

# Affin Hwang Growth Fund

Semi-Annual Report  
31 August 2022

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
AmanahRaya Trustees Berhad (766894-T)

# AFFIN HWANG GROWTH FUND

## Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 August 2022

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## FUND INFORMATION

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

## FUND PERFORMANCE DATA

Category	As at 31 Aug 2022 (%)	As at 31 Aug 2021 (%)	As at 31 Aug 2020 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	-	-	2.14
- Consumer products & services	3.54	7.47	7.23
- Energy	1.75	1.50	2.91
- Financial services	16.24	16.28	10.64
- Healthcare	3.14	2.54	18.01
- Industrial products & services	17.85	31.95	16.93
- Plantation	14.52	2.72	-
- Properties	2.12	2.28	1.83
- REITs	2.09	-	4.21
- Technology	7.98	15.10	21.26
- Telecommunication & media	9.36	9.73	2.48
- Transportation & logistics	5.41	3.94	-
- Utilities	2.75	1.87	2.88
<b>Total quoted equities – local</b>	<b>86.75</b>	<b>95.38</b>	<b>90.52</b>
<b>Cash &amp; cash equivalent</b>	<b>13.25</b>	<b>4.62</b>	<b>9.48</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	77.450	130.386	126.471
NAV per Unit (RM)	0.2812	0.3594	0.3137
Unit in Circulation (million)	275.462	362.794	403.183
Highest NAV	0.3330	0.3660	0.3186
Lowest NAV	0.2710	0.3312	0.2254
Return of the Fund (%)	-10.77	5.29	15.87
- Capital Growth (%)	-15.45	0.73	13.17
- Income Distribution (%)	5.54	4.53	2.39
Gross Distribution per Unit (sen)	1.50	1.50	7.00
Net Distribution per Unit (sen)	1.50	1.50	7.00
Total Expense Ratio (%) <sup>1</sup>	0.81	0.82	0.82
Portfolio Turnover Ratio (times) <sup>2</sup>	0.39	0.46	0.74

### **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

<sup>1</sup> The TER of the Fund was lower due to lower expenses incurred by the Fund during the period under review.

<sup>2</sup> The PTR of the Fund was lower than previous period under review due to lesser trading activities during the financial period.

## MANAGER'S REPORT

### Income Distribution / Unit Split

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
19-Jul-22	20-Jul-22	0.2835	0.0150	0.2710

No unit split were declared for the financial period ended 31 August 2022.

### Performance Review

For the period 1 March 2022 to 31 August 2022, the Fund registered a -10.77% return compared to the benchmark return of -5.98%. The Fund thus underperformed the Benchmark by 4.79%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2022 was RM0.2812 while the NAV as at 28 February 2022 was RM0.3326. During the period under review, the Fund has declared a gross income distribution of RM0.0150 per unit.

Since commencement, the Fund has registered a return of 45.20% compared to the benchmark return of -3.17%, outperforming by 48.37%.

Table 1: Performance of the Fund

	6 Months (1/3/22 - 31/8/22)	1 Year (1/9/21 - 31/8/22)	3 Years (1/9/19 - 31/8/22)	5 Years (1/9/17 - 31/8/22)	Since Commencement (28/6/11 - 31/8/22)
<b>Fund</b>	<b>(10.77%)</b>	<b>(17.43%)</b>	<b>11.68%</b>	<b>6.97%</b>	<b>45.20%</b>
<b>Benchmark</b>	<b>(5.98%)</b>	<b>(5.58%)</b>	<b>(6.21%)</b>	<b>(14.73%)</b>	<b>(3.17%)</b>
<b>Outperformance</b>	<b>(4.79%)</b>	<b>(11.85%)</b>	<b>17.89%</b>	<b>21.70%</b>	<b>48.37%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/21 - 31/8/22)	3 Years (1/9/19 - 31/8/22)	5 Years (1/9/17 - 31/8/22)	Since Commencement (28/6/11 - 31/8/22)
<b>Fund</b>	<b>(17.43%)</b>	<b>3.75%</b>	<b>1.36%</b>	<b>3.39%</b>
<b>Benchmark</b>	<b>(5.58%)</b>	<b>(2.11%)</b>	<b>(3.13%)</b>	<b>(0.29%)</b>
<b>Outperformance</b>	<b>(11.85%)</b>	<b>5.86%</b>	<b>4.49%</b>	<b>3.68%</b>

