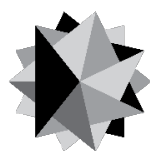


Affin Hwang Dana Malaysia

Annual Report
17 September 2020

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG DANA MALAYSIA

Annual Report and Audited Financial Statements For The Financial Period From 1 November 2019 To 17 September 2020 (Maturity Date)

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FUND INFORMATION

Fund Name	Affin Hwang Dana Malaysia
Fund Type	Growth
Fund Category	Mixed Assets (Wholesale)
Investment Objective	The Fund seeks to achieve an absolute return of 30% during its tenure
Duration of the Fund	Three (3) years
Termination Date	20 September 2021
Benchmark	FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 17 SEPTEMBER 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	86	13,181
500,001 and above	15	26,627
Total	101	39,808

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 17 Sep 2020 (%)	As at 31 Oct 2019 (%)
Portfolio composition		
Quoted equities – local		
- Construction	-	9.68
- Consumer products & services	-	11.27
- Energy	-	7.75
- Financial services	-	14.90
- Industrial products & services	-	4.97
- Plantation	-	1.43
- Property	-	5.91
- Technology	-	1.77
- Telecommunication & media	-	4.87
- Transportation & logistics	-	5.77
- Utilities	-	4.97
- Warrant	-	0.46
Total quoted equities – local	-	73.75
Equity linked notes	-	3.08
Cash & cash equivalent	100.00	23.17
Total	100.00	100.00
Total NAV (RM'million)	51.804	129.841
NAV per Unit (RM)	1.3012	1.1078
Unit in Circulation (million)	39.811	117.211
Highest NAV	1.3358	1.1111
Lowest NAV	0.8989	0.9784
Return of the Fund (%) ⁱⁱⁱ	17.46	10.78
- Capital Growth (%) ⁱ	17.46	10.78
- Income Distribution (%) ⁱⁱ	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil
Management Expense Ratio (%) ¹	2.52	1.35
Portfolio Turnover Ratio (times) ²	3.03	1.90

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

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

An illustration of the above would be as follow:-

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

¹The Fund's MER was higher than the previous year due to the higher expenses incurred by the Fund during the financial period.

² The PTR of the Fund was higher than the previous year due to higher trading activities during the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 17 September 2020.

Performance Review

For the period 1 November 2019 to 17 September 2020, the Fund registered a return of 17.46%. The Net Asset Value (NAV) per unit of the Fund as at 17 September 2020 was RM1.3012 while the NAV 31 October 2019 was RM1.1078. The Benchmark for the period registered a return of -5.31%. The Fund outperformed the Benchmark by 22.77 percentage points.

Since its inception to 17 September 2020, the Fund has registered a return of 30.12%. Compared to the benchmark that rose -16.12% for the same period, the Fund outperformed the Benchmark by 46.24 percentage points. The Fund has met its objective of achieving an absolute return of 30% during its tenure.

Table 1: Performance of the Fund

	Financial Year to date (1/11/19 - 17/9/20)	Since Commencement (18/9/18 - 17/9/20)
Fund	17.46%	30.12%
Benchmark	-5.31%	(16.12%)
Outperformance	22.77%	46.24%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	Financial Year to date (1/11/19 - 17/9/20)	Since Commencement (29/10/02 - 31/8/20)
Fund	20.01%	14.05%
Benchmark	-6.00%	-8.40%
Outperformance	26.01%	22.45%

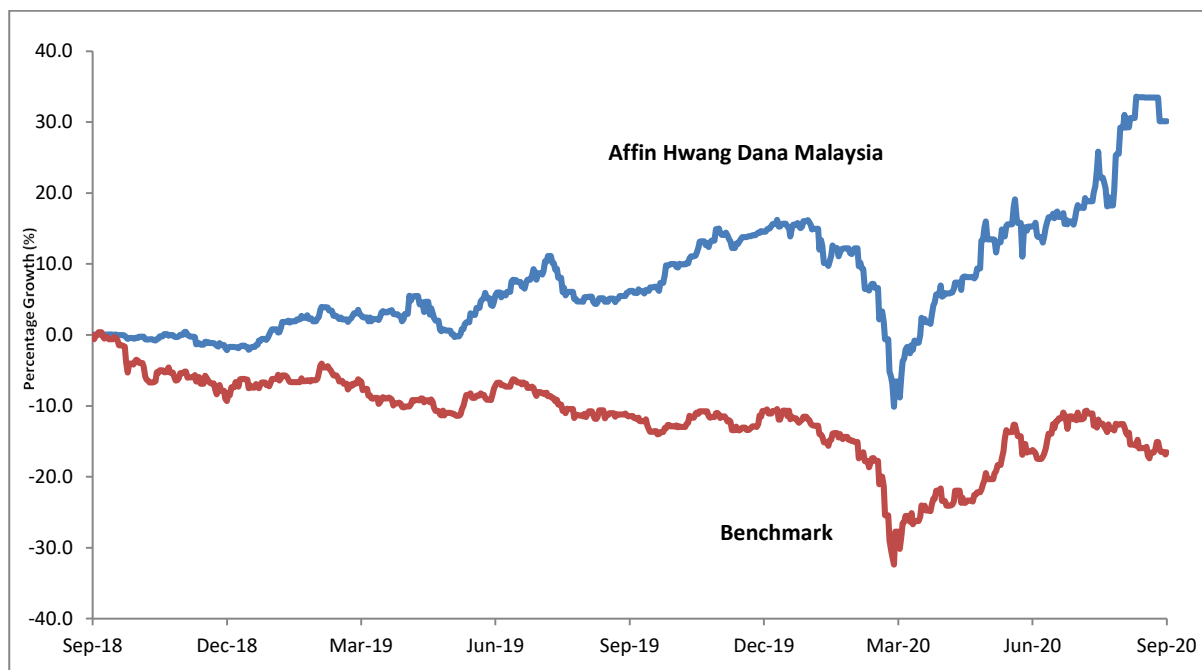
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (1/11/19 -17/9/20)	FYE 2019 (18/9/18 - 31/10/19)
Fund	17.46%	10.78%
Benchmark	-5.31%	(11.41%)
Outperformance / (Underperformance)	22.77%	22.19%

