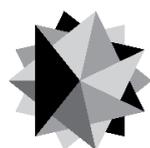


Affin Hwang Aiiman

Asia (ex Japan) Growth Fund

Annual Report
31 October 2019

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 2019

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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 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	83,547	158,564
5,001 to 10,000	5,852	38,762
10,001 to 50,000	340	5,011
50,001 to 500,000	37	5,045
500,001 and above	7	136,360
Total	89,783	343,742

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Oct 2019 (%)	As at 31 Oct 2018 (%)	As at 31 Oct 2017 (%)
Portfolio composition			
Shariah-compliant quoted equities – local			
- Construction	-	-	4.93
- Consumer products & services	2.24	-	-
- Financial services	1.92	-	-
- Healthcare	2.10	-	-
- Industrial products	-	2.64	3.62
- Technology	3.04	-	1.54
- Telecommunication & media	2.15	-	-
- Trading / services	-	-	3.59
- Warrant	-	0.03	0.07
Total Shariah-compliant quoted equities – local	11.45	2.67	13.75
Shariah-compliant quoted equities – foreign			
- Basic materials	3.14	3.03	2.40
- Consumer goods	8.56	1.99	5.32
- Consumer services	14.50	5.12	8.03
- Energy	-	-	6.45
- Financials	3.75	-	-
- Healthcare	1.05	0.94	-
- Industrials	11.31	5.85	2.14
- Oil & gas	-	3.32	-
- Preference shares	3.56	1.15	-
- Real estate	-	-	10.11
- REITs	-	6.28	-
- Technology	22.41	4.39	31.29
- Telecommunications	2.49	3.11	3.29
- Utilities	5.17	7.74	2.17
Total Shariah-compliant quoted equities – foreign	75.94	42.92	71.20
Exchange-traded fund	2.38	1.21	-
Cash & cash equivalent	10.23	53.20	15.05
Total	100.00	100.00	100.00
Total NAV (RM ¹ million)	211.538	227.14	240.716
NAV per Unit (RM)	0.6154	0.5955	0.6775
Unit in Circulation (million)	343.76	381.43	355.289
Highest NAV	0.6404	0.6924	0.6775
Lowest NAV	0.5728	0.5899	0.5299
Return of the Fund (%) ⁱⁱⁱ	3.34	-9.32	26.14
- Capital Growth (%) ⁱ	3.34	-12.10	26.14
- Income Distribution (%) ⁱⁱ	Nil	3.17	Nil
Gross Distribution per Unit (sen)	Nil	2.00	Nil
Net Distribution per Unit (sen)	Nil	2.00	Nil
Management Expense Ratio (%) ¹	1.92	2.00	1.99
Portfolio Turnover Ratio (times) ²	1.30	1.57	0.96

¹The Fund's MER remained relatively unchanged, albeit marginally lower than previous period under review.

²The PTR of the Fund was lower than previous year due to lower 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

Capital Returnⁱ = {NAV per Unit @ 31/10/19 ÷ NAV per Unit @ 31/10/18* – 1} x 100
= (0.6154 ÷ 0.5955 – 1) x 100
= **3.34%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = {(1 + Capital Return x (1 + Income Return)) – 1} x 100
= {(1 + 3.34%) x (1 + 0.00%)} – 1} x 100
= **3.34%**

* Source – Deutsche Trustee Malaysia Berhad

Table 1: Performance of the Fund

	1 Year (1/11/18 - 31/10/19)	3 Years (1/11/16 - 31/10/19)	Since Commencement (30/12/15 - 31/10/19)
Fund	3.34%	18.21%	26.98%
Benchmark	12.50%	22.78%	29.73%
Outperformance / (Underperformance)	(9.16%)	(4.57%)	(2.75%)

Source of Benchmark: Bursa Malaysia

Table 2: Average Total Return

	1 Year (1/11/18 - 31/10/19)	3 Years (1/11/16 - 31/10/19)	Since Commencement (30/12/15 - 31/10/19)
Fund	3.34%	5.74%	6.42%
Benchmark	12.50%	7.08%	7.01%
Outperformance / (Underperformance)	(9.16%)	(1.34%)	(0.59%)

Source of Benchmark: Bursa Malaysia

Table 3: Annual Total Return

	FYE 2019 (01/11/18 - 31/10/19)	FYE 2018 (01/11/17 - 31/10/18)	FYE 2017 (01/11/16 - 31/10/17)	FYE 2016 (30/12/15 - 31/10/16)
Fund	3.34%	(9.32%)	26.14%	7.42%
Benchmark	12.50%	(14.48%)	27.60%	5.66%
Outperformance / (Underperformance)	(9.16%)	5.16%	(1.46%)	1.76%

