

21 August 2024

ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Annual Report and Financial Statements for the year ended 30 June 2024

Regal Asian Investments Limited (ASX:RG8) hereby lodges:

- Appendix 4E for the year ended 30 June 2024; and
- Annual Report for the year ended 30 June 2024, incorporating the Chairman's Letter and Financial Statements.

AUTHORISED FOR RELEASE BY:

Ian Cameron, Company Secretary

INVESTOR CONTACT INFORMATION:

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Appendix 4E

for Regal Asian Investments Limited (**RG8** or the **Company**)
for the year ended 30 June 2024

Reporting periods

Current reporting period	1 July 2023 - 30 June 2024
Previous reporting period	1 July 2022 - 30 June 2023

Results for announcement to the market

	30 June 2024	30 June 2023	Up / down	% Movement
Income from ordinary activities	85,168,699	63,506,415	Up	34%
Profit before tax for the period	58,272,740	33,648,803	Up	73%
Net profit from ordinary activities after tax	43,709,393	25,712,722	Up	70%

Dividend information

	Dividend per share (cents)	Franked amount per share (cents)	Tax rate for franking
Final 2024 dividend declared	5.00	5.00	30%
Interim 2024 dividend (paid on 18 March 2024)	5.00	5.00	30%

Final dividend dates

Ex-date	29 August 2024
Record date	30 August 2024
Last election date for dividend reinvestment	2 September 2024
Payment date	30 September 2024

Dividend reinvestment plan

The Company's Dividend Reinvestment Plan (**DRP**) is in operation for shareholders in the Company and the fully franked dividend of 5.0 cents per share qualifies for the DRP.

Net tangible assets (NTA) per share	30 June 2024	30 June 2023	Up / down	% Movement
Pre-tax	\$2.46	\$2.21	Up	11.31
Post-tax excluding deferred tax liabilities / deferred tax assets on unrealised gains / losses	\$2.49	\$2.29	Up	8.73
Post-tax including deferred tax liabilities / deferred tax assets on unrealised gains / losses	\$2.53	\$2.33	Up	8.58

Brief explanation of results and Company outlook

Refer to the attached 2024 Annual Report. Additional Appendix 4E disclosure requirements can be found in the notes to the Financial Statements.



On-market share buy-back

During the year ended 30 June 2024, the Company bought back 31,960,238 shares at a cost of \$64,889,869 (excluding brokerage) (2023: 19,946,758 shares at a cost of \$40,130,172 (excluding brokerage)).

Additional capacity for on-market share buy-back

As part of the Company's Annual General Meeting (**AGM**) in November 2023, the Company sought and received approval from its shareholders to undertake an on-market buy-back of up to 48,832,176 shares in the Company over the 12-month period commencing from the AGM date (**Shareholder Approval**). This represents approximately 25% of the shares the Company had on issue as at 19 October 2023. This additional capacity provides the Company with the flexibility to purchase more than 10% of the Company's shares on issue over a 12 month period, per the limit permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**).

The buy-back will be funded from the Company's available cash reserves and conducted on-market. The objective of the buy-back remains capital management.

The approval received from shareholders does not oblige the Company to undertake a buy-back of any shares. It is not guaranteed that the Company will buy back either the maximum number of issued shares approved pursuant to Shareholder Approval or as otherwise permitted by the Corporations Act.

Acquisition of Global Equities Manager by Regal Partners (the parent of the Investment Manager)

On 3 November 2023, the Company noted the announcement by Regal Partners Limited (**Regal Partners**) (the Parent of Regal Asian Investments Management Pty Ltd, the Investment Manager of the Company) in relation to Regal Partners' acquisition of PM Capital Limited. Regal Partners noted that the acquisition will provide a further extension to the Investment Manager's existing global equities capabilities.

This acquisition was completed on 20 December 2023, as announced by Regal Partners to the ASX on 21 December 2023.

Audit

This report is based on the full year financial report which has been audited by Pitcher Partners. The full year financial report for the year ended 30 June 2024 comprises all information required to be disclosed by ASX Listing Rule 4.3A.

REGAL
ASIAN INVESTMENTS

Annual Report

Year ended 30 June 2024



Regal Asian Investments Limited
ABN 58 635 219 484

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Annual General Meeting 2024

Scheduled to be held in November 2024.

Notice of the Annual General Meeting will be forwarded to all Shareholders separately.

Corporate Governance

The Board of Directors (**Board**) of Regal Asian Investments Limited ABN 58 635 219 484 (**RG8** or the **Company**) is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (**CGS**) in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations.

The Company's CGS is available on the Company's website at www.regal_fm.com/rg8.

Letter from the Chairman

Dear Fellow Shareholders,

On behalf of the Board, I am pleased to present the results of Regal Asian Investments Limited (**RG8** or the **Company**) for the 2024 financial year (**FY24**).

Portfolio and Investment Performance

In FY24, Regal Asian Investments Limited generated a net portfolio return of +17.2%, after all fees, with an average net exposure of 92%. The portfolio is relatively concentrated and not benchmarked against an index but, for context, the MSCI Asia Pacific index (which is fully invested) generated a return of +13.0% in Australian dollars over the period. As with the 2023 financial year (**FY23**), in FY24 there was quite a large divergence in performance between the indices of key Asian countries, including Japan continuing to materially outperform China.

As announced in May 2023, RG8's gross exposure limit was increased from 150% to 200%, effective 1 July 2023 (while maintaining a net exposure limit of 100%). The investment team recommended the change to provide additional flexibility in managing the portfolio and has utilised this flexibility to expand available opportunities (with actual gross exposure increasing from 149% at 30 June 2023 to 200% at 30 June 2024). The net exposure rose from 81% to 91% over the same period, with the net portfolio at 30 June 2024 biased towards companies listed in Japan, Australia, Hong Kong and South Korea.

For more detail on key stock holdings and drivers of the portfolio's performance, I encourage you to watch a replay of the most recent webinar held by RG8's investment manager in June and to read the latest investor newsletters, all of which can be found on the Company's website, www.regalfm.com/RG8.

Financial Highlights

The Company reported a net profit after tax in FY24 of \$43.7 million, resulting in earnings per share of 23.23 cents. On 25 September 2023, the Company paid a fully franked final dividend, relating to the FY23 year, of 5 cents per share (amounting to \$9.9m) and, on 18 March 2024, the Company paid a fully franked interim FY24 dividend, which was also 5 cents per share (\$9.2m). These dividends were in line with the Company's announcement in August 2022 that it had refined its dividend policy to one that targets a dividend of at least 5 cents per share every six months. This approach has continued at the FY24 full year result, with the Company announcing today a fully franked final dividend of 5 cents per share. This brings total dividends for FY24 to 10 cents per share, fully franked, and represents a net dividend yield of 4.5% (when based on the 30 June 2024 share price) and a grossed-up yield of 6.5% (when accounting for the benefits of franking).

The record date for the current dividend is 30 August 2024 and the dividend is due to be paid on 30 September 2024. The Company's Dividend Reinvestment Plan (**DRP**) is in operation and the Company encourages all eligible shareholders to consider participating (noting elections are due by 5pm (AEST) on 2 September 2024 for those who have not already registered). It is expected that the shares to be allocated under the **DRP** will be bought on-market.

At 30 June 2024, the Company's profits reserve was \$113.9m (equating to 69.3c per share based on the current shares outstanding, or 64.3c per share after adjusting for the payment of the dividend just declared). This allows for more than 6 years of dividends at the current rate – after paying the current dividend.

Share Price Performance and Capital Management

During FY24, RG8 shareholders achieved a total shareholder return of +10.7% pre franking and +13.1% inclusive of franking¹. The share price discount to net tangible assets (NTA) was 11.7% at 30 June 2024, broadly in line with many other listed investment companies in the alternative and international equity segments, as well as being materially better than the circa 19% discount that existed when the portfolio management of RG8 was transitioned to the Regal Funds Management team in June 2022. For additional context, it is pleasing to see that the shareholder return for the two years starting 1 July 2022 (as a proxy date for transition) has been +35.9% pre franking and +41.0% inclusive of franking.

Aside from portfolio performance, a key element of achieving strong shareholder returns is capital management. Pleasingly, at the Company's annual general meeting (AGM) in November 2023, RG8 shareholders approved a resolution to increase the capacity of the on-market buy-back, providing the Company with the opportunity to buy back up to approximately 25% of issued shares during the 12 months following the AGM. The Board felt this was appropriate given such a buy-back can be accretive to shareholders (when conducted at a discount) and provide increased liquidity in the market.

Approximately 32 million shares were purchased in FY24 for \$65 million and a further 3 million shares have been purchased between 1 July 2024 and today. In total, 58 million shares (26% of RG8's capital) have been purchased and cancelled since RG8's buy-back launched in May 2022.

Shareholder Engagement

During FY24, RG8's investment manager held a number of briefings by webinar which received very positive feedback from attendees. As mentioned earlier, I encourage shareholders to visit www.regalfm.com/RG8 to watch a replay of the June webinar and where you will also find the latest investor newsletters.

The distribution team of Regal Partners (the parent of RG8's investment manager) also added two experienced hires in the year, both of whom have extensive relationships and networks across the retail stockbroking, private wealth adviser and family office client channels.

Looking forward, the Regal team has further webinars and briefings planned, with details to be released as appropriate. In addition, the 2024 AGM is scheduled to be held in November 2024. Full details will be available in the 2024 AGM Notice of Meeting, which will be sent to shareholders closer to the meeting date.

