

Affin Hwang Growth Fund

Annual Report
29 February 2020

Out **think.** Out **perform.**



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
AmanahRaya Trustees Berhad (766894-T)

AFFIN HWANG GROWTH FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 29 February 2020

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FUND INFORMATION

Fund Name	Affin Hwang Growth Fund
Fund Type	Capital Growth
Fund Category	Equity
Investment Objective	To generate capital growth over the medium to long term period through diversified investments of equities listed on Bursa Malaysia
Benchmark	FTSE Bursa Malaysia KLCI
Distribution Policy	Distribution (if any) is incidental and will be subject to the availability of income

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	5,860	8,484
5,001 to 10,000	1,169	8,573
10,001 to 50,000	2,523	58,456
50,001 to 500,000	49	3,234
500,001 and above	2	467,802
Total	9,603	546,549

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 29 Feb 2020 (%)	As at 28 Feb 2019 (%)	As at 28 Feb 2018 (%)
Portfolio composition			
Quoted equities – local			
- Consumer Products & Services	6.77	9.46	7.59
- Construction	0.60	-	6.05
- Financial Services	12.82	30.10	22.63
- Industrial Product & Services	9.41	11.48	15.68
- Healthcare	8.78	0.82	-
- Energy	10.50	4.12	-
- Plantation	1.97	1.95	3.05
- Properties	-	2.63	9.09
- REITs	7.53	6.14	4.51
- Technology	10.28	3.78	2.95
- Telecommunication & Media	4.25	5.19	-
- Trading and services	-	-	22.12
- Utilities	2.07	4.02	-
- Warrant	0.20	0.04	0.10
Total quoted equities – local	75.18	79.73	93.77
Cash and cash equivalent	24.82	20.27	6.23
Total	100.00	100.00	100.00
Total NAV (RM'million)	151.520	180.756	228.889
NAV per Unit (RM)	0.2772	0.2861	0.3185
Unit in Circulation (million)	546.550	631.864	718.757
Highest NAV	0.3011	0.3185	0.3271
Lowest NAV	0.2752	0.2718	0.2779
Return of the Fund (%) ⁱⁱⁱ	-3.11	-8.01	15.27
- Capital Growth (%) ⁱ	-3.11	-10.71	15.27
- Income Distribution (%) ⁱⁱ	Nil	2.41	Nil
Gross Distribution per Unit (sen)	Nil	0.70	Nil
Net Distribution per Unit (sen)	Nil	0.70	Nil
Management Expense Ratio (%) ¹	1.61	1.62	1.68
Portfolio Turnover Ratio (times) ²	1.12	0.78	0.89

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

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

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

¹The MER of the Fund was slightly lower than previous year due to lower expenses incurred by the Fund during the financial year.

²The Fund recorded a higher PTR as the Manager had increased its trading activities during the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial year ended 29 February 2020.

Performance Review

For the period 1 March 2019 to 29 February 2020, the Fund registered a return of -3.11%. The Net Asset Value (NAV) per unit of the Fund as at 29 February 2020 was RM 0.2772 while the NAV at 28 February 2019 was RM 0.2861. The Benchmark for the period registered a return of -13.18%. The Fund outperformed the Benchmark by 10.07 percentage points. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since its inception to 29 February 2020, the Fund has registered a return of 26.72%. Compared to the benchmark of -5.06% for the same period, the Fund outperformed the Benchmark by 31.78 percentage points. The fund has declared a total gross income distribution of RM0.038 per unit to-date. As such, the Fund will continue to be managed in a manner to fulfill its objective.

Table 1: Performance of the Fund

	1 Year (1/3/19 - 29/2/20)	3 Years (1/3/17 - 29/2/20)	5 Years (1/3/15 - 29/2/20)	Since Commencement (28/6/11 - 29/2/20)
Fund	(3.11%)	2.74%	7.29%	26.72%
Benchmark	(13.18%)	(12.47%)	(18.07%)	(5.06%)
Outperformance	10.07%	15.21%	25.36%	31.78%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	3 Years (1/3/17 - 29/2/20)	5 Years (1/3/15 - 29/2/20)	Since Commencement (28/6/11 - 29/2/20)
Fund	(3.11%)	0.91%	1.42%	2.76%
Benchmark	(13.18%)	(4.34%)	(3.90%)	(0.60%)
Outperformance / (Underperformance)	10.07%	5.25%	5.32%	3.36%