Source of Benchmark: Bloomberg

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



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

Benchmark: FBMKLCI

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

Asset Allocation

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

There was no asset allocation for the Fund on 17 September 2020 as the Manager liquidated all of the holdings upon the Fund's maturity.

Strategies Employed

Over the period under review, the Manager focused on domestic-driven sectors that are less directly impacted from trade tariffs as well as defensive high yields sectors as volatility persisted in markets.

Market Review

Global markets rose with US and Asia outperforming Europe and UK due to the sharp rise in Covid-19 infections in European countries. US supported by economic recovery and monetary policies benefitted from The Fed's decision on using average inflation targeting in setting interest rates, allowing temporary inflation overshoots to compensate for previous periods, whereas Asia saw a positive light following China's successful containment of the virus. Overall, a positive trend in global earnings expectations continued in September as market switches from extreme bearishness to neutral positionings.

Coming into October, the S&P 500 index fell 6.0%, whilst the Nasdaq Composite index plunged 7.7% as a tech rout deepened. Global equities traded erratically following news that US President Donald Trump had tested positive for COVID-19. Following his recovery, markets saw a surge in optimism over the US economy, mainly reflecting vaccine hopes and delayed response to gain in jobs from May to September.

In Asia, the Hong Kong Hang Seng index closed 6.4% lower whilst the broader MSCI Asia ex-Japan index was down 2.6% in October. Government in Hong Kong has also started to ease some of the strict social distancing measures from August 28, allowing venues like cinemas and beauty parlours to reopen as well as restaurants to extend dining hours as the daily number has fallen to low double digit according to Reuters. However, the deal with mainland China to reopen its borders has been paused until Hong Kong succeeds to achieve a stable zero-infection rate. On another note, Singapore and Hong Kong came to a mutual agreement on opening borders to each other since both cities have low incidence of Covid-19 cases.

In August, China's economic data show an outperformance in expectations, notably in the e-commerce sector, with Q2 GDP growth rebounding to 3.2% YoY. The recovery is broadening out with high frequency indicators signalling strong recoveries in the services sectors which lagged previously. Chinese broad market indices rebounded with Shanghai Composite Index up by 1.68% at close, showing a robust recovery in Chinese domestic tourism over the just-ended Golden Week holiday in the first week of October.

Meanwhile, geopolitical tensions between US and China simmered last month as US President Donald Trump issued an executive order forcing China's ByteDance to sell or spin off its US TikTok business. TikTok also confirmed its plan to challenge the executive order which banned its transactions in the US.

The US Commerce Department further added 24 Chinese state-owned firms to an "entity list" of companies that US firms are not allowed to transact with unless they have a special licence to do so. The restrictions were imposed following allegations that these companies had played a role in helping Beijing advance its territorial claims in the South China Sea.

In a tit-for-tat move, we saw China announce new restrictions on technology exports that would cover areas such as computing and data-processing technologies including text analysis, content recommendation, speech modeling and voice-recognition. The move could complicate the sale of TikTok's US operations which is currently being negotiated by multiple parties according to Reuters.

On the domestic front, the local market mirrored regional weakness with the benchmark KLCI falling 2.4% in October, despite the upside from gloves, as political uncertainty dampened sentiment. In a press conference, opposition leader Datuk Seri Anwar Ibrahim claimed that he has secured a "strong, formidable" majority from lawmakers in parliament to oust Prime Minister Tan Sri Muhyiddin Yassin. The news was greeted with scepticism as Anwar has made prior claims before. Though a statement from UMNO president Datuk Seri Dr Ahmad Zahid Hamidi that he has information that many members from UMNO and Barisan Nasional have stated their support for Anwar to form a new government has lent credibility to the claim.

The timing of Anwar's announcement coincided with the Sabah state election which took place at the end of September. Results showed that the Gabungan Rakyat Sabah ("GRS") pact winning the state election with a simple majority of 38 seats. Perikatan Nasional's victory in the Sabah state elections is seen as a boost to Prime Minister Tan Sri Muhyiddin Yassin who currently leads with a razor-thin majority in Parliament. Muhyiddin has indicated that he could call for snap national polls if GRS won the Sabah state elections. The local market is expected to stay flattish as political uncertainty lingers. Politically-linked stocks could come into play as contracts are awarded in the lead-up to elections.