Finally, to ensure that you receive all RG8 updates, we encourage you to elect to receive all investor communications by email. This can be done through InvestorServe (the portal of RG8's registry, Boardroom) or by submitting the relevant forms to Boardroom. Please contact the RG8 Investor Relations team at +61 2 8197 4333 or investorrelations@regalpartners.com if you require assistance, have questions about your investment or wish to provide any feedback.

In closing, thank you again for your ongoing interest and support for RG8.

Yours sincerely,



Lawrence Myers
Independent Chairman
Sydney
20 August 2024

¹ Based on monthly compounded returns with dividends reinvested.

Directors' Report

For the year ended 30 June 2024

The Directors of Regal Asian Investments Limited (the **Company** or **RG8**) present their Directors' report together with the Financial Report of the Company for the year ended 30 June 2024. The Company is limited by shares and is incorporated in Australia and quoted on the Australian Securities Exchange (**ASX**) (ticker code: RG8).

Directors

The following persons were Directors of the Company during the whole of the financial year ended 30 June 2024 and up to the date of this report, unless otherwise stated:

Name	Position	Date appointed
Lawrence Myers	Independent Chairman	31 July 2019
Adelaide H McDonald	Independent Director	31 August 2019
William F Brown	Independent Director	31 August 2019
David F Jones AM	Director	25 September 2020

Principal Activity

The principal activity of the Company is to provide shareholders with access to a concentrated portfolio, predominantly comprised of long investments and short positions in listed securities focusing on the Asian region, and the investment expertise of the Company's investment manager, Regal Asian Investments Management Pty Ltd, an entity wholly-owned by Regal Partners Limited (the **Investment Manager**).

There have been no significant changes in the nature of this activity during the period.

Dividends

Since the end of the year, the Directors have determined to pay a fully franked dividend of 5.0 cents per share, which will be paid on 30 September 2024. The dividend qualifies for the Company's Dividend Reinvestment Plan (**DRP**).

The Board recognises that the ability to pay regular, stable dividends is a key benefit of the listed investment company structure and has agreed that RG8 will seek to pay dividends on a six-monthly basis, with the payment amount being at least 5.0 cents per share per half year period. The Board intends for future dividends to be franked to the fullest extent possible and seek to grow this level of dividend payment over time.

The balance of the profits reserve (from which dividends will be paid) as of 30 June 2024 is \$113,935,858.

Dividends paid or declared during the year are as follows:

	\$
Interim 2024 dividend of 5.0 cents per share paid on 18 March 2024	9,163,680
Final 2023 dividend of 5.0 cents per share paid on 25 September 2023	9,937,046
Total	19,100,726

Please refer to Note 14 to the Financial Statements for further information.

Review of Operations

Investment operations during the year resulted in an operating profit before tax of \$58,272,740 (2023: operating profit before tax of \$33,648,803) and an operating profit after tax of \$43,709,393 (2023: operating profit after tax of \$25,712,722).

For the financial year, the Company's post-tax net tangible assets (**NTA**)¹ increased +8.7% after all fees and excluding the benefit of dividends declared and paid during the year of 10.0 cents per share (2023: increase in NTA of 3.1%). Further information on the financial highlights of the Company is contained in the Letter from the Chairman.

For the year ended 30 June 2024, which also marked the second anniversary for RG8 under the management of Regal, the net portfolio return was +17.2% (2023: +8.3%). During the year ended 30 June 2024, the share price returned +5.3%, excluding the impact of 10.0 cents per share of dividends paid during the year.

Costs paid by Regal Partners

The Investment Manager continues to show strong alignment with and support of the Company and its shareholder, with its Parent Company, Regal Partners Limited (**Regal Partners**), paying the majority of the Company's operating costs. Regal Partners paid for circa \$488,000 of operating expenses in the year ended 30 June 2024 which include ASX and ASIC fees, audit costs, legal and tax advice costs and any fees charged by the Company's Fund Administrator (2023: \$458,000).

On-market share buy-back program

During the year ended 30 June 2024, the Company bought back 31,960,238 shares at a cost of \$64,889,869 (excluding brokerage) (2023: 19,946,758 shares at a cost of \$40,130,172 (excluding brokerage)).

Additional capacity for on-market share buy-back

As part of the Company's Annual General Meeting (**AGM**) in November 2023, the Company sought and received approval from its shareholders to undertake an on-market buy-back of up to 48,832,176 shares in the Company over the 12-month period commencing from the AGM date (**Shareholder Approval**). This represents approximately 25% of the shares the Company had on issue as at 19 October 2023. This additional capacity provides the Company with the flexibility to purchase more than 10% of the Company's shares on issue over a 12 month period, per the limit permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**).

The buy-back will be funded from the Company's available cash reserves and conducted on-market. The objective of the buy-back remains capital management.

The approval received from shareholders does not oblige the Company to undertake a buy-back of any shares. It is not guaranteed that the Company will buy back either the maximum number of issued shares approved pursuant to this resolution or as otherwise permitted by the *Corporations Act*.

Acquisition of Global Equities Manager by Regal Partners (the parent of the Investment Manager)

On 3 November 2023, the Company noted the announcement by Regal Partners Limited (**Regal Partners**) (the Parent of Regal Asian Investments Management Pty Ltd, the Investment Manager of the Company) in relation to Regal Partners' acquisition of PM Capital Limited. Regal Partners noted that the acquisition will provide a further extension to the Investment Manager's existing global equities capabilities.

This acquisition was completed on 20 December 2023, as announced by Regal Partners to the ASX on 21 December 2023.

¹ 'Post-Tax NTA' is calculated after tax on realised gains/losses, deferred tax assets and deferred tax liabilities, but before allowing for deferred tax liabilities / deferred tax assets on unrealised gains / losses.

Strategy and Future Outlook

The results of the Company's operations will be affected by a number of factors, including the performance of investment markets in which the Company invests. Therefore, investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

As markets are subject to fluctuations, it is imprudent to provide a detailed outlook or statement of expected results of operations. The Company provides monthly fund updates, which are available on the Company's website at www.regalfm.com/RG8 and disclosed on the ASX website. The Company's updates include detailed discussions in relation to some underlying investments from time to time along with general outlook commentary.

The Company's investment activities will expose it to a variety of risks. The key risks identified by the Company include:

- **Manager risk:** The success and profitability of the Company will largely depend on the Investment Manager's continued ability to manage the Company's portfolio of investments (**Portfolio**) in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments.
- **Investment Strategy risk:** The success and profitability of the Company will largely depend upon the ability of the Investment Manager to invest in a Portfolio which generates a return for the Company. There are risks inherent in the investment strategy that the Investment Manager will employ for the Company.
- **Risks associated with investing in Asia:** Investors often regard countries in the Asian Region as having higher sovereign, governance and systemic risk profiles relative to more developed economies. Reasons may include:
 - Asian markets are often momentum-driven which contributes to volatility;
 - some economies in Asia have experienced periods of currency volatility;
 - some Asian economies have weaker legal, regulatory, governance and accounting quality standards compared to developed nations in other regions; and
 - regional and international political risks.
- **Market risk:** The market value of assets in the Portfolio can fluctuate as a result of market conditions. The value of the Portfolio may be impacted by factors such as economic conditions, interest rates, regulations, climate change, sentiment and geopolitical events as well as environmental, social and technological changes.
- **Short selling risk:** Short selling involves borrowing securities which are then sold. If the price of the securities falls then the Company can buy those securities at a lower price to transfer back to the lender of the securities. Short selling can be seen as a form of leverage and may magnify the gains and losses achieved in the Portfolio. While short selling may be used to manage certain risk exposures in the Portfolio and increase returns, it may also have a significantly increased adverse impact on its returns. Short selling exposes the Portfolio to the risk that investment flexibility could be constrained by the need to provide collateral to the securities lender and that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.
- **Liquidity risk:** The Portfolio and the issued shares in the Company (**Shares**) are each subject to liquidity risk as follows:
 - The Company is exposed to liquidity risk in relation to the investments within its Portfolio. If a security cannot be bought or sold quickly enough to minimise potential loss, the Company may have difficulty satisfying commitments associated with certain financial instruments in the Portfolio.
 - The Shares are also exposed to liquidity risk. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.
- **Leverage risk:** While the Investment Manager does not intend to use debt to increase the scale of the Portfolio, the use of short selling and possible use of derivatives may have an effect similar to leverage in that they can magnify the gains and losses achieved in the Portfolio in a manner similar to a debt leveraged portfolio. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.
- **Currency risk:** Investing in assets denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the Portfolio's investments measured in Australian dollars. The Investment Manager will seek to actively manage the Portfolio's currency exposure using natural hedging (borrowing in a foreign currency to hedge non-Australian dollar exposures) as well as derivatives, foreign currency forward contracts, options and swaps to hedge currency exposures.

Other matters

Further information on the Company's operational and financial review is contained in the Letter from the Chairman.

Financial Position

The net assets of the Company as at 30 June 2024 were \$426,170,861 (2023: \$466,452,063).

Matters subsequent to the end of the financial year

The Company is not aware of any other matter or circumstance since the end of the financial year not otherwise dealt with in this Annual Report, that has, or may, significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2024.

Likely developments and expected results of operations

The Company will continue to pursue its investment objectives for the long-term benefit of shareholders.

Environmental regulation

The operations of the Company are not subject to any particular or significant environmental regulations under a law of the Commonwealth, or of a State or Territory.