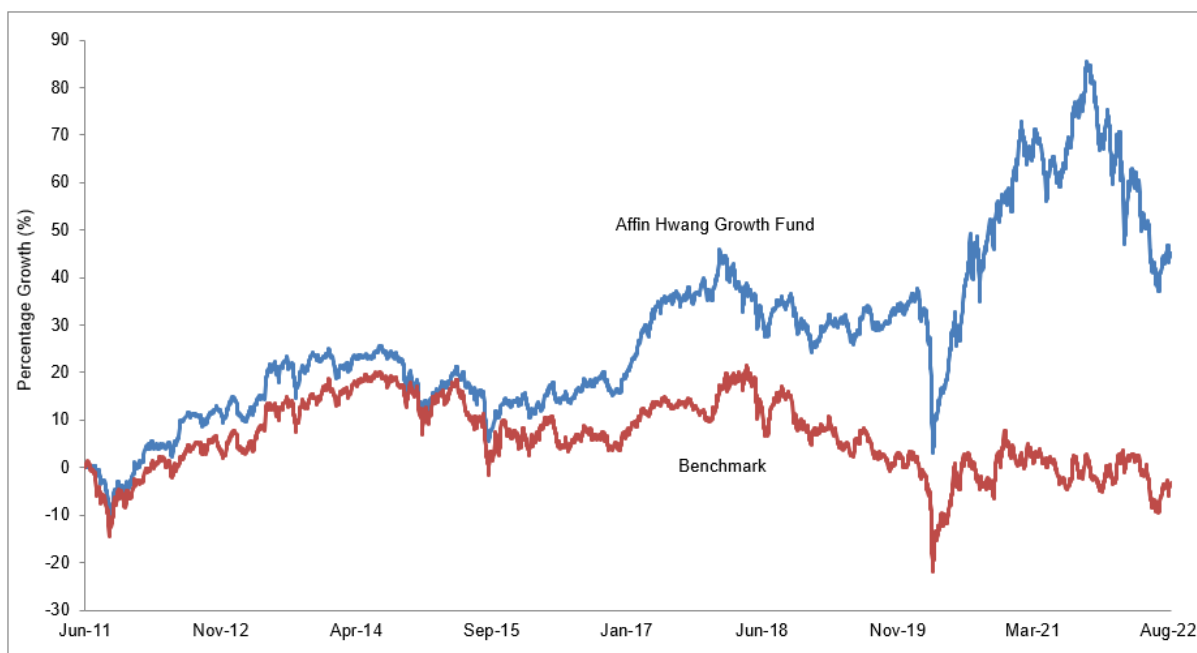
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/3/21 - 28/2/22)	FYE 2021 (1/3/20 - 28/2/21)	FYE 2020 (1/3/19 - 29/2/20)	FYE 2019 (1/3/18 - 28/2/19)	FYE 2018 (1/3/17 - 28/2/18)
<b>Fund</b>	<b>(2.56%)</b>	<b>31.80%</b>	<b>(3.11%)</b>	<b>(8.01%)</b>	<b>15.27%</b>
<b>Benchmark</b>	<b>1.94%</b>	<b>6.41%</b>	<b>(13.18%)</b>	<b>(8.00%)</b>	<b>9.59%</b>
<b>Outperformance</b>	<b>(4.50%)</b>	<b>25.38%</b>	<b>10.07%</b>	<b>(0.01%)</b>	<b>5.68%</b>

Source of Benchmark: Bloomberg

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



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

Benchmark: FTSE Bursa Malaysia KLCI

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

### **Asset Allocation**

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

During the period under review, the Manager had been in a defensive stance and deployed their investments carefully due to volatile market condition. As at 31 August 2022, the Fund's equity exposure were lower at 86.75% (2021:95.38%). The Manager decreased investment mainly through reduced holdings in Industrial products & services as well as the technology sector. Cash holdings were increased from 4.62% in the previous period to 13.25%.