Malaysia's economy shrank 17.1% in 2Q2020; marking its deepest contraction in over 20 years. The GDP contraction was deeper than consensus estimate of -10.9%. A sharp decline was seen in private consumption, investment and net exports. Recent spike in Covid cases in October have beaten down re-opening sectors, although avoidance of hard lockdowns bodes well for economic recovery.

Due to the weaker than expected GDP numbers, Bank Negara Malaysia ("BNM") has revised its expectations for the full year 2020 GDP growth to a range of -5.5% to -3.5% (from the previous -2.0% to 0.5% estimate). However, BNM is expecting a sharp rebound in 2021 with growth of 5.5% to 8.0%.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death rates despite the rise in infections. The accelerated efforts to shorten the timeline for a successful vaccine inoculation also lessened market's response towards increasing infection rates. Economic restarts have since moved at different paces between countries, each depending on their own ways of dealing with Covid-19. President Trump later instilled optimism by initiating a new US stimulus bill negotiation, surging global equities higher. However, prospects for additional US fiscal stimulus has since dimmed and could be

delayed until the next Congress gets seated. The US elections have generated higher market volatility due to the uncertainty in election odds.

Irrespective of whether Trump or Pence leads the White House, we are likely to see a continuation of similar Republican policies, keeping the government in status quo. These include policies related to any decision concerning taxes, minimum wage, climate policies and infrastructure spending that could impact US stocks. If Biden wins the presidential election, US stocks will see modestly higher tax rates, but that will be offset by higher US infrastructure spending and temporarily lower risk of a trade war. A Biden presidency may be positive for the Asian stock markets. Biden prides himself as one who respects international laws, supporting more coordinated foreign policies. Trade tensions might ease, with technology sector equities and high-yield credits benefitting provided the ongoing Huawei and TikTok issues can be solved amicably. Biden's clean energy revolution plan could also revitalise US' energy sector and create more well-paying jobs, further boosting US economy. Considering that the World Trade Organisation ("WTO") has recently ruled Trump's China tariff as illegal, Biden may also consider reducing or removing tariffs on China imports.

The recent death of Supreme Court Justice Ruth Bader Ginsburg has cast further uncertainty as the race to the White House heats up, also potentially delaying US fiscal stimulus 4.0 and spurring declines in the healthcare sector. US President Donald Trump has announced conservative federal appeal court judge Amy Coney Barrett as his Supreme Court nominee to replace Ginsburg. Barrett is a favourite amongst religious conservatives and her appointment could help Trump boost his popularity amongst his conservative supporters ahead of the election.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

On the other hand, recent alarming increase in Covid-19 cases caused targeted lockdowns in Malaysia, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. gloves, electromotive force and technology stocks. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG DANA MALAYSIA

We have acted as Trustee of Affin Hwang Dana Malaysia for the financial period from 1 November 2019 to 17 September 2020 (Date of Maturity). To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has managed the Fund in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deed, other provisions of the Deed, the Capital Markets and Services Act 2007, the Securities Commission's Guidelines on Unlisted Capital Market Products Under The Lodge and Launch Framework and other applicable laws during the financial period then ended.

We have also ensured the following:

- (a) the procedures and processes employed by **Affin Hwang Asset Management Berhad** to value and/or price the units of the Fund are adequate and that such valuation/pricing is carried out in accordance with the Deed of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For TMF Trustees Malaysia Berhad
(Company No.: 610812-W)

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
14 October 2020

AFFIN HWANG DANA MALAYSIA

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019
TO 17 SEPTEMBER 2020 (DATE OF MATURITY)**

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AFFIN HWANG DANA MALAYSIA

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019
TO 17 SEPTEMBER 2020 (DATE OF MATURITY)**

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AFFIN HWANG DANA MALAYSIA

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

	Note	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) RM	Financial period from 1.8.2018 (date of launch) to 31.10.2019 RM
INVESTMENT INCOME			
Dividend income		1,506,617	2,431,694
Interest income from financial assets at amortised cost		430,133	2,066,042
Net loss on futures contracts at fair value through profit or loss		(606,725)	-
Net gain on financial assets at fair value through profit or loss	9	3,012,574	10,623,900
Exit fee income		8,425	10,714
		<u>4,351,024</u>	<u>15,132,350</u>
EXPENSES			
Management fee	4	(772,512)	(1,384,976)
Trustee fee	5	(46,351)	(83,098)
Fund accounting fee	6	(9,500)	-
Performance fee	7	(1,332,474)	-
Auditors' remuneration		(9,000)	(9,000)
Tax agent's fee		(3,500)	(3,500)
Transaction cost		(1,389,971)	(957,223)
Other expenses		(107,977)	(52,808)
		<u>(3,671,285)</u>	<u>(2,490,605)</u>
NET PROFIT BEFORE TAXATION		679,739	12,641,745
TAXATION	8	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>679,739</u>	<u>12,641,745</u>