Information on Directors and Officeholders

Name:	Lawrence Myers
Title:	Independent Chairman
Qualifications:	<i>B.Acct (UniSA), CA, CTA</i>
Experience and expertise:	Mr Myers is the Founder and Managing Director of MBP Advisory Pty Limited, a prominent, high-end Sydney firm of Chartered Accountants which he established in 1998. Mr Myers is also the CEO of FIFO Investments Pty Limited, the family office for the Myers family and a number of associated families. Mr Myers' specialist areas of practice include mergers and acquisitions, corporate and business advisory, tax consulting and advisory, succession planning and family office services. Mr Myers is also a member of the Foundation board of the Art Gallery of New South Wales. Mr Myers was appointed as a Non-Executive Director of Accent Group, and is a member of its ARC and People and Remuneration Committee in November 2023. Mr Myers was appointed as CEO of Consolidated Press Holdings Pty Limited in 2023.
Other current listed directorships:	Mr Myers has been an Independent Director and Chairman of the Audit and Risk Committee of ASX-listed Breville Group Limited (ASX:BRG) since 2013 and has been its Lead Independent Director since August 2014 and its Deputy Chairman since August 2021. Mr Myers has also been an Independent Director of VGI Partners Global Investments Limited (ASX:VG1) since July 2017. In addition, Mr Myers was appointed to the Board of Directors of Accent Group Limited on 17 November 2023.
Former directorships (last three years):	Mr Myers has not held any other directorships of listed companies within the last three years.
Special responsibilities:	Mr Myers is a member of the Company's Audit and Risk Committee.
Interests in the Company:	Shares: 600,000

Name:	Adelaide H McDonald
Title:	Independent Director
Qualifications:	<i>B.Com (Acc/Fin) (UQLD), B.BusMan (Econ) (UQLD), CFA</i>
Experience and expertise:	Ms McDonald has over 15 years' experience in corporate advisory and equity research. Ms McDonald is currently a Non-Executive Director of Highcom Ltd (ASX: HCL) (previously, XTEK Limited (ASX:XTE)) as well as an Executive Director of MDH Pty Ltd, one of Australia's largest integrated beef producers. In addition, Ms McDonald has held roles as a Director at KPMG in the Mergers and Acquisitions practice with previous roles at Wilson HTM and BDO Kendalls.
Other current listed directorships:	Ms McDonald has been an Independent Director of VGI Partners Global Investments Limited (ASX:VG1) since July 2019. Ms McDonald has also been a Non-Executive Director of Highcom Limited (ASX: HCL) since August 2022.
Former directorships (last three years)	Ms McDonald has not held any other directorships of listed companies within the last three years.
Special responsibilities:	Ms McDonald is Chair of the Company's Audit and Risk Committee.
Interests in the Company:	Shares: 45,035

Name:	William F Brown
Title:	Independent Director
Qualifications:	B.A (Econ) (University of Pennsylvania), MBA (Columbia Business School)
Experience and expertise:	Mr Brown has over 30 years of investment experience as a principal and advisor. Currently, Mr Brown is the Chief Investment Officer of Terrace Tower Group, a Sydney and New York based real estate and investment company started by John Saunders, one of two co-founders of Westfield Group. Mr Brown also has served as a Partner and member of the investment committee at AIM13, a multi-family investment office with more than US\$1 billion invested in alternative assets. Previously, he was a Senior Portfolio Manager at Hartz Capital, a privately-owned multi-strategy hedge fund associated with the Leonard Stern family office. Prior to joining Hartz, Mr Brown worked at Berenson & Company, Credit Suisse First Boston, Lazard Frères and Lehman Brothers. Mr Brown began his investment career in 1989 as an investment banking analyst at Salomon Brothers Inc.
Other current listed directorships:	Mr Brown does not hold any other directorships in listed companies.
Former directorships (last three years):	Mr Brown has not held any other directorships of listed companies within the last three years.
Special responsibilities:	Mr Brown is a member of the Company's Audit and Risk Committee.
Interests in the Company:	Shares: 100,000

Name:	David F Jones AM
Title:	Director
Qualifications:	<i>B.Eng. (1st Class Hons) (Melb.), MBA (Harvard)</i>
Experience and expertise:	Mr Jones has more than 30 years' experience in investment markets, the majority as a general partner in private equity firms, and prior to that in general management and management consulting. Mr Jones has been a board member of numerous private and public businesses, including a number in the wealth management sector.
Other current listed directorships:	Mr Jones has been the Chairman of VGI Partners Global Investments Limited (ASX:VG1) since June 2017 and was appointed Chair of Catalyst Metals Limited (ASX:CYL) in October 2023.
Former directorships (last three years):	Mr Jones was a Non-Executive Director of Regal Partners Limited until 23 May 2023. Mr Jones was an Executive Director of VGI Partners Limited until 3 June 2022.
Interests in the Company:	Shares: 116,151

Name: **Ian Cameron**
Title: Company Secretary
Qualifications: *B.Com (Acc) (UMACQ), CA, B.Laws (UOW), GDLP (UOW)*
Experience and expertise: Mr Cameron has more than 15 years' experience in investment management and professional services. Prior to joining the Company in 2018, Mr Cameron worked at Pantheon Ventures and Aspect Capital in London, after starting his career at KPMG in Sydney. He is a member of Chartered Accountants Australia and New Zealand and a Solicitor of the Supreme Court of NSW.

Name: **Candice Driver**
Title: Company Secretary (appointed 24 October 2023)
Qualifications: *B.Laws (Hons) and M. Commercial Law (University of Glasgow)*
Experience and expertise: Ms Driver was appointed as Company Secretary on 24 October 2023. Ms Driver has over 15 years' experience working as a company secretarial and board governance specialist in the financial services, real property and resources sector. Ms Driver is also a Company Secretary of VGI Partners Global Investments Limited (ASX:VG1) and Regal Partners Limited (ASX:RPL). Ms Driver was previously Head of Subsidiaries at Insurance Australia Group (IAG) and Group Company Secretary at AirTrunk.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the Remuneration Report section of this Directors' Report.

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2024, and the number of meetings each Director attended are as set out in the following table.

	Board Meetings		Audit and Risk Committee Meetings	
	Attended	Eligible to attend	Attended	Eligible to attend
Lawrence Myers	3	4	3	4
David F Jones AM	4	4	#	#
Adelaide H McDonald	4	4	4	4
William F Brown	4	4	4	4

= Not a member of the Audit and Risk Committee

Remuneration Report (Audited)

The Annual Directors are the key management personnel (**KMP**) of the Company.

This Annual Report details the nature and amount of remuneration for each Director of the Company in accordance with the *Corporations Act 2001* (Cth).

Details of remuneration

The Company does not have a remuneration committee. The Board from time to time determines the remuneration of Non-Executive Directors within the maximum amount approved by shareholders at the Company's AGM.

The maximum total remuneration of the Non-Executive Directors of the Company is \$500,000 per annum.

The Board determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced directors. The Non-Executive Directors' remuneration is not linked to the Company's performance and is reviewed annually.

Directors do not receive bonuses nor are they issued options over securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees, which reflect the demands that are made on them and their responsibilities.

The Company Secretaries are remunerated by Regal Partners, the Parent of the Investment Manager.

The following table shows details of the remuneration received or receivable by the Directors of the Company for the current and prior financial years.

Name	Position	Short term	Post-employment	Total
		employee benefits Directors' fees	benefits Superannuation	
		\$	\$	\$
2024				
Lawrence Myers	Independent Chairman	68,266	1,734	70,000
Adelaide H McDonald	Independent Director	54,054	5,946	60,000
William F Brown	Independent Director	60,000	–	60,000
David F Jones AM	Director	54,054	5,946	60,000
		236,374	13,626	250,000
2023				
Lawrence Myers	Independent Chairman	63,348	6,652	70,000
Adelaide H McDonald	Independent Director	54,299	5,701	60,000
William F Brown	Independent Director	60,000	–	60,000
David F Jones AM	Director	54,299	5,701	60,000
		231,946	18,054	250,000

The following table reflects the Company's performance and Directors' remuneration over five years:

	2024	2023	2022	2021	2020*
Operating profit / (loss) after tax (\$)	43,709,393	25,712,722	(83,747,702)	58,797,841	(2,308,312)
Dividends (cents per share)	10.0	10.0	10.0	5.5	–
NTA after tax (\$ per share)	2.49	2.29	2.22	2.80	2.50
Share price (\$)	2.20	2.09	1.79	2.43	1.91
Total Directors' remuneration (\$)	250,000	250,000	190,000	190,000	164,898
Earnings / (losses) per share (cents)	23.23	12.30	(37.64)	26.41	(1.28)
Share buy-backs (\$)**	64,889,869	40,130,172	3,989,059	–	–

* For the period from 31 July 2019 (incorporation) to 30 June 2020.

** Excluding brokerage.

Director related entity remuneration

All transactions with related entities are made on normal commercial terms and conditions.

The fees payable to the Investment Manager are listed below:

- **Management fee:** The Investment Manager is entitled to be paid a management fee equal to 1.5% p.a. (plus GST) of the value of the Portfolio calculated on the last business day of each month and paid monthly in arrears. For the year ended 30 June 2024, the Investment Manager earned management fees of \$6,266,178 exclusive of GST (2023: \$7,124,060 exclusive of GST).
- **Performance fee:** The Investment Manager is entitled to be paid a performance fee semi-annually in arrears, equal to 15% (plus GST) of the Portfolio's outperformance (if any) over each prior semi-annual Performance Calculation Period or six-month period ending on each 30 June or 31 December, subject to a high-water mark mechanism.

For the year ended 30 June 2024, the Investment Manager did not earn performance fees (2023: nil).

No Director has received or become entitled to receive a benefit (other than those detailed in the Remuneration Report) by reason of a contract made by the Company or a related company with the Director or with a firm of which they are a member or with a company in which they have substantial financial interest.

Equity instrument disclosures

As at the balance date, the following interests in the Company were held by members of the Board during the year, including their related parties.