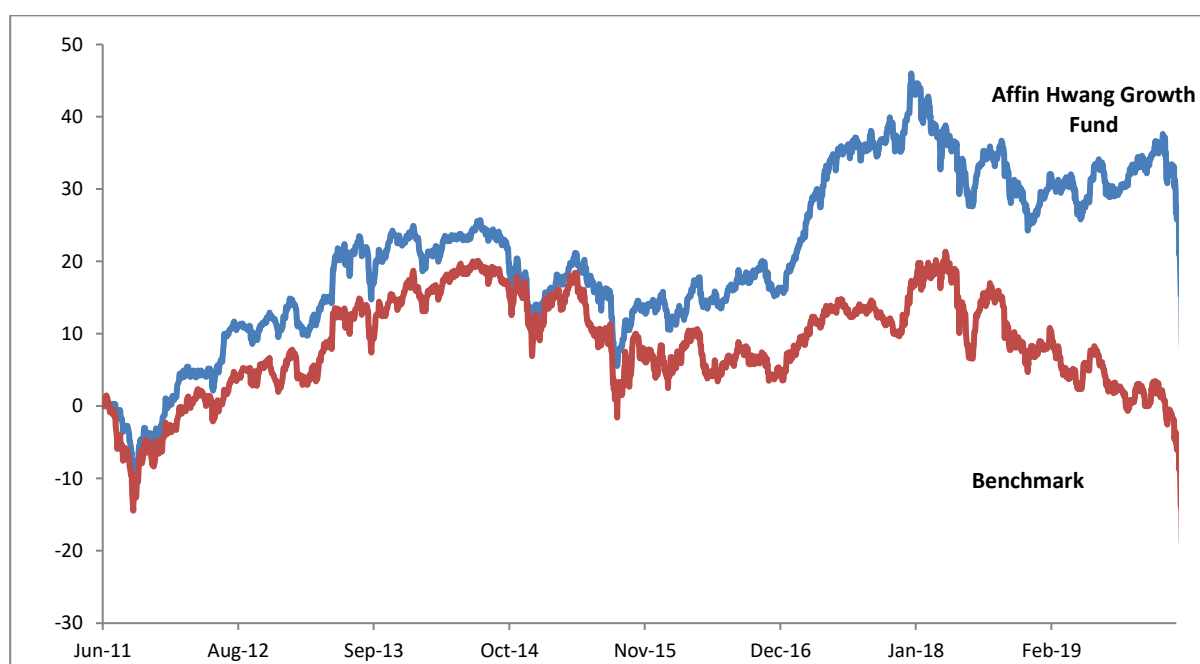
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (01/3/18 - 28/2/19)	FYE 2018 (01/3/17 - 28/2/18)	FYE 2017 (01/3/16 - 28/2/17)	FYE 2016 (01/1/15 - 29/2/16)
Fund	(3.11%)	(8.01%)	15.27%	9.51%	(1.06%)
Benchmark	(13.18%)	(8.00%)	9.59%	2.36%	(5.58%)
Outperformance / (Underperformance)	10.07%	(0.01%)	5.68%	7.15%	4.52%

Source of Benchmark: Bloomberg

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



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

Benchmark: FBM KLCI

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

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Fund Performance Date.

As at 29 February 2020, the Fund's asset allocation in equities stood lower at 75.18%, 4.55 percentage points lower than 79.73% a year ago, while the remaining was held in cash and cash equivalent. During the period under review, the Manager had decreased exposures mostly towards the Financial sector, while stripped off Properties sector from the portfolio. On the other hand, the Manager also added little exposure towards the Construction sector, and increased exposure by around 8% towards the Healthcare sector.

Strategies Employed

With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare double whammy of global pandemic and oil price collapse.

Market Review

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The Hong Kong Hang Seng index tumbled 6.7% in January, whilst the broader MSCI Asia ex-Japan index fell 4.5%. The World Health Organization declared a global health emergency over the coronavirus outbreak that has claimed the lives of at least 300 people with rates of infection rapidly increasing.

However, the global equities trended even lower in February as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows. The S&P 500 index tumbled 8.4%, whilst the index Dow Jones closed 10.1% lower in the month. The broader MSCIA Asia ex-Japan index fell 2.9%.

After Australia, Thailand and the US reported over the weekend their first coronavirus-related deaths. US and Europe stock markets caught up with losses as investors become increasingly fearful of a contagion effect as the coronavirus reaches their shores.

Seoul raised its coronavirus alert to the “highest level,” with the latest spike in numbers bringing the country with the most cases outside of mainland China. Industry heavyweight Samsung Electronics had also announced that a coronavirus case had been confirmed at a mobile device factory complex in South Korea, resulting in the shutdown of the entire facility. The affected factory reportedly accounts for a small portion of Samsung’s total smartphone production.

The impact of the coronavirus outbreak has been felt acutely in the world’s second largest economy. China’s latest Purchasing Managers’ Index (“PMI”) data plunged to a record low in February as sentiment was soured by the outbreak. The Markit/ Caixin manufacturing PMI dropped to 40.3 below the 50-point threshold signalling contraction. Investors have been closely tracking the coronavirus outbreak to assess its potential impact to the economy as a result of wide scale city and factory shutdowns, as well as travel restriction bans. Global supply chains have seen disruption due to stalled manufacturing activity.