AFFIN HWANG DANA MALAYSIA

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) RM	Financial period from 1.8.2018 (date of launch) to 31.10.2019 RM
Net profit after taxation is made up of the following:			
Realised amount		679,739	4,833,372
Unrealised amount		-	7,808,373
		<u>679,739</u>	<u>12,641,745</u>

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

AFFIN HWANG DANA MALAYSIA

STATEMENT OF FINANCIAL POSITION AS AT 17 SEPTEMBER 2020 (DATE OF MATURITY)

	Note	As at 17.9.2020 (date of maturity) RM	As at 31.10.2019 RM
ASSETS			
Cash and cash equivalents	10	53,190,062	34,926,719
Amount due from brokers		-	1,125,162
Dividends receivable		2,250	145,206
Financial assets at fair value through profit or loss	9	-	99,755,661
TOTAL ASSETS		53,192,312	135,952,748
LIABILITIES			
Amount due to brokers		-	5,981,783
Amount due to Manager - management fee		24,706	108,060
Amount due to Trustee		1,482	6,484
Performance fee payable		1,332,474	-
Auditors' remuneration		9,000	9,000
Tax agent's fee		3,500	3,500
Other payables and accruals		17,123	2,514
TOTAL LIABILITIES		1,388,285	6,111,341
NET ASSET VALUE OF THE FUND		51,804,027	129,841,407
EQUITY			
Unitholders' capital		38,482,543	117,199,662
Retained earnings		13,321,484	12,641,745
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		51,804,027	129,841,407
NUMBER OF UNITS IN CIRCULATION	11	39,811,000	117,211,000
NET ASSET VALUE PER UNIT (RM)		1.3012	1.1078

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

AFFIN HWANG DANA MALAYSIA

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 November 2019	117,199,662	12,641,745	129,841,407
Total comprehensive income for the financial period	-	679,739	679,739
Movement in unitholders' capital:			
Cancellation of units	(78,717,119)	-	(78,717,119)
Balance as at 17 September 2020 (date of maturity)	<u>38,482,543</u>	<u>13,321,484</u>	<u>51,804,027</u>
Balance as at 1 August 2018 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	12,641,745	12,641,745
Movement in unitholders' capital:			
Creation of units arising from applications	117,557,000	-	117,557,000
Cancellation of units	(357,338)	-	(357,338)
Balance as at 31 October 2019	<u>117,199,662</u>	<u>12,641,745</u>	<u>129,841,407</u>

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

AFFIN HWANG DANA MALAYSIA

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

	<u>Note</u>	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) RM	Financial period from 1.8.2018 (date of launch) to 31.10.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		318,174,464	164,227,107
Purchase of investments		(221,652,821)	(249,459,470)
Dividends received		1,649,573	2,286,488
Interest received		430,133	2,066,042
Exit fee income received		8,425	10,714
Management fee paid		(855,866)	(1,276,916)
Trustee fee paid		(51,353)	(76,614)
Realised loss on futures contract		(606,725)	-
Payment for other fees and expenses		(115,368)	(50,294)
		<u>96,980,462</u>	<u>(82,272,943)</u>
Net cash generated from/(used in) operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		-	117,557,000
Payments for cancellation of units		(78,717,119)	(357,338)
		<u>(78,717,119)</u>	<u>117,199,662</u>
Net cash (used in)/generated from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,263,343	34,926,719
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/DATE OF LAUNCH		<u>34,926,719</u>	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	10	<u><u>53,190,062</u></u>	<u><u>34,926,719</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 DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. 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 K.

The Fund commenced operations on 18 September 2018 and was terminated 17 September 2020. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a liquidation basis of accounting. The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 17 September 2020. The units in circulation were cancelled on 18 September 2020 and the proceeds were distributed to the unitholders on 23 September 2020.

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

- IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’ (effective 1 January 2019)
- Annual Improvements to MFRSs 2015 – 2017 Cycle (effective 1 January 2019)

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

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

- Amendments to MFRS 3 ‘Definition of a Business’ (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund as the Fund has matured on 17 September 2020.

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Interest income

Interest income from deposits with licensed financial institutions and unquoted equity linked notes are recognised based on effective interest rate method on an accrual basis.

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

Realised gains and losses on sale of investments

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

For unquoted equity linked notes, realised gains and losses on settlement is recognised based on a pre-determined formula as stipulated in the respective term sheets.

Exit fee income

Exit fee income is a redemption fee charged to unitholders on cancellation of units before the maturity date and is recognised upon cancellation of units.

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 TAXATION

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

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

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

The Fund classifies amount due to brokers, amount due to Manager, amount due to Trustee, auditors’ remuneration, tax agent’s fee, performance fee payable 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. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income

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

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

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

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

When the Fund purchases an equity linked note, an amount equal to fair value which is based on the investment amount is recorded as an asset. When equity linked note matures, the difference between the investment amount and the investment amount plus enhanced return is recognised as a gain or loss and is presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the financial period which they arise.

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

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

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

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

(iii) Impairment

The Fund 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.