Ordinary shares held: Name	Opening balance at 1 July 2023	Acquisitions*	Closing balance at 30 June 2024
Lawrence Myers	600,000	–	600,000
David F Jones AM	110,432	5,719	116,151
Adelaide H McDonald	42,817	2,218	45,035
William F Brown	100,000	–	100,000
Total	853,249	7,937	861,186

* Directors and Director related entities acquired ordinary shares in the Company on the same terms and conditions available to other shareholders.

The table below shows interests in the Company held by members of the Board in the prior year, including their related parties.

Ordinary shares held: Name	Opening balance at 1 July 2022	Acquisitions*	Closing balance at 30 June 2023
Lawrence Myers	250,000	350,000	600,000
David F Jones AM	105,084	5,348	110,432
Adelaide H McDonald	40,979	1,838	42,817
William F Brown	100,000	–	100,000
Total	496,063	357,186	853,249

* Directors and Director related entities acquired ordinary shares in the Company on the same terms and conditions available to other shareholders.

End of Remuneration Report

Insurance and indemnification of Officers and Auditors

During the year, the Company paid a premium in respect of a contract insuring the Directors and officers of the Company against liabilities and legal expenses incurred as a result of carrying out their duties as a Director or officer of the Company. The Company has agreed to indemnify the current and former Directors and officers of the Company against all liabilities to another person (other than the Company) that may arise from their position as Directors and officers of the Company to the extent permitted by law and unless the liability relates to conduct involving wilful breach or contravention of the Directors and officers duties and obligations as an officer of the Company.

In accordance with the provisions of the *Corporations Act 2001* (Cth), the Company has a Directors and officers liability policy covering all Directors and officers. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The auditor of the Company is not indemnified out of the assets of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

Non-audit services

The Board of Directors is satisfied that the provision of other services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are satisfied that the services disclosed in Note 17 to the Financial Statements did not compromise the Auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the Auditor; and
- the nature of the services provided do not compromise the general principles relating to the Auditor's independence in accordance with the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the Annual Report have been rounded to the nearest dollar unless otherwise specified.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 17 of this Annual Report.

This Annual Report is signed in accordance with a resolution of the Directors.



Lawrence Myers
Independent Chairman
Sydney
20 August 2024

**Auditor's Independence Declaration
To the Directors of Regal Asian Investments Limited
ABN 58 635 219 484**

In relation to the independent audit of Regal Asian Investments Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

20 August 2024

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Income			
Net gains on financial assets / liabilities measured at fair value through profit or loss		56,578,378	37,622,731
Dividend income		15,284,849	16,373,902
Interest income		13,195,260	9,395,669
Other income		110,212	114,113
Total income		85,168,699	63,506,415
Expenses			
Management fees	16	(6,422,832)	(7,302,161)
Dividends on short positions		(6,767,466)	(13,613,345)
Director fees including on costs	15	(250,000)	(250,000)
Stock loan and custody fees		(12,464)	(782,463)
Interest expense		(13,002,790)	(7,464,947)
Other expenses		(440,407)	(444,696)
Total expenses		(26,895,959)	(29,857,612)
Profit before income tax		58,272,740	33,648,803
Income tax expense	5	(14,563,347)	(7,936,081)
Profit after income tax attributable to members of the Company		43,709,393	25,712,722
Other comprehensive income			
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		43,709,393	25,712,722
Basic and diluted earnings per share	22	23.23 cents	12.30 cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Cash and cash equivalents	7	16,223,911	139,487,903
Trade and other receivables	8	52,818,204	7,224,830
Financial assets at fair value through profit or loss	4, 9 & 10	567,191,090	541,016,384
Current tax assets	6	–	6,008,702
Deferred tax assets	6	13,912,587	17,731,453
Total assets		650,145,792	711,469,272
Liabilities			
Amounts due to brokers	7	412,820	83,485,898
Trade and other payables	11	17,279,724	1,395,550
Financial liabilities at fair value through profit or loss	4, 9 & 10	203,604,278	160,135,761
Current tax liabilities	6	2,678,109	–
Total liabilities		223,974,931	245,017,209
Net assets		426,170,861	466,452,063
Equity			
Issued capital	12	447,541,445	512,431,314
Profits reserve	13	113,935,858	89,327,191
Accumulated losses		(135,306,442)	(135,306,442)
Total equity		426,170,861	466,452,063

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity and Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

	Issued Capital \$	Accumulated Losses \$	Profits Reserve \$	Total Equity \$
Balance at 1 July 2022	552,561,486	(116,962,905)	66,329,608	501,928,189
Profit for the year	–	25,712,722	–	25,712,722
Other comprehensive income for the year	–	–	–	–
Transfer to profits reserve	–	(44,056,259)	44,056,259	–
Dividends paid	–	–	(21,058,676)	(21,058,676)
On-market share buy-back	(40,130,172)	–	–	(40,130,172)
Balance at 30 June 2023	512,431,314	(135,306,442)	89,327,191	466,452,063
Balance at 1 July 2023	512,431,314	(135,306,442)	89,327,191	466,452,063
Profit for the year	–	43,709,393	–	43,709,393
Other comprehensive income for the year	–	–	–	–
Transfer to profits reserve	–	(43,709,393)	43,709,393	–
Dividends paid	–	–	(19,100,726)	(19,100,726)
On-market share buy-back	(64,889,869)	–	–	(64,889,869)
Balance at 30 June 2024	447,541,445	(135,306,442)	113,935,858	426,170,861

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated entity disclosure statement

The Company is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001* (Cth), no further information is required to be disclosed in this consolidated entity disclosure statement.

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flow from operating activities			
Proceeds from the sale of investments		1,267,108,471	1,194,178,850
Payments for the purchase of investments		(1,227,297,611)	(1,255,618,380)
Dividends received		14,099,101	16,297,556
Interest received		13,029,391	9,094,686
Realised foreign exchange gains		6,493,372	6,684,213
Management fees paid		(6,458,466)	(7,346,708)
Stock loan and custody fees paid		(12,111)	(782,911)
Dividends on shorts		(6,403,883)	(13,613,544)
Director fees paid		(249,759)	(247,873)
Insurance fees paid		(280,000)	(307,351)
Interest paid		(12,767,419)	(6,896,111)
Income tax paid		(2,057,670)	(7,183,296)
Other income received		107,580	114,113
Other expenses paid		(166,281)	(96,270)
Net cash inflow / (outflow) from operating activities	21	45,144,715	(65,723,026)
Cash flow from financing activities			
Payments for on-market share buy-back	12	(66,452,222)	(39,966,627)
Dividends paid	14	(19,100,726)	(21,058,676)
Net cash outflow from financing activities		(85,552,948)	(61,025,303)
Net decrease in cash and cash equivalents held		(40,408,233)	(126,748,329)
Effects of exchange rate changes on cash balances of cash held in foreign currencies		217,319	(4,869,028)
Cash and cash equivalents at the beginning of the year		56,002,005	187,619,362
Cash and cash equivalents at the end of the year	7	15,811,091	56,002,005

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2024

1. General information

The Company is a listed public company domiciled in Australia. The financial statements cover the Company as an individual entity. The financial statements were authorised for issue on 20 August 2024 by the Directors of the Company.

2. Material accounting policy information

The principal accounting policy information adopted in the preparation of these financial statements are set out below.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AASB**). The Company is a for-profit entity for financial reporting purposes under AASB. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets and financial liabilities.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value through profit or loss.

The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio may be realised within 12 months, however, an estimate of that amount cannot be determined at reporting date.

In accordance with *ASIC Corporations (Rounding in Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest dollar unless otherwise specified.

b) Statement of Compliance

The financial statements and notes thereto comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards as issued by the International Accounting Standards Board.

2. Material accounting policy information (continued)

c) Financial assets and liabilities at fair value through profit or loss - Investments

i) Classification

Assets

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Company's portfolio of financial assets is managed and their performance is evaluated on a fair value basis in accordance with the Company's investment strategy. Financial assets include equity securities held long and derivative contracts, and are classified as fair value through profit or loss.

Liabilities

The Company makes short sales (securities sold short) in which a borrowed equity security is sold in anticipation of a decline in market value of that security. Securities sold short are held for trading and are consequently classified as financial liabilities at fair value through profit or loss.

ii) Recognition/Derecognition

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Any other financial assets and liabilities are recognised on the date they originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financials assets expire or it transfers the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

iii) Measurement

Financial assets and liabilities are measured initially at fair value, with subsequent changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income. Initial transaction costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

d) Fair Value Measurement

When a financial asset is measured at fair value, the value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Shares that are listed or traded on an exchange (Level 1 investments, see Note 4 to the Financial Statements) are fair valued using last sale price, as at the close of business on the day the shares are being valued.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position, if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities and derivative contracts are presented gross in the Statement of Financial Position. Please refer to Note 10 to the Financial Statements for further information.

2. Material accounting policy information (continued)

f) Derivative financial instruments

Derivative financial instruments are initially recognised in the Statement of Financial Position at fair value, with subsequent changes in the fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as assets when amounts are receivable by the Company and as liabilities when amounts are payable by the Company.

The Company records its derivative activities on a fair value basis. Fair values are determined by using quoted market values when available. Otherwise, fair values are based on independent pricing models that consider the time value of money, volatility, and the current market and contractual prices of the underlying financial instruments or confirmations with independent counterparties. All trading derivatives in a net receivable position (positive fair values) are reported as derivatives under financial assets at fair value through profit or loss. All trading derivatives in a net payable position (negative fair values) are reported as derivatives under financial liabilities at fair value through profit or loss.