On the domestic front, the benchmark KLCI fell by 3% in February as the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Meanwhile, the US-China trade war made some positive headway with the two countries signing a phase-one trade deal in January. US President Donald Trump and Chinese Vice Premier Liu He signed the pact that will roll back some tariffs as well as see Beijing boost purchases of US goods and services over two years. This includes purchases of US agriculture products over the next two years by China. Negotiations for the second phase of the trade deal is expected to commence before the presidential election in November.

On monetary policy, the US Federal Reserve (“Fed”) kept its benchmark rates unchanged in its policy meeting in January, but extended its repo injection programme by two more months to June 2020. This has resulted in a surge in the Fed’s balance sheet to above the US\$4 trillion mark. With US inflation currently hovering 0.7% below the Fed’s target of 2.0%.

Bank Negara Malaysia unexpectedly lowered its overnight policy rate by 25bps to 2.75% during its January meeting, its first interest rate cut since March 2019. There is further room for BNM to loosen monetary policy by up to 75bps using history as a guide. The rate cut is expected to boost economic growth amid price stability.

Investment Outlook

The ensuing market correction is likely overdone with volatility exacerbated by the presence of algo-traders. Strict containment measures undertaken by China has helped to reduce the spread of infection as factories gradually begin to reopen. Apple and Starbucks which temporarily shuttered their retail outlets due to the outbreak have also begun to reopen in China.

The central Hubei province, which was the epicentre of the country's coronavirus outbreak, reported less than 200 cases of new infections for the first time since January at the time of writing. If the outbreak can be effectively contained, we could then begin to see factory activities start to normalise and consumption picking-up again. Expectations that governments would also embark on additional fiscal stimulus to support the economy is seen positively by investors to soothe a recovery.

Whilst Muhyiddin's appointment as PM has ended the political stalemate temporarily, we expect volatility to continue to persist in the local market. Without a strong mandate or a solid support base, Muhyiddin could face challenges in pushing through policy decisions or may even find himself challenged again.

Sin stocks such as Carlsberg, Heineken and Genting faced selling pressure amidst concerns over policy changes in the industry under the new government that is perceived to be more conservative. The small-mid-caps which has outperformed the rest of the market last year were not spared from the sell-off as well with the FBM Small Cap index down 4% in February.

On top of the political uncertainty, the economy faces additional headwinds from the covid-19 with the government reducing its growth outlook for 2020 to 3.2-4.2% from 4.8% previously. Nonetheless, the government will be under a lot of pressure to implement policies to support economic growth and shore up support.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

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

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

TRUSTEE'S REPORT

For the Financial Year Ended 29 February 2020

To the Unit Holders of AFFIN HWANG GROWTH FUND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG GROWTH FUND for the financial year ended 29 February 2020. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG GROWTH FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI

Deputy Chief Executive Officer

Kuala Lumpur, Malaysia
24 April 2020

AFFIN HWANG GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

AFFIN HWANG GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

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AFFIN HWANG GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
INVESTMENT LOSS			
Dividend income		4,222,042	5,219,161
Interest income from financial assets at amortised cost		752,486	1,270,228
Net loss on financial assets at fair value through profit or loss	8	(5,806,655)	(20,332,907)
		<u>(832,127)</u>	<u>(13,843,518)</u>
EXPENSES			
Management fee	4	(2,482,517)	(2,965,169)
Trustee fee	5	(135,100)	(159,069)
Auditors' remuneration		(7,500)	(7,500)
Tax agent's fee		(6,000)	(6,000)
Transaction costs		(1,130,753)	(888,308)
Other expenses		(117,799)	(88,321)
		<u>(3,879,669)</u>	<u>(4,114,367)</u>
NET LOSS BEFORE TAXATION		(4,711,796)	(17,957,885)
Taxation	7	-	(42,886)
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(4,711,796)</u>	<u>(18,000,771)</u>
Net loss after taxation is made up of the following:			
Realised amount		2,561,824	899,519
Unrealised amount		(7,273,620)	(18,900,290)
		<u>(4,711,796)</u>	<u>(18,000,771)</u>

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

AFFIN HWANG GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Cash and cash equivalents	9	33,147,300	38,139,167
Financial assets at fair value through profit or loss	8	113,916,917	144,123,531
Dividends receivable		109,847	43,536
Amount due from brokers		4,605,488	938,629
TOTAL ASSETS		<u>151,779,552</u>	<u>183,244,863</u>
LIABILITIES			
Amount due to brokers		-	2,173,330
Amount due to Manager			
- management fee		188,087	208,772
- cancellation of units		26,147	68,904
Amount due to Trustee		10,031	11,135
Auditors' remuneration		7,520	7,520
Tax agent's fee		13,917	7,917
Other payables and accruals		13,882	10,930
TOTAL LIABILITIES		<u>259,584</u>	<u>2,488,508</u>
NET ASSET VALUE OF THE FUND		<u>151,519,968</u>	<u>180,756,355</u>
EQUITY			
Unitholders' capital		137,413,217	161,937,808
Retained earnings		14,106,751	18,818,547
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>151,519,968</u>	<u>180,756,355</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>546,550,000</u>	<u>631,864,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.2772</u>	<u>0.2861</u>