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

G CASH AND CASH EQUIVALENTS

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

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

H DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative financial instruments comprise futures. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

The fair value of the Fund's futures is obtained from the relevant stock exchanges where the futures are listed on the financial year end date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

I AMOUNT DUE TO BROKERS

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

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

J UNITHOLDERS' CAPITAL

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

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

AFFIN HWANG DANA MALAYSIA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

J UNITHOLDERS' CAPITAL (CONTINUED)

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

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

K 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 Unlisted Capital Market Products under The Lodge and Launch Framework.

(i) Fair value of unquoted derivative – equity linked note

The Fund invests in unquoted derivative – equity linked note that is not quoted in active markets. Fair value of such instrument are determined by using valuation techniques set out in Note 3 of the financial statements.

Models use observable data, to the extent practicable. However, unobservable input such as implied volatility is based on assumptions that require management to make estimates. Changes in assumptions about this factor could affect the reported fair value of the unquoted derivative – equity linked note. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shift in these inputs, taking into consideration historical data and estimations of future market movements.

For the unquoted derivative – equity linked note, an increase in the implied volatility would lead to an increase in estimated value. However, the Manager does not expect a reasonable possible shift in the implied volatility would change the fair value of the option significantly.

AFFIN HWANG DANA MALAYSIA

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019
TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)**

L REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY)

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Dana Malaysia (the “Fund”) pursuant to the execution of a Deed dated 18 July 2018 entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 18 September 2018 and was terminated 17 September 2020. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a liquidation basis of accounting. The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 17 September 2020. The units in circulation were cancelled on 18 September 2020 and the proceeds were distributed to the unitholders on 23 September 2020

The Fund may invest in any of the following investments:

- (i) Equities
- (ii) Equity-linked instruments
- (iii) Fixed deposits
- (iv) Money market instruments
- (v) Debentures
- (vi) Derivatives
- (vii) Structured products
- (viii) Units/shares in collective investment schemes
- (ix) Warrants
- (x) Right issues
- (xi) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund.

All investments will be subjected to the SC’s Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework and the Deed and the objective of the Fund.

The objective of the Fund is to achieve an absolute return of 30% during its tenure.

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 14 October 2020.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>17 September 2020 (date of maturity)</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	53,190,062	-	53,190,062
Dividend receivable		2,250	-	2,250
Total		<u>53,192,312</u>	<u>-</u>	<u>53,192,312</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		24,706	-	24,706
Amount due to Trustee		1,482	-	1,482
Performance fee payables		1,332,474	-	1,332,474
Auditors' remuneration		9,000	-	9,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		17,123	-	17,123
Total		<u>1,388,285</u>	<u>-</u>	<u>1,388,285</u>
<u>31.10.2019</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	34,926,719	-	34,926,719
Quoted equities	9	-	95,755,809	95,755,809
Unquoted equity linked notes	9	-	3,999,852	3,999,852
Amount due from brokers		1,125,162	-	1,125,162
Dividends receivable		145,206	-	145,206
Total		<u>36,197,087</u>	<u>99,755,661</u>	<u>135,952,748</u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

Financial instruments of the Fund are as follows (continued):

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>31.10.2019</u> (continued)				
<u>Financial liabilities</u>				
Amount due to brokers		5,981,783	-	5,981,783
Amount due to Manager - management fee		108,060	-	108,060
Amount due to Trustee		6,484	-	6,484
Auditors' remuneration		9,000	-	9,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		2,514	-	2,514
Total		<u>6,111,341</u>	<u>-</u>	<u>6,111,341</u>

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

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>17.9.2020</u> <u>(date of maturity)</u> RM	<u>31.10.2019</u> RM
Quoted investments		
Quoted equities	-	<u>95,755,809</u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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 securities, having regard to the historical volatility of the prices.

The fund has no financial instruments expose to price risk as at 17 September 2020 (date of maturity).

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2019</u>		
-5%	90,968,019	(4,787,790)
0%	95,755,809	-
+5%	100,543,599	4,787,790

(b) Interest rate risk

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

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

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

Credit risk

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

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

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

Credit risk (continued)

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

	<u>Equity-linked notes</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>17.9.2020 (date of maturity)</u>				
Financial services				
- AAA	-	53,190,062	-	53,192,312
Technology				
- NR	-	-	2,250	2,250
	<u>-</u>	<u>53,190,062</u>	<u>2,250</u>	<u>53,192,312</u>
<u>31.10.2019</u>				
Financial services				
- AAA	3,999,852	18,395,000	678,920	23,073,772
- AA3	-	8,487,794	255,350	8,743,144
- AA2	-	-	268,866	268,866
- NR	-	8,043,925	46,702	8,090,627
Telecommunications & Media				
- NR	-	-	20,530	20,530
	<u>3,999,852</u>	<u>34,926,719</u>	<u>1,270,368</u>	<u>40,196,939</u>

* Other assets consist of dividends receivable and amount due from brokers.