Subsequent changes in the fair value of any derivative instrument are recorded in profit or loss.

The movements in realised/unrealised gains and losses are equal to the difference between the value of the contract at the onset and the value of the contract at settlement date or year end date and are included in the Statement of Profit or Loss and Other Comprehensive Income.

Unrealised gains and losses arising from changes in fair value, and realised gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

g) Income Tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income at the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and any adjustment recognised for prior years, where applicable.

Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the Australian Taxation Office (ATO).

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in the Statement of Profit or Loss and Other Comprehensive Income.

Deferred tax assets are recognised to the extent that they are recoverable. Deductible temporary differences and unused tax losses are only recognised if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or liabilities settled.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the ATO. In that case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the Statement of Financial Position.

i) Amounts due to brokers

Facilities provided by prime brokers and custodians are repayable on demand and form an integral part of the Company's cash management. The balance will fluctuate from being positive to negative as cash management needs arise, rather than part of its operating, investing and financing activities.

2. Material accounting policy information (continued)

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the Statement of Cash Flows, cash and cash equivalents include amounts due to brokers, which are shown within current liabilities in the Statement of Financial Position.

k) Profits reserve

The Company may transfer any current period or prior period accumulated profits not distributed as dividends to a dividend profits reserve. Doing so facilitates the payment of future dividends, rather than maintaining these profits within retained earnings.

l) Trade and other receivables

Trade and other receivables relate to unsettled trades, interest and dividends receivable. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less any allowance for expected credit losses when relevant.

m) Trade and other payables

Trade and other payables represent liabilities for unsettled trades as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted.

n) Critical accounting estimates and judgments

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Directors base their judgements and estimates on historical experience and various other factors, including expectations of future events, which the Directors believe to be reasonable under the circumstances.

Income Taxes

The Company has recognised deferred tax assets of \$13,912,587 (2023: \$17,731,453) that largely relate to unrealised foreign exchange gains and unrealised losses on financial instruments of \$46,375,290 at 30 June 2024 (2023: \$59,104,843). The utilisation of tax losses depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets.

AASB Interpretation 23 Uncertainty over income tax treatments (AASB 23) provides clarification on how to apply recognition and measurement requirements when there is uncertainty over income tax treatments. Under AASB 23, if an entity concludes that it is probable that the tax authority will accept an uncertain tax treatment, the entity shall determine its accounting for income taxes consistently with that tax treatment. If an entity concludes that it is not probable that the treatment will be accepted, the entity shall reflect the effect of the uncertainty in its income tax accounting in the period in which that determination is made. An entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either the most likely amount method or the expected value method, depending on which method the entity expects to best predict the resolution of the uncertainty. As at 30 June 2024 and 30 June 2023, the Directors believe there is no material uncertainty relating to any tax treatments.

2. Material accounting policy information (continued)

o) New accounting standards and interpretations

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period including *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)*. These Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Issued in 30 March 2021, AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amendments clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements. The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. AASB 2021-2 clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates, aims to identify material accounting policy information as a component of a complete set of financial statements, and provides guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments had no impact in the Company's financial statements for the year ended 30 June 2024, nor is there expected to be any future impact.

p) Functional and presentation currency

Items included in the financial statements are presented and measured in Australian dollars, the currency of the primary economic environment in which the Company operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rates applicable at the transaction date.

At reporting date, monetary items are translated at the exchange rate applicable at reporting date, and non-monetary items carried at fair value are translated at the rates applicable at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within the disclosure 'Net gains on financial assets / liabilities measured at fair value through profit or loss'.

3. Financial risk management

The Company's financial instruments consist primarily of international and Australian listed investments, derivative contracts, deposits with banks, trade and other receivables and trade payables, and as a result financial risks include market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board of the Company, with the Investment Manager, has implemented a risk management framework to manage and mitigate these risks.

a) Market risk

i) Price risk

Price risk arises from investments held by the Company and classified in the Statement of Financial Position as 'financial assets / liabilities'.

The Investment Manager seeks to manage market risk by careful selection of securities in accordance with its investment process, including formalised research, due diligence, capital allocation decision making, ongoing monitoring, financial modelling as well as managing net equity exposure levels.

3. Financial risk management (continued)**b) Market risk (continued)****i) Price risk (continued)**

The investment strategy implemented by the Investment Manager provides investors with access to a concentrated portfolio, predominantly comprised of long investments and positions in Asian listed securities and other companies with significant exposure to the Asian market. A breakdown of the Company's overall market exposures at the financial reporting date are below:

	2024	2023
	\$	\$
Listed equity securities held long at fair value	533,201,407	541,016,384
Listed equity securities sold short at fair value	(196,119,198)	(160,135,761)
Equity swaps (see Note 10)	25,344,479	–
Net overall exposure	362,426,688	380,880,623

At the reporting date, had equity prices moved by +/- 10% with other variables held constant, the movement in profit before income tax would be approximately +/- \$36,242,669 (2023: \$38,088,062).

ii) Foreign currency risk

The Company holds assets and performs transactions denominated in currencies other than its functional currency, the Australian dollar. As a result, it is exposed to the effects of exchange rate fluctuations, creating foreign currency risk. The Investment Manager manages the exchange rate exposures within approved policy parameters, monitors exchange rates closely as part of its portfolio management and may hedge some or all of its exposure to foreign currency exchange risk.

	Liabilities 2024	Assets 2024
	\$ AUD	\$ AUD
United States Dollar (USD)	(67,553,124)	117,184,952
Japanese Yen (JPY)	(157,678,160)	217,778,926
Euro (EUR)	(7,740,654)	11,766,739
Hong Kong Dollar (HKD)	(91,443,937)	90,216,769
Korean Won (KRW)	–	8,879,137
Canadian Dollar (CAD)	–	2,126,449
New Taiwan Dollar (TWD)	(83,864)	–
Thai Baht (THB)	(12,558)	7,860,696

3. Financial risk management (continued)

a) Market risk (continued)

ii) Foreign currency risk (continued)

	Liabilities 2023 \$ AUD	Assets 2023 \$ AUD
United States Dollar (USD)	(2,292,848)	7,537
Japanese Yen (JPY)	(207,055,294)	212,362,629
Euro (EUR)	(15,714,094)	20,396,857
Singapore Dollar (SGD)	–	265
Hong Kong Dollar (HKD)	(142,168,888)	138,040,251
British Pound Sterling (GBP)	(10,436,403)	11,498,899
New Zealand Dollar (NZD)	(7,586,338)	7,479,523

The table below shows a sensitivity analysis of the effect on the net assets attributable to shareholders (and profit before income tax) as a result of a possible movement of the currency rate against the Australian dollar, with all other variables held constant.

Currency	AUD equivalent in exposure by currency 2024 \$	Change in variable + / - %	Profit / (loss) before income tax attributable to shareholders 2024 \$
USD Impact	49,631,828	5%/(5%)	2,481,592 / (2,481,592)
JPY Impact	60,100,766	5%/(5%)	3,005,039 / (3,005,039)
EUR Impact	4,026,085	5%/(5%)	201,305 / (201,305)
HKD Impact	(1,227,168)	5%/(5%)	(61,359) / 61,359
KRW Impact	8,879,137	5%/(5%)	443,957 / (443,957)
CAD Impact	2,126,449	5%/(5%)	106,323 / (106,323)
TWD Impact	(83,864)	5%/(5%)	(4,194) / 4,194
THB Impact	7,848,138	5%/(5%)	392,407 / (392,407)

Currency	AUD equivalent in exposure by currency 2023 \$	Change in variable + / - %	Profit / (loss) before income tax attributable to shareholders 2023 \$
USD Impact	(2,285,311)	5%/(5%)	(114,266) / 114,266
JPY Impact	5,307,335	5%/(5%)	265,367 / (265,367)
EUR Impact	4,682,763	5%/(5%)	234,139 / (234,139)
SGD Impact	265	5%/(5%)	14 / (14)
HKD Impact	(4,128,637)	5%/(5%)	(206,432) / 206,432
GBP Impact	1,062,496	5%/(5%)	53,125 / (53,125)
NZD Impact	(106,815)	5%/(5%)	(5,341) / 5,341

3. Financial risk management (continued)**a) Market risk (continued)****iii) Cash flow and fair value interest rate risk**

Interest rate risk is the possibility that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest-bearing. Any interest-bearing financial assets and financial liabilities either mature or reprice in the short term. As a result, the Company is subject to limited exposure to fluctuations in market interest rates which would create interest rate risk. The Company also holds substantial cash positions which are directly affected by interest rate movements.

The table below summarises the Company's exposure to interest rate risk at the end of the reporting period.

2024	Floating \$	Fixed \$	Total \$
Cash and cash equivalents	16,223,911	–	16,223,911
Amounts due to brokers	(412,820)	–	(412,820)
Total	15,811,091	–	15,811,091
2023	Floating \$	Fixed \$	Total \$
Cash and cash equivalents	139,487,903	–	139,487,903
Amounts due to brokers	(83,485,898)	–	(83,485,898)
Total	56,002,005	–	56,002,005

The sensitivity analysis below has been conducted based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year, in the case of instruments that have floating interest rates.

The following table illustrates the effect on interest from possible changes in interest rates that were reasonably possible based on the risk the Company was exposed to at reporting date and are based on best estimate, having regard to a number of factors, including historical levels of changes in interest rates. However, actual movements in the interest rate may be greater or less than anticipated due to a number of factors, including market movements resulting from changes in performance and/or correlation between the performances of economies and markets in which the Company invests. As a result, historic variations in these risk variables should not be used to predict future variances in interest rates.