### **Strategies Employed**

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

### **Market Review**

Uncertainty has been an ongoing theme in economies over the past year. Fiscal and monetary adjustments as governments and central banks strive to rein in inflation for a soft landing continue to affect markets, increasing volatility. Geopolitical instability also remains a major concern due to the protracted Russia-Ukraine conflict. The double whammy of a global pandemic coupled with geopolitical tensions has been troubling markets as economic activities were limited and the friction between the two nations further exacerbated market volatility by inciting supply chain disruptions.

At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As the last quarter of 2022 draws closer, we have seen numerous interest rates hikes over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points within the span of 6 months to address inflationary pressures.

Global markets slumped lower in August as the Fed signalled that there will be no let-up in its quest to quell inflation by tightening monetary policy. As a result, the Standard & Poor (S&P) 500 index fell 4.3% as hopes that the Fed would pivot anytime soon to loosen monetary policy is dampened. At the annual Jackson Hole economic symposium in August this year, Fed Chair Jerome Powell reiterated that the Fed is committed to raising interest rates until it is confident that inflation is sufficiently brought under control. Powell acknowledged that a tighter monetary policy may adversely affect US consumers and businesses due to higher borrowing costs but added that a premature loosening policy could lead to a much worse outcome if inflation continued unchecked.

Similar to US markets, Eurozone shares fell in August due to ongoing inflationary worries. The euro area annual inflation rate was 9.1% in August, a considerable increase compared to 3.0% a year ago. The highest contributor to the annual inflation rate is the energy sector, followed by food, alcohol and tobacco. The energy crisis across Europe was exacerbated as Russia said it would halt the Nord Stream 1 pipeline. Russia has already cut its gas supplies to EU states by 88% over the year.

In Asia the broader MSCI Asia ex-Japan index plunged 12.9% in August, Taiwan and Korea being among the worst performers in the region as the two export-driven countries saw waning demand for tech goods on the back of a global slowdown. Indonesia on the other hand was the best-performing major Asia-Pacific index for the year, with the Jakarta composite index up 6.51% since the start of the year.

According to state media, China plans to launch a real estate fund of up to 300.0 billion yuan (US\$44.0 billion) to help developers complete stalled projects. The People's Bank of China (PBoC) is also said to be issuing 1.0 trillion yuan (US\$148.2 billion) to ease a liquidity crunch in the sector. China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, despite having relaxed Covid-19 restrictions as the number of new cases decline, and the government's effort in stimulating the economy from both monetary and fiscal perspective, the path to economic recovery seems rocky and non-linear. The Shanghai Shenzhen CSI300 Index was down 2.2% for the month of August as the region continue to reel from a property slump.

Bond yields continue to rise in August 2022 as central banks maintained hawkishness, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. The US 10-year Treasury rose from 2.64% in July to 3.13% in August, with the two-year rising from 2.90% to 3.45%. The UK gilt market performed relatively worse than most government bond markets as inflation in UK hit 10% in July, surprising markets and raised expectations of a faster pace of rate hikes.

In the domestic market, the Kuala Lumpur Composite Index (KLCI) edged 1.3% higher in August 2022 as earnings season roll-out. Most companies' results were in line with expectations with exporters coming out on top as beneficiaries of a weaker Ringgit. All eyes will be on the upcoming tabling of Budget 2023 slated in October.

On local fixed income, the 10-year MGS yield rose 9 basis points (bps) to end the month at 3.99%. Malaysia's gross domestic product (GDP) expanded by 8.9% in the second quarter of 2022 year on year, buoyed by an improvement seen in consumption for both manufacturing and services segment as well as exports since Malaysia's border reopening in April this year.

## **Investment Outlook**

Markets are set to remain challenging for the rest of 2022. In developed markets, rising inflation and tight monetary policy may continue to hamper the recovery of risk assets. Recent hawkish comments by Jerome Powell, the Chair of the U.S. Federal Reserve, during the Jackson Hole Economic Symposium in August 2022 have curbed expectations of a transition to looser monetary policy anytime soon.

Following an order by the U.S. government in early September 2022 preventing chipmakers including Nvidia and Advanced Micro Devices (AMD) from exporting specific advanced chips to China, bilateral relationships

between the U.S. and China may worsen further. On a positive note, delisting fears for U.S. listed Chinese stocks have alleviated to some extent on the news of an agreement between both governments over