Liquidity risk

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

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

Liquidity risk (continued)

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

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

	Within <u>one month</u> RM	Between one month to <u>one year</u> RM	<u>Total</u> RM
<u>17.9.2020 (date of maturity)</u>			
Amount due to Manager			
- management fee	24,706	-	24,706
Amount due to Trustee	1,482	-	1,482
Performance fee	1,332,474	-	1,332,474
Auditor's remuneration	-	9,000	9,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	17,123	17,123
	<u>1,358,662</u>	<u>29,623</u>	<u>1,388,285</u>
<u>31.10.2019</u>			
Amount due to brokers	5,981,783	-	5,981,783
Amount due to Manager			
- management fee	108,060	-	108,060
Amount due to Trustee	6,484	-	6,484
Auditor's remuneration	-	9,000	9,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	2,514	2,514
	<u>6,096,327</u>	<u>15,014</u>	<u>6,111,341</u>

Capital risk

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

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION

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

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

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)

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

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

The Fund does not hold any financial instruments at fair value through profit or loss as at 17 September 2020 (date of maturity).

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2019</u>				
Financial asset at fair value through profit or loss				
- quoted equities	95,755,809	-	-	95,755,809
- unquoted equity linked notes	-	-	3,999,852	3,999,852
	<u>95,755,809</u>	<u>-</u>	<u>3,999,852</u>	<u>99,755,661</u>

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

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include equity linked notes. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The Fund invests in unquoted equity linked notes that are issued by issuers who do not originate them directly but repackage the underlying investments and reissue the equity linked notes. In determining the valuation, the issuer utilises risk management models based on probability testing. The model utilises market observable input factors such as interest rate levels and remaining time to maturity; and combine them with the issuer's own unobservable inputs such as Implied Volatility and Net Cost of Borrowing. These market observable quantitative inputs and in-house assumptions are then typically put through a random process and simulated multiple times to create a sufficiently large sample size whereby the issuer is able to arrive at a meaningful average level which is used as the mark to market valuation for the option.

The descriptions of unobservable inputs in the option valuation are:

- **Implied Volatility:** this is derived by the issuer from a number of parameters including but not limited to the issuer's assumptions, using proxies from correlated assets and derivation from observable inputs like realised volatility of the underlying equity counter and volatility quotes in the broker market.
- **Net Cost of Borrowing:** the net cost of borrowing for the issuer is expressed as a spread over KLIBOR rates. The valuation of the equity linked note is impacted by the cost of borrowing associated with the issuer having to buy units of the underlying equity counter.

The sensitivity of fair value valuations for fund linked option to unobservable inputs are not static and can vary substantially depending on the issuer's assumptions.

The Manager also monitors the movement of the market observable quantitative factors generally used. By this, the Manager is able to determine the degree of change in any particular factor (some which are likely to affect the mark to market valuation of the unquoted equity linked notes more than other factors, such as the change in underlying credit spread or Credit Default Swap spread against benchmark treasury) and extrapolate it against the mark to market valuations provided by the issuer to determine fairness of the valuations provided by the issuers.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table presents the movements in Level 3 instruments:

	As at 17.9.2020 (date of maturity) RM	As at 31.10.2019 RM
At the beginning of the financial period/Date of launch	3,999,852	-
Purchase	1,000,000	27,974,494
Sales	(5,149,552)	(23,974,638)
Net change in fair value of financial assets at fair value through profit or loss	149,700	(4)
At the end of financial period	<u>-</u>	<u>3,999,852</u>

- (ii) The carrying values of cash and cash equivalents, dividends receivable and 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 2.00% per annum on the NAV of the Fund calculated on a daily basis.

For the financial period ended 17 September 2020 (date of maturity), the Management fee is recognised at a rate of 1.00% (2019: 1.00%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Info Memorandum.

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

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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 excluding of foreign custodian fees and charges.

For the financial period 17 September 2020 (date of maturity), the Trustee fee is recognised at a rate of 0.06% (2019: 0.06%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Info Memorandum.

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

6 FUND ACCOUNTING FEE

Effective 1 January 2020, the annual fund valuation and accounting fee for the Fund is RM13,000 per annum.

7 PERFORMANCE FEE

In accordance with the Information Memorandum, the Manager is entitled to a performance fee at a rate of 10% on the appreciation in the NAV per unit above the offer price of the Fund upon the Fund's maturity.

The Hurdle Value is the NAV per unit of RM1.300. The hurdle value is computed from a total return of 30% based on the offer price of the Fund.

The performance fee is calculated and payable to the Manager on the maturity date.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

8 TAXATION

	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) RM	Financial period from 1.8.2018 (date of launch) to 31.10.2019 RM
Current taxation - local	-	-

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

	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) RM	Financial period from 1.8.2018 (date of launch) to 31.10.2019 RM
Net profit before taxation	679,739	12,641,745
Tax at Malaysian statutory rate of 24% (2019: 24%)	163,137	3,034,019
Tax effects of:		
Investment income not subject to tax	(1,042,223)	(3,629,193)
Expenses not deductible for tax purposes	690,665	262,471
Restriction on tax deductible expense for Wholesale Funds	188,421	332,703
Tax expense	-	-

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 17.9.2020 (date of maturity) RM	As at 31.10.2019 RM
Financial asset at fair value through profit or loss:		
- quoted equities – local	-	95,755,809
- unquoted equity linked notes	-	3,999,852
	<hr/>	<hr/>
	-	99,755,661
	<hr/> <hr/>	<hr/> <hr/>
Net gain on financial asset at fair value through profit or loss:		
- realised gain on sale of investments	3,012,574	2,815,527
- unrealised gain on changes in fair value	-	7,808,373
	<hr/>	<hr/>
	3,012,574	10,623,900
	<hr/> <hr/>	<hr/> <hr/>