Source of Benchmark: Bursa Malaysia

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

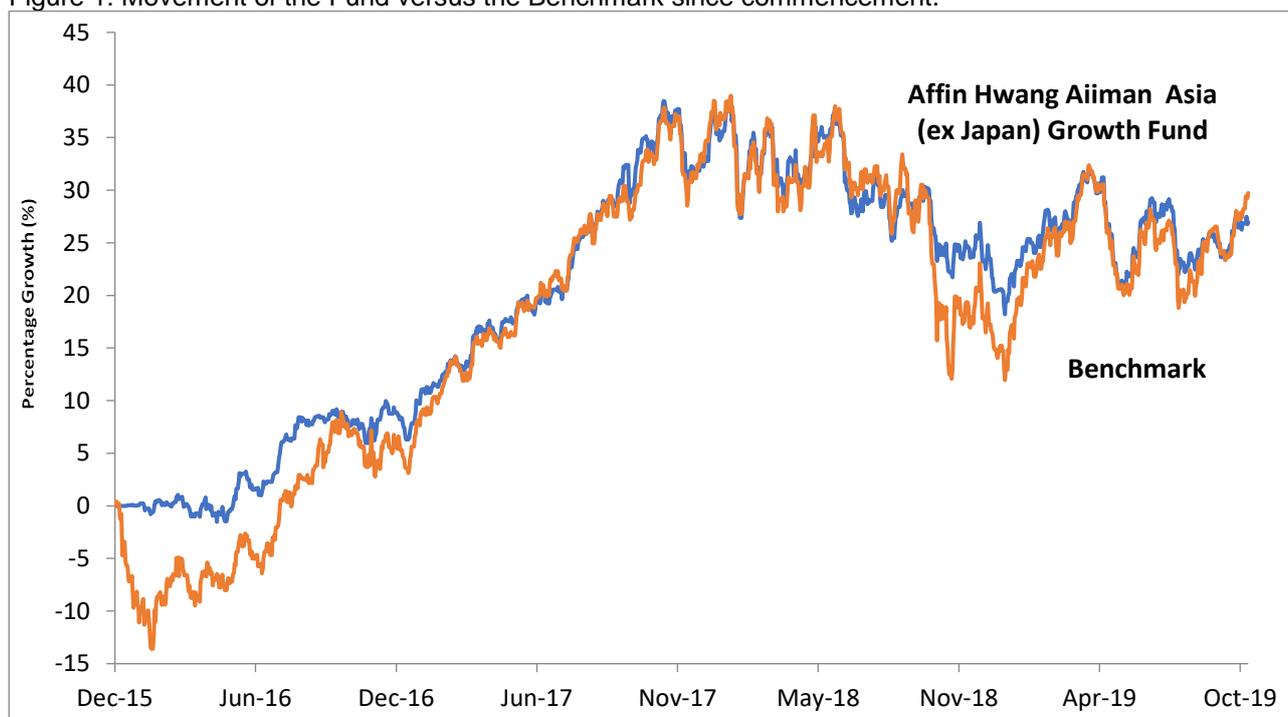
MANAGER'S REPORT

Performance Review

For the period 1 November 2018 to 31 October 2019, the Fund registered a return of 3.34%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2019 was RM 0.6154 while the NAV at 31 November 2018 was RM 0.5955. The Benchmark for the period registered a return of 12.50%. The Fund underperformed the Benchmark by 9.16 percentage points (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

During the period under review, the Fund recorded a positive return based on the change in its NAV per unit. As such, we believe that the Fund has met its objective of providing investors with capital appreciation by investing in Shariah-compliant investments.

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."
Benchmark: Dow Jones Islamic Market Asia / Pacific ex Japan Index

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 31 October 2019.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<u>31 Oct 2019</u>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>
	(%)	(%)	(%)
Shariah-compliant quoted equities – local	11.45	2.67	13.75
Shariah-compliant quoted equities – foreign	75.94	42.92	71.20
Exchange-traded fund	2.38	1.21	-
Cash & Cash equivalent	10.23	53.20	15.05
Total	100.00	100.00	100.00

During the period under review, the Manager had raised cash substantially and reduced the Fund's investment levels due to market volatility. As at 31 October 2019, the asset allocation of the Fund stood at 87.39% in Shariah-compliant equities, 41.80 percentage points lower than 45.59% a year ago. Within the domestic market, the Manager had ceased exposure into sectors like industrial products, while added exposure into consumer, financials, health care, technology and telecommunication & media sectors. No significant changes have been made to the foreign equity space in terms of sector allocation, but weights in technology, consumer services and industrials sector has been added. Nevertheless, the Manager had nearly doubled its foreign equity exposure, to 75.94% from 42.92% a year ago. Cash and cash equivalent on the other hand dropped significantly.

Strategies Employed

Over the period under review, the Manager continued to focus on domestic-driven sectors that are less directly impacted from trade tariffs as well as defensive high yields sectors as volatility persisted in markets. The Manager also raised the investment level as market opportunities arose.

Market Review

Coming into 2019, "Sell in May and go away" has again proven to be a recurring theme this year after deteriorating trade relations between US and China wreaked further havoc across global financial markets in May. Trump raised the tariff on some US\$200 billion worth of Chinese imports to 25.0% from 10.0% earlier that month in an extreme bid to speed up trade negotiations. While the tariff hike was initially downplayed, things took a swift turn on when Trump banned Huawei with a national security order; thus prompting US companies to sever all business ties with the Chinese smartphone and telecommunications giant.

For the first time in more than a decade, the US Federal Reserve ("Fed") reduced interest rates by 25bps in July; effectively lowering the benchmark rate to a new range of 2.00-2.25%. However, the Fed delivered another widely expected 25bps rate cut at its policy meeting in September and October before Fed Chair Jerome Powell stopped short from guiding expectations of further easing indicating that 'monetary policy was in a good place'. The FOMC also dropped the use of the phrase 'act as appropriate' which markets took as a signal that the Fed would likely stay on hold for now.

Asian markets retreated in August as trade tensions flared up again after a surprise tariff announcement from US President Donald Trump. The Hong Kong Hang Seng index fell 7.4%, whilst the broader MSCI Asia ex-Japan index closed 4.6% lower as the prolonged trade row takes another turn for the worse. However things took a turn in October as markets were buoyed by positive trade developments and synchronised monetary easing by global central banks.

Meanwhile, Hong Kong continues to be plagued by protests which are starting to hurt businesses and dent economic growth. The unrest in Hong Kong started since early June when protesters took to the streets to oppose an extradition bill proposal. The demonstrations have shifted into a movement calling for more autonomy, full democracy and the ousting of Hong Kong's embattled leader Carrie Lam.

On a side note, BNM cut the Overnight Policy Rate by 25 bps to 3.00% on 7 May – likely a pre-emptive measure against a weakening external environment as well as slowing domestic growth. The announcement was largely priced in by investors, which saw the MGS market rallied strongly in the few weeks prior to the announcement, though the buying subsequently eased up amid the addition of risks on the global trade front.

Investment Outlook

The global economy is poised to continue to grow at an even keel albeit at a slower pace. We do not see major economic imbalances that would lead to a recession in the immediate term. That said, as we head into a late cycle, we are mindful that uncertainty will stay high from economic, policy and politics perspective.

Whilst the partial trade deal helped provide a lift in sentiment, the temporary trade truce could be easily upended as seen before. Structural issues and more challenging areas in negotiations such as intellectual property and technology transfer has not been addressed yet. The last mile negotiations in the trade talks would be the most critical to look out for. The overall macro environment remains weak as global economies are still showing weak data.