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

AFFIN HWANG GROWTH FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 March 2019	161,937,808	18,818,547	180,756,355
Total comprehensive loss for the financial year	-	(4,711,796)	(4,711,796)
Movement in unitholders' capital:			
Cancellation of units	(24,524,591)	-	(24,524,591)
Balance as at 29 February 2020	<u>137,413,217</u>	<u>14,106,751</u>	<u>151,519,968</u>
Balance as at 1 March 2018	187,298,036	41,591,470	228,889,506
Total comprehensive loss for the financial year	-	(18,000,771)	(18,000,771)
Distributions (Note 6)	-	(4,772,152)	(4,772,152)
Movement in unitholders' capital:			
Creation of units arising from distribution	4,772,152	-	4,772,152
Cancellation of units	(30,132,380)	-	(30,132,380)
Balance as at 28 February 2019	<u>161,937,808</u>	<u>18,818,547</u>	<u>180,756,355</u>

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

AFFIN HWANG GROWTH FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		198,480,694	180,372,448
Purchase of investments		(179,920,924)	(131,564,483)
Dividend received		4,155,731	5,472,517
Interest received		752,486	1,270,228
Management fee paid		(2,503,202)	(3,019,683)
Trustee fee paid		(136,204)	(161,976)
Payment for other fees and expenses		(1,253,100)	(1,005,786)
Net cash generated from operating activities		<u>19,575,481</u>	<u>51,277,493</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for cancellation of units		<u>(24,567,348)</u>	<u>(30,191,116)</u>
Net cash used in financing activities		<u>(24,567,348)</u>	<u>(30,191,116)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(4,991,867)</u>	<u>21,086,377</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>38,139,167</u>	<u>17,052,790</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u><u>33,147,300</u></u>	<u><u>38,139,167</u></u>

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

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("MFRS").

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

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

(a) Standards and amendments to existing standards effective 1 March 2019:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 March 2019 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 March 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Interest income

Interest income from short term deposit with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

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

Dividend income

Dividend income for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

B INCOME RECOGNITION (CONTINUED)

Realised gains and losses on sale of investments

For quoted equities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

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

D TAXATION

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

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

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

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

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

(iii) Impairment

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

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial year.

G CASH AND CASH EQUIVALENTS

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

H AMOUNT DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

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

AFFIN HWANG GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

I UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

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

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

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

J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020

1 INFORMATION ON THE FUND

The Fund was constituted under the name Affin Quantum Fund (the “Fund”) pursuant to the execution of a Deed dated 25 March 2011 as modified by a Second Supplemental Deed dated 6 August 2015 and a Third Supplemental Deed dated 5 October 2018. The Fund has changed its name from Affin Quantum Fund to Affin Hwang Growth Fund as amended by the First Supplemental Deed dated 22 July 2014 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”).

The Fund commenced operations on 25 March 2011 and will continue its operations until terminated by the Trustee as provided by Division 12.3 of the Deed.

The Fund may invest in securities traded on Bursa Malaysia and other markets considered as eligible markets, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the SC from time to time. All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund:

- (i) Listed securities
- (ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
- (iii) Fixed deposits with financial institutions;
- (iv) Money market instruments;
- (v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
- (vi) Debentures including private debt securities and bonds;
- (vii) Unit/shares in collective investment schemes, both local and foreign which are in line with the objective of the Fund;
- (viii) Equity linked instruments such as warrants and right;
- (ix) Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- (x) Structured product; and
- (xi) Any other form of investments as may be permitted by the Securities Commission from time to time that is in line with the Fund’s Objectives.

The objective of the Fund is to seek a stable return and generate capital growth over the medium to long term period in a diversified investment of equities listed on Bursa Malaysia.