(a) Quoted equities – local

- (i) There is no investment in quoted equities – local as at 17 September 2020 (date of maturity).
- (ii) Quoted equities – local 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>Construction</u>				
AME Elite Consortium Bhd	2,500,000	3,265,462	4,150,000	3.20
Jaks Resources Bhd	7,081,100	6,491,195	7,435,155	5.73
WCE Holdings Bhd	2,500,000	770,100	750,000	0.58
WCE Holdings Bhd -Rights	15,000,000	356,500	225,000	0.17
	<hr/>	<hr/>	<hr/>	<hr/>
	27,081,100	10,883,257	12,560,155	9.68
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Consumer Products & Services</u>				
British American Tobacco M Bhd	297,600	6,113,146	5,577,024	4.30
Guan Chong Bhd	1,850,100	6,153,545	9,046,989	6.97
	<hr/>	<hr/>	<hr/>	<hr/>
	2,147,700	12,266,691	14,624,013	11.27
	<hr/>	<hr/>	<hr/>	<hr/>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Energy</u>				
KNM Group Berhad	16,667,300	3,973,291	7,583,622	5.84
Velesto Energy Bhd	7,000,000	2,204,143	2,485,000	1.91
	<u>23,667,300</u>	<u>6,177,434</u>	<u>10,068,622</u>	<u>7.75</u>
<u>Financial Services</u>				
CIMB Group Holdings Bhd	990,539	5,579,876	5,180,519	3.99
Hong Leong Financial Group Bhd	308,500	5,693,908	5,374,070	4.14
Malayan Banking Bhd	1,022,920	9,282,166	8,786,883	6.77
	<u>2,321,959</u>	<u>20,555,950</u>	<u>19,341,472</u>	<u>14.90</u>
<u>Industrial Products & Services</u>				
Sunway Bhd	3,821,941	6,443,687	6,459,080	4.97
<u>Plantation</u>				
Kuala Lumpur Kepong Bhd	85,800	1,815,953	1,856,712	1.43
<u>Property</u>				
Eco World Development Grp Bhd	9,287,700	6,045,651	5,990,566	4.61
SP Setia Bhd Group	1,400,000	1,960,000	1,694,000	1.30
	<u>10,687,700</u>	<u>8,005,651</u>	<u>7,684,566</u>	<u>5.91</u>
<u>Technology</u>				
Inari Amertron Bhd	1,170,700	1,961,984	2,294,572	1.77
<u>Telecommunications & Media</u>				
Astro Malaysia Holdings Bhd	3,408,600	4,886,965	4,567,524	3.52
Axiata Group Bhd	410,600	1,883,073	1,749,156	1.35
	<u>3,819,200</u>	<u>6,770,038</u>	<u>6,316,680</u>	<u>4.87</u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 31 October 2019 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Transportation & Logistics</u>				
MISC Bhd	691,700	4,959,262	5,754,944	4.43
Malaysia Airports Holdings Bhd	219,900	1,726,356	1,741,608	1.34
	<u>911,600</u>	<u>6,685,618</u>	<u>7,496,552</u>	<u>5.77</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	466,500	5,869,023	6,456,360	4.97
<u>Warrant</u>				
Inari Amertron Bhd - Warrant (17.02.2020)	417,500	512,146	597,025	0.46
Total quoted equities – local	<u>76,599,000</u>	<u>87,947,432</u>	<u>95,755,809</u>	<u>73.75</u>
Accumulated unrealised gain on quoted equities – local		<u>7,808,377</u>		
Total quoted equities – local		<u>95,755,809</u>		

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

(b) Unquoted equity linked notes – local

(i) There is no investment in unquoted equity linked notes – local as at 17 September 2020 (date of maturity).

(ii) Unquoted equity linked notes – local as at 31 October 2019 are as follows:

	Nominal <u>value</u> RM	Adjusted <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Equity linked notes</u>				
United Overseas Bank Malaysia 15.11.2019 (AAA)	2,045,020	1,999,883	1,999,883	1.54
United Overseas Bank Malaysia 06.12.2019 (AAA)	2,068,520	1,999,973	1,999,969	1.54
	<u>4,113,540</u>	<u>3,999,856</u>	<u>3,999,852</u>	<u>3.08</u>
Accumulated unrealised loss on unquoted equity linked notes – local		(4)		
Total equity linked notes – local		<u>3,999,852</u>		

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

10 CASH AND CASH EQUIVALENTS

	As at 17.9.2020 (date of maturity) RM	As at 31.10.2019 RM
Cash and bank balances	53,190,062	27,372
Deposits with licensed financial institutions	-	34,899,347
	<u>53,190,062</u>	<u>34,926,719</u>

Weighted average effective interest rate per annum of deposits with licensed financial institutions are as follows:

	As at 17.9.2020 (date of maturity) %	As at 31.10.2019 %
Deposits with licensed financial institutions	-	3.07

The deposit with a licensed financial institution as at 31 October 2019 has an average maturity of 4 days.