Going forward, we believe there is limited room for further monetary policy easing given already low interest rates. Central banks are more inclined to “save some bullets” for future, i.e. in the event whereby a recession materialises, as well as adopting a “wait-and-see” approach to assess impact post recent rate cuts. Therefore, expectations are that global interest rates are close to bottoming out in the near term. Having said that, we do not foresee central banks reverting to an interest rate hike cycle anytime soon. The biggest risks (both upside and downside) to my view would be ongoing trade negotiations and US inflation.

The Budget 2020 placed a lot more emphasis on job creation and shifted away from the outright disbursement of large cash handouts and subsidies as seen in prior budgets before. In terms of impact, the budget was market-neutral with no immediate catalysts that could drive Bursa higher for now.

However, the absence of any pump-priming measures or announcement of mega infrastructure projects came as a disappointment to the construction sector. The consumer sector could benefit incrementally over time as the trickle-down effects of job creation, allocation for subsidies and social subsidies to address high cost of living and low income levels spur consumption.

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 profits of the unit holders during the period under review.

Soft Commissions received from Brokers

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

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

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

TRUSTEE'S REPORT 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 2019. 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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
10 December 2019

SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

We have acted as the Shariah Adviser of Affin Hwang Aiiman Asia (ex Japan) Growth Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Affin Hwang Asset Management Berhad and the provisions of the Master Deed dated 6 February 2015 and Supplemental Deed dated 5 October 2018 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad, has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 October 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") or SAC of Bank Negara Malaysia ("BNM"). As for the securities which are not certified by the SACSC or BNM, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**

DATUK DR MOHD DAUD BAKAR
Chief Executive Officer

Kuala Lumpur
10 December 2019

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
INVESTMENT INCOME/(LOSS)			
Dividend income		4,712,791	5,423,612
Profit income from financial assets at amortised cost		67,072	573,239
Net (loss)/gain on foreign currency exchange		(1,487,358)	3,023,252
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(817,893)	182,500
Net gain/(loss) on financial assets at fair value through profit or loss	8	10,486,113	(24,911,157)
		<u>12,960,725</u>	<u>(15,708,554)</u>
EXPENSES			
Management fee	4	(3,957,188)	(4,528,641)
Trustee fee	5	(132,589)	(152,618)
Auditors' remuneration		(9,000)	(7,500)
Tax agent's fee		(47,585)	(29,586)
Transaction cost		(1,164,166)	(2,509,883)
Other expenses		(370,110)	(371,885)
		<u>(5,680,638)</u>	<u>(7,600,113)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		7,280,087	(23,308,667)
TAXATION	6	-	(897,049)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>7,280,087</u>	<u>(24,205,716)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		(6,439,126)	16,977,351
Unrealised amount		13,719,213	(41,183,067)
		<u>7,280,087</u>	<u>(24,205,716)</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 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
ASSETS			
Cash and cash equivalents	9	26,445,750	121,358,286
Financial assets at fair value through profit or loss	8	189,951,276	106,309,289
Amount due from broker		311,759	-
Management fee rebate receivable		1,293	1,159
Dividend receivables		33,385	143,859
TOTAL ASSETS		<u>216,743,463</u>	<u>227,812,593</u>
LIABILITIES			
Amount due to Manager			
- management fee		323,767	356,781
- cancellation of units		186,240	281,830
Amount due to brokers		4,666,501	-
Amount due to Trustee		10,792	11,892
Auditors' remuneration		9,000	7,500
Tax agent's fee		8,500	8,500
Other payables and accruals		1,011	2,607
TOTAL LIABILITIES		<u>5,205,811</u>	<u>669,110</u>
NET ASSET VALUE OF THE FUND		<u>211,537,652</u>	<u>227,143,483</u>
EQUITY			
Unitholders' capital		192,292,318	215,178,236
Retained earnings		19,245,334	11,965,247
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>211,537,652</u>	<u>227,143,483</u>
NUMBER OF UNITS IN CIRCULATION	11	<u>343,759,000</u>	<u>381,433,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6154</u>	<u>0.5955</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 2019

	<u>Unitholders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 November 2018	215,178,236	11,965,247	227,143,483
Total comprehensive income for the financial year	-	7,280,087	7,280,087
Movement in unitholders' capital:			
Creation of units arising from applications	4,343,180	-	4,343,180
Cancellation of units	(27,229,098)	-	(27,229,098)
Balance as at 31 October 2019	<u>192,292,318</u>	<u>19,245,334</u>	<u>211,537,652</u>
Balance as at 1 November 2017	196,902,623	43,813,863	240,716,486
Total comprehensive loss for the financial year	-	(24,205,716)	(24,205,716)
Distribution (Note 7)	-	(7,642,900)	(7,642,900)
Movement in unitholders' capital:			
Creation of units arising from applications	43,769,777	-	43,769,777
Creation of units arising from distributions	7,632,928	-	7,632,928
Cancellation of units	(33,127,092)	-	(33,127,092)
Balance as at 31 October 2018	<u>215,178,236</u>	<u>11,965,247</u>	<u>227,143,483</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 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		249,817,901	454,186,181
Purchase of Shariah-compliant investments		(319,796,538)	(373,259,892)
Dividend income received		4,823,265	4,435,200
Profit income received		67,072	573,239
Management fee paid		(3,976,997)	(4,514,775)
Trustee fee paid		(133,689)	(152,468)
Realised (loss)/gain on forward foreign currency contract		(817,893)	182,500
Payment for other fees and expenses		(426,791)	(2,941,477)
Realised net (loss)/gain on foreign exchange		(1,485,795)	3,021,361
Net cash (used in)/generated from operating activities		<u>(71,929,465)</u>	<u>81,529,869</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		4,343,180	46,251,821
Payments for cancellation of units		(27,324,688)	(32,845,262)
Payments for distribution		-	(9,972)
Net cash (used in)/generated from financing activities		<u>(22,981,508)</u>	<u>13,396,587</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(94,910,973)	94,926,456
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(1,563)	1,891
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>121,358,286</u>	<u>26,429,939</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u><u>26,445,750</u></u>	<u><u>121,358,286</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 2019

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 (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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

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

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 November 2018:

- MFRS 9 ‘Financial Instruments’ became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

Classification and measurement of debt assets is driven by the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (“SPPI”). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. MFRS 9 also introduces a new expected credit loss (“ECL”) impairment model.

