and classified at fair value through profit or loss. Price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices (other than those arising from interest rate risk). Such fluctuation may cause the Fund's NAV and price of units to fall as well as rise and income produced by the Fund may also fluctuate. The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deed.

The table below shows the financial assets of the Fund as at 31 December which are exposed to price risk:

| | 2025 RM | 2024 RM |
|--|--------------------|--------------------|
| Investments | | |
| Quoted equities at fair value through profit or loss | 10,449,192 | 12,986,378 |
| Collective investment schemes at fair value through profit or loss | 5,983,694 | 5,700,314 |
| | <u>16,432,886</u> | <u>18,686,692</u> |

The following table summarises the sensitivity of the Fund's investments to price risk movements as at 31 December. The analysis is based on the assumptions that the market price increased and decreased by 5% (2024: 5%) with all other variables held constant. This represent management's best estimate of a reasonable possible shift in the quoted equities, having regard to the historical volatility of the prices. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(a) Price risk (cont'd)

2025

| | Change in price % | Impact on profit before taxation/ NAV RM |
|--|----------------------------------|---|
| Quoted equities at fair value through profit or loss | +/- 5 | <u>522,460</u> |
| Collective investment schemes at fair value through profit or loss | +/- 5 | <u>299,185</u> |

2024

| | | |
|--|-------|----------------|
| Quoted equities at fair value through profit or loss | +/- 5 | <u>649,319</u> |
| Collective investment schemes at fair value through profit or loss | +/- 5 | <u>285,016</u> |

(b) Interest rate risk

Interest rate risk is the risk that the value of the Funds will fluctuate because of changes in market interest rates.

The Fund's exposure to the interest rate risk is mainly confined to short-term deposit with licensed financial institutions. Interest rate risk is actively managed by duration targeting based on the interest rate outlook. The Manager overcomes the exposure to interest rate risk of short-term deposit with licensed financial institutions by way of maintaining deposit with licensed financial institutions on a short-term basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Interest rate risk (cont'd)

The effective weighted average interest rates per annum and the average remaining maturities of deposits with licensed financial institutions as at the date of the statement of financial position are as follows:

| | Weighted average interest rates | | Average remaining maturities | |
|--|---------------------------------|------|------------------------------|------|
| | 2025 | 2024 | 2025 | 2024 |
| | % | % | Days | Days |
| Deposit with licensed financial institutions | 2.86 | 3.20 | 2 | 2 |

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its financial obligations. The Manager manages this risk by maintaining sufficient levels of liquid assets to meet anticipated payment and cancellations of unit by unit holders. Liquid assets comprise cash at bank, deposit with a licensed financial institution and other instruments, which are capable of being converted into cash within 7 days.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

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

| | Between | | Total |
|---|-------------------|-------------------|----------------|
| | Less than 1 month | 1 month to 1 year | |
| | RM | RM | RM |
| As at 31 December 2025 | | | |
| Amount due to broker | 409,238 | - | 409,238 |
| Amount due to Manager | | | |
| - Manager's fee | 25,230 | - | 25,230 |
| Amount due to Trustee | 1,096 | - | 1,096 |
| Other payables and accruals | - | 18,748 | 18,748 |
| Contractual undiscounted cash outflows | 435,564 | 18,748 | 454,312 |
| As at 31 December 2024 | | | |
| Amount due to Manager | | | |
| - Manager's fee | 27,338 | - | 27,338 |
| Amount due to Trustee | 1,124 | - | 1,124 |
| Other payables and accruals | - | 24,204 | 24,204 |
| Contractual undiscounted cash outflows | 28,462 | 24,204 | 52,666 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

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

Credit risk arising from unquoted fixed-income security can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

Credit risk arising from placements in deposit with a licensed financial institution is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below:

| | 2025 RM | 2024 RM |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | 3,370,207 | 4,033,390 |
| Other assets* | 510,587 | - |
| | <u>3,880,794</u> | <u>4,033,390</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

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

| | Cash and cash equivalents | Other assets* | Total |
|--|---------------------------------|------------------|-------|
| | RM | RM | RM |