	2024		2023	
	Change in variable rate + / - %	Effect on profit or loss \$	Change in variable rate + / - %	Effect on profit or loss \$
Interest rate risk	1.00% / (1.00%)	158,111 / (158,111)	1.00% / (1.00%)	560,020 / (560,020)

3. Financial risk management (continued)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the counterparty (bank and prime broker) by failing to discharge an obligation.

The Investment Manager has adopted a policy of only dealing with what it assesses to be creditworthy counterparties, conducting due diligence of all new counterparties, monitoring the creditworthiness and ratings of counterparties on an ongoing basis and obtaining sufficient collateral or other security (where appropriate), as a means of mitigating the financial risk of financial loss from default. The Investment Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty risk. Credit risk on cash and cash equivalents is not considered to be a significant risk to the Company as the majority of cash is held with major Australian banks and their 100% owned banking subsidiaries, being institutions that have a Standard & Poor's A-1+ rating (2023: Standard & Poor's A-1+ rating).

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the Statement of Financial Position, including the carrying amount of cash and cash equivalents, financial assets at fair value through profit or loss that may have been collateralised against borrowed stock and are held under a custody arrangement, derivative contracts and trade and other receivables.

Under the arrangements which the Company has entered into to facilitate stock borrowing for covered short selling, borrowed stock is collateralised by the long stock portfolio. If the stock borrowing counterparty became insolvent, it is possible that the Company may not recover all of the collateral that the Company gave to the counterparty.

None of the assets exposed to credit risk are overdue or considered to be impaired (2023: nil).

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Under the Investment Management Agreement, the Investment Manager has agreed to pay all of the Company's operating expenses except for Directors' fees and all premiums payable for Directors and Officers insurance. For operational simplicity, Regal Partners has agreed to pay these expenses directly. The Investment Manager maintains the Company's unencumbered cash balances at sufficient levels to ensure that the Company can meet these expense outgoings as and when they fall due. Further, the Investment Manager closely manages and monitors the allocation of the Company's investment assets between cash, the purchase of securities and the settlement of short positions in accordance with its investment process, as well as tax payable to the ATO.

The assets of the Company are predominantly in the form of readily tradeable securities which can be sold on-market if necessary.

3. Financial risk management (continued)**c) Liquidity risk (continued)**

The tables below summarise the maturity profile of the Company's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2024	Less than 1 month \$	Less than 3 months \$	More than 3 months \$	Total \$
Financial liabilities				
Amounts due to brokers	412,820	–	–	412,820
Financial liabilities at fair value through profit or loss	203,604,278	–	–	203,604,278
Trade and other payables	17,279,724	–	–	17,279,724
Current tax liabilities	–	–	2,678,109	2,678,109
Total financial liabilities	221,296,822	–	2,678,109	223,974,931

At 30 June 2023	Less than 1 month \$	Less than 3 months \$	More than 3 months \$	Total \$
Financial liabilities				
Amounts due to brokers	83,485,898	–	–	83,485,898
Financial liabilities at fair value through profit or loss	160,135,761	–	–	160,135,761
Trade and other payables	1,395,550	–	–	1,395,550
Total financial liabilities	245,017,209	–	–	245,017,209

4. Fair value measurements

The Company measures and recognises its investments as financial assets at fair value through profit or loss on a recurring basis.

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at the reporting date. The carrying amounts of all financial instruments are reasonable approximations of the respective instrument's fair value.

At 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss:				
Listed equity securities held long at fair value	533,201,407	–	–	533,201,407
Equity swaps	–	32,745,695	–	32,745,695
Foreign currency forward contracts	–	1,243,988	–	1,243,988
	533,201,407	33,989,683	–	567,191,090

Financial liabilities at fair value through profit or loss:

Listed equity securities sold short at fair value	(196,119,198)	–	–	(196,119,198)
Equity swaps	–	(7,401,216)	–	(7,401,216)
Foreign currency forward contracts	–	(83,864)	–	(83,864)
	(196,119,198)	(7,485,080)	–	(203,604,278)

At 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss:				
Listed equity securities held long at fair value	541,016,384	–	–	541,016,384
	541,016,384	–	–	541,016,384

Financial liabilities at fair value through profit or loss:

Listed equity securities sold short at fair value	(160,135,761)	–	–	(160,135,761)
	(160,135,761)	–	–	(160,135,761)

Transfers between levels

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels for recurring fair value measurements during the year.

Listed equity securities

Listed equity securities for which quoted prices in an active market for an identical instrument are available are valued using those prices (Level 1 measurement).

4. Fair value measurements (continued)*Equity swaps*

Market inputs to equity swaps, such as market prices for equity swaps, are based on the relevant market close price on the relevant exchange. If the required inputs are not available from external pricing sources, they will be obtained either from the counterparty or market maker quotes.

Foreign currency forward contracts

The foreign currency forward contracts pricing model derives the exchange rate differential between currencies from the expiration date of the forward contracts and calculates its present value.

5. Income tax

	2024 \$	2023 \$
a) Income tax recognised in profit or loss		
Current tax expense	(10,744,481)	(1,280,859)
Deferred tax expense	(3,818,866)	(6,655,222)
Total income tax expense in profit or loss	(14,563,347)	(7,936,081)
Total income tax expense results from:		
Current tax liabilities	(10,744,481)	(1,280,859)
Deferred tax assets	(3,818,866)	(6,655,222)
Income tax expense	(14,563,347)	(7,936,081)
b) Income tax recognised in profit or loss		
Profit before income tax	58,272,740	33,648,803
Tax at the Australian corporate tax rate of 30%	(17,481,822)	(10,094,641)
Foreign income tax offset gross up	(265,249)	(156,859)
Franking credits / foreign income tax offset utilisation	3,183,740	2,317,436
Adjustment to tax charge in respect of previous periods	(16)	(2,017)
Income tax expense recognised in profit or loss	(14,563,347)	(7,936,081)

6. Current and deferred taxation

	2024 \$	2023 \$
a) Deferred tax assets:		
Tax losses	8,023,547	11,023,547
Unrealised foreign exchange gains	(479,449)	(414,254)
Unrealised losses on financial instruments	6,697,398	7,145,064
Dividend receivable	(378,630)	(22,904)
Organisation cost	49,721	–
Total	13,912,587	17,731,453

Movement in deferred tax assets:

Opening balance	17,731,453	24,386,675
Tax losses	(3,000,000)	(2,017)
Unrealised foreign exchange gains	(65,195)	1,460,710
Unrealised losses on financial instruments	(447,666)	(8,091,011)
Dividend receivable	(355,726)	(22,904)
Organisation cost	49,721	–
Closing balance	13,912,587	17,731,453

b) Current tax (liabilities) / assets:

Opening balance	6,008,702	106,264
Income tax payable for financial year	(13,744,497)	7,441,313
Tax paid during the year	2,057,670	(258,016)
Adjustment to tax charge in respect of previous periods	3,000,016	(1,280,859)
Closing balance	(2,678,109)	6,008,702

7. Cash and cash equivalents

	2024 \$	2023 \$
Cash and cash equivalents	16,223,911	139,487,903
Amounts due to brokers*	(412,820)	(83,485,898)
Total	15,811,091	56,002,005

* Refer to Note 2 (i) to the Financial Statements for additional information.

8. Trade and other receivables

	2024	2023
	\$	\$
Dividends receivable	1,262,094	76,346
Unsettled trades	49,269,070	6,596,985
GST receivable	47,016	42,330
Other receivables	1,669,650	104,664
Interest receivable	570,374	404,505
Total	52,818,204	7,224,830

9. Financial assets and liabilities at fair value through profit or loss

	2024	2023
	\$	\$
Financial assets:		
Listed equity securities held long at fair value	533,201,407	541,016,384
Equity swaps	32,745,695	–
Foreign currency forward contracts	1,243,988	–
Total	567,191,090	541,016,384
Financial liabilities:		
Listed equity securities sold short at fair value	(196,119,198)	(160,135,761)
Equity swaps	(7,401,216)	–
Foreign currency forward contracts	(83,864)	–
Total	(203,604,278)	(160,135,761)

10. Derivative contracts

The Company has investments in derivative contracts, which are included in the Statement of Financial Position as part of “Financial assets / liabilities at fair value through profit or loss”.

The Company’s outstanding derivative contracts are detailed below:

	Notional value assets	Notional value liabilities	Fair value assets	Fair value liabilities
	\$	\$	\$	\$
As at 30 June 2024				
Equity price risk				
Equity swaps	118,646,430	29,363,352	32,745,695	7,401,216
Foreign exchange risk				
Foreign currency forward contracts	129,247,090	17,649,158	1,243,988	83,864
Total			33,989,683	7,485,080

As at 30 June 2023, the Company had no outstanding derivative contracts.

10. Derivative contracts (continued)**Equity swaps**

The Company enters into equity swaps which represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise determined notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the swap may be greater or less than the amount recorded.

The realised gain or loss depends upon the prices at which the underlying financial instrument of the swap is valued at the swap's settlement date and is included in net gains on financial assets / liabilities measured at fair value through profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Foreign currency forward contracts

The Company may use foreign currency forward contracts to meet the requirements of its trading activities and for risk management. Foreign currency forward contracts are agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with foreign currency forward contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates. Gains and losses on foreign currency forward contracts are recorded based on changes in the fair values and are included with net gains on financial assets / liabilities measured at fair value through profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Offsetting of financial instruments

The Company holds financial assets and liabilities that are eligible for offset in the Statement of Financial Position and are subject to a master netting agreement. However, the Company has elected not to offset assets and liabilities in the Statement of Financial Position.