MFRS 9 has been applied retrospectively by the Fund and has resulted in the changes outlined in Note H.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 November 2018: (continued)

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2018 that have a material effect on the financial statements of the Fund.

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

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

B INCOME RECOGNITION

Dividend Income

Dividend income from Shariah-compliant quoted equities is recognised 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.

Up to 31 October 2018, when a financing and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continue unwinding the discount as profit income. Profit income on impaired financing and receivables are recognised using the original effective interest rate.

From 1 November 2018, profit income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

The change did not result in any material impact in the Fund.

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

B INCOME RECOGNITION (CONTINUED)

Realised gains and losses on sale of investments

For Shariah-compliant quoted equities, 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.

For shariah-compliant exchange-traded funds (“ETF”) investment, realised gains and losses on sale of investment is 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, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

D DISTRIBUTION

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

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

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised, 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, which is the Fund’s functional and presentation currency.

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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.

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

Up to 31 October 2018, the Fund designates its investment in Shariah-compliant quoted equities and exchange-traded funds as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalents, dividend receivable and amount due from brokers.

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

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

From 1 November 2018, the Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or 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.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITES (CONTINUED)

(i) Classification (continued)

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 profit, 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, dividend receivable, management fee rebate receivable and amount due from brokers as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

(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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 139 up to 31 October 2018 and MFRS 9 from 1 November 2018, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

Gain or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of currency 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 financial year which they arise.

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

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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.

Shariah-based deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the deposit.

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

(iii) Impairment

Up to 31 October 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective yield rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'financing and receivables' has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

From 1 November 2018 onwards, 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

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

Write-off

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

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

I CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term Shariah-based 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 AII MAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the 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.

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

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

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

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

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

AFFIN HWANG AIIAMAN ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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.

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.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

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 12.1 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, 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 with financial institution;
- (f) Islamic money market instruments;
- (g) Shariah-compliant structured products;
- (h) Shariah-compliant collective investment schemes;
- (i) Shariah-compliant derivative approved by the Shariah Adviser including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes only; and
- (j) Any other Shariah-compliant investment instruments permitted by the Shariah Advisory Council of the SC and/or Shariah Advisory from time to time.

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

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 10 December 2019.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	Financial assets at amortised <u>cost</u> RM	Financial assets at fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2019</u>				
Shariah-compliant quoted equities	8	-	184,914,784	184,914,784
Shariah-compliant exchange-traded funds	8	-	5,036,492	5,036,492
Cash and cash equivalents	9	26,445,750	-	26,445,750
Amount due from brokers		311,759	-	311,759
Management fee rebate receivable		1,293	-	1,293
Dividend receivables		33,385	-	33,385
Total		26,792,187	189,951,276	216,743,463
<u>2018</u>				
	<u>Note</u>	Financing and <u>receivables</u> RM	Financial assets at fair value through <u>profit or loss</u> RM	<u>Total</u> RM
Shariah-compliant quoted equities	8	-	103,554,624	103,554,624
Shariah-compliant exchange-traded funds	8	-	2,754,665	2,754,665
Cash and cash equivalents	9	121,358,286	-	121,358,286
Management fee rebate receivable		1,159	-	1,159
Dividend receivables		143,859	-	143,859
Total		121,503,304	106,309,289	227,812,593

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

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

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	<u>2019</u> RM	<u>2018</u> RM
Shariah-compliant quoted investments		
Shariah-compliant quoted equities	184,914,784	103,554,624
	<u> </u>	<u> </u>
Shariah-compliant exchange traded fund		
Exchange traded fund	5,036,492	2,754,665
	<u> </u>	<u> </u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted equities having regard to the historical volatility of the prices.

<u>% Change in price</u>	Impact on profit after taxation	
	<u>Market value</u> RM	<u>/NAV</u> RM
<u>2019</u>		
-5%	180,453,712	(9,497,564)
0%	189,951,276	-
+5%	199,448,840	9,497,564
	<u> </u>	<u> </u>
<u>2018</u>		
-5%	100,993,825	(5,315,464)
0%	106,309,289	-
+5%	111,624,753	5,315,464
	<u> </u>	<u> </u>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

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

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

The Fund's exposure to interest rate risk associated with Shariah-based deposits with licensed financial institutions is not material as the carrying value of the deposit is a reasonable estimate of fair value as the deposit is 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 an 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 a 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 compliant quoted equities RM	Cash and cash equivalents RM	Amount due to brokers RM	Total RM
<u>2019</u>				
Australian Dollar	4,338,521	14,435	-	4,352,956
Hong Kong Dollar	50,058,208	8,757,632	-	58,815,840
Indonesia Dollar	4,979,591	-	-	4,979,591
Korea Won	22,098,150	-	-	22,098,150
Singapore Dollar	10,810,067	4,262,854	-	15,072,921
Taiwan Dollar	39,365,218	-	(2,286,515)	37,078,703
United States Dollar	29,038,572	2,408,051	-	31,446,623
	<u>160,688,327</u>	<u>15,442,972</u>	<u>(2,286,515)</u>	<u>173,844,784</u>

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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)

	Shariah compliant quoted equities RM	Cash and cash equivalents RM	Dividend receivables RM	Total RM
<u>2018</u>				
Australian Dollar	4,835,983	42,241	-	4,878,224
Hong Kong Dollar	54,244,778	50,114,869	143,859	104,503,506
India Rupee	2,515,553	-	-	2,515,553
Korea Won	4,657,123	-	-	4,657,123
Singapore Dollar	6,195,144	7,855,833	-	14,050,977
Taiwan Dollar	4,992,395	-	-	4,992,395
Thailand Baht	4,121,246	-	-	4,121,246
United States Dollar	15,920,032	59,571,642	-	75,491,674
	<u>97,482,254</u>	<u>117,584,585</u>	<u>143,859</u>	<u>215,210,698</u>

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constants. 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 approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/NAV RM
<u>2019</u>		
Australian Dollar	+/- 5	+/- 217,648
Hong Kong Dollar	+/- 5	+/- 2,940,792
Indonesia Dollar	+/- 5	+/- 248,980
Korea Won	+/- 5	+/- 1,104,908
Singapore Dollar	+/- 5	+/- 753,646
Taiwan Dollar	+/- 5	+/- 1,853,935
United States Dollar	+/- 5	+/- 1,572,331

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

(c) Currency risk (continued)

	Change in price %	Impact on profit after tax/NAV RM
<u>2018</u>		
Australian Dollar	+/- 5	+/- 243,911
Hong Kong Dollar	+/- 5	+/- 5,225,175
India Rupee	+/- 5	+/- 125,778
Korea Won	+/- 5	+/- 232,856
Singapore Dollar	+/- 5	+/- 702,549
Taiwan Dollar	+/- 5	+/- 249,620
Thailand Baht	+/- 5	+/- 206,062
United States Dollar	+/- 5	+/- 3,774,584

Credit risk

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

Credit risk arising from placements of Shariah-based 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.