As at 31 December 2025

Financial services

| | | | |
|-------|-----------|---|-----------|
| - AAA | 1,346,599 | - | 1,346,599 |
| - AA3 | 2,023,608 | - | 2,023,608 |

Others

| | | | |
|-------------|------------------|----------------|------------------|
| - not rated | - | 510,587 | 510,587 |
| | <u>3,370,207</u> | <u>510,587</u> | <u>3,880,794</u> |

As at 31 December 2024

Financial services

| | | | |
|-------|-----------|---|-----------|
| - AA3 | 4,016,623 | - | 4,016,623 |
| - A1 | 16,767 | - | 16,767 |

| | | | |
|--|------------------|----------|------------------|
| | <u>4,033,390</u> | <u>-</u> | <u>4,033,390</u> |
|--|------------------|----------|------------------|

* Other assets consist of amount due from broker and dividend receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Fair value is 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. exit price).

The fair value of financial assets traded in active markets (such as publicly-traded 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 that are not traded in an active market is determined by using valuation techniques.

The carrying values of cash and cash equivalents, amount due from broker, dividend receivables and all current liabilities are reasonable approximations of their fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value hierarchy

The Fund classifies 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:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value hierarchy (cont'd)

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

| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|
| RM | RM | RM | RM |

As at 31
December
2025

Financial assets at fair value through profit or loss

| | | | |
|---------------------------------|-------------------|---|---------------------|
| - Quoted equities | 10,449,192 | - | - 10,449,192 |
| - Collective investment schemes | 5,983,694 | - | - 5,983,694 |
| | <u>16,432,886</u> | - | <u>- 16,432,886</u> |

As at 31
December
2024

Financial assets at fair value through profit or loss

| | | | |
|---------------------------------|-------------------|---|---------------------|
| - Quoted equities | 12,986,378 | - | - 12,986,378 |
| - Collective investment schemes | 5,700,314 | - | - 5,700,314 |
| | <u>18,686,692</u> | - | <u>- 18,686,692</u> |

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed quoted equities and collective investment schemes.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MANAGER'S FEE

Clause 14.1.2 of the Deed provides that the Manager is entitled to an annual management fee at a rate not exceeding 1.50% per annum based on the Fund's NAV on a daily basis before deducting the Manager's and Trustee's fees calculated for that particular day.

The Manager's fee provided in the financial statements is computed on this basis at a rate of 1.50% (2024: 1.50%) per annum.

There will be no further liability to the Manager in respect of the Manager's fee other than the amounts recognised in the financial statements.

4. TRUSTEE'S FEE

Clause 14.2.2 of the Deed provides that the Trustee is entitled to a fee not exceeding the following sums:

| Size of Fund | Fee |
|--------------------------------|----------|
| First RM20 million | RM12,000 |
| Next RM20 million | RM10,000 |
| Next RM20 million | RM 8,000 |
| Next RM20 million | RM 6,000 |
| Next RM20 million | RM 4,000 |
| Any amount above RM100 million | RM15,000 |

There will be no further liability to the Trustee in respect of Trustee's fee other than the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. TAXATION

| | 2025 RM | 2024 RM |
|---------------------|------------|------------|
| Current taxation | | |
| - Malaysia taxation | - | - |

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

| | 2025 RM | 2024 RM |
|--|-------------|------------|
| Net (loss)/profit before taxation | (2,353,277) | 1,988,482 |
| Taxation at Malaysian statutory rate of 24% (2024: 24%) | (564,786) | 477,236 |
| Tax effects of: | | |
| Investment loss not deductible for tax purposes/(Investment income not subject to tax) | 473,267 | (590,711) |
| Expenses not deductible for tax purposes | 13,410 | 20,145 |
| Restriction on tax deductible expenses for unit trust funds | 78,109 | 93,330 |
| Tax expense | - | - |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2025 RM | 2024 RM |
|---|-------------|------------|
| Net (loss)/gain on financial assets at fair value through profit or loss: | | |
| - realised (loss)/gain on sale of investments | (588,072) | 2,158,588 |
| - unrealised loss on fair value movement | (1,755,001) | (142,954) |
| - management fee rebate on collective investment schemes# | 23,964 | 17,957 |
| | (2,319,109) | 2,033,591 |
| Financial assets at fair value through profit or loss: | | |
| - Quoted equities | 10,449,192 | 12,986,378 |
| - Collective investment schemes | 5,983,694 | 5,700,314 |
| | 16,432,886 | 18,686,692 |