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

The financial statements were authorised for issue by the Manager on 24 April 2020.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
<u>2020</u>				
<u>Financial Assets</u>				
Cash and cash equivalents	9	33,147,300	-	33,147,300
Quoted equities	8	-	113,916,917	113,916,917
Dividends receivable		109,847	-	109,847
Amount due from brokers		4,605,488	-	4,605,488
Total		<u>37,862,635</u>	<u>113,916,917</u>	<u>151,779,552</u>
<u>Financial Liabilities</u>				
Amount due to Manager				
- management fee		188,087	-	188,087
- cancellation of units		26,147	-	68,904
Amount due to Trustee		10,031	-	10,031
Auditors' remuneration		7,520	-	7,502
Tax agent's fee		13,917	-	13,917
Other payables and accruals		13,882	-	13,882
Total		<u>259,584</u>	<u>-</u>	<u>259,584</u>
<u>2019</u>				
<u>Financial Assets</u>				
Cash and cash equivalents	9	38,139,167	-	38,139,167
Quoted equities	8	-	144,123,531	144,123,531
Dividend receivable		43,536	-	43,536
Amount due from brokers		938,629	-	938,629
Total		<u>39,121,332</u>	<u>144,123,531</u>	<u>183,244,863</u>
<u>Financial Liabilities</u>				
Amount due to brokers		2,173,330	-	
Amount due to Manager				
- management fee		208,772	-	188,087
- cancellation of units		68,904	-	68,904
Amount due to Trustee		11,135	-	10,031
Auditors' remuneration		7,520	-	7,502
Tax agent's fee		7,917	-	13,917
Other payables and accruals		10,930	-	13,882
Total		<u>2,488,508</u>	<u>-</u>	<u>2,488,508</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

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

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

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

Market risk

(a) Price risk

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

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

	<u>2020</u> RM	<u>2019</u> RM
Quoted investments		
Quoted equities	113,916,917	144,123,531

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movement. The analysis is based on the assumptions that the market price increased by 10% (2019: 5%) and decreased by 10% (2019: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2020</u>		
-10%	102,525,225	(11,391,692)
0%	113,916,917	-
+10%	125,308,609	11,391,692
<u>2019</u>		
-5%	136,917,354	(7,206,177)
0%	144,123,531	-
+5%	151,329,708	7,206,177

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short term deposit placements with licensed financial institutions. The Manager overcomes this exposure by way of maintaining deposits on short term basis.

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits are held on a short term basis.

Liquidity risk

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

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

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

	Within <u>one month</u> RM	Between one month <u>to one year</u> RM	<u>Total</u> RM
<u>2020</u>			
Amount due to Manager			
- management fee	188,087	-	188,087
- cancellation of units	26,147	-	26,147
Amount due to Trustee	10,031	-	10,031
Auditors' remuneration	-	7,520	7,520
Tax agent's fee	-	13,917	13,917
Other payables and accruals	-	13,882	13,882
	<u>224,265</u>	<u>35,319</u>	<u>259,584</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows: (continued)

	Within <u>one month</u> RM	Between <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>2019</u>			
Amount due to brokers	2,173,330	-	2,173,330
Amount due to Manager			
- management fee	208,772	-	208,772
- cancellation of units	68,904	-	68,904
Amount due to Trustee	11,135	-	11,135
Auditors' remuneration	-	7,520	7,520
Tax agent's fee	-	7,917	7,917
Other payables and accruals	-	10,930	10,930
	<u>2,462,141</u>	<u>26,367</u>	<u>2,488,508</u>

Credit risk

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

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

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

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

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Credit risk (continued)

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

	Cash and cash <u>equivalents</u> RM	Dividend <u>receivables</u> RM	Amount due from <u>brokers</u> RM	<u>Total</u> RM
<u>2020</u>				
Finance				
- AAA	33,095,101	-	1,065,288	34,160,390
- AA3	52,199	-	28,252	80,451
- AA	-	-	3,511,948	3,511,948
REITS				
- NR	-	58,313	-	58,313
Telecommunication & Media				
- NR	-	32,547	-	32,547
Industrial Product & Services				
- NR	-	18,987	-	18,987
	<u>33,147,300</u>	<u>109,847</u>	<u>4,605,488</u>	<u>37,862,635</u>
<u>2019</u>				
Finance				
- AAA	27,824,811	-	-	27,824,811
- AA3	115,432	-	-	115,432
- AA-	10,198,924	-	-	10,198,924
- NR	-	-	938,629	938,629
REITS				
- NR	-	43,536	-	43,536
	<u>38,139,167</u>	<u>43,536</u>	<u>938,629</u>	<u>39,121,332</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date.

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

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

(i) Fair value hierarchy

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

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

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

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	113,916,917	-	-	113,916,917
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2019</u>				
Financial assets at fair value through profit or loss				
- quoted equities	144,123,531	-	-	144,123,531
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include quoted equities. The Fund does not adjust the quoted prices for these instruments.

- (ii) The carrying values of cash and cash equivalents, dividends receivable, amount due from brokers and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate of up to 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 29 February 2020, the management fee is recognised at a rate of 1.50% (2019: 1.50%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee of up to 0.08% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 29 February 2020, the Trustee fee is recognised at a rate of 0.08% (2019: 0.08%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

6 DISTRIBUTION

	<u>2020</u> RM	<u>2019</u> RM
Distribution to unitholders is from the following sources:		
Previous year realised income	-	4,772,152
Gross realised income	-	4,772,152
Less: Expenses	-	-
Net distribution amount	-	4,772,152

During the financial year ended 28 February 2019, distributions were made as follows:

