

# Affin Hwang Aiiman

## Asia (ex Japan) Growth Fund

Annual Report  
31 October 2021

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
Deutsche Trustees Malaysia Berhad (763590-H)

# **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

## **Annual Report and Audited Financial Statements For The Financial Year Ended 31 October 2021**

| <b>Contents</b>                | <b>Page</b> |
|--------------------------------|-------------|
| FUND INFORMATION .....         | III         |
| FUND PERFORMANCE DATA.....     | IV          |
| MANAGER'S REPORT .....         | V           |
| TRUSTEE'S REPORT .....         | X           |
| SHARIAH ADVISER'S REPORT ..... | XI          |
| FINANCIAL STATEMENT            |             |
| DIRECTORY OF SALES OFFICE      |             |

## FUND INFORMATION

|                      |                                                                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Fund Name            | Affin Hwang Aiman Asia (ex Japan) Growth Fund                                                                                                       |
| Fund Type            | Growth                                                                                                                                              |
| Fund Category        | Equity                                                                                                                                              |
| Investment Objective | The Fund seeks to provide investors with capital appreciation by investing in Shariah-compliant investments                                         |
| Benchmark            | Dow Jones Islamic Market Asia / Pacific ex Japan Index                                                                                              |
| Distribution Policy  | Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year end of the Fund |

## BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 31 OCTOBER 2021

| Size of holdings<br>(units) | No. of unitholders | No. of units held *<br>('000) |
|-----------------------------|--------------------|-------------------------------|
| 5,000 and below             | 4,692              | 6,768                         |
| 5,001 to 10,000             | 1,546              | 11,405                        |
| 10,001 to 50,000            | 1,116              | 22,325                        |
| 50,001 to 500,000           | 242                | 27,916                        |
| 500,001 and above           | 21                 | 417,282                       |
| <b>Total</b>                | <b>7,617</b>       | <b>485,696</b>                |

\* Note : Excluding Manager's stock

## FUND PERFORMANCE DATA

| Category                                                 | As at<br>31 Oct 2021<br>(%) | As at<br>31 Oct 2020<br>(%) | As at<br>31 Oct 2019<br>(%) |
|----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Portfolio composition                                    |                             |                             |                             |
| <b>Shariah-compliant quoted equities – local</b>         |                             |                             |                             |
| - Consumer products & services                           | -                           | -                           | 2.24                        |
| - Financial services                                     | -                           | -                           | 1.92                        |
| - Healthcare                                             | -                           | -                           | 2.10                        |
| - Technology                                             | -                           | -                           | 3.04                        |
| - Telecommunication & media                              | 1.32                        | 2.19                        | 2.15                        |
| <b>Total Shariah-compliant quoted equities – local</b>   | <b>1.32</b>                 | <b>2.19</b>                 | <b>11.45</b>                |
| <b>Shariah-compliant quoted equities – foreign</b>       |                             |                             |                             |
| - Basic materials                                        | 4.11                        | 2.53                        | 3.14                        |
| - Consumer discretionary                                 | 24.86                       | -                           | -                           |
| - Consumer staples                                       | 6.40                        | -                           | -                           |
| - Consumer goods                                         | -                           | 6.48                        | 8.56                        |
| - Consumer services                                      | -                           | 18.57                       | 14.50                       |
| - Financial services                                     | -                           | 5.05                        | 3.75                        |
| - Healthcare                                             | 5.65                        | 3.21                        | 1.05                        |
| - Industrials                                            | 5.67                        | 6.22                        | 11.31                       |
| - Energy                                                 | 4.71                        | -                           | -                           |
| - Preference shares                                      | -                           | 3.73                        | 3.56                        |
| - Real estate                                            | 4.58                        | -                           | -                           |
| - Technology                                             | 38.65                       | 36.32                       | 22.41                       |
| - Telecommunications                                     | 1.14                        | -                           | 2.49                        |
| - Utilities                                              | -                           | -                           | 5.17                        |
| <b>Total Shariah-compliant quoted equities – foreign</b> | <b>95.77</b>                | <b>82.11</b>                | <b>75.94</b>                |
| <b>Exchange-traded fund</b>                              | <b>-</b>                    | <b>2.78</b>                 | <b>2.38</b>                 |
| <b>Cash &amp; cash equivalent</b>                        | <b>2.91</b>                 | <b>12.92</b>                | <b>10.23</b>                |
| <b>Total</b>                                             | <b>100.00</b>               | <b>100.00</b>               | <b>100.00</b>               |
| Total NAV (RM'million)                                   | 389.636                     | 223.950                     | 211.538                     |
| NAV per Unit (RM)                                        | 0.8019                      | 0.7496                      | 0.6154                      |
| Unit in Circulation (million)                            | 485.913                     | 298.750                     | 343.76                      |
| Highest NAV                                              | 0.9216                      | 0.7794                      | 0.6404                      |
| Lowest NAV                                               | 0.7556                      | 0.5641                      | 0.5728                      |
| Return of the Fund (%) <sup>iii</sup>                    | 9.51                        | 26.39                       | 3.34                        |
| - Capital Growth (%) <sup>i</sup>                        | 6.97                        | 21.81                       | 3.34                        |
| - Income Distribution (%) <sup>ii</sup>                  | 2.37                        | 3.76                        | Nil                         |
| Gross Distribution per Unit (sen)                        | 2.00                        | 2.50                        | Nil                         |
| Net Distribution per Unit (sen)                          | 2.00                        | 2.50                        | Nil                         |
| Management Expense Ratio (%) <sup>1</sup>                | 1.92                        | 1.94                        | 1.92                        |
| Portfolio Turnover Ratio (times) <sup>2</sup>            | 1.87                        | 1.62                        | 1.30                        |

<sup>1</sup>The Fund's MER were slightly lower than previous year due to higher average NAV of the Fund for the financial year.

<sup>2</sup> The PTR of the Fund was higher than previous year due to higher average sum of total acquisition and disposal for the financial year.

**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          |

**MANAGER'S REPORT****Income Distribution / Unit Split**

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

| Cum Date  | Ex-Date   | Cum-distribution (MYR) | Distribution per Unit (MYR) | Ex-distribution (MYR) |
|-----------|-----------|------------------------|-----------------------------|-----------------------|
| 20-Jul-21 | 21-Jul-21 | 0.8619                 | 0.0200                      | 0.8451                |

No unit split were declared for the financial year ended 31 October 2021.

**Performance Review**

For the period 1 November 2020 to 31 October 2021, the Fund registered a 9.51% return compared to the benchmark return of 5.70%. The Fund thus outperformed the Benchmark by 3.81%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2021 was RM0.8019 while the NAV as at 31 October 2020 was RM0.7496. During the period under review, the Fund has declared a gross income distribution of RM0.0200 per unit.

Since commencement, the Fund has registered a return of 75.75% compared to the benchmark return of 81.23%, underperforming by 5.48%. The Fund has met its investment objective.

Table 1: Performance of the Fund

|                       | 1 Year<br>(1/11/20 - 31/10/21) | 3 Years<br>(1/11/18 - 31/10/21) | 5 Years<br>(1/11/16 - 31/10/21) | Since Commencement<br>(30/12/15 - 31/10/21) |
|-----------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------------------|
| <b>Fund</b>           | <b>9.51%</b>                   | <b>43.03%</b>                   | <b>63.61%</b>                   | <b>75.75%</b>                               |
| <b>Benchmark</b>      | <b>5.70%</b>                   | <b>57.17%</b>                   | <b>71.52%</b>                   | <b>81.23%</b>                               |
| <b>Outperformance</b> | <b>3.81%</b>                   | <b>(14.14%)</b>                 | <b>(7.91%)</b>                  | <b>(5.48%)</b>                              |

Source of Benchmark: Bloomberg

Table 2: Average Total Return

|                       | 1 Year<br>(1/11/20 - 31/10/21) | 3 Years<br>(1/11/18 - 31/10/21) | 5 Years<br>(1/11/16 - 31/10/21) | Since Commencement<br>(30/12/15 - 31/10/21) |
|-----------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------------------|
| <b>Fund</b>           | <b>9.51%</b>                   | <b>12.66%</b>                   | <b>10.34%</b>                   | <b>10.13%</b>                               |
| <b>Benchmark</b>      | <b>5.70%</b>                   | <b>16.25%</b>                   | <b>11.39%</b>                   | <b>10.71%</b>                               |
| <b>Outperformance</b> | <b>3.81%</b>                   | <b>(3.59%)</b>                  | <b>(1.05%)</b>                  | <b>(0.58%)</b>                              |