In arriving at the fair value of the collective investment schemes, the management fee initially paid to the Manager of collective investment schemes has been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under the SC's Guidelines on Unit Trust Funds, management fee charged on the Fund's investment in the collective investment schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the NAV of the collective investment schemes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2025 are set out as follows:

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|---|------------------|------------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| QUOTED EQUITIES | | | | |
| Construction | | | | |
| Gamuda Berhad | 50,000 | 217,162 | 249,000 | 1.25 |
| IJM Corporation Berhad | 90,000 | 204,300 | 204,300 | 1.03 |
| Lim Seong Hai Capital Berhad | 250,000 | 206,250 | 520,000 | 2.62 |
| Muhibbah Engineering (M) Berhad | 625,000 | 376,338 | 318,750 | 1.61 |
| | <u>1,015,000</u> | <u>1,004,050</u> | <u>1,292,050</u> | <u>6.51</u> |
| Consumer Products & Services | | | | |
| Able Global Berhad | 199,600 | 414,725 | 317,364 | 1.60 |
| Farm Price Holdings Berhad | 1,000,000 | 405,000 | 380,000 | 1.92 |
| Farm Price Holdings Berhad - WA | 500,000 | - | 70,000 | 0.35 |
| Oriental Kopi Holdings Berhad | 900,000 | 752,660 | 1,260,000 | 6.34 |
| | <u>2,599,600</u> | <u>1,572,385</u> | <u>2,027,364</u> | <u>10.21</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2025 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|-----------------------------------|------------------|------------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| QUOTED EQUITIES | | | | |
| Energy | | | | |
| Bumi Armada Berhad | 1,564,500 | 419,959 | 461,528 | 2.32 |
| Carimin Petroleum Berhad | 450,000 | 378,959 | 258,750 | 1.30 |
| Coastal Contracts Berhad | 100,000 | 164,670 | 134,000 | 0.67 |
| Dayang Enterprise Holdings Berhad | 280,000 | 454,860 | 473,200 | 2.38 |
| Keyfield International Berhad | 167,000 | 358,640 | 253,840 | 1.28 |
| Perdana Petroleum Berhad | 1,900,000 | 385,130 | 304,000 | 1.53 |
| Uzma Berhad | 915,000 | 412,226 | 347,700 | 1.75 |
| Wasco Greenergy Berhad | 350,000 | 350,000 | 273,000 | 1.37 |
| | <u>5,726,500</u> | <u>2,924,444</u> | <u>2,506,018</u> | <u>12.60</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2025 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Financial Services

| | | | | |
|----------------------------|------------------|----------------|----------------|-------------|
| Bank Islam Malaysia Berhad | 90,000 | 204,201 | 206,100 | 1.04 |
| Tune Protect Group Berhad | 1,350,000 | 472,724 | 411,750 | 2.07 |
| | <u>1,440,000</u> | <u>676,925</u> | <u>617,850</u> | <u>3.11</u> |

Industrial Products & Services

| | | | | |
|-------------------------------------|------------------|------------------|------------------|--------------|
| Coraza Integrated Technology Berhad | 800,000 | 407,840 | 432,000 | 2.18 |
| EG Industries Berhad | 1,000,000 | 429,650 | 1,080,000 | 5.44 |
| HSS Engineers Berhad | 543,500 | 700,888 | 211,965 | 1.07 |
| Pantech Group Holdings Berhad | 460,742 | 284,106 | 276,445 | 1.39 |
| | <u>2,804,242</u> | <u>1,822,484</u> | <u>2,000,410</u> | <u>10.08</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2025 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Technology

| | | | | |
|---------------------------|----------------|------------------|------------------|-------------|
| Inari Amertron Berhad | 200,000 | 400,000 | 336,000 | 1.69 |
| Infoline Tec Group Berhad | 300,000 | 240,000 | 118,500 | 0.60 |
| Mi Technovation Berhad | 250,000 | 558,684 | 720,000 | 3.63 |
| | <u>750,000</u> | <u>1,198,684</u> | <u>1,174,500</u> | <u>5.92</u> |