<u>Ex date</u>	Gross/Net distribution per unit (sen) RM
24.07.2018	0.70

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

There were no distributions made during the financial year ending 29 February 2020.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

7 TAXATION

	<u>2020</u> RM	<u>2019</u> RM
Current year taxation - local	-	42,886

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

	<u>2020</u> RM	<u>2019</u> RM
Net loss before taxation	(4,711,796)	(17,957,885)
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	(1,130,831)	(4,309,892)
Tax effects of:		
Investment income not subject to tax	199,710	3,322,443
Expenses not deductible for tax purposes	333,517	274,008
Restrictions on tax deductible expenses for Unit Trust Funds	597,604	713,441
Income subject to different tax rate	-	42,886
Tax expense	-	42,886

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Designated at fair value through profit or loss at inception:		
- quoted equities – local	113,916,917	144,123,531
Net gain on financial assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	1,466,965	(1,432,617)
- unrealised loss on changes in fair value	(7,273,620)	(18,900,290)
	(5,806,655)	(20,332,907)

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local

(i) Quoted equities – local as at 29 February 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
WCT Holdings Bhd	1,390,000	1,545,659	903,500	0.60
<u>Consumer Product & Services</u>				
Hong Leong Industries Bhd	707,800	5,017,892	6,448,058	4.25
Guan Chong Bhd	1,520,300	2,772,618	3,815,953	2.52
	2,228,100	7,790,510	10,264,011	6.77
<u>Energy</u>				
Dayang Enterprise Hldgs Bhd	595,450	1,202,098	1,387,398	0.92
Wah Seong Corporation Bhd	2,377,200	2,921,520	2,757,552	1.82
Malaysia Marine&Heavy Eng. Bhd	1,959,100	1,730,836	1,439,939	0.95
Hibiscus Petroleum Bhd	4,947,000	5,076,042	3,685,515	2.43
Velesto Energy Bhd	3,968,100	1,188,686	1,170,590	0.77
KNM Group Berhad	11,024,800	3,569,165	2,370,332	1.56
Yinson Holdings Berhad	443,600	2,665,549	3,105,200	2.05
	25,315,250	18,353,896	15,916,526	10.50
<u>Financial Services</u>				
RHB Bank Bhd	556,600	3,088,627	3,077,998	2.03
Malayan Banking Bhd	753,105	6,778,859	6,326,082	4.17
Allianz Malaysia Berhad	130,300	1,865,364	1,977,954	1.30
Aeon Credit Service M Bhd	363,286	4,119,802	5,013,347	3.31
Hong Leong Bank Bhd	199,300	3,390,064	3,049,290	2.01
	2,002,591	19,242,716	19,444,671	12.82
<u>Health care</u>				
Hartalega Holdings Bhd	549,300	2,946,102	3,389,181	2.24
IHH Healthcare Bhd	596,400	3,371,637	3,387,552	2.24
Supermax Corp Bhd	1,811,400	3,285,759	2,862,012	1.89
Duopharma Biotech Bhd	2,434,786	3,326,778	3,652,179	2.41
	5,391,886	12,930,276	13,290,924	8.78

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 29 February 2020 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Product & Services</u>				
Scientex Bhd	523,700	2,626,166	4,634,745	3.06
Sunway Berhad	2,894,078	4,630,458	5,093,577	3.36
V.S. Industry Bhd	1,160,000	1,283,225	1,450,000	0.96
ATA IMS Bhd	2,040,400	3,475,012	3,081,004	2.03
	<u>6,618,178</u>	<u>12,014,861</u>	<u>14,259,326</u>	<u>9.41</u>
<u>Plantations</u>				
Genting Plantations Bhd	298,700	3,092,766	2,987,000	1.97
<u>REITS</u>				
Sunway REIT	2,584,800	4,576,180	4,859,424	3.21
IGB REIT	1,716,000	2,810,986	3,329,040	2.20
KLCCP Stapled Group Stapled Security	398,300	3,192,481	3,206,315	2.12
	<u>4,699,100</u>	<u>10,579,647</u>	<u>11,394,779</u>	<u>7.53</u>
<u>Technology</u>				
GHL Systems Bhd	2,497,300	3,439,726	3,995,680	2.64
JHM Consolidation Bhd	1,950,300	3,120,339	2,379,366	1.57
Inari Amertron Bhd	1,420,800	2,714,449	2,003,328	1.32
Malaysian Pacific Industries Bhd	268,500	2,688,675	2,872,950	1.90
Pentamaster Corporation Bhd	950,600	4,350,346	4,325,230	2.85
	<u>7,087,500</u>	<u>16,313,535</u>	<u>15,576,554</u>	<u>10.28</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 29 February 2020 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication & Media</u>				
TIME dotCom Berhad	365,600	3,289,191	3,363,520	2.22
Digi.com Berhad	739,700	3,502,090	3,069,755	2.03
	<u>1,105,300</u>	<u>6,791,281</u>	<u>6,433,275</u>	<u>4.25</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	259,300	3,488,379	3,137,530	2.07
<u>Warrant</u>				
Guan Chong Bhd	302,766	-	308,821	0.20
Total quoted equities – local	<u>56,698,671</u>	<u>112,143,526</u>	<u>113,916,917</u>	<u>75.18</u>
Accumulated unrealised gain on quoted equities – local		<u>1,773,391</u>		
Total quoted equities – local		<u>113,916,917</u>		