The disclosures set out in the table below include financial assets and financial liabilities that are subject to an enforceable master netting or similar agreement that covers similar financial instruments as at 30 June 2024. The similar agreements include derivative clearing agreements. Similar financial instruments include derivatives and securities borrowing agreements.

	Gross amounts of recognised financial assets / (liabilities) set off in the Statement of Financial Position	Gross amounts of recognised financial assets / (liabilities) set off in the Statement of Financial Position	Net amounts of financial assets / (liabilities) presented in the Statement of Financial Position	Related amounts not set off in the Statement of Financial Position	Cash collateral received / (pledged)	Net amount
	\$	\$	\$	Financial instrument \$	\$	\$
Financial assets:						
Equity swaps	32,745,695	–	32,745,695	(7,401,216)	–	25,344,479
Foreign currency forward contracts	1,243,988	–	1,243,988	(83,864)	–	1,160,124
	33,989,683	–	33,989,683	(7,485,080)	–	26,504,603
Financial liabilities:						
Equity swaps	(7,401,216)	–	(7,401,216)	7,401,216	–	–
Foreign currency forward contracts	(83,864)	–	(83,864)	83,864	–	–
	(7,485,080)	–	(7,485,080)	7,485,080	–	–

As at 30 June 2023, the Company had no outstanding derivative contracts.

11. Trade and other payables

	2024 \$	2023 \$
Management fees payable	571,269	609,510
Unsettled trades	15,321,649	–
Other payables	1,386,806	786,040
Total	17,279,724	1,395,550

12. Issued capital

	Number of Shares	\$
Opening balance as at 1 July 2022	220,409,291	552,561,486
On-market share buy-back	(19,946,758)	(40,130,172)
Closing balance as at 30 June 2023	200,462,533	512,431,314
Opening balance as at 1 July 2023	200,462,533	512,431,314
On-market share buy-back	(31,960,238)	(64,889,869)
Closing balance as at 30 June 2024	168,502,295	447,541,445

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Directors monitor the monthly NTA results, investment performance and share price movements.

The Directors are focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

On-market share buy-back program

During the year ended 30 June 2024, the Company bought back 31,960,238 shares at a cost of \$64,889,869 (excluding brokerage) (2023: 19,946,758 shares at a cost of \$40,130,172 (excluding brokerage)).

Additional capacity for on-market share buy-back

As part of the Company's Annual General Meeting (**AGM**) in November 2023, the Company sought and received approval from its shareholders to undertake an on-market buy-back of up to 48,832,176 shares in the Company over the 12-month period commencing from the AGM date (**Shareholder Approval**). This represents approximately 25% of the shares the Company had on issue as at 19 October 2023. This additional capacity provides the Company with the flexibility to purchase more than 10% of the Company's shares on issue over a 12-month period, per the limit permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**).

The buy-back will be funded from the Company's available cash reserves and conducted on-market. The objective of the buy-back remains capital management.

The approval received from shareholders does not oblige the Company to undertake a buy-back of any shares. It is not guaranteed that the Company will buy back either the maximum number of issued shares approved pursuant to this resolution or as otherwise permitted by the *Corporations Act*.

13. Profits reserve

	2024 \$	2023 \$
Opening balance	89,327,191	66,329,608
Transfer from accumulated losses	43,709,393	44,056,259
Dividends paid (see Note 14)	(19,100,726)	(21,058,676)
Closing balance	113,935,858	89,327,191

Dividends are paid out of the profits reserve. Subsequent to the year ended 30 June 2024, the Directors have determined to pay a fully franked dividend at a 30% tax rate of 5.0 cents per share, payable on 30 September 2024. This has not been recognised in the Statement of Financial Position. The balance in the profits reserve after providing for the 2024 final dividend is \$105,716,757 (or 64.3 cents per share, based on the current shares on issue).

14. Dividends**a) Ordinary dividends declared or paid during the year**

	2024 \$	2023 \$
Franked dividends at 30% paid during the year:		
2022 final dividend: 5.0 cents per share, paid 30 September 2022	–	10,874,645
2023 interim dividend: 5.0 cents per share, paid 29 March 2023	–	10,184,031
2023 final dividend: 5.0 cents per share, paid 25 September 2023	9,937,046	–
2024 interim dividend: 5.0 cents per share, paid 18 March 2024	9,163,680	–
Total	19,100,726	21,058,676

b) Dividend franking account

	2024 Franking credits	2023 Franking credits
Balance of franking account at year end	2,664,732	5,507,978
Adjusted for franking credits arising from estimated income tax payable / (receivable)	2,678,109	(6,008,702)
Additional franking generated from tax payments subsequent to year end	500,000	–
Franking credits available for use in subsequent periods	5,842,841	(500,724)
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in Note 20 to the Financial Statements*	(3,522,472)	(4,260,316)
	2,320,369	(4,761,040)

* Pending additional buy-backs subsequent to the release of the Annual Report.

The Company's ability to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax. The dividend determined by the Directors on 20 August 2024 will be franked out of existing franking credits and/or out of franking credits arising from the payment of income tax in current or future periods.

15. Key management personnel disclosures

a) Independent Directors' Remuneration

	2024 \$	2023 \$
Short-term employment benefits	236,374	231,946
Post-employment benefits	13,626	18,054
Total	250,000	250,000

Detailed remuneration disclosures are provided in the Remuneration Report on page 13.

b) Ordinary shares held

Refer to Remuneration Report 'equity instrument disclosures relating to directors' (page 14) for further details.

16. Related party transactions

All transactions with related entities are made on normal commercial terms and conditions.

Costs paid by Regal Partners

The Investment Manager continues to show strong alignment with and support of the Company and its shareholders, with its Parent Company, Regal Partners Limited (**Regal Partners**), paying the majority of operating costs incurred by the Company. Regal Partners paid for circa \$488,000 of operating expenses in the year ended 30 June 2024 which include ASX and ASIC fees, audit costs, legal and tax advice costs and any fees charged by the Company's Fund Administrator (2023: \$458,000).

Management fee

The Investment Manager is entitled to be paid a management fee equal to 1.5% per annum (plus GST) of the value of the Portfolio calculated on the last business day of each calendar month and paid monthly in arrears.

For the year ended 30 June 2024, the Investment Manager earned management fees of \$6,266,178 (2023: \$7,124,060) exclusive of GST. As at 30 June 2024, the balance payable to the Investment Manager was \$571,269 including GST (2023: \$609,510) (refer to Note 11 to the Financial Statements).

The management fees disclosed in the Statement of Profit or Loss and Other Comprehensive Income is net of GST and Reduced Input Tax Credits (RITC).

Performance fee

The Investment Manager is entitled to be paid a performance fee semi-annually in arrears, equal to 15% (plus GST) of the Portfolio's outperformance (if any) over each prior semi-annual performance calculation period, subject to a high water mark mechanism.

The high water mark is the net asset value of the Portfolio before all taxes calculated on the last date of the performance calculation period to which the Investment Manager was last entitled to be paid a performance fee.

The Investment Manager did not earn a performance fee during the year ended 30 June 2024 (2023: nil).

17. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the Auditor of the Company, its related practices and non-related audit firms:

	2024 \$	2023 \$
Audit and review of financial statements	68,000	65,000
Taxation services	32,295	18,000
Total remuneration for audit and other assurance services	100,295	83,000

The Investment Manager has agreed to pay the Company's audit and other assurance service fees under the Investment Management Agreement. For operational simplicity, the Investment Manager's Parent, Regal Partners, pays the Company's audit and other assurance services fees directly.

18. Contingencies and commitments

The Company had no material contingent liabilities or capital commitments as at 30 June 2024 (2023: nil).

19. Segment information

The Company only has one reportable segment. The Company operates in Australia and is engaged in investment activities, deriving revenue from dividend and distribution income, interest income and returns on its investment portfolio.

20. Events occurring after the reporting year

Since the end of the year, the Directors determined to pay a fully franked final dividend of 5.0 cents per share to be paid on 30 September 2024.

The Company is not aware of any other matter or circumstance since the end of the financial year not otherwise dealt with in this Annual Report, that has, or may, significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

21. Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 \$	2023 \$
Profit after income tax	43,709,393	25,712,722
Fair value movements in financial assets and liabilities	(19,601,090)	(82,989,849)
Changes in assets / liabilities:		
(Increase) / decrease in trade and other receivables	(44,031,021)	21,455,409
Decrease in investments	36,677,582	5,730,739
Decrease / (increase) in current tax assets	6,008,702	(5,902,438)
Decrease in deferred tax assets	3,818,866	6,655,222
Increase / (decrease) in trade and other payables	15,884,174	(36,384,831)
Increase in current tax liabilities	2,678,109	–
Net cash inflow / (outflow) from operating activities	45,144,715	(65,723,026)

22. Earnings per share

	2024	2023
	\$	\$
Profit after income tax used in the calculation of basic and diluted earnings per share	43,709,393	25,712,722
Basic and diluted earnings per share	23.23 cents	12.30 cents

	2024	2023
	Number of	Number of
	Shares	Shares
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted earnings per share	188,189,374	209,129,922

There are no outstanding securities that are potentially dilutive in nature for the Company as at 30 June 2024.

Directors' Declaration

In accordance with a resolution of the Directors of Regal Asian Investments Limited (the **Company**), the Directors of the Company declare that:

- a) the financial statements and notes set out on pages 18 to 41 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth); and
 - ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended 30 June 2024;
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c) Note 2(b) to the Financial Statements confirms compliance with International Financial Reporting Standards;
- d) the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* (Cth) is true and correct;
- e) the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of the Board of Directors.