Telecommunications & Media

| | | | | |
|------------------|---------|---------|---------|------|
| OCK Group Berhad | 900,000 | 513,000 | 337,500 | 1.70 |
|------------------|---------|---------|---------|------|

Transportation & Logistics

| | | | | |
|------------------|-----------|---------|---------|------|
| AGX Group Berhad | 1,050,000 | 367,500 | 493,500 | 2.48 |
|------------------|-----------|---------|---------|------|

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2025 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|--|-------------------|-------------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| TOTAL QUOTED EQUITIES | <u>16,285,342</u> | <u>10,079,472</u> | <u>10,449,192</u> | <u>52.61</u> |
| UNREALISED GAIN ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>369,720</u> | | |
| FAIR VALUE OF TOTAL QUOTED EQUITIES | | <u>10,449,192</u> | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of collective investment schemes as at 31 December 2025 are set out as follows:

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2025 expressed as | |
|--|---------------|------------------|--|---------------------------|
| | | | as at 31/12/2025 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| COLLECTIVE INVESTMENT SCHEMES | | | | |
| Unit Trust | | | | |
| KAF Bond Fund* | 13,452 | 3,190,583 | 3,563,940 | 17.95 |
| KAF Sukuk Fund* | 14,001 | 2,300,000 | 2,419,754 | 12.18 |
| TOTAL COLLECTIVE INVESTMENT SCHEMES | <u>27,453</u> | <u>5,490,583</u> | <u>5,983,694</u> | <u>30.13</u> |
| UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | <u>493,111</u> | |
| FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEMES | | | <u>5,983,694</u> | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2024 are set out as follows:

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Construction

| | | | | |
|---------------------------------|----------------|----------------|----------------|-------------|
| Kimlun Corporation Berhad | 300,000 | 397,650 | 360,000 | 1.59 |
| Muhibbah Engineering (M) Berhad | 625,000 | 376,338 | 503,125 | 2.22 |
| | <u>925,000</u> | <u>773,988</u> | <u>863,125</u> | <u>3.81</u> |

Consumer Products & Services

| | | | | |
|----------------------------|------------------|----------------|----------------|-------------|
| Able Global Berhad | 199,600 | 414,725 | 385,228 | 1.70 |
| Farm Price Holdings Berhad | 1,000,000 | 405,000 | 495,000 | 2.18 |
| | <u>1,199,600</u> | <u>819,725</u> | <u>880,228</u> | <u>3.88</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2024 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Energy

| | | | | |
|-----------------------------------|------------------|------------------|------------------|--------------|
| Bumi Armada Berhad | 1,564,500 | 419,959 | 1,024,747 | 4.52 |
| Carimin Petroleum Berhad | 550,000 | 463,172 | 445,500 | 1.97 |
| Coastal Contracts Berhad | 100,000 | 164,670 | 152,000 | 0.67 |
| Dayang Enterprise Holdings Berhad | 280,000 | 454,860 | 585,200 | 2.58 |
| Keyfield International Berhad | 197,000 | 423,066 | 429,460 | 1.89 |
| Perdana Petroleum Berhad | 2,200,000 | 445,940 | 550,000 | 2.43 |
| T7 Global Berhad | 500,000 | 241,000 | 242,500 | 1.07 |
| Uzma Berhad | 300,000 | 183,000 | 231,000 | 1.02 |
| | <u>5,691,500</u> | <u>2,795,667</u> | <u>3,660,407</u> | <u>16.15</u> |

Financial Services

| | | | | |
|---------------------------|-----------|---------|---------|------|
| Tune Protect Group Berhad | 1,416,900 | 496,150 | 446,324 | 1.97 |
|---------------------------|-----------|---------|---------|------|