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

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

Credit risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Dividend receivables</u> RM	<u>Amount due from Manager</u> RM	<u>Amount due from broker</u> RM	<u>Total</u> RM
<u>2019</u>					
Financials					
- AAA	10,808,352	-	-	-	10,808,352
- AA1	15,637,398	-	-	-	15,637,398
Consumer Goods					
- NR	-	-	-	311,759	311,759
Health Care					
- NR	-	33,385	-	-	33,385
Others					
-NR	-	-	1,293	-	1,293
	<u>26,445,750</u>	<u>33,385</u>	<u>1,293</u>	<u>311,759</u>	<u>26,792,187</u>
<u>2018</u>					
Financials					
- AAA	1,233,794	-	-	-	1,233,794
- AA1	120,124,492	-	-	-	120,124,492
Oil & Gas					
- NR	-	143,859	-	-	143,859
Others					
- NR	-	-	1,159	-	1,159
	<u>121,358,286</u>	<u>143,859</u>	<u>1,159</u>	<u>-</u>	<u>121,503,304</u>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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 Shariah-based liquid assets to meet anticipated payments and cancellation of units by unitholders. Shariah-based liquid assets comprise cash, Shariah-based 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.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2019</u>			
Amount due to Manager			
- management fee	323,767	-	323,767
- cancellation of units	186,240	-	186,240
Amount due to Trustee	10,792	-	10,792
Amount due to brokers	4,666,501	-	4,666,501
Auditors' remuneration	-	9,000	9,000
Tax agent's fee	-	8,500	8,500
Other payables and accruals	-	1,011	1,011
	<u>5,187,300</u>	<u>18,511</u>	<u>5,205,811</u>
<u>2018</u>			
Amount due to Manager			
- management fee	356,781	-	356,781
- cancellation of units	281,830	-	281,830
Amount due to Trustee	11,892	-	11,892
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	8,500	8,500
Other payables and accruals	-	2,607	2,607
	<u>650,503</u>	<u>18,607</u>	<u>669,110</u>

AFFIN HWANG AIIAMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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 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 year 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 AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (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> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2019</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted equities	184,914,784	-	-	184,914,784
- Shariah-compliant exchange-traded funds	5,036,492	-	-	5,036,492
	<u>189,951,276</u>	<u>-</u>	<u>-</u>	<u>189,951,276</u>
<u>2018</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted equities	103,554,624	-	-	103,554,624
- Shariah-compliant exchange-traded funds	2,754,665	-	-	2,754,665
	<u>106,309,289</u>	<u>-</u>	<u>-</u>	<u>106,309,289</u>

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

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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

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 2019, the management fee is recognised at a rate of 1.80% (2018: 1.80%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Prospectus.

The profit income earned by the Manager from the Fund's trust collection account maintained by the Manager is netted off against the gross management fee charged by the Manager.

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 2019, the Trustee fee is recognised at a rate of 0.06% (2018: 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.

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

6 TAXATION

	<u>2019</u> RM	<u>2018</u> RM
Current taxation – foreign	-	897,049

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

	<u>2019</u> RM	<u>2018</u> RM
Net profit/(loss) before taxation	7,280,087	(23,308,667)
Tax at Malaysian statutory rate of 24% (2018: 24%)	1,747,221	(5,594,080)
Tax effects of:		
(Investment income not subject to tax) /Investment loss exempted from tax	(3,110,574)	3,758,078
Expenses not deductible for tax purposes	404,857	733,716
Restrictions on tax deductible expenses for unit trust funds	958,496	1,102,286
Foreign income subject to foreign tax rate	-	897,049
Tax expense	-	897,049

7 DISTRIBUTION

	<u>2019</u> RM	<u>2018</u> RM
Distributions to unitholders are from the following sources:		
Prior year's realised income	-	9,935,770
Gross realised income	-	9,935,770
Less: Expenses	-	(2,292,870)
Net distribution amount	-	7,642,900
Gross/Net distribution per unit (sen)	-	2.00
Ex-date	-	24.07.2018

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

7 DISTRIBUTION (CONTINUED)

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 RM Nil (2018: RM9,935,770) made from previous financial year's realised income.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2019</u> RM	<u>2018</u> RM
Designated at fair value through profit or loss at inception		
- Shariah-compliant quoted equities – local	24,226,457	6,072,370
- Shariah-compliant quoted equities – foreign	160,688,327	97,482,254
- Shariah-compliant exchange-traded funds – local	5,036,492	2,754,665
	<u>189,951,276</u>	<u>106,309,289</u>
Net gain/(loss) on financial assets at fair value through profit or loss		
- realised (loss)/gain on sale of investment	(3,248,002)	16,263,311
- unrealised gain/(loss) on financial assets at fair value through profit or loss	13,720,776	(41,184,958)
- management fee rebate on collective investment schemes #	13,339	10,490
	<u>10,486,113</u>	<u>(24,911,157)</u>

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its net asset value. In order to minimise the impact of management fees charged by the third party fund manager, management fee charged on the Fund's investment in the collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Consumer Products & Services</u>				
Sime Darby Bhd	2,083,100	4,869,840	4,728,637	2.24