11 NUMBER OF UNITS IN CIRCULATION

	As at 17.9.2020 (date of maturity) No. of units	As at 31.10.2019 No. of units
At the beginning of the financial period/date of launch	117,211,000	-
Creation of units during the financial period	-	117,557,000
Cancellation of units during the financial period	(77,400,000)	(346,000)
As at the end of the financial period	<u>39,811,000</u>	<u>117,211,000</u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

12 TRANSACTION WITH BROKERS

(i) Details of transaction with top 10 brokers for the financial period from 1 November 2019 to 17 September 2020 (date of maturity) are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd	142,104,385	27.06	354,601	31.90
CLSA Securities (Malaysia) Sdn Bhd	83,519,685	15.90	80,453	7.24
Credit Suisse Securities Malaysia Sdn Bhd	60,243,371	11.47	126,037	11.34
CIMB Investment Bank Bhd	29,717,756	5.66	53,211	4.78
Hong Leong Investment Bank	27,820,036	5.30	55,924	5.03
Public Investment Bank Bhd	27,200,203	5.17	68,001	6.12
Macquarie Capital Securities (Malaysia) Sdn Bhd	25,545,230	4.86	63,908	5.75
Maybank Investment Bank Bhd	24,332,615	4.63	60,687	5.46
UOB Kay Hian Securities (M) Sdn Bhd	22,284,416	4.24	55,729	5.01
Kenanga Investment Bank Bhd	16,344,211	3.11	40,861	3.67
Others	66,190,371	12.60	152,309	13.70
	<u>525,302,279</u>	<u>100.00</u>	<u>1,111,721</u>	<u>100.00</u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

12 TRANSACTION WITH BROKERS (CONTINUED)

(ii) Details of transaction with top 10 brokers for the financial period from 1 August 2018 (date of launch) to 31 October 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	109,218,403	28.03	266,390	35.88
CLSA Securities (Malaysia) Sdn Bhd	64,131,227	16.46	73,951	9.96
Maybank Investment Bank Bhd	42,998,299	11.03	27,582	3.72
Macquarie Capital Securities (Malaysia) Sdn Bhd	21,034,995	5.40	52,587	7.08
Hong Leong Investment Bank	20,268,106	5.20	49,987	6.73
United Overseas Bank (Malaysia) Bhd	18,200,757	4.67	-	-
UOB Kay Hian Securities (M) Sdn Bhd	15,926,311	4.10	39,816	5.36
Credit Suisse Securities Malaysia Sdn Bhd	13,503,008	3.47	33,758	4.55
CIMB Investment Bank Berhad	13,345,387	3.42	28,866	3.89
Nomura Securities Malaysia Sdn Bhd	11,970,944	3.07	29,927	4.03
Others	59,075,258	15.15	139,480	18.80
	<u>389,672,695</u>	<u>100.00</u>	<u>742,344</u>	<u>100.00</u>

Included in the transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM142,104,385 (2019: RM109,218,403). The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related parties.

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

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

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

<u>Related parties</u>	<u>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 associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager as disclosed in its financial statements
Director of Affin Hwang Asset Management Berhad	Director of the Manager

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

	<u>17.9.2020 (date of maturity)</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	2,562	3,334	2,044	2,264
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Parties related to the Manager:</u>				
Director of Affin Hwang Asset Management Berhad (The units are held beneficially)	-	-	80,000	88,624
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

14 MANAGEMENT EXPENSE RATIO (“MER”)

	Financial period from 1.11.2019 to 17.9.2020 (date of maturity) %	Financial period from 1.8.2018 (date of launch) to 31.10.2019 %
MER	2.52	1.35

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis was RM87,799,528 (2019:RM110,613,094).

AFFIN HWANG DANA MALAYSIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 NOVEMBER 2019 TO 17 SEPTEMBER 2020 (DATE OF MATURITY) (CONTINUED)

15 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial period from 1.11.2019 to 17.9.2020 (date of maturity)	Financial period from 1.8.2018 (date of launch) to 31.10.2019
PTR (times)	3.03	1.90

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM215,128,616 (2019:RM254,843,256)
total disposal for the financial period =RM317,747,156 (2019:RM165,711,495)

AFFIN HWANG DANA MALAYSIA

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 35 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 17 September 2020 (date of maturity) and of its financial performance, changes in equity and cash flows for the financial period from 1 November 2019 to 17 September 2020 (date of maturity) in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
14 October 2019

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG DANA MALAYSIA

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Dana Malaysia (“the Fund”) give a true and fair view of the financial position of the Fund as at 17 September 2020 (date of maturity), and of its financial performance and its cash flows for the financial period from 1 November 2019 to 17 September 2020 (date of maturity) in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 17 September 2020 (date of maturity), and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 1 November 2019 to 17 September 2020 (date of maturity), and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 35.

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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note A, Basis of Preparation of the financial statements, which states that the Fund has been terminated on 17 September 2020. These financial statements have therefore been prepared using a liquidation basis of accounting. Our opinion is not modified in respect of this matter.

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG DANA MALAYSIA (CONTINUED)

REPORT ON 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 determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG DANA MALAYSIA (CONTINUED)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG DANA MALAYSIA (CONTINUED)**

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
14 October 2020

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