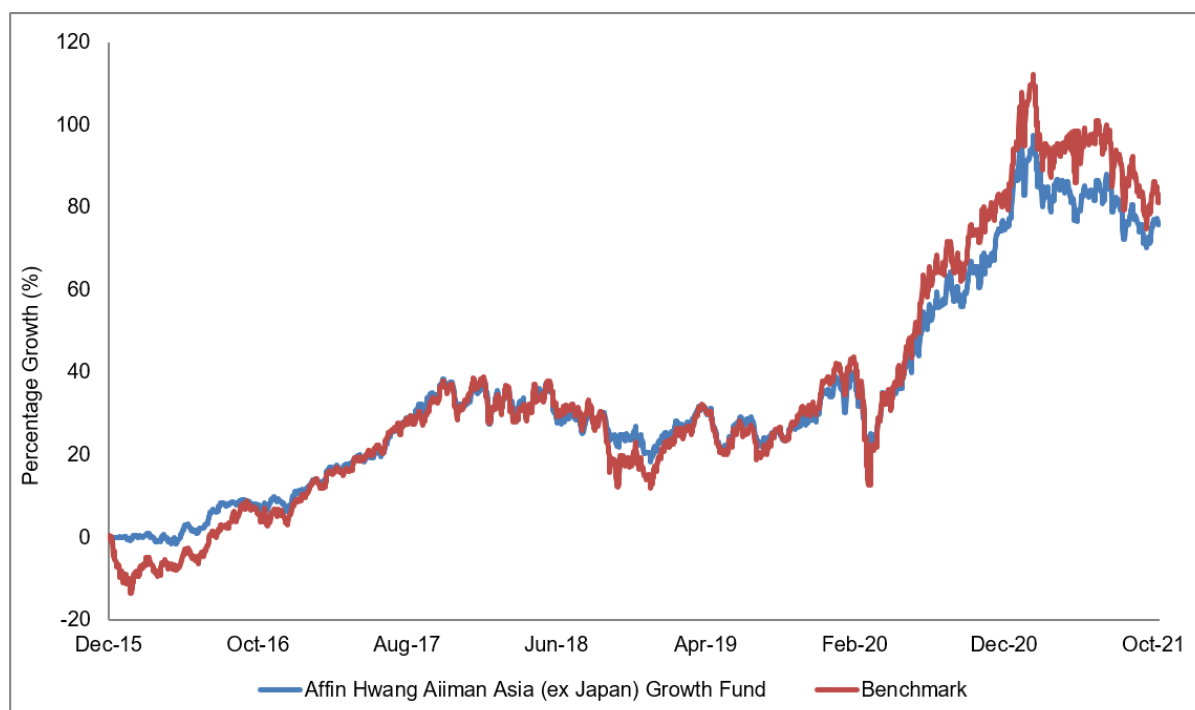
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

|                       | FYE 2021<br>(1/11/20 -<br>31/10/21) | FYE 2020<br>(1/11/19 -<br>31/10/20) | FYE 2019<br>(1/11/18 -<br>31/10/19) | FYE 2018<br>(1/11/17 -<br>31/10/18) | FYE 2017<br>(1/11/16 -<br>31/10/17) |
|-----------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Fund</b>           | <b>9.51%</b>                        | <b>26.39%</b>                       | <b>3.34%</b>                        | <b>(9.32%)</b>                      | <b>26.14%</b>                       |
| <b>Benchmark</b>      | <b>5.70%</b>                        | <b>32.17%</b>                       | <b>12.50%</b>                       | <b>(14.48%)</b>                     | <b>27.60%</b>                       |
| <b>Outperformance</b> | <b>3.81%</b>                        | <b>(5.78%)</b>                      | <b>(9.16%)</b>                      | <b>5.16%</b>                        | <b>(1.46%)</b>                      |

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: Dow Jones Islamic Market Asia / Pacific ex Japan Index*

**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 Data.

As at 31 October 2021, the asset allocation of the Fund stood at 97.09% in Shariah-compliant equities, 12.79 percentage points higher than 84.30% a year ago. Within the foreign allocation, the Manager had increased allocation mainly towards exposure in the consumer names. The Manager had also stripped off allocation towards exchange-traded fund. Cash and cash equivalent on the other hand dropped due to deployment of cash into foreign equities.

### **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 global pandemic.

## **Market Review**

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

The local equity market's performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rose whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Fiscal deficit is expected to breach above the government's target of 6.0%. With the unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia's sovereign rating.

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The next Parliament sitting is slated in September which Datuk Seri Ismail Sabri will face a test of majority support through a vote of confidence. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of August with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

## **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. We have already seen the rotation from growth to value take place in the start of 2021.

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

### **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.

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

We have acted as Trustee for Affin Hwang Aiiman Asia (ex Japan) Growth Fund (the "Fund") for the financial year ended 31 October 2021. To the best of our knowledge, for the financial year under review, Affin Hwang Asset Management Berhad (the "Manager"), has operated and managed the Fund in accordance with the following:

- a) limitation imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation and pricing of units of the Fund is carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements

We are of the view that the distributions made during this financial period ended 31 October 2021 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Trustee Operations

**Richard Lim Hock Seng**  
Chief Executive Officer

Kuala Lumpur  
15 December 2021

## **SHARIAH ADVISER'S REPORT**

### **To the Unit Holders of Affin Hwang Aiiman Asia (Ex Japan) Growth Fund ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

**Tan Sri Dr. Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
15 December 2021

**AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED TO 31 OCTOBER 2021**

# **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

## **FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021**

| <b>CONTENTS</b>                            | <b>PAGE(S)</b> |
|--------------------------------------------|----------------|
| STATEMENT OF COMPREHENSIVE INCOME          | 1              |
| STATEMENT OF FINANCIAL POSITION            | 2              |
| STATEMENT OF CHANGES IN EQUITY             | 3              |
| STATEMENT OF CASH FLOWS                    | 4              |
| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 5 - 12         |
| NOTES TO THE FINANCIAL STATEMENTS          | 13 - 43        |
| STATEMENT BY THE MANAGER                   | 44             |
| INDEPENDENT AUDITORS' REPORT               | 45 - 48        |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

|                                                                                                | <u>Note</u> | <u>2021</u><br>RM   | <u>2020</u><br>RM  |
|------------------------------------------------------------------------------------------------|-------------|---------------------|--------------------|
| <b>INVESTMENT INCOME</b>                                                                       |             |                     |                    |
| Dividend income                                                                                |             | 5,713,702           | 3,235,432          |
| Profit income from financial assets at<br>amortised cost                                       |             | 143,713             | 76,761             |
| Net (loss)/gain on foreign currency exchange                                                   |             | (683,449)           | 999,658            |
| Net loss on forward foreign currency<br>contracts at fair value through profit or loss         |             | (609,890)           | (285,620)          |
| Net gain on financial assets at fair value<br>through profit or loss                           | 8           | 23,990,378          | 51,689,466         |
|                                                                                                |             | <u>28,554,454</u>   | <u>55,715,697</u>  |
| <b>EXPENSES</b>                                                                                |             |                     |                    |
| Management fee                                                                                 | 4           | (6,698,798)         | (3,723,785)        |
| Trustee fee                                                                                    | 5           | (223,529)           | (125,868)          |
| Auditors' remuneration                                                                         |             | (9,000)             | (9,000)            |
| Tax agent's fee                                                                                |             | (31,971)            | (47,285)           |
| Transaction cost                                                                               |             | (3,610,571)         | (1,604,498)        |
| Other expenses                                                                                 |             | (961,748)           | (365,826)          |
|                                                                                                |             | <u>(11,535,617)</u> | <u>(5,876,262)</u> |
| <b>NET PROFIT BEFORE TAXATION</b>                                                              |             | 17,018,837          | 49,839,435         |
| Taxation                                                                                       | 6           | (1,473,652)         | -                  |
| <b>NET PROFIT AFTER TAXATION AND<br/>TOTAL COMPREHENSIVE INCOME<br/>FOR THE FINANCIAL YEAR</b> |             | <u>15,545,185</u>   | <u>49,839,435</u>  |
| Net profit after taxation is made up of the following:                                         |             |                     |                    |
| Realised amount                                                                                |             | 22,745,028          | 22,910,944         |
| Unrealised amount                                                                              |             | (7,199,843)         | 26,928,491         |
|                                                                                                |             | <u>15,545,185</u>   | <u>49,839,435</u>  |

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

|                                                       | <u>Note</u> | <u>2021</u><br>RM  | <u>2020</u><br>RM  |
|-------------------------------------------------------|-------------|--------------------|--------------------|
| <b>ASSETS</b>                                         |             |                    |                    |
| Cash and cash equivalents                             | 10          | 15,330,110         | 33,039,150         |
| Amount due from Manager                               |             |                    |                    |
| - management fee rebate receivable                    |             | -                  | 1,614              |
| - creation of units                                   |             | 7,131,201          | 1,134,444          |
| Dividends receivable                                  |             | 40,732             | 22,440             |
| Financial assets at fair value through profit or loss | 8           | 378,283,854        | 195,006,596        |
| Tax recoverable                                       |             | 34,750             | -                  |
| <b>TOTAL ASSETS</b>                                   |             | <u>400,820,647</u> | <u>229,204,244</u> |
| <b>LIABILITIES</b>                                    |             |                    |                    |
| Amount due to brokers                                 |             | 9,619,072          | 4,795,365          |
| Amount due to Manager                                 |             |                    |                    |
| - management fee                                      |             | 581,773            | 347,787            |
| - cancellation of units                               |             | 68,408             | 80,889             |
| Amount due to Trustee                                 |             | 19,392             | 11,593             |
| Auditors' remuneration                                |             | 9,000              | 9,000              |
| Tax agent's fee                                       |             | 5,000              | 8,500              |
| Other payables and accruals                           |             | 5,697              | 1,039              |
| Deferred tax liabilities                              | 9           | 876,712            | -                  |
| <b>TOTAL LIABILITIES</b>                              |             | <u>11,185,054</u>  | <u>5,254,173</u>   |
| <b>NET ASSET VALUE OF THE FUND</b>                    |             | <u>389,635,593</u> | <u>223,950,071</u> |
| <b>EQUITY</b>                                         |             |                    |                    |
| Unitholders' capital                                  |             | 322,444,914        | 162,712,617        |
| Retained earnings                                     |             | 67,190,679         | 61,237,454         |
| <b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>         |             | <u>389,635,593</u> | <u>223,950,071</u> |
| <b>NUMBER OF UNITS IN CIRCULATION</b>                 | 12          | <u>485,913,000</u> | <u>298,750,000</u> |
| <b>NET ASSET VALUE PER UNIT (RM)</b>                  |             | <u>0.8019</u>      | <u>0.7496</u>      |

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED TO 31 OCTOBER 2021

|                                                   | Unitholders'<br><u>capital</u><br>RM | Retained<br><u>earnings</u><br>RM | <u>Total</u><br>RM |
|---------------------------------------------------|--------------------------------------|-----------------------------------|--------------------|
| Balance as at 1 November 2020                     | 162,712,617                          | 61,237,454                        | 223,950,071        |
| Total comprehensive income for the financial year | -                                    | 15,545,185                        | 15,545,185         |
| Distributions (Note 7)                            | -                                    | (9,591,960)                       | (9,591,960)        |
| Movement in unitholders' capital:                 |                                      |                                   |                    |
| Creation of units arising from applications       | 218,074,031                          | -                                 | 218,074,031        |
| Creation of units arising from distributions      | 9,577,887                            | -                                 | 9,577,887          |
| Cancellation of units                             | (67,919,621)                         | -                                 | (67,919,621)       |
| Balance as at 31 October 2021                     | <u>322,444,914</u>                   | <u>67,190,679</u>                 | <u>389,635,593</u> |
| Balance as at 1 November 2019                     | 192,292,318                          | 19,245,334                        | 211,537,652        |
| Total comprehensive income for the financial year | -                                    | 49,839,435                        | 49,839,435         |
| Distributions (Note 7)                            | -                                    | (7,847,315)                       | (7,847,315)        |
| Movement in unitholders' capital:                 |                                      |                                   |                    |
| Creation of units arising from applications       | 42,162,237                           | -                                 | 42,162,237         |
| Creation of units arising from distributions      | 7,840,679                            | -                                 | 7,840,679          |
| Cancellation of units                             | (79,582,617)                         | -                                 | (79,582,617)       |
| Balance as at 31 October 2020                     | <u>162,712,617</u>                   | <u>61,237,454</u>                 | <u>223,950,071</u> |

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

## AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

|                                                                                             | <u>Note</u> | <u>2021</u><br>RM        | <u>2020</u><br>RM        |
|---------------------------------------------------------------------------------------------|-------------|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |             |                          |                          |
| Proceeds from sale of Shariah-compliant investments                                         |             | 631,607,089              | 374,308,393              |
| Purchase of Shariah-compliant investments                                                   |             | (789,682,215)            | (328,855,267)            |
| Profit received from short-term Shariah-based deposits with licensed financial institutions |             | 143,713                  | 76,761                   |
| Dividend received                                                                           |             | 5,695,410                | 3,246,377                |
| Management fee rebate received                                                              |             | 2,996                    | 16,824                   |
| Management fee paid                                                                         |             | (6,464,812)              | (3,699,765)              |
| Trustee fee paid                                                                            |             | (215,730)                | (125,067)                |
| Payment for other fees and expenses                                                         |             | (532,476)                | (422,083)                |
| Realised loss on forward foreign currency contract                                          |             | (609,890)                | (285,620)                |
| Realised net (loss)/gain on foreign exchange                                                |             | (697,059)                | 999,738                  |
| Tax paid                                                                                    |             | (1,100,775)              | -                        |
| Net cash flows (used in)/generated from operating activities                                |             | <u>(161,853,749)</u>     | <u>45,260,291</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                 |             |                          |                          |
| Proceeds from creation of units                                                             |             | 212,077,274              | 41,027,793               |
| Payments for cancellation of units                                                          |             | (67,932,102)             | (79,687,968)             |
| Payments for distributions                                                                  |             | (14,073)                 | (6,636)                  |
| Net cash flows generated from/(used in) financing activities                                |             | <u>144,131,099</u>       | <u>(38,666,811)</u>      |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>                                 |             | <u>(17,722,650)</u>      | <u>6,593,480</u>         |
| <b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>                                                 |             | 13,610                   | (80)                     |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>                     |             | <u>33,039,150</u>        | <u>26,445,750</u>        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>                           | 10          | <u><u>15,330,110</u></u> | <u><u>33,039,150</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 AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021**

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 revenue 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 L.

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

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

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **B INCOME RECOGNITION**

##### Dividend Income

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

##### Profit Income

Profit from short-term Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals basis.

Profit income is calculated by applying the effective profit 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 rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### Realised gains and losses on sale of investments

For Shariah-compliant quoted equities and exchange-traded fund ("ETF"), realised gains and losses on sale of Shariah-compliant 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 DISTRIBUTIONS**

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

#### **E TAXATION**

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

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

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

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **E TAXATION (CONTINUED)**

comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

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

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

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

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, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

#### **F FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **G FOREIGN CURRENCY TRANSLATION**

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### H 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 <sup>(1)</sup> ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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.

<sup>(1)</sup> *For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.*

##### (ii) Recognition and measurement

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

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

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

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

##### **(ii) Recognition and measurement (continued)**

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

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

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

##### **(iii) Impairment**

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

##### Significant increase in credit risk

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

##### 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:

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

##### **(iii) Impairment (continued)**

###### Definition of default and credit-impaired financial assets (continued)

###### 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.

#### **I 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.

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **J AMOUNTS 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 H for accounting policy on recognition and measurement.

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

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

#### **K 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 asset 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 a unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholders' option 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.

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **L 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 on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and 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.

#### **M 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 AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021**

#### **1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name Affin Hwang Aiiman Asia (Ex Japan) Growth Fund (the “Fund”) pursuant to the execution of a Deed dated 6 February 2015 and modified by Supplemental Deed dated 5 October 2018 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 30 December 2015 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest in any of the following investments in foreign and/or local market:

- (a) Shariah-compliant securities listed on Bursa Malaysia or any other approved exchanges;
- (b) Unlisted Shariah-compliant securities including without limitation, Shariah-compliant securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities;
- (c) Shariah-compliant warrants;
- (d) Sukuk;
- (e) Islamic deposits;
- (f) Islamic money market instruments;
- (g) Islamic structured products;
- (h) Unit of shares in Islamic collective investment schemes;
- (i) Islamic derivative for hedging purposes only; and
- (j) Any other Shariah-compliant investment as may be permitted by the SAC of the SC and/or Shariah Adviser from time to time which is in line with the objective of the fund.

All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide investors with capital appreciation by investing in Shariah-compliant investments.

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

The financial statements were authorised for issue by the Manager on 15 December 2021.

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

|                                         | Note | At<br>amortised<br>costs<br>RM | At fair<br>value through<br>profit or loss<br>RM | Total<br>RM        |
|-----------------------------------------|------|--------------------------------|--------------------------------------------------|--------------------|
| <u>2021</u>                             |      |                                |                                                  |                    |
| <u>Financial assets</u>                 |      |                                |                                                  |                    |
| Cash and cash equivalents               | 10   | 15,330,110                     | -                                                | 15,330,110         |
| Amount due from Manager                 |      |                                |                                                  |                    |
| - creation of units                     |      | 7,131,201                      | -                                                | 7,131,201          |
| Dividends receivable                    |      | 40,732                         | -                                                | 40,732             |
| Shariah-compliant quoted equities       | 8    | -                              | 378,283,854                                      | 378,283,854        |
| Total                                   |      | <u>22,502,043</u>              | <u>378,283,854</u>                               | <u>400,785,897</u> |
| <u>Financial liabilities</u>            |      |                                |                                                  |                    |
| Amount due to broker                    |      | 9,619,072                      | -                                                | 9,619,072          |
| Amount due to Manager                   |      |                                |                                                  |                    |
| - management fee                        |      | 581,773                        | -                                                | 581,773            |
| - cancellation of units                 |      | 68,408                         | -                                                | 68,408             |
| Amount due to Trustee                   |      | 19,392                         | -                                                | 19,392             |
| Auditor's remuneration                  |      | 9,000                          | -                                                | 9,000              |
| Tax agent's fee                         |      | 5,000                          | -                                                | 5,000              |
| Other payables and accruals             |      | 5,697                          | -                                                | 5,697              |
| Total                                   |      | <u>10,308,342</u>              | <u>-</u>                                         | <u>10,308,342</u>  |
| <u>2020</u>                             |      |                                |                                                  |                    |
| <u>Financial assets</u>                 |      |                                |                                                  |                    |
| Cash and cash equivalents               | 10   | 33,039,150                     | -                                                | 33,039,150         |
| Amount due from Manager                 |      |                                |                                                  |                    |
| - management fee rebate receivable      |      | 1,614                          | -                                                | 1,614              |
| - creation of units                     |      | 1,134,444                      | -                                                | 1,134,444          |
| Dividends receivable                    |      | 22,440                         | -                                                | 22,440             |
| Shariah-compliant quoted equities       | 8    | -                              | 188,782,841                                      | 188,782,841        |
| Shariah-compliant exchange-traded funds | 8    | -                              | 6,223,755                                        | 6,223,755          |
| Total                                   |      | <u>34,197,648</u>              | <u>195,006,596</u>                               | <u>229,204,244</u> |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

|                              | At<br>amortised<br>costs<br>RM | At fair<br>value through<br>profit or loss<br>RM | Total<br>RM      |
|------------------------------|--------------------------------|--------------------------------------------------|------------------|
| <u>2020 (continued)</u>      |                                |                                                  |                  |
| <u>Financial liabilities</u> |                                |                                                  |                  |
| Amount due to broker         | 4,795,365                      | -                                                | 4,795,365        |
| Amount due to Manager        |                                |                                                  |                  |
| - management fee             | 347,787                        | -                                                | 347,787          |
| - cancellation of units      | 80,889                         | -                                                | 80,889           |
| Amount due to Trustee        | 11,593                         | -                                                | 11,593           |
| Auditor's remuneration       | 9,000                          | -                                                | 9,000            |
| Tax agent's fee              | 8,500                          | -                                                | 8,500            |
| Other payables and accruals  | 1,039                          | -                                                | 1,039            |
| Total                        | <u>5,254,173</u>               | <u>-</u>                                         | <u>5,254,173</u> |

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

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

|                                             | <u>2021</u><br>RM  | <u>2020</u><br>RM  |
|---------------------------------------------|--------------------|--------------------|
| <b>Shariah-compliant quoted investments</b> |                    |                    |
| Shariah-compliant quoted equities           | 378,283,854        | 188,782,841        |
| Exchange traded fund                        | -                  | 6,223,755          |
|                                             | <u>378,283,854</u> | <u>195,006,596</u> |

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities having regard to the historical volatility of the prices.

| <u>% Change in price</u> | <u>Market value</u><br>RM | <u>Impact on profit<br/>after taxation</u><br>/NAV<br>RM |
|--------------------------|---------------------------|----------------------------------------------------------|
| <u>2021</u>              |                           |                                                          |
| -10%                     | 340,455,469               | (37,828,385)                                             |
| 0%                       | 378,283,854               | -                                                        |
| +10%                     | 416,112,239               | 37,828,385                                               |
|                          | <u>378,283,854</u>        | <u>195,006,596</u>                                       |
| <u>2020</u>              |                           |                                                          |
| -10%                     | 175,505,936               | (19,500,660)                                             |
| 0%                       | 195,006,596               | -                                                        |
| +10%                     | 214,507,256               | 19,500,660                                               |
|                          | <u>195,006,596</u>        | <u>19,500,660</u>                                        |

##### (b) Profit rate risk

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

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (b) Profit rate risk (continued)

The Fund's exposure to profit rate risk associated with Shariah-based deposits with licensed financial institutions is not material as the carrying amount of deposits are held on a short-term basis.

##### (c) Currency risk

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

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

|                         | Shariah-<br>compliant<br>quoted<br>equities<br>RM | Cash<br>and cash<br>equivalents<br>RM | Dividends<br>receivable<br>RM | Total<br>RM        |
|-------------------------|---------------------------------------------------|---------------------------------------|-------------------------------|--------------------|
| <u>2021</u>             |                                                   |                                       |                               |                    |
| <u>Financial assets</u> |                                                   |                                       |                               |                    |
| Australian Dollar       | 19,107,027                                        | 250,995                               | -                             | 19,358,022         |
| Chinese Yuan            | 20,184,903                                        | 1,827,217                             | -                             | 22,012,120         |
| Hong Kong Dollar        | 97,794,131                                        | 9,906                                 | -                             | 97,804,037         |
| Indian Rupee            | 53,209,557                                        | -                                     | 40,732                        | 53,250,289         |
| Indonesia Rupiah        | 9,604,248                                         | 1,987,208                             | -                             | 11,591,456         |
| Korean Won              | 20,819,022                                        | -                                     | -                             | 20,819,022         |
| Singapore Dollar        | 4,431,456                                         | 21,660                                | -                             | 4,453,116          |
| Taiwan Dollar           | 52,330,878                                        | 1,670,727                             | -                             | 54,001,605         |
| Thai Baht               | 1,928,823                                         | -                                     | -                             | 1,928,823          |
| United States Dollar    | 93,732,409                                        | 9,058,729                             | -                             | 102,791,138        |
|                         | <u>373,142,454</u>                                | <u>14,826,442</u>                     | <u>40,732</u>                 | <u>388,009,628</u> |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

|                              | Amount<br>due to<br><u>brokers</u><br>RM | <u>Total</u><br>RM |
|------------------------------|------------------------------------------|--------------------|
| <u>2021</u> (continued)      |                                          |                    |
| <u>Financial liabilities</u> |                                          |                    |
| Hong Kong Dollar             | 2,097,522                                | 2,097,522          |
| Indian Rupee                 | 2,153,572                                | 2,153,572          |
| Korean Won                   | 2,001,453                                | 2,001,453          |
| Taiwan Dollar                | 1,670,727                                | 1,670,727          |
| United States Dollar         | 1,695,798                                | 1,695,798          |
|                              | <u>9,619,072</u>                         | <u>9,619,072</u>   |

|                         | Shariah<br>compliant<br>quoted<br>equities<br>RM | Cash<br>and cash<br>equivalents<br>RM | Dividends<br>receivable<br>RM | <u>Total</u><br>RM |
|-------------------------|--------------------------------------------------|---------------------------------------|-------------------------------|--------------------|
| <u>2020</u>             |                                                  |                                       |                               |                    |
| <u>Financial assets</u> |                                                  |                                       |                               |                    |
| Australian Dollar       | 7,855,448                                        | 6,190,262                             | -                             | 14,045,710         |
| Chinese Yuan            | -                                                | 2,179,426                             | -                             | 2,179,426          |
| Hong Kong Dollar        | 70,921,304                                       | 21,071,137                            | -                             | 91,992,441         |
| Indian Rupee            | 4,736,523                                        | -                                     | 22,440                        | 4,758,963          |
| Korean Won              | 16,347,036                                       | -                                     | -                             | 16,347,036         |
| Singapore Dollar        | 7,578,795                                        | 1,975,859                             | -                             | 9,554,654          |
| Taiwan Dollar           | 22,654,758                                       | -                                     | -                             | 22,654,758         |
| United States Dollar    | 53,794,577                                       | 53,886                                | -                             | 53,848,463         |
|                         | <u>183,888,441</u>                               | <u>31,470,570</u>                     | <u>22,440</u>                 | <u>215,381,451</u> |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

|                              | Amount<br>due to<br><u>brokers</u><br>RM | <u>Total</u><br>RM |
|------------------------------|------------------------------------------|--------------------|
| <u>2020</u> (continued)      |                                          |                    |
| <u>Financial liabilities</u> |                                          |                    |
| Singapore Dollar             | 4,795,365                                | 4,795,365          |

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

|                      | Change<br><u>in rate</u><br>% | Impact on<br>profit after<br><u>tax/NAV</u><br>RM |
|----------------------|-------------------------------|---------------------------------------------------|
| <u>2021</u>          |                               |                                                   |
| Australian Dollar    | +/- 7.10                      | +/- 1,374,420                                     |
| Chinese Yuan         | +/- 3.40                      | +/- 748,412                                       |
| Hong Kong Dollar     | +/- 3.42                      | +/- 3,273,163                                     |
| Indian Rupee         | +/- 4.46                      | +/- 2,278,914                                     |
| Indonesian Rupiah    | +/- 4.81                      | +/- 557,549                                       |
| Korean Won           | +/- 5.54                      | +/- 1,042,493                                     |
| Singapore Dollar     | +/- 2.86                      | +/- 127,359                                       |
| Taiwan Dollar        | +/- 3.43                      | +/- 1,794,949                                     |
| Thai Baht            | +/- 4.58                      | +/- 88,340                                        |
| United States Dollar | +/- 3.50                      | +/- 3,538,337                                     |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

|                      | Change<br>in rate<br>% | Impact on<br>profit after<br>tax/NAV<br>RM |
|----------------------|------------------------|--------------------------------------------|
| <u>2020</u>          |                        |                                            |
| Australian Dollar    | +/- 15.81              | +/- 2,220,570                              |
| Chinese Yuan         | +/- 6.18               | +/- 134,624                                |
| Hong Kong Dollar     | +/- 7.38               | +/- 6,787,956                              |
| Indian Rupee         | +/- 7.16               | +/- 340,828                                |
| Korean Won           | +/- 8.75               | +/- 1,430,394                              |
| Singapore Dollar     | +/- 5.34               | +/- 254,197                                |
| Taiwan Dollar        | +/- 6.43               | +/- 1,456,229                              |
| United States Dollar | +/- 7.46               | +/- 4,016,796                              |

##### 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.

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

Credit risk arising from placements of 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 AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Credit risk (continued)

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

|                    | Cash<br>and cash<br>equivalents<br>RM | Dividends<br>receivable<br>RM | Amount<br>due from<br>Manager<br>RM | Total<br>RM       |
|--------------------|---------------------------------------|-------------------------------|-------------------------------------|-------------------|
| <u>2021</u>        |                                       |                               |                                     |                   |
| Financial Services |                                       |                               |                                     |                   |
| - AAA              | 440,724                               | -                             | -                                   | 440,724           |
| - AA1              | 14,889,386                            | -                             | -                                   | 14,889,386        |
| Technology         |                                       |                               |                                     |                   |
| - NR               | -                                     | 40,732                        | -                                   | 40,732            |
| Others             |                                       |                               |                                     |                   |
| - NR               | -                                     | -                             | 7,131,201                           | 7,131,201         |
|                    | <u>15,330,110</u>                     | <u>40,732</u>                 | <u>7,131,201</u>                    | <u>22,502,043</u> |
|                    | Cash<br>and cash<br>equivalents<br>RM | Dividends<br>receivable<br>RM | Amount<br>due from<br>Manager<br>RM | Total<br>RM       |
| <u>2020</u>        |                                       |                               |                                     |                   |
| Financial Services |                                       |                               |                                     |                   |
| - AAA              | 1,532,438                             | -                             | -                                   | 1,532,438         |
| - AA1              | 31,506,712                            | -                             | -                                   | 31,506,712        |
| Technology         |                                       |                               |                                     |                   |
| - NR               | -                                     | 22,440                        | -                                   | 22,440            |
| Others             |                                       |                               |                                     |                   |
| - NR               | -                                     | -                             | 1,136,058                           | 1,136,058         |
|                    | <u>33,039,150</u>                     | <u>22,440</u>                 | <u>1,136,058</u>                    | <u>34,197,648</u> |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations 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 year 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<br>one month<br>RM | Between<br>one month<br>to one year<br>RM | Total<br>RM       |
|-----------------------------|---------------------------|-------------------------------------------|-------------------|
| <u>2021</u>                 |                           |                                           |                   |
| Amount due to brokers       | 9,619,072                 | -                                         | 9,619,072         |
| Amount due to Manager       |                           |                                           |                   |
| - management fee            | 581,773                   | -                                         | 581,773           |
| - cancellation of units     | 68,408                    | -                                         | 68,408            |
| Amount due to Trustee       | 19,392                    | -                                         | 19,392            |
| Auditors' remuneration      | -                         | 9,000                                     | 9,000             |
| Tax agent's fee             | -                         | 5,000                                     | 5,000             |
| Other payables and accruals | -                         | 5,697                                     | 5,697             |
|                             | <u>10,288,645</u>         | <u>19,697</u>                             | <u>10,308,342</u> |

##### 2020

|                             |                  |               |                  |
|-----------------------------|------------------|---------------|------------------|
| Amount due to brokers       | 4,795,365        | -             | 4,795,365        |
| Amount due to Manager       |                  |               |                  |
| - management fee            | 347,787          | -             | 347,787          |
| - cancellation of units     | 80,889           | -             | 80,889           |
| Amount due to Trustee       | 11,593           | -             | 11,593           |
| Auditors' remuneration      | -                | 9,000         | 9,000            |
| Tax agent's fee             | -                | 8,500         | 8,500            |
| Other payables and accruals | -                | 1,039         | 1,039            |
|                             | <u>5,235,634</u> | <u>18,539</u> | <u>5,254,173</u> |

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

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

##### 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.

##### Reclassification of Shariah status risk

The risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's advice.

#### **3 FAIR VALUE ESTIMATION**

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

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

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

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

##### (i) Fair value hierarchy

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

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

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

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.

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><br>RM | <u>Level 2</u><br>RM | <u>Level 3</u><br>RM | <u>Total</u><br>RM |
|-------------------------------------------------------|----------------------|----------------------|----------------------|--------------------|
| <u>2021</u>                                           |                      |                      |                      |                    |
| Financial assets at fair value through profit or loss |                      |                      |                      |                    |
| - Shariah-compliant quoted equities                   | 378,283,854          | -                    | -                    | 378,283,854        |
| <u>2020</u>                                           |                      |                      |                      |                    |
| Financial assets at fair value through profit or loss |                      |                      |                      |                    |
| - Shariah-compliant quoted equities                   | 188,782,841          | -                    | -                    | 188,782,841        |
| - Shariah-compliant exchange-traded funds             | 6,223,755            | -                    | -                    | 6,223,755          |
|                                                       | 195,006,596          | -                    | -                    | 195,006,596        |

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

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

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **4 MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 October 2021, the management fee is recognised at a rate of 1.80% (2020: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

#### **5 TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 October 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, exclusive of foreign custodian fees as stated in the Prospectus.

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

#### **6 TAXATION**

|                                         | <u>2021</u><br>RM | <u>2020</u><br>RM |
|-----------------------------------------|-------------------|-------------------|
| Current taxation-foreign                | 631,690           | -                 |
| Deferred tax (Note 9)                   | 876,712           | -                 |
| Overprovision of taxation in prior year | (34,750)          | -                 |
|                                         | <u>1,473,652</u>  | <u>-</u>          |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 6 TAXATION (CONTINUED)

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

|                                                              | <u>2021</u><br>RM | <u>2020</u><br>RM |
|--------------------------------------------------------------|-------------------|-------------------|
| Net profit before taxation                                   | 17,018,837        | 49,839,435        |
| Tax at Malaysian statutory rate of 24% (2020: 24%)           | 4,084,521         | 11,961,464        |
| Tax effects of:                                              |                   |                   |
| Investment income not subject to tax                         | (6,853,065)       | (13,371,767)      |
| Expenses not deductible for tax purposes                     | 1,156,997         | 513,154           |
| Restrictions on tax deductible expenses for Unit Trust Funds | 1,611,547         | 897,149           |
| Foreign income subject to foreign tax rate                   | 1,508,402         | -                 |
| Overprovision of taxation in current year                    | (34,750)          | -                 |
| Tax expense                                                  | <u>1,473,652</u>  | <u>-</u>          |

#### 7 DISTRIBUTIONS

|                                                              | <u>2021</u><br>RM | <u>2020</u><br>RM |
|--------------------------------------------------------------|-------------------|-------------------|
| Distributions to unitholders are from the following sources: |                   |                   |
| Dividend income                                              | 1,021,875         | -                 |
| Profit income from financial assets at<br>amortised cost     | 103,067           | -                 |
| Prior year's realised income                                 | 8,467,018         | 7,847,315         |
| Gross realised income                                        | 9,591,960         | 7,847,315         |
| Less: Expenses                                               | -                 | -                 |
| Net distribution amount                                      | <u>9,591,960</u>  | <u>7,847,315</u>  |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 7 DISTRIBUTIONS (CONTINUED)

Gross/Net distribution per unit (sen)

|             | <u>RM</u> |
|-------------|-----------|
| <u>2021</u> |           |
| 21.7.2021   | 2.00      |
| <u>2020</u> |           |
| 18.12.2019  | 1.50      |
| 15.07.2020  | 1.00      |
|             | 2.50      |

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

Included in distribution for the financial year is an amount of RM8,467,018 (2020: RM7,847,315) made from previous financial year's realised income.

The Fund has incurred an unrealised loss of RM7,199,843 (2020: RM Nil) for the financial year ended 31 October 2021.

#### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|                                                                    | <u>2021</u><br>RM  | <u>2020</u><br>RM  |
|--------------------------------------------------------------------|--------------------|--------------------|
| Financial assets at fair value through profit or loss:             |                    |                    |
| - Shariah-compliant quoted equities – local                        | 5,141,400          | 4,894,400          |
| - Shariah-compliant quoted equities – foreign                      | 373,142,454        | 183,888,441        |
| - Shariah-compliant exchange-traded funds – local                  | -                  | 6,223,755          |
|                                                                    | <u>378,283,854</u> | <u>195,006,596</u> |
| Net gain on financial assets at fair value through profit or loss: |                    |                    |
| - realised gain on sale of investment                              | 31,202,449         | 24,743,750         |
| - unrealised (loss)/gain on changes of fair value                  | (7,213,453)        | 26,928,571         |
| - management fee rebate on collective investment schemes #         | 1,382              | 17,145             |
|                                                                    | <u>23,990,378</u>  | <u>51,689,466</u>  |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

# In arriving at the fair value of exchange traded fund, the management fee initially paid to the Manager of exchange traded fund have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in exchange traded fund have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of exchange traded fund is reflected as an increase in the net asset value of the exchange traded fund.

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities – local as at 31 October 2021 are as follows:

|                                                                          | <u>Quantity</u>  | <u>Aggregate<br/>cost<br/>RM</u> | <u>Fair<br/>value<br/>RM</u> | <u>Percentage<br/>of NAV<br/>%</u> |
|--------------------------------------------------------------------------|------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Telecommunications &amp; Media</u>                                    |                  |                                  |                              |                                    |
| TIME dotCom Bhd                                                          | 1,140,000        | 3,503,980                        | 5,141,400                    | 1.32                               |
| Total Shariah-compliant quoted equities – local                          | <u>1,140,000</u> | <u>3,503,980</u>                 | <u>5,141,400</u>             | <u>1.32</u>                        |
| Accumulated unrealised gain on Shariah-compliant quoted equities – local |                  | <u>1,637,420</u>                 |                              |                                    |
| Total Shariah-compliant quoted equities – local                          |                  | <u>5,141,400</u>                 |                              |                                    |

(ii) Shariah-compliant quoted equities – local as at 31 October 2020 are as follows:

|                                                                          | <u>Quantity</u> | <u>Aggregate<br/>cost<br/>RM</u> | <u>Fair<br/>value<br/>RM</u> | <u>Percentage<br/>of NAV<br/>%</u> |
|--------------------------------------------------------------------------|-----------------|----------------------------------|------------------------------|------------------------------------|
| <u>Telecommunications &amp; Media</u>                                    |                 |                                  |                              |                                    |
| TIME dotCom Bhd                                                          | 380,000         | 3,503,980                        | 4,894,400                    | 2.19                               |
| Total Shariah-compliant quoted equities – local                          | <u>380,000</u>  | <u>3,503,980</u>                 | <u>4,894,400</u>             | <u>2.19</u>                        |
| Accumulated unrealised gain on Shariah-compliant quoted equities – local |                 | <u>1,390,420</u>                 |                              |                                    |
| Total Shariah-compliant quoted equities – local                          |                 | <u>4,894,400</u>                 |                              |                                    |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign

(i) Shariah-compliant quoted equities – foreign as at 31 October 2021 are as follows:

|                               | <u>Quantity</u> | <u>Aggregate<br/>cost<br/>RM</u> | <u>Fair<br/>value<br/>RM</u> | <u>Percentage<br/>of NAV<br/>%</u> |
|-------------------------------|-----------------|----------------------------------|------------------------------|------------------------------------|
| <u>Australia</u>              |                 |                                  |                              |                                    |
| <u>Basic Materials</u>        |                 |                                  |                              |                                    |
| BHP Group Ltd                 | 57,000          | 7,095,580                        | 6,503,192                    | 1.67                               |
| Newcrest Mining Ltd           | 51,000          | 4,714,508                        | 3,945,923                    | 1.01                               |
|                               | <u>108,000</u>  | <u>11,810,088</u>                | <u>10,449,115</u>            | <u>2.68</u>                        |
| <u>Consumer Discretionary</u> |                 |                                  |                              |                                    |
| Bapcor Ltd                    | 180,000         | 4,096,243                        | 4,453,202                    | 1.14                               |
|                               | <u>180,000</u>  | <u>4,096,243</u>                 | <u>4,453,202</u>             | <u>1.14</u>                        |
| <u>Health Care</u>            |                 |                                  |                              |                                    |
| CSL Ltd                       | 4,500           | 3,907,064                        | 4,204,710                    | 1.08                               |
|                               | <u>4,500</u>    | <u>3,907,064</u>                 | <u>4,204,710</u>             | <u>1.08</u>                        |
| <u>China</u>                  |                 |                                  |                              |                                    |
| <u>Consumer Discretionary</u> |                 |                                  |                              |                                    |
| China Tourism Group Duty Free | 58,902          | 11,607,390                       | 10,216,289                   | 2.62                               |
|                               | <u>58,902</u>   | <u>11,607,390</u>                | <u>10,216,289</u>            | <u>2.62</u>                        |
| <u>Industrials</u>            |                 |                                  |                              |                                    |
| Nari Technology Co Ltd        | 228,980         | 4,789,190                        | 5,757,980                    | 1.48                               |
|                               | <u>228,980</u>  | <u>4,789,190</u>                 | <u>5,757,980</u>             | <u>1.48</u>                        |
| <u>Technology</u>             |                 |                                  |                              |                                    |
| Will Semiconductor Co Ltd     | 24,500          | 3,954,709                        | 4,210,634                    | 1.08                               |
|                               | <u>24,500</u>   | <u>3,954,709</u>                 | <u>4,210,634</u>             | <u>1.08</u>                        |
| <u>Hong Kong</u>              |                 |                                  |                              |                                    |
| <u>Basic Materials</u>        |                 |                                  |                              |                                    |
| Ganfeng Lithium Co Ltd        | 72,000          | 4,634,823                        | 5,589,604                    | 1.43                               |
|                               | <u>72,000</u>   | <u>4,634,823</u>                 | <u>5,589,604</u>             | <u>1.43</u>                        |

## AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 October 2021 are as follows:  
(continued)

|                               | Quantity         | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|-------------------------------|------------------|-------------------------|---------------------|---------------------------|
| <u>Hong Kong (continued)</u>  |                  |                         |                     |                           |
| <u>Consumer Discretionary</u> |                  |                         |                     |                           |
| BYD Co Ltd                    | 38,000           | 5,432,165               | 5,997,193           | 1.54                      |
| Haier Smart Home Co Ltd       | 260,000          | 4,038,800               | 4,018,951           | 1.03                      |
| JD.com Inc                    | 45,000           | 7,573,668               | 7,432,373           | 1.91                      |
| Li Ning Company Limited       | 90,000           | 4,341,123               | 4,137,610           | 1.06                      |
| Shenzhou Intl Group Holdings  | 52,000           | 4,389,193               | 4,642,892           | 1.19                      |
| Techtronic Industries Co      | 50,000           | 3,609,952               | 4,256,800           | 1.09                      |
| Topsports International Hld   | 820,000          | 4,051,652               | 4,118,880           | 1.06                      |
|                               | <u>1,355,000</u> | <u>33,436,553</u>       | <u>34,604,699</u>   | <u>8.88</u>               |
| <u>Consumer Staples</u>       |                  |                         |                     |                           |
| China Feihe Ltd               | 486,000          | 5,370,594               | 3,346,292           | 0.86                      |
| China Mengniu Dairy Co Ltd    | 337,000          | 8,100,876               | 8,876,226           | 2.28                      |
|                               | <u>823,000</u>   | <u>13,471,470</u>       | <u>12,222,518</u>   | <u>3.14</u>               |
| <u>Health Care</u>            |                  |                         |                     |                           |
| Hangzhou Tigermed Consulting  | 74,500           | 7,005,683               | 6,013,608           | 1.54                      |
| <u>Industrials</u>            |                  |                         |                     |                           |
| Swire Pacific Limited - CL A  | 294,000          | 9,174,388               | 7,657,611           | 1.97                      |
| <u>Real Estate</u>            |                  |                         |                     |                           |
| China Overseas Land & Invest  | 420,000          | 4,135,691               | 3,834,951           | 0.98                      |
| Link REIT                     | 153,464          | 5,712,948               | 5,634,415           | 1.45                      |
| Longfor Group Holdings Ltd    | 196,000          | 4,105,768               | 3,937,008           | 1.01                      |
|                               | <u>769,464</u>   | <u>13,954,407</u>       | <u>13,406,374</u>   | <u>3.44</u>               |
| <u>Technology</u>             |                  |                         |                     |                           |
| Tencent Holdings Ltd          | 71,500           | 20,828,167              | 18,299,717          | 4.70                      |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 October 2021 are as follows:  
(continued)

|                                 | Quantity  | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|---------------------------------|-----------|-------------------------|---------------------|---------------------------|
| <u>India</u>                    |           |                         |                     |                           |
| <u>Consumer Discretionary</u>   |           |                         |                     |                           |
| Dixon Technologies India Ltd    | 35,600    | 7,316,830               | 9,786,308           | 2.51                      |
| <u>Consumer Staples</u>         |           |                         |                     |                           |
| Varun Beverages Ltd             | 160,396   | 5,349,876               | 7,513,248           | 1.93                      |
| <u>Energy</u>                   |           |                         |                     |                           |
| Oil & Natural Gas Corp Ltd      | 1,090,000 | 9,215,073               | 9,026,481           | 2.31                      |
| Reliance Industries Ltd         | 66,500    | 8,686,498               | 9,341,642           | 2.40                      |
|                                 | 1,156,500 | 17,901,571              | 18,368,123          | 4.71                      |
| <u>Health Care</u>              |           |                         |                     |                           |
| Apollo Hospitals Ent Ltd        | 17,500    | 4,123,230               | 4,143,905           | 1.06                      |
| Dr Reddy's Laboratories Ltd     | 30,000    | 7,981,082               | 7,672,211           | 1.97                      |
|                                 | 47,500    | 12,104,312              | 11,816,116          | 3.03                      |
| <u>Technology</u>               |           |                         |                     |                           |
| Infosys Ltd                     | 62,000    | 6,024,687               | 5,725,762           | 1.47                      |
| <u>Indonesia</u>                |           |                         |                     |                           |
| <u>Consumer Staples</u>         |           |                         |                     |                           |
| Unilever Indonesia Tbk PT       | 4,000,000 | 5,819,170               | 5,164,328           | 1.33                      |
| <u>Telecommunications</u>       |           |                         |                     |                           |
| Telkom Indonesia Persero Tbk PT | 4,000,000 | 3,856,404               | 4,439,920           | 1.14                      |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 October 2021 are as follows:  
(continued)

|                                    | Quantity | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|------------------------------------|----------|-------------------------|---------------------|---------------------------|
| <u>South Korea</u>                 |          |                         |                     |                           |
| <u>Technology</u>                  |          |                         |                     |                           |
| NAVER Corp                         | 4,050    | 5,790,909               | 5,831,118           | 1.50                      |
| Samsung Electronics Co Ltd         | 16,000   | 4,032,344               | 3,955,594           | 1.01                      |
| Samsung SDI Co Ltd                 | 2,700    | 6,857,556               | 7,019,337           | 1.80                      |
| SK Hynix Inc                       | 11,000   | 3,973,039               | 4,012,973           | 1.03                      |
|                                    | 33,750   | 20,653,848              | 20,819,022          | 5.34                      |
| <u>Singapore</u>                   |          |                         |                     |                           |
| <u>Real Estate</u>                 |          |                         |                     |                           |
| Fraser's Centrepoint Trust         | 600,000  | 4,351,946               | 4,431,456           | 1.14                      |
| <u>Taiwan</u>                      |          |                         |                     |                           |
| <u>Consumer Discretionary</u>      |          |                         |                     |                           |
| Feng Tay Enterprise Co Ltd         | 122,000  | 3,953,757               | 3,921,178           | 1.01                      |
| <u>Technology</u>                  |          |                         |                     |                           |
| ASE Technology Holding Co Ltd      | 140,000  | 2,050,154               | 2,079,034           | 0.53                      |
| Asmedia Technology Inc             | 8,000    | 2,007,037               | 1,934,400           | 0.50                      |
| Global Unichip Corp                | 69,000   | 4,432,230               | 6,139,786           | 1.58                      |
| Nan Ya Printed Circuit Board       | 84,000   | 5,631,711               | 6,124,608           | 1.57                      |
| Taiwan Semiconductor Manufacturing | 366,000  | 24,099,111              | 32,131,872          | 8.25                      |
|                                    | 667,000  | 38,220,243              | 48,409,700          | 12.43                     |
| <u>Thailand</u>                    |          |                         |                     |                           |
| <u>Industrials</u>                 |          |                         |                     |                           |
| Airports of Thailand PCL           | 240,000  | 2,022,501               | 1,928,823           | 0.50                      |

## AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 October 2021 are as follows:  
(continued)

|                                                                                  | Quantity          | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|----------------------------------------------------------------------------------|-------------------|-------------------------|---------------------|---------------------------|
| <u>United States</u>                                                             |                   |                         |                     |                           |
| <u>Consumer Discretionary</u>                                                    |                   |                         |                     |                           |
| Alibaba Group Holding Ltd                                                        | 10,668            | 7,890,689               | 7,282,018           | 1.87                      |
| Amazon.com Inc                                                                   | 1,105             | 15,625,432              | 15,424,129          | 3.96                      |
| Estee Lauder Companies Inc                                                       | 5,350             | 5,977,167               | 7,177,421           | 1.84                      |
| Walmart Inc                                                                      | 6,500             | 4,141,240               | 4,019,921           | 1.03                      |
|                                                                                  | <u>23,623</u>     | <u>33,634,528</u>       | <u>33,903,489</u>   | <u>8.70</u>               |
| <u>Industrials</u>                                                               |                   |                         |                     |                           |
| Axon Enterprise Inc                                                              | 9,000             | 5,028,861               | 6,693,260           | 1.72                      |
| <u>Technology</u>                                                                |                   |                         |                     |                           |
| Alphabet Inc - Class C                                                           | 490               | 5,788,130               | 6,013,671           | 1.54                      |
| Apple Inc.                                                                       | 19,300            | 10,112,572              | 11,962,434          | 3.07                      |
| Applied Materials Inc                                                            | 7,500             | 4,462,330               | 4,241,958           | 1.09                      |
| Microsoft Corporation                                                            | 12,350            | 9,317,709               | 16,951,303          | 4.35                      |
| NVIDIA Corp                                                                      | 13,200            | 7,306,866               | 13,966,294          | 3.58                      |
|                                                                                  | <u>52,840</u>     | <u>36,987,607</u>       | <u>53,135,660</u>   | <u>13.63</u>              |
| Total Shariah-compliant quoted<br>equities – foreign                             | <u>15,274,555</u> | <u>345,896,316</u>      | <u>373,142,454</u>  | <u>95.77</u>              |
| Accumulated unrealised gain on<br>Shariah-compliant<br>quoted equities – foreign |                   | <u>27,246,138</u>       |                     |                           |
| Total Shariah-compliant quoted<br>equities – foreign                             |                   | <u>373,142,454</u>      |                     |                           |

## AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 October 2020 are as follows:

|                                | Quantity  | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|--------------------------------|-----------|-------------------------|---------------------|---------------------------|
| <u>Australia</u>               |           |                         |                     |                           |
| <u>Basic Materials</u>         |           |                         |                     |                           |
| BHP Group Ltd                  | 57,500    | 5,061,761               | 5,671,925           | 2.53                      |
| <u>Health Care</u>             |           |                         |                     |                           |
| CSL Ltd                        | 2,600     | 2,192,496               | 2,183,523           | 0.98                      |
| <u>Hong Kong</u>               |           |                         |                     |                           |
| <u>Consumer Goods</u>          |           |                         |                     |                           |
| China Mengniu Dairy Co Ltd     | 226,000   | 3,508,056               | 4,412,112           | 1.97                      |
| Nesteer Automotive Group Ltd   | 700,000   | 2,410,214               | 2,418,234           | 1.08                      |
| Shenzhen Intl Group Holdings   | 46,000    | 2,157,107               | 3,296,511           | 1.47                      |
|                                | 972,000   | 8,075,377               | 10,126,857          | 4.52                      |
| <u>Consumer Services</u>       |           |                         |                     |                           |
| Alibaba Group Holding Ltd      | 60,000    | 6,425,915               | 9,422,275           | 4.21                      |
| China Yuhua Education Corp Ltd | 1,286,000 | 3,744,885               | 4,201,568           | 1.88                      |
| Chow Tai Fook Jewellery Group  | 991,000   | 3,398,000               | 5,249,410           | 2.34                      |
| JD.com Inc                     | 15,000    | 2,585,628               | 2,532,317           | 1.13                      |
| Meituan Dianping               | 17,000    | 2,228,731               | 2,622,298           | 1.17                      |
|                                | 2,369,000 | 18,383,159              | 24,027,868          | 10.73                     |
| <u>Financial Services</u>      |           |                         |                     |                           |
| A-Living Services Co Ltd       | 206,000   | 4,770,997               | 3,585,842           | 1.60                      |
| China Resources Land Ltd       | 224,000   | 4,215,232               | 3,779,194           | 1.69                      |
| Shimao Services Hldg Ltd       | 4,114     | 37,815                  | 36,577              | 0.02                      |
|                                | 434,114   | 9,024,044               | 7,401,613           | 3.31                      |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 October 2020 are as follows:  
(continued)

|                                                   | Quantity       | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|---------------------------------------------------|----------------|-------------------------|---------------------|---------------------------|
| <u>Hong Kong (continued)</u>                      |                |                         |                     |                           |
| <u>Technology</u>                                 |                |                         |                     |                           |
| Alibaba Health Information<br>Technology Ltd      | 600,000        | 6,502,215               | 6,491,472           | 2.90                      |
| Tencent Holdings Ltd                              | 62,100         | 11,057,651              | 19,640,479          | 8.77                      |
| Xiaomi Corp                                       | 275,000        | 2,243,930               | 3,233,015           | 1.44                      |
|                                                   | <u>937,100</u> | <u>19,803,796</u>       | <u>29,364,966</u>   | <u>13.11</u>              |
| <u>India</u>                                      |                |                         |                     |                           |
| <u>Technology</u>                                 |                |                         |                     |                           |
| HCL Technologies Ltd                              | 100,000        | 4,693,003               | 4,736,523           | 2.11                      |
| <u>South Korea</u>                                |                |                         |                     |                           |
| <u>Preference Shares</u>                          |                |                         |                     |                           |
| Samsung Electronics Co Ltd<br>- Preference Shares | 45,557         | 7,297,711               | 8,350,638           | 3.73                      |
| <u>Technology</u>                                 |                |                         |                     |                           |
| SK Hynix Inc                                      | 27,354         | 8,437,027               | 7,996,398           | 3.57                      |
|                                                   | <u>72,911</u>  | <u>15,734,738</u>       | <u>16,347,036</u>   | <u>7.30</u>               |
| <u>Singapore</u>                                  |                |                         |                     |                           |
| <u>Industrials</u>                                |                |                         |                     |                           |
| Nanofilm Technologies Intl PL<br>Venture Corp Ltd | 600,000        | 4,793,448               | 5,293,602           | 2.36                      |
|                                                   | 39,000         | 1,857,882               | 2,285,193           | 1.02                      |
|                                                   | <u>639,000</u> | <u>6,651,330</u>        | <u>7,578,795</u>    | <u>3.38</u>               |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 October 2020 are as follows:  
(continued)

|                                                   | Quantity | Aggregate<br>cost<br>RM | Fair<br>value<br>RM | Percentage<br>of NAV<br>% |
|---------------------------------------------------|----------|-------------------------|---------------------|---------------------------|
| <u>Taiwan</u>                                     |          |                         |                     |                           |
| <u>Consumer Goods</u>                             |          |                         |                     |                           |
| Largan Precision Co Ltd                           | 5,000    | 3,141,397               | 2,196,150           | 0.98                      |
| <u>Industrials</u>                                |          |                         |                     |                           |
| Delta Electronics Inc                             | 147,000  | 4,012,345               | 4,044,764           | 1.81                      |
| <u>Technology</u>                                 |          |                         |                     |                           |
| Parade Technologies Ltd                           | 15,000   | 2,275,512               | 2,363,130           | 1.06                      |
| Taiwan Semiconductor<br>Manufacturing Company Ltd | 224,000  | 9,014,591               | 14,050,714          | 6.27                      |
|                                                   | 239,000  | 11,290,103              | 16,413,844          | 7.33                      |
| <u>United States</u>                              |          |                         |                     |                           |
| <u>Consumer Goods</u>                             |          |                         |                     |                           |
| The Coca-Cola Company                             | 11,000   | 2,194,283               | 2,195,982           | 0.98                      |
| <u>Consumer Services</u>                          |          |                         |                     |                           |
| Alibaba Group Holding Ltd                         | 11,468   | 7,576,549               | 14,503,253          | 6.48                      |
| TJX Cos Inc                                       | 14,477   | 3,221,976               | 3,052,444           | 1.36                      |
|                                                   | 25,945   | 10,798,525              | 17,555,697          | 7.84                      |
| <u>Financial Services</u>                         |          |                         |                     |                           |
| Visa Inc                                          | 5,150    | 4,001,705               | 3,888,971           | 1.74                      |
| <u>Health Care</u>                                |          |                         |                     |                           |
| Anthem Inc                                        | 4,400    | 5,272,080               | 4,984,929           | 2.23                      |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities - foreign as at 31 October 2020 are as follows:  
(continued)

|                                                                                  | <u>Quantity</u> | <u>Aggregate<br/>cost<br/>RM</u> | <u>Fair<br/>value<br/>RM</u> | <u>Percentage<br/>of NAV<br/>%</u> |
|----------------------------------------------------------------------------------|-----------------|----------------------------------|------------------------------|------------------------------------|
| <u>United States</u> (continued)                                                 |                 |                                  |                              |                                    |
| <u>Industrials</u>                                                               |                 |                                  |                              |                                    |
| TransUnion                                                                       | 7,000           | 2,445,795                        | 2,315,796                    | 1.03                               |
| <u>Technology</u>                                                                |                 |                                  |                              |                                    |
| Alphabet Inc - Class C                                                           | 785             | 4,228,788                        | 5,284,891                    | 2.36                               |
| Facebook Inc                                                                     | 8,100           | 6,686,315                        | 8,863,283                    | 3.96                               |
| Microsoft Corporation                                                            | 10,350          | 7,370,269                        | 8,705,028                    | 3.88                               |
|                                                                                  | 19,235          | 18,285,372                       | 22,853,202                   | 10.20                              |
| Total Shariah-compliant quoted<br>equities – foreign                             | 6,047,955       | 151,061,309                      | 183,888,441                  | 82.11                              |
| Accumulated unrealised gain on<br>Shariah-compliant<br>quoted equities – foreign |                 | 32,827,132                       |                              |                                    |
| Total Shariah-compliant quoted<br>equities – foreign                             |                 | 183,888,441                      |                              |                                    |

(c) Shariah-compliant exchange-traded fund – local

(i) There is no Shariah-compliant exchange-traded fund – local as at 31 October 2021.