Lawrence Myers
Independent Chairman
Sydney
20 August 2024

**Independent Auditor's Report
To the Members of Regal Asian Investments Limited
ABN 58 635 219 484****Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of Regal Asian Investments Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

In our opinion, the accompanying financial report of Regal Asian Investments Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Existence, Completeness and Valuation of Financial Assets and Financial Liabilities Refer to Note 4 and 9: Financial assets and liabilities at fair value through profit or loss	
<p>We focused our audit effort on the existence, completeness and valuation of the Company's financial assets and financial liabilities as they are the most significant driver of the Company's Net Tangible Assets and profits. The majority of the Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls; • Reviewing and evaluating the independent auditors' reports on internal controls (<i>ASAE 3402 Assurance Reports on Controls at a Service Organisation</i>) for the Custodians. Additionally, making enquiries of and obtaining a bridging letter from the Custodians as to whether there have been any changes to these controls or their effectiveness; • Reviewing and evaluating the independent auditors' report on internal controls (<i>ASAE 3402 Assurance Report on Controls at a Service Organisation</i>) for the Administrator. Additionally, making enquiries of and obtaining a bridging letter from the Administrator as to whether there have been any changes to these controls or their effectiveness. • Obtaining confirmation of the investment holdings directly from the Custodians; • Recalculating and assessing the Company's valuation of individual investment holdings to independent pricing sources; • Evaluating the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and unrealised gains or losses; and • Assessing the adequacy of disclosures in the financial statements.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
Accuracy of Management Fees and Performance Fees Refer to Note 11: Trade and other payables, Note 16: Related party transactions	
<p>We focused our audit effort on the accuracy of calculating the management fees and performance fees as they are significant expenses of the Company and their calculation may require adjustments for major events such as payment of company dividends and taxes, capital raisings and capital reductions in accordance with the Investment Management Agreement between the Company and the Investment Manager. Key inputs include portfolio composition and valuation and high watermark mechanism in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and evaluating the design and implementation of controls for calculating the management and performance fees; • Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the year and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; • Testing of adjustments for major events such as dividends paid, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees; • Testing of key inputs such as portfolio composition and valuation, set percentage used in the calculation of management and performance fees, as well as performing a recalculation in accordance with our understanding of the Investment Management Agreement; and • Assessing the adequacy of disclosures made in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Directors for the Financial Report

The Directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal controls as the Directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Conclude on the appropriateness of the Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 13 to 14 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Regal Asian Investments Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S M Whiddett
Partner

20 August 2024



Pitcher Partners
Sydney

Investment Portfolio

As at 30 June 2024

Financial assets at fair value through profit or loss as at 30 June 2024 (in alphabetical order):

Company name	Stock code
AIA Group Limited	1299 HK
Alchip Technologies, Limited	3661 TW
Alpha HPA Limited	A4N AU
Baidu, Inc.	9888 HK
Bangkok Dusit Medical Services Public Company Limited	BDMS-R BK
Bank of China Limited	3988 HK
Capstone Copper Corp.	CS CN
Cettire Limited	CTT AU
China Construction Bank Corporation	939 HK
China Merchants Bank Co., Ltd.	3968 HK
China Suntien Green Energy Corporation Limited	956 HK
Ferrotec Holdings Corporation	6890 JP
GQG Partners Inc.	GQG AU
Hong Kong Exchanges and Clearing Limited	388 HK
HUB24 Limited	HUB AU
Industrial and Commercial Bank of China Limited	1398 HK
JGC Holdings Corporation	1963 JP
Keisei Electric Railway Co., Ltd.	9009 JP
Komatsu Ltd.	6301 JP
Mitsubishi Heavy Industries, Ltd.	7011 JP
NEC Corporation	6701 JP
NexGen Energy Ltd.	NXG AU
Nihon Kohden Corporation	6849 JP
Olympus Corporation	7733 JP
Origin Energy Limited	ORG AU
Prosus N.V.	PRX NA
Renesas Electronics Corporation	6723 JP
Samsonite International S.A.	1910 HK
Samsung Electronics Co., Ltd.	005930 KS
Shimadzu Corporation	7701 JP
SK Hynix Inc.	000660 KS
SK Square Co., Ltd.	402340 KS
SoftBank Group Corp.	9984 JP

Investment Portfolio (continued)

Company name	Stock code
Stanmore Resources Limited	SMR AU
Taiwan Semiconductor Manufacturing Company Limited	2330 TW
Tauns Laboratories Inc.	197A JP
Tencent Holdings Limited	700 HK
Toyota Industries Corporation	6201 JP
TravelSky Technology Limited	696 HK
ULVAC, Inc.	6728 JP
Ventia Services Group Limited	VNT AU
Woodside Energy Group Ltd	WDS AU

Short positions are not disclosed.

Shareholder Information

The Shareholder information set out below was applicable as at 31 July 2024.

Additional information required by the ASX Listing Rules, and not disclosed elsewhere in this Annual Report, is listed below.

a) Substantial Holders

The following parties have notified the Company that they have a substantial relevant interest in the ordinary shares of the Company in accordance with section 671B of the *Corporations Act 2001* (Cth):

Name	Ordinary shares	
	Number held	% of total shares issued*
Regal Partners Limited and its associates	38,120,606	22.15
Pine Ridge Holdings Pty Ltd	12,000,000	5.39

* Based on the last substantial shareholder notices lodged.

b) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder present at a meeting or by proxy has one vote on a show of hands.

c) Stock Exchange Listing

Quotation has been granted for all of the ordinary shares of the Company on the ASX.

d) Unquoted Securities

There are no unquoted shares.

e) Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

Holding	Ordinary shares		
	No of Shareholders	Shares	Percentage (%)
1 - 1,000	155	43,937	0.03
1,001 - 5,000	412	1,333,791	0.80
5,001 - 10,000	475	3,906,354	2.34
10,001 - 100,000	1,304	40,659,570	24.37
100,001 and over	116	120,880,144	72.46
Total	2,462	166,823,796	100.00

There were 85 holders of less than a marketable parcel of ordinary shares.

f) Equity Security Holders

Twenty largest quoted equity security holders as at 31 July 2024:

Name	Ordinary shares Number held	Percentage of issued shares (%)
HSBC Custody Nominees (Australia) Limited	26,559,864	15.921
Regal Partners Limited	20,569,803	12.330
Citicorp Nominees Pty Limited	15,009,378	8.997
UBS Nominees Pty Ltd	6,351,911	3.808
Stroud Agricultural Company Pty Ltd - Vernon A/C	4,800,000	2.878
New Highland Pty Ltd - The Philip King Family A/C	3,572,984	2.142
Orange Grove Investment Holdings Pty Ltd - Raleigh A/C	3,550,000	2.128
Dorothy Productions Pty Ltd	3,000,000	1.798
BNP Paribas Nominees Pty Ltd - Ib Au Noms Retailclient	2,918,137	1.749
BNP Paribas Nominees Pty Ltd - HUB24 Custodial Serv Ltd	2,628,590	1.576
Netwealth Investments Limited - Wrap Services A/C	2,104,296	1.261
Mr Stephen Craig Jermyn - Jermyn Family S/Fund A/C	2,000,000	1.199
Citicorp Nominees Pty Limited - DPSL A/C	1,289,442	0.773
Morgcam Pty Ltd	1,131,500	0.678
HSBC Custody Nominees (Australia) Limited - A/C 2	1,015,000	0.608
J P Morgan Nominees Australia Pty Limited	958,194	0.574
Bond Street Custodians Limited - JJH1 - V01845 A/C	929,871	0.557
Colinton Nominees Pty Ltd - Mezrani Super Fund A/C	901,908	0.541
Ironhand Pty Limited	800,000	0.480
Netwealth Investments Limited - Super Services A/C	635,234	0.381
	100,726,112	60.379

g) Securities Subject to Reinvestment Agreements

Entities associated with Robert Luciano, Douglas Tynan and Robert Poiner (the **Relevant Shareholders**) have entered into a Reinvestment Agreement with Regal Partners Limited and the Company, pursuant to which it was agreed, to the maximum extent permitted by law, the Relevant Shareholders would re-invest, from the dividends received from Regal Partners, their 'look through' after tax share of any performance fees received by the Investment Manager from the Company, multiplied by the dividend payout ratio for the Regal Partners dividend, into fully paid ordinary shares in the Company. Further information is set out in the Company's prospectus.

Corporate Directory

Board of Directors

Lawrence Myers – Independent Chairman
David F Jones AM – Director
Adelaide H McDonald – Independent Director
William F Brown – Independent Director

Company Secretaries

Ian Cameron
Candice Driver

Investor Relations

Ingrid Groer
T: +61 2 8197 4333 (outside Australia)
E: investorrelations@regalpartners.com

Investment Manager

Regal Asian Investments Management Pty Limited
ABN 84 635 179 538

Investment Advisor

Regal Funds Management Pty Limited
ABN 30 107 576 821
AFSL 277737

Registered Office

Level 47 Gateway, 1 Macquarie Place
Sydney NSW 2000

Website

www.regalpm.com/RG8

Share Registrar

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000
T: 1300 737 760 (inside Australia)
T: + 61 2 9290 9600 (outside Australia)
E: enquiries@boardroomlimited.com.au

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registrar.

Auditor

Pitcher Partners
Level 16, Tower 2, Darling Park
201 Sussex St
Sydney NSW 2000
T: + 61 2 9221 2099

Prime Brokers and Custodians

Morgan Stanley & Co. LLC
1585 Broadway, 6th Floor
New York, NY 10036, United States of America
Goldman Sachs & Co. LLC
200 West Street, 29th Floor
New York, NY 10282, United States of America

ASX Code

RG8



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