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Financial Services</u>				
Bursa Malaysia Bhd	673,000	4,366,289	4,071,650	1.92
<u>Health Care</u>				
Duopharma Biotech Bhd	3,338,500	4,568,629	4,440,205	2.10
<u>Technology</u>				
Inari Amertron Bhd	1,450,000	2,413,525	2,842,000	1.34
My EG Services Bhd	3,180,500	4,675,003	3,593,965	1.70
	<u>4,630,500</u>	<u>7,088,528</u>	<u>6,435,965</u>	<u>3.04</u>
<u>Telecommunication & Media</u>				
TIME dotCom Bhd	500,000	4,610,500	4,550,000	2.15
Total Shariah-compliant quoted equities – local	<u>11,225,100</u>	<u>25,503,786</u>	<u>24,226,457</u>	<u>11.45</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – local		<u>(1,277,329)</u>		
Total Shariah-compliant quoted equities – local		<u>24,226,457</u>		

(ii) Shariah-compliant quoted equities as at 31 October 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Products</u>				
V.S. Industry Bhd	2,131,250	4,200,807	3,410,000	1.50
Sunway Bhd	1,908,900	2,631,086	2,596,104	1.14
	<u>4,040,150</u>	<u>6,831,893</u>	<u>6,006,104</u>	<u>2.64</u>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(ii) Shariah-compliant quoted equities as at 31 October 2018 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Warrant</u>				
Sunway Bhd	245,430	-	66,266	0.03
	<hr/>	<hr/>	<hr/>	<hr/>
Total Shariah-compliant quoted equities – local	4,285,580	6,831,893	6,072,370	2.67
	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised loss on Shariah-compliant quoted equities – local		(759,523)		
		<hr/>		
Total Shariah-compliant quoted equities – local		6,072,370		
		<hr/> <hr/>		

(b) Shariah-compliant quoted equities – foreign

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic Materials</u>				
Rio Tinto Ltd	16,600	4,550,122	4,338,521	2.05
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	315,000	4,174,335	5,255,114	2.48
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Consumer Services</u>				
China Education Group Holdings	695,000	4,355,731	4,341,498	2.05
MTR Corp Ltd	140,000	3,365,318	3,357,900	1.59
	<hr/>	<hr/>	<hr/>	<hr/>
	835,000	7,721,049	7,699,398	3.64
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Financials</u>				
A-Living Services Co Ltd	395,000	4,656,143	5,000,206	2.36
China Overseas Land & Invest	224,000	3,281,018	2,948,982	1.39
	<u>619,000</u>	<u>7,937,161</u>	<u>7,949,188</u>	<u>3.75</u>
<u>Industrials</u>				
China Resources Cement Holding	530,000	2,330,071	2,423,764	1.15
<u>Technology</u>				
Tencent Holdings Ltd	80,400	14,275,025	13,738,736	6.49
<u>Telecommunications</u>				
China Mobile Ltd	60,000	2,664,110	2,040,324	0.96
<u>Utilities</u>				
CK Infrastructure Holdings Ltd	105,000	3,585,542	3,159,224	1.49
Guangdong Investment Ltd	860,000	5,095,275	7,792,460	3.68
	<u>965,000</u>	<u>8,680,817</u>	<u>10,951,684</u>	<u>5.17</u>
<u>Indonesia</u>				
<u>Industrials</u>				
PT United Tractors Tbk	270,000	2,256,012	1,740,459	0.82
<u>Telecommunications</u>				
Telekomunikasi Indonesia	2,650,000	3,289,749	3,239,132	1.53

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Korea</u>				
<u>Basic Materials</u>				
Korea Zinc Co Ltd	1,474	2,694,552	2,295,813	1.09
<u>Consumer Goods</u>				
Samsung Electronics Co Ltd	54,139	9,106,954	9,792,420	4.63
<u>Technology</u>				
SK Hynix Inc	8,400	2,393,284	2,468,951	1.17
<u>Preference Shares</u>				
Samsung Electronics Co Ltd	51,250	7,522,684	7,540,966	3.56
<u>Singapore</u>				
<u>Consumer Services</u>				
ComfortDelGro Corporation Ltd	567,300	4,282,065	3,985,301	1.88
<u>Industrials</u>				
NetLink NBN Trust	2,405,100	5,586,684	6,824,766	3.23
<u>Taiwan</u>				
<u>Consumer Goods</u>				
Largan Precision Co Ltd	5,000	2,612,330	3,066,420	1.45
<u>Industrials</u>				
Delta Electronics Inc	170,000	3,236,856	3,125,416	1.48
Sinbon Electronics Co Ltd	167,000	2,801,925	2,806,769	1.33
Taiwan Union Technology Corp	242,000	4,293,346	4,432,521	2.10
Yageo Corp	59,000	2,166,570	2,541,767	1.20
	<u>638,000</u>	<u>12,498,697</u>	<u>12,906,473</u>	<u>6.11</u>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u> (continued)				
<u>Technology</u>				
ASE Technology Holding Co Ltd	328,000	3,222,030	3,577,627	1.69
Parade Technologies Ltd	58,000	4,300,178	4,687,026	2.22
Taiwan Semiconductor Manufacturing	370,000	11,801,662	15,127,672	7.15
	<u>756,000</u>	<u>19,323,870</u>	<u>23,392,325</u>	<u>11.06</u>
<u>United States</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	25,768	17,024,111	19,005,946	8.98
<u>Health Care</u>				
LivaNova PLC	7,500	2,379,358	2,214,493	1.05
<u>Technology</u>				
Alphabet Inc - Class C	1,030	5,325,982	5,422,420	2.56
Microsoft Corporation	4,000	2,305,732	2,395,713	1.13
	<u>5,030</u>	<u>7,631,714</u>	<u>7,818,133</u>	<u>3.69</u>
Total Shariah-compliant quoted equities – foreign	<u>10,865,961</u>	150,934,754	<u>160,688,327</u>	<u>75.94</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – foreign		<u>9,753,573</u>		
Total Shariah-compliant quoted equities – foreign		<u>160,688,327</u>		