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 28 February 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Product & Services</u>				
Fraser & Neave Holdings Bhd	119,600	3,225,528	4,217,096	2.33
Guan Chong Bhd	579,700	2,052,507	2,185,469	1.21
Hong Leong Industries Bhd	707,800	5,017,892	7,000,142	3.87
Petronas Dagangan Bhd	138,500	3,551,994	3,697,950	2.05
	<u>1,545,600</u>	<u>13,847,921</u>	<u>17,100,657</u>	<u>9.46</u>
<u>Energy</u>				
Dialog Group Bhd	1,218,400	3,569,302	3,923,248	2.17
Hibiscus Petroleum Bhd	3,369,000	3,594,652	3,402,690	1.88
Uzma Bhd	135,800	221,139	118,146	0.07
	<u>4,723,200</u>	<u>7,385,093</u>	<u>7,444,084</u>	<u>4.12</u>
<u>Financial Services</u>				
Aeon Credit Service M Bhd	515,286	4,982,917	8,481,608	4.69
Alliance Bank Malaysia Bhd	996,900	4,244,066	3,947,724	2.18
Allianz Malaysia Berhad	329,500	4,717,094	4,705,260	2.60
CIMB Group Holdings Bhd	1,579,100	9,415,727	9,206,153	5.09
Hong Leong Financial Group Bhd	325,400	5,987,360	6,410,380	3.55
Malayan Banking Bhd	1,333,880	12,709,101	12,711,876	7.03
Public Bank Bhd	240,700	5,605,956	6,017,500	3.33
RHB Bank Bhd	524,100	2,755,960	2,945,442	1.63
	<u>5,844,866</u>	<u>50,418,181</u>	<u>54,425,943</u>	<u>30.10</u>
<u>Health care</u>				
Top Glove Corp Bhd	324,600	1,816,040	1,473,684	0.82

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 28 February 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Product & Services</u>				
ATA IMS Bhd	1,169,600	1,988,320	2,011,712	1.11
Petronas Chemicals Group Bhd	586,300	4,846,721	5,405,686	2.99
Scientex Bhd	993,600	4,982,545	8,773,488	4.85
Sunway Bhd	2,817,200	4,572,348	4,563,864	2.53
	<u>5,566,700</u>	<u>16,389,934</u>	<u>20,754,750</u>	<u>11.48</u>
<u>Plantations</u>				
Genting Plantations Bhd	252,100	2,484,559	2,642,008	1.46
Sime Darby Plantation Bhd	172,800	879,552	879,552	0.49
	<u>424,900</u>	<u>3,364,111</u>	<u>3,521,560</u>	<u>1.95</u>
<u>Property</u>				
Matrix Concepts Holdings Bhd	1,469,175	2,898,261	2,879,583	1.59
SP Setia Bhd Group	821,000	2,021,087	1,880,090	1.04
	<u>2,290,175</u>	<u>4,919,348</u>	<u>4,759,673</u>	<u>2.63</u>
<u>REITS</u>				
Sunway REIT	2,103,200	3,631,434	3,680,600	2.04
IGB REIT	4,254,900	6,969,966	7,403,526	4.10
	<u>6,358,100</u>	<u>10,601,400</u>	<u>11,084,126</u>	<u>6.14</u>
<u>Technology</u>				
Inari Amertron Bhd	1,220,200	2,725,328	1,903,512	1.05
Malaysian Pac Industries Bhd	502,100	5,027,873	4,925,601	2.73
	<u>1,722,300</u>	<u>7,753,201</u>	<u>6,829,113</u>	<u>3.78</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 28 February 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication & Media</u>				
Astro Malaysia Holdings Bhd	3,597,000	5,667,424	5,899,080	3.26
OCC Group Bhd	6,295,350	4,829,285	3,493,919	1.93
	<u>9,892,350</u>	<u>10,496,709</u>	<u>9,392,999</u>	<u>5.19</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	541,200	8,084,582	7,262,904	4.02
<u>Warrant</u>				
Econpile Holdings Bhd -Warrant (02.01.2023)	779,350	-	74,038	0.04
	<u>40,013,341</u>	<u>135,076,520</u>	<u>144,123,531</u>	<u>79.73</u>
Total quoted equities – local				
Accumulated unrealised gain on quoted equities – local		<u>9,047,011</u>		
Total quoted equities – local		<u>144,123,531</u>		