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

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

(c) Shariah-compliant exchange-traded fund – local (continued)

(ii) Shariah-compliant exchange-traded fund – local as at 31 October 2020 are as follows:

|                                                                                     | <u>Quantity</u>  | <u>Aggregate<br/>cost<br/>RM</u> | <u>Fair<br/>value<br/>RM</u> | <u>Percentage<br/>of NAV<br/>%</u> |
|-------------------------------------------------------------------------------------|------------------|----------------------------------|------------------------------|------------------------------------|
| TradePlus Shariah Gold Tracker                                                      | 2,499,500        | 4,344,296                        | 6,223,755                    | 2.78                               |
| Total Shariah-compliant<br>exchange-traded fund – local                             | <u>2,499,500</u> | <u>4,344,296</u>                 | <u>6,223,755</u>             | <u>2.78</u>                        |
| Accumulated unrealised gain<br>on Shariah-compliant<br>exchange-traded fund – local |                  | <u>1,879,459</u>                 |                              |                                    |
| Total Shariah-compliant<br>exchange-traded fund – local                             |                  | <u>6,223,755</u>                 |                              |                                    |

#### 9 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

|                          | <u>2021<br/>RM</u> | <u>2020<br/>RM</u> |
|--------------------------|--------------------|--------------------|
| Deferred tax assets      | -                  | -                  |
| Deferred tax liabilities | (876,712)          | -                  |
|                          | <u>(876,712)</u>   | <u>-</u>           |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 9 DEFERRED TAX (CONTINUED)

The movements in the deferred tax assets/ (liabilities) balances are as follows:

|                                                | Unrealised gain on<br>financial assets<br>at fair value through<br>profit or loss<br>RM |
|------------------------------------------------|-----------------------------------------------------------------------------------------|
| <u>2021</u>                                    |                                                                                         |
| Balance at the beginning of the financial year | -                                                                                       |
| Transfer to income statement                   | (876,712)                                                                               |
| Balance as at the end of the financial year    | <u>(876,712)</u>                                                                        |

#### 10 CASH AND CASH EQUIVALENTS

|                                                                           | <u>2021</u><br>RM | <u>2020</u><br>RM |
|---------------------------------------------------------------------------|-------------------|-------------------|
| Cash and bank balances                                                    | 14,889,386        | 31,506,712        |
| Short-term Shariah-based deposits with<br>licensed financial institutions | 440,724           | 1,532,438         |
|                                                                           | <u>15,330,110</u> | <u>33,039,150</u> |

Weighted average effective profit rates per annum of Shariah-based deposits with licensed financial institutions are as follows:

|                                                             | <u>2021</u><br>% | <u>2020</u><br>% |
|-------------------------------------------------------------|------------------|------------------|
| Shariah-based deposits with licensed financial institutions | <u>1.65</u>      | <u>1.65</u>      |

Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2020: 2 days).

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)**

#### **11 SHARIAH INFORMATION OF THE FUND**

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the SC;
- (b) Equities securities listed in foreign markets which have been approved by the local Shariah governing bodies of the respective countries or listed under the list of Shariah-compliant securities issued by the Shariah indices recognised internationally;
- (c) Exchange trade funds which has been classified as Shariah-compliant by the Shariah Advisory Council of the SC; and
- (d) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

#### **12 NUMBER OF UNITS IN CIRCULATION**

|                                              | <u>2021</u><br>No. of units | <u>2020</u><br>No. of units |
|----------------------------------------------|-----------------------------|-----------------------------|
| At the beginning of the financial year       | 298,750,000                 | 343,759,000                 |
| Creation of units arising from applications  | 256,460,316                 | 61,473,087                  |
| Creation of units arising from distributions | 11,310,684                  | 11,824,316                  |
| Cancellation of units                        | (80,608,000)                | (118,306,403)               |
| At the end of the financial year             | <u>485,913,000</u>          | <u>298,750,000</u>          |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 13 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 10 brokers for the financial year ended 31 October 2021 are as follows:

| Name of brokers                      | Value<br>of trade<br>RM | Percentage<br>of total trade<br>% | Brokerage<br>fees<br>RM | Percentage of<br>total brokerage<br>% |
|--------------------------------------|-------------------------|-----------------------------------|-------------------------|---------------------------------------|
| Robert W Baird & Co                  | 144,399,368             | 10.12                             | 19,895                  | 0.55                                  |
| CLSA Ltd (Hong Kong)                 | 125,637,717             | 8.81                              | 275,216                 | 7.62                                  |
| Macquarie Securities Ltd (Korea)     | 92,430,468              | 6.48                              | 199,044                 | 5.51                                  |
| Cathay Securities Corporation        | 90,539,930              | 6.35                              | 405,550                 | 11.24                                 |
| CLSA Securities Korea Ltd            | 83,968,638              | 5.89                              | 144,618                 | 4.01                                  |
| Macquarie Securities (Australia) Ltd | 80,299,737              | 5.63                              | 170,064                 | 4.71                                  |
| Macquarie Capital Securities India   | 67,481,508              | 4.73                              | 237,413                 | 6.58                                  |
| Masterlink Securities Co Ltd         | 62,536,626              | 4.38                              | 245,079                 | 6.79                                  |
| JP Morgan Securities (Asia Pacific)  | 57,980,423              | 4.06                              | 208,734                 | 5.78                                  |
| Sanford C Bernstein And Co, Llc      | 52,053,313              | 3.65                              | 126,457                 | 3.50                                  |
| Others #                             | 569,136,757             | 39.90                             | 1,577,625               | 43.71                                 |
|                                      | <u>1,426,464,485</u>    | <u>100.00</u>                     | <u>3,609,695</u>        | <u>100.00</u>                         |

- (ii) Details of transactions with the top 10 brokers for the financial year ended 31 October 2020 are as follows:

| Name of brokers                    | Value<br>of trade<br>RM | Percentage<br>of total trade<br>% | Brokerage<br>fees<br>RM | Percentage of<br>total brokerage<br>% |
|------------------------------------|-------------------------|-----------------------------------|-------------------------|---------------------------------------|
| Robert W. Baird & Co.              | 92,315,744              | 13.12                             | 16,927                  | 1.06                                  |
| CLSA Ltd (Hong Kong)               | 81,946,652              | 11.65                             | 156,817                 | 9.78                                  |
| Macquarie Bank Ltd (Hong Kong)     | 61,038,038              | 8.68                              | 124,087                 | 7.74                                  |
| Cathay Securities Corporation      | 45,790,991              | 6.51                              | 184,521                 | 11.50                                 |
| CLSA Securities Korea Ltd.         | 39,706,391              | 5.64                              | 62,389                  | 3.89                                  |
| Masterlink Securities Co. Ltd      | 29,661,244              | 4.22                              | 140,341                 | 8.75                                  |
| JPMorgan Securities (Asia Pacific) | 24,651,965              | 3.50                              | 85,414                  | 5.32                                  |
| CLSA Australia Pty Ltd             | 24,389,441              | 3.47                              | 19,570                  | 1.22                                  |
| Macquarie Bank Ltd (Australia)     | 23,098,547              | 3.28                              | 27,826                  | 1.73                                  |
| Macquarie Securities Ltd (KR)      | 21,488,898              | 3.06                              | 57,803                  | 3.60                                  |
| Others #                           | 259,365,210             | 36.87                             | 728,421                 | 45.41                                 |
|                                    | <u>703,453,121</u>      | <u>100.00</u>                     | <u>1,604,116</u>        | <u>100.00</u>                         |

# Included in transaction with brokers are trades with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting to RM22,516,259 (2020: RM7,925,934). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 14 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

| <u>Related parties</u>                                                                | <u>Relationships</u>                                                                                                           |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Lembaga Tabung Angkatan Tentera ("LTAT")                                              | Ultimate holding corporate body of the Manager                                                                                 |
| Affin Bank Berhad ("ABB")                                                             | Penultimate holding company of the Manager                                                                                     |
| Affin Hwang Investment Bank Berhad                                                    | Holding company of the Manager                                                                                                 |
| Affin Hwang Asset Management Berhad                                                   | The Manager                                                                                                                    |
| Subsidiaries and associated companies of ABB as disclosed in its financial statements | Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements |
| Directors of Affin Hwang Asset Management Berhad                                      | Directors of the Manager                                                                                                       |

The units held by the Manager and parties related to the Manager as at the end of the financial year are as follows:

|                                                                                               | <u>2021</u>      |                  | <u>2020</u>    |                |
|-----------------------------------------------------------------------------------------------|------------------|------------------|----------------|----------------|
|                                                                                               | No. of units     | RM               | No. of units   | RM             |
| <u>The Manager:</u>                                                                           |                  |                  |                |                |
| Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)         | <u>217,232</u>   | <u>174,198</u>   | <u>134,079</u> | <u>100,506</u> |
| <u>Subsidiary of the Manager:</u>                                                             |                  |                  |                |                |
| AIIMAN Asset Management Sdn Bhd (The units are held beneficially)                             | <u>258,831</u>   | <u>207,557</u>   | <u>-</u>       | <u>-</u>       |
| <u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u> |                  |                  |                |                |
| ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)                              | <u>3,645,793</u> | <u>2,923,561</u> | <u>-</u>       | <u>-</u>       |

## AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

#### 15 MANAGEMENT EXPENSE RATIO ("MER")

|     | <u>2021</u><br>% | <u>2020</u><br>% |
|-----|------------------|------------------|
| MER | <u>1.92</u>      | <u>1.94</u>      |

MER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebates
- B = Trustee fee
- 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 NAV of the Fund for the financial year calculated on a daily basis is RM372,558,695 (2020: RM209,758,926).

#### 16 PORTFOLIO TURNOVER RATIO ("PTR")

|             | <u>2021</u> | <u>2020</u> |
|-------------|-------------|-------------|
| PTR (times) | <u>1.87</u> | <u>1.62</u> |

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM792,845,798 (2020: RM328,418,060)  
total disposal for the financial year = RM602,355,087 (2020: RM350,291,311)

#### 17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

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

## **AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 43 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 October 2021 and of its financial performance, changes in equity and cash flows for the financial year ended 31 October 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 December 2021

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman Asia (ex Japan) Growth Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 October 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 43.

### Basis for opinion

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

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

### *Independence and other ethical responsibilities*

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN ASIA (EX JAPAN) 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 Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine 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 intend to liquidate the Fund or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
15 December 2021

## **DIRECTORY OF SALES OFFICE**

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