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities as at 31 October 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic Materials</u>				
OZ Minerals Ltd	183,261	4,945,113	4,835,983	2.13
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	367,000	4,863,431	4,514,755	1.99
<u>Healthcare</u>				
Microport Scientific Corporation	428,000	2,318,652	2,135,761	0.94
<u>REITs</u>				
Link REIT	217,500	7,414,618	8,067,542	3.55
<u>Industrials</u>				
Anhui Conch Cement Co Ltd	217,000	4,352,333	4,684,631	2.06
Johnson Electric Holdings Ltd	223,000	2,957,232	2,089,905	0.92
	440,000	7,309,565	6,774,536	2.98
<u>Oil & Gas</u>				
PetroChina Company Ltd	1,638,000	5,164,799	5,017,911	2.21
<u>Technology</u>				
China Telecom Corporation Ltd	1,572,000	3,329,334	3,095,823	1.36
<u>Telecommunications</u>				
Tencent Holdings Ltd	49,700	8,643,131	7,060,925	3.11

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities as at 31 October 2018 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Utilities</u>				
CK Infrastructure Holdings Ltd	230,000	7,854,044	7,027,494	3.09
Guangdong Investment Ltd	1,414,000	8,377,580	10,550,031	4.65
	<u>1,644,000</u>	<u>16,231,624</u>	<u>17,577,525</u>	<u>7.74</u>
<u>India</u>				
<u>Oil & Gas</u>				
Reliance Industries Ltd	42,000	2,507,691	2,515,553	1.11
	<u>42,000</u>	<u>2,507,691</u>	<u>2,515,553</u>	<u>1.11</u>
<u>Korea</u>				
<u>Basic Materials</u>				
Korea Zinc Co Ltd	1,474	2,694,552	2,050,063	0.90
	<u>1,474</u>	<u>2,694,552</u>	<u>2,050,063</u>	<u>0.90</u>
<u>Preference Shares</u>				
Samsung Electronics Co Ltd	20,154	3,076,554	2,607,060	1.15
	<u>20,154</u>	<u>3,076,554</u>	<u>2,607,060</u>	<u>1.15</u>
<u>REITs</u>				
Frasers Logistic & Industrial Trust	1,104,950	3,352,587	3,403,913	1.50
NetLink NBN Trust	1,192,500	2,625,170	2,791,231	1.23
	<u>2,297,450</u>	<u>5,977,757</u>	<u>6,195,144</u>	<u>2.73</u>
<u>Thailand</u>				
<u>Industrials</u>				
Airports of Thailand PCL	511,800	2,593,701	4,121,246	1.81
	<u>511,800</u>	<u>2,593,701</u>	<u>4,121,246</u>	<u>1.81</u>

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities as at 31 October 2018 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Industrials</u>				
Compeq Manufacturing Co Ltd	900,000	4,259,551	2,409,264	1.06
<u>Technology</u>				
Taiwan Semiconductor Manufacturing	82,000	2,237,056	2,583,131	1.14
<u>United States</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	15,668	9,859,116	9,325,186	4.11
Autohome Inc	7,600	2,604,372	2,300,932	1.01
	<u>23,268</u>	<u>12,463,488</u>	<u>11,626,118</u>	<u>5.12</u>
<u>Technology</u>				
Baidu Inc	5,400	5,141,664	4,293,914	1.89
Total Shariah-compliant quoted equities – foreign	<u>10,423,007</u>	101,172,281	<u>97,482,254</u>	<u>42.92</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – foreign		<u>(3,690,027)</u>		
Total Shariah-compliant quoted equities – foreign		<u>97,482,254</u>		

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

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

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

(i) Shariah-compliant exchange-traded fund – local as at 31 October 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	2,499,500	4,344,296	5,036,492	2.38
Total Shariah-compliant exchange-traded fund – local	<u>2,499,500</u>	<u>4,344,296</u>	<u>5,036,492</u>	<u>2.38</u>
Accumulated unrealised gain on Shariah-compliant exchange-traded fund – local		<u>692,196</u>		
Total Shariah-compliant exchange-traded fund – local		<u>5,036,492</u>		

(ii) Shariah-compliant exchange-traded fund – local as at 31 October 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	1,649,500	2,857,451	2,754,665	1.21
Total shariah-compliant exchange-traded fund – local	<u>1,649,500</u>	<u>2,857,451</u>	<u>2,754,665</u>	<u>1.21</u>
Accumulated unrealised loss on shariah-compliant exchange-traded fund – local		<u>(102,786)</u>		
Total shariah-compliant exchange-traded fund – local		<u>2,754,665</u>		

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2019</u> RM	<u>2018</u> RM
Cash and bank balances	15,637,398	117,615,119
Short term Shariah-based deposits with licensed financial institutions	<u>10,808,352</u>	<u>3,743,167</u>
	<u><u>26,445,750</u></u>	<u><u>121,358,286</u></u>

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

	<u>2019</u> %	<u>2018</u> %
Shariah-based deposits with licensed financial institutions	<u>2.91</u>	<u>3.23</u>

Shariah-based deposits with licensed financial institutions have an average maturity of 2 days (2018: 4 days).

10 SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities and Exchange Trade Fund (“ETF”) listed in Bursa Malaysia and other approved exchanges which have been classified as Shariah-compliant by the Shariah Advisory Council of the SC; and
- (b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial year	381,433,000	355,289,000
Creation of units arising from applications during the financial year	7,120,000	65,156,064
Creation of units arising from distributions during the financial year	-	12,027,936
Cancellation of units during the financial year	(44,794,000)	(51,040,000)
At the end of the financial year	<u>343,759,000</u>	<u>381,433,000</u>

12 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top 10 brokers for the financial year ended 31 October 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CLSA Ltd (Hong Kong)	109,453,135	19.06	66,979	8.69
Macquarie Bank Ltd (Hong Kong)	94,955,861	16.54	43,436	5.64
CICC (Hong Kong) Securities Ltd	47,536,945	8.28	11,675	1.52
CLSA Singapore Pte Ltd	20,891,211	3.64	33,807	4.39
Affin Hwang Investment Bank Bhd	20,869,580	3.63	52,174	6.77
Masterlink Securities Co. Ltd	20,155,301	3.51	50,388	6.54
CCB International Securities	18,572,323	3.23	46,431	6.03
Daiwa Securities Capital Markets Korea Co. Ltd	18,268,084	3.18	45,670	5.93
Credit Lyonnais Securities Asia Ltd (Taiwan)	16,614,851	2.89	18,578	2.41
Instinet Pacific Ltd (Hong Kong)	15,688,285	2.73	35,070	4.55
Others	191,293,089	33.31	366,161	47.53
	<u>574,298,665</u>	<u>100.00</u>	<u>770,369</u>	<u>100.00</u>