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	52,199	115,432
Deposits with licensed financial institutions	33,095,101	38,023,735
	<u>33,147,300</u>	<u>38,139,167</u>

The weighted average effective interest rates per annum of deposits with licensed financial institutions are as follows:

	<u>2020</u> %	<u>2019</u> %
Deposits with licensed financial institutions	<u>2.76</u>	<u>3.38</u>

Deposits with licensed financial institutions have an average maturity of 2 days (2019: 7 days).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial year	631,864,000	718,757,000
Creation of units arising from applications	-	-
Creation of units arising from distributions	-	16,382,259
Cancellation of units	(85,314,000)	(103,275,259)
At the end of the financial year	<u>546,550,000</u>	<u>631,864,000</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

11 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 10 brokers for the financial year ended 29 February 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	143,589,033	37.81	436,770	38.54
CLSA Securities (M) Sdn Bhd	24,329,733	6.41	60,246	5.32
Hong Leong Investment Bank Bhd	21,645,942	5.70	65,200	5.75
Kenanga Investment Bank Bhd	21,589,406	5.68	65,096	5.74
RHB Investment Bank Bhd	20,349,520	5.36	61,883	5.46
Public Investment Bank Bhd	20,278,277	5.34	63,734	5.62
CIMB Investment Bank Bhd	19,385,861	5.10	56,240	4.96
Macquarie Capital Securities (M) Sdn Bhd	18,279,426	4.81	53,841	4.75
Malayan Banking Bhd	15,961,580	4.20	46,982	4.15
UOB Kay Hian Securities (M) Sdn Bhd	13,738,369	3.62	41,655	3.68
Others	60,650,234	15.97	181,719	16.03
	<u>379,797,381</u>	<u>100.00</u>	<u>1,133,365</u>	<u>100.00</u>

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

11 TRANSACTIONS WITH BROKERS (CONTINUED)

- (ii) Details of transactions with the top 10 brokers for the financial year ended 28 February 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	102,547,691	33.31	291,328	32.80
Kenanga Investment Bank Bhd	36,335,040	11.81	108,192	12.18
Malayan Banking Bhd	32,417,850	10.53	96,625	10.88
Hong Leong Investment Bank Bhd	24,008,374	7.80	60,348	6.79
CIMB Investment Bank Bhd	18,960,421	6.16	52,420	5.90
Public Investment Bank Bhd	14,653,607	4.76	44,580	5.02
RHB Investment Bank Bhd	12,767,248	4.15	38,919	4.38
Macquarie Capital Securities (M) Sdn Bhd	11,177,958	3.63	33,779	3.80
KAF Seagroatt & Campbell Securities Sdn Bhd	10,623,678	3.45	29,659	3.34
CLSA Securities (M) Sdn Bhd	8,536,296	2.77	24,126	2.72
Others	35,801,581	11.63	108,332	12.19
	<u>307,829,744</u>	<u>100.00</u>	<u>888,308</u>	<u>100.00</u>

Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting RM143,589,033 (2019: RM102,547,691). The Manager is of the opinion that the transactions with the related company have been entered at agreed terms between the related parties.

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

11 TRANSACTIONS WITH BROKERS (CONTINUED)

Included in the transactions with dealers are cross trades conducted between the Fund and private mandates managed by the Manager amounting to:

	<u>2020</u> RM	<u>2019</u> RM
<u>Name of dealers</u>		
Affin Hwang Investment Bank Bhd	-	4,366,726

The cross trades are conducted between the Fund and other funds; and private mandate managed by the Manager as follows:

	<u>2020</u> RM	<u>2019</u> RM
Private mandate managed by the Manager	-	4,366,726

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

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

<u>Related parties</u>	<u>Relationship</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager

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

	<u>2020</u> No. of units	<u>2020</u> RM	<u>2019</u> No. of units	<u>2019</u> RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)	2,222	616	2,077	594

AFFIN HWANG GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2020 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2020</u> %	<u>2019</u> %
MER	<u>1.61</u>	<u>1.62</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fees
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding sales and service tax on transaction costs and withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on daily basis is RM168,400,303 (2019: RM198,818,805).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2020</u>	<u>2019</u>
PTR (times)	<u>1.12</u>	<u>0.78</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM177,747,594 (2019: RM130,151,966)
total disposal for the financial year = RM200,680,588 (2019: RM181,748,452)

15 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

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

AFFIN HWANG GROWTH FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, the Director of Affin Hwang Asset Management Berhad, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 32 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 29 February 2020 and of its financial performance, changes in equity and cash flows for the financial year ended 29 February 2020 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

For and on behalf of the Manager,
AFFIN HWANG ASSET MANAGEMENT BERHAD

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
24 April 2020

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AFFIN HWANG GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Growth Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 29 February 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 32.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AFFIN HWANG GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AFFIN HWANG GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF AFFIN HWANG GROWTH FUND (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
24 April 2020

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