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2024 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Industrial Products & Services

| | | | | |
|--------------------------------|------------------|------------------|------------------|--------------|
| EG Industries Berhad | 500,000 | 429,650 | 1,225,000 | 5.40 |
| Elridge Energy Holdings Berhad | 600,000 | 235,090 | 252,000 | 1.11 |
| HSS Engineers Berhad | 543,500 | 700,888 | 559,805 | 2.47 |
| Hume Cement Industries Berhad | 200,000 | 627,920 | 638,000 | 2.81 |
| Northeast Group Berhad | 260,900 | 137,546 | 156,540 | 0.69 |
| Pantech Group Holdings Berhad | 453,700 | 279,570 | 419,673 | 1.85 |
| | <u>2,558,100</u> | <u>2,410,664</u> | <u>3,251,018</u> | <u>14.33</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2024 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|-----------------|----------|----------------|--|---------------------------|
| | | | as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |

QUOTED EQUITIES

Technology

| | | | | |
|-----------------------------|------------------|------------------|------------------|-------------|
| Frontken Corporation Berhad | 150,000 | 394,512 | 669,000 | 2.95 |
| Inari Amertron Berhad | 100,000 | 269,000 | 306,000 | 1.35 |
| Infoline Tec Group Berhad | 300,000 | 240,000 | 286,500 | 1.26 |
| Infomina Berhad | 50,200 | 49,156 | 69,276 | 0.31 |
| Notion V/Tec Berhad | 400,000 | 411,520 | 532,000 | 2.35 |
| | <u>1,000,200</u> | <u>1,364,188</u> | <u>1,862,776</u> | <u>8.22</u> |

Telecommunications & Media

| | | | | |
|------------------------|------------------|------------------|----------------|-------------|
| OCK Group Berhad | 900,000 | 513,000 | 436,500 | 1.93 |
| REDtone Digital Berhad | 550,000 | 502,315 | 473,000 | 2.09 |
| | <u>1,450,000</u> | <u>1,015,315</u> | <u>909,500</u> | <u>4.02</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of quoted equities as at 31 December 2024 are set out as follows: (cont'd)

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|--|-------------------|-------------------|--|---------------------------|
| | | | Fair value as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| QUOTED EQUITIES | | | | |
| Transportation & Logistics | | | | |
| AGX Group Berhad | 1,200,000 | 420,000 | 672,000 | 2.96 |
| Sealink International Berhad | 1,400,000 | 482,580 | 441,000 | 1.95 |
| | <u>2,600,000</u> | <u>902,580</u> | <u>1,113,000</u> | <u>4.91</u> |
| TOTAL QUOTED EQUITIES | <u>16,841,300</u> | <u>10,578,277</u> | <u>12,986,378</u> | <u>57.29</u> |
| UNREALISED GAIN ON QUOTED EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>2,408,101</u> | | |
| FAIR VALUE OF TOTAL QUOTED EQUITIES | | <u>12,986,378</u> | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of collective investment schemes as at 31 December 2024 are set out as follows:

| Name of counter | Quantity | Aggregate cost | Fair value as at 31/12/2024 expressed as | |
|--|---------------|------------------|--|---------------------------|
| | | | Fair value as at 31/12/2024 | percentage of NAV of Fund |
| | Units | RM | RM | % |
| COLLECTIVE INVESTMENT SCHEMES | | | | |
| Unit Trust | | | | |
| KAF Bond Fund* | 13,452 | 3,190,583 | 3,397,531 | 14.99 |
| KAF Sukuk Fund* | 14,001 | 2,300,000 | 2,302,783 | 10.16 |
| COLLECTIVE INVESTMENT SCHEMES TOTAL COLLECTIVE INVESTMENT SCHEMES | <u>27,453</u> | <u>5,490,583</u> | <u>5,700,314</u> | <u>25.15</u> |
| UNREALISED GAIN ON COLLECTIVE INVESTMENT SCHEMES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | <u>209,731</u> | |
| FAIR VALUE OF TOTAL COLLECTIVE INVESTMENT SCHEMES | | | <u>5,700,314</u> | |

*Funds managed by the Manager of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. CASH AND CASH EQUIVALENTS

| | 2025 RM | 2024 RM |
|---|------------------|------------------|
| Cash at bank | 60,367 | 16,767 |
| Deposit with licensed financial institutions* | 3,309,840 | 4,016,623 |
| | <u>3,370,207</u> | <u>4,033,390</u> |

*A total of RM1,963,241 (2024: RM4,016,623) of the short-term deposit is placed with KAF Investment Bank Berhad, the intermediate holding company of the Manager.

The weighted average interest rates per annum and the average remaining maturities of deposit with licensed financial institutions are shown in Note 2(b) to the financial statements.

8. AMOUNT DUE FROM/(TO) BROKERS

The amount due from/(to) brokers which relates to sale/ (purchase) of investment securities and instruments are unsecured, interest-free and receivable/(payable) according to the settlement rules of the applicable stock exchange.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. OTHER PAYABLES AND ACCRUALS

| | 2025 RM | 2024 RM |
|----------------------------|---------------|---------------|
| Audit and tax agent's fees | 17,248 | 17,204 |
| Sundry accruals | 1,500 | 7,000 |
| | <u>18,748</u> | <u>24,204</u> |

10. NUMBER OF UNITS IN CIRCULATION

| | 2025 Number of units | 2024 Number of units |
|---|----------------------------|----------------------------|
| At the beginning of the financial year | 51,480,141 | 55,479,814 |
| Creation of units arising from applications | 2,221,000 | 1,180,000 |
| Creation of units arising from distribution | 1,314,966 | 1,150,327 |
| Cancellation of units | (3,370,000) | (6,330,000) |
| At the end of the financial year | <u>51,646,107</u> | <u>51,480,141</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. DISTRIBUTION

| | 2025 RM | 2024 RM |
|--|------------|------------|
| Gross/Net distribution for the financial year: Final, declared and; reinvested on 15/12/2025 (2024:16/12/2024) | 502,712 | 503,498 |
| Distribution to unit holders are from the following sources: | | |
| Realised gain on sale of investment | - | 428,943 |
| Prior years' realised income | 852,321 | 516,700 |
| Gross realised income | 852,321 | 945,643 |
| Less: | | |
| Expenses | (349,609) | (442,145) |
| Distribution for the financial year | 502,712 | 503,498 |
| Gross/Net distribution per unit (sen) | 1.00 | 1.00 |

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

The distribution is made from current and prior years' net realised income.

The Fund incurred unrealised losses for the financial years ended 31 December 2025 and 31 December 2024.

12. TRANSACTIONS WITH BROKERS

Details of transactions with brokers for the financial year ended 31 December 2025 are as follows:

| Name of brokers | Value of trades RM | Percentage | Brokerage fees RM | Percentage |
|---|-----------------------|----------------------|----------------------|-------------------------|
| | | of total trades % | | of total brokerage % |
| 2025 | | | | |
| CGS | | | | |
| International Securities Malaysia Sdn Bhd | 2,154,267 | 21.32 | 7,083 | 31.23 |
| Affin Hwang Investment Bank Berhad | 1,958,716 | 19.38 | 3,305 | 14.57 |
| Maybank Investment Bank Berhad Public | 1,319,965 | 13.06 | 2,640 | 11.64 |
| Investment Bank Berhad | 1,305,443 | 12.92 | 2,937 | 12.95 |
| UOB Kay Hian Securities (M) Sdn Bhd | 1,049,837 | 10.39 | 2,100 | 9.26 |
| UBS Securities Malaysia Sdn Bhd | 672,250 | 6.65 | 1,210 | 5.33 |
| CIMB Securities Sdn Bhd | 341,007 | 3.37 | 767 | 3.38 |
| Hong Leong Investment Bank Berhad | 327,917 | 3.24 | 640 | 2.82 |
| Phillip Capital Sdn Bhd | 279,985 | 2.77 | 560 | 2.47 |
| CLSA Securities Malaysia Sdn Bhd | 263,340 | 2.61 | 527 | 2.32 |
| Others | 433,018 | 4.29 | 913 | 4.03 |
| | 10,105,745 | 100.00 | 22,682 | 100.00 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. TRANSACTIONS WITH BROKERS (CONT'D)

Details of transactions with brokers for the financial year ended 31 December 2024 are as follows:

| Name of brokers | Value of trades RM | Percentage | Brokerage fees RM | Percentage |
|---|-----------------------|----------------------|----------------------|-------------------------|
| | | of total trades % | | of total brokerage % |
| 2024 | | | | |
| Phillip Capital Sdn Bhd | 2,880,014 | 16.04 | 5,760 | 14.62 |
| RHB Investment Bank Berhad | 2,305,867 | 12.85 | 5,188 | 13.17 |
| Public Investment Bank Berhad | 2,077,356 | 11.57 | 4,674 | 11.87 |
| UBS Securities Malaysia Sdn Bhd | 1,923,393 | 10.72 | 3,462 | 8.79 |
| Affin Hwang Investment Bank Berhad | 1,419,523 | 7.91 | 2,444 | 6.20 |
| Maybank Investment Bank Berhad | 1,095,060 | 6.10 | 2,190 | 5.56 |
| MIDF Amanah Investment Bank Berhad | 1,065,726 | 5.94 | 2,131 | 5.41 |
| Hong Leong Investment Bank Berhad | 993,107 | 5.53 | 1,837 | 4.66 |
| UOB Kay Hian Securities (M) Sdn Bhd | 926,420 | 5.16 | 1,853 | 4.70 |
| CGS International Securities Malaysia Sdn Bhd | 846,480 | 4.72 | 1,086 | 2.76 |
| Others | 2,416,464 | 13.46 | 8,768 | 22.26 |
| | 17,949,410 | 100.00 | 39,393 | 100.00 |

The Manager is of the opinion that all the transactions with the related company have been entered into in the normal course of business and have been established on terms and conditions that have been agreed upon by the parties involved.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. UNITS HELD BY THE MANAGER AND RELATED PARTIES

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

| Related parties | Relationships |
|---|--|
| KAF Investment Funds Berhad | The Manager |
| KAF-Seagroatt & Campbell Berhad | Immediate holding company of the Manager |
| AKKA Sdn Bhd | Ultimate holding company of the Manager |
| Subsidiaries and associates of the ultimate holding company of the Manager as disclosed in its financial statements | Subsidiaries and associated companies of the ultimate holding company of the Manager |

| | 2025 | | 2024 | |
|-----------------------------|--------------|-------|--------------|-------|
| | No. of units | RM | No. of units | RM |
| KAF Investment Funds Berhad | 5,283 | 2,031 | 17,097 | 7,528 |

The above units were transacted at the prevailing market price. All related party units are held legally.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. TOTAL EXPENSE RATIO (“TER”)

| | 2025 | 2024 |
|-----|-------|-------|
| TER | 1.69% | 1.73% |

TER is derived from the following calculation:

$$\text{TER} = \frac{(A+B+C+D+E) \times 100}{F}$$

- A = Manager’s fee
- B = Trustee’s fee
- C = Audit fee
- D = Tax agent’s fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis was RM20,436,786 (2024: RM23,786,407).

15. PORTFOLIO TURNOVER RATIO (“PTR”)

| | 2025 | 2024 |
|-----|------------|------------|
| PTR | 0.26 times | 0.41 times |

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}}$$

- where: total acquisition for the financial year = RM5,105,307 (2024: RM10,194,735)
- total disposal for the financial year = RM5,604,112 (2024: RM9,158,975)

CORPORATE INFORMATION

Manager

KAF Investment Funds Berhad
Reg. No: 199501004999

Registered Office

Level 13A, Menara IQ
Lingkar TRX
Tun Razak Exchange
55188 Kuala Lumpur

Business Office

Level 13, Menara IQ
Lingkar TRX
Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001
Website: www.kaf.com.my

Board of Directors

Datuk Khatijah binti Ahmad
Mohammed Reza Tan Sri Abu Talib
Nor Rejina binti Abdul Rahim
Tunku Rozita binti Tunku Abdul Malek

Secretary

Siti Nurmazita binti Mustapha (LS 0009160)

Trustee

Universal Trustee (Malaysia) Berhad

Auditor & Reporting Accountant

PricewaterhouseCoopers PLT

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd

Banker

Alliance Bank Malaysia Berhad

KAF Investment Funds Berhad Reg. No: 199501004999
Level 13, Menara IQ,
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur
Tel: 03-9767 6000 Fax: 03-9767 6001

For more information,
log on to www.kaf.com.my