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

12 TRANSACTIONS WITH BROKERS (CONTINUED)

(ii) Details of transactions with the top 10 brokers for the financial year ended 31 October 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CLSA Ltd (Hong Kong)	118,998,628	14.60	115,926	6.98
CCB International Securities	82,911,469	10.17	207,279	12.46
CICC (Hong Kong) Securities Ltd	68,989,830	8.47	73,301	4.41
Instinet Pacific Ltd (Hong Kong)	59,535,446	7.31	148,839	8.95
JP Morgan Securities (Asia Pacific)	56,410,143	6.92	112,820	6.78
Affin Hwang Investment Bank Bhd	36,343,399	4.46	90,858	5.46
Masterlink Securities Co. Ltd	32,515,442	3.99	81,289	4.89
Daiwa Securities Capital Markets Korea Co. Ltd	30,989,012	3.80	77,472	4.66
Macquarie Capital Securities (India)	26,106,655	3.20	78,320	4.71
Credit Suisse (Hong Kong) Ltd	25,432,866	3.12	63,582	3.82
Others	276,699,096	33.96	613,483	36.88
	<u>814,931,986</u>	<u>100.00</u>	<u>1,663,169</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 RM20,869,580 (2018: RM36,343,399). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

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

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

<u>Related parties</u>	<u>Relationships</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

	No. of units	2019 RM	No. of units	2018 RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	17,108	10,528	2,905	1,730
	17,108	10,528	2,905	1,730

14 MANAGEMENT EXPENSE RATIO ("MER")

	2019 %	2018 %
MER	1.92	2.00
	1.92	2.00

MER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebate
- B = Trustee fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses, excluding sale and services 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 RM220,959,789 (2018: RM 254,101,555).

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2019</u>	<u>2018</u>
PTR (times)	<u>1.30</u>	<u>1.57</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 = RM323,662,103 (2018: RM370,733,009)
total disposal for the financial year = RM250,129,660 (2018: RM427,921,777)

16 MFRS 9 FINANCIAL INSTRUMENTS

As disclosed in Note A, the Fund has adopted MFRS 9, which resulted in the following changes in accounting policies.

(a) Classification and measurement of financial assets

Up to 31 October 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss (“FVTPL”), financings and receivables. Note H set out the details of accounting policies for classification and measurement of financial instruments under MFRS 139.

From 1 November 2018, the Fund applies the following MFRS 9’s classification approach to all types of financial assets:

- Investments in debt instruments: There are 3 subsequent measurement categories: amortised cost, fair value with changes either recognised through other comprehensive income (FVOCI) or through profit or loss (FVTPL).
- Investments in equity instruments: These instruments are always measured at fair value with changes in fair value presented in profit or loss unless the Fund has made an irrevocable choice to present changes in fair value in other comprehensive income (“OCI”) for investments that are not held for trading.

(b) Impairment

From 1 November 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider 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.

AFFIN HWANG AIIAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

(b) Impairment (continued)

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

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

As disclosed above, the adoption of MFRS 9 in 2018 resulted in reclassification and change in measurement of certain financial assets and financial liabilities.

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 November 2018 are compared as follows

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassifi- cations	Remeasu- rements	New (MFRS 9)
			RM	RM	RM	RM
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	121,358,286	-	-	121,358,286
Investment in Shariah- compliant equity securities	FVTPL	FVTPL	103,554,624	-	-	103,554,624
Investment in Shariah- compliant exchange traded fund	FVTPL	FVTPL	2,754,665	-	-	2,754,665
Management fee rebate receivable	Financing and receivables	Amortised cost	1,159	-	-	1,159
Dividend receivables	Financing and receivables	Amortised cost	143,859	-	-	143,859
Liabilities						
Amount due to Manager -management fee	Amortised cost	Amortised cost	356,781	-	-	356,781
Amount due to Manager -cancellation of units	Amortised cost	Amortised cost	281,830	-	-	281,830
Amount due to Trustee	Amortised cost	Amortised cost	11,892	-	-	11,892
Auditors' remuneration	Amortised cost	Amortised cost	7,500	-	-	7,500
Tax agent's fee	Amortised cost	Amortised cost	8,500	-	-	8,500
Other payables and accruals	Amortised cost	Amortised cost	2,607	-	-	2,607

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai as the Director of Affin Hwang Asset Management Berhad, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 50 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 2019 and of its financial performance, changes in equity and cash flows for the financial year ended 31 October 2019 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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
10 December 2019

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 2019, 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 2019, 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 10 to 50.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE 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 have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AII MAN 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.

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 (continued)

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
10 December 2019

DIRECTORY OF SALES OFFICE

HEAD OFFICE

Affin Hwang Asset Management Berhad
Ground Floor
Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll free no : 1-800-88-7080
Email: customercare@affinhwangam.com

PENANG

Affin Hwang Asset Management Berhad
No. 10-C-23 & 10-C-24 Precinct 10
Jalan Tanjung Tokong
10470 Penang

Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK

Affin Hwang Asset Management Berhad
13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh Perak

Tel : 05 – 241 0668
Fax : 05 – 255 9696

MELAKA

Affin Hwang Asset Management Berhad
Ground Floor, No. 584, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

Tel : 06 – 281 2890 / 3269
Fax : 06 – 281 2937

JOHOR

Affin Hwang Asset Management Berhad
Unit 22-05, Level 22
Menara Landmark
No. 12 Jalan Ngee Heng
80000 Johor Bahru
Johor

Tel : 07 – 2278999
Fax : 07 – 2238998

SABAH

Affin Hwang Asset Management Berhad
Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah

Tel : 088 – 252 881
Fax : 088 – 288 803

SARAWAK

Affin Hwang Asset Management Berhad
Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching
Sarawak

Tel : 082 – 233 320
Fax : 082 – 233 663

Affin Hwang Asset Management Berhad
1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri
Sarawak

Tel : 085 – 418 403
Fax : 085 – 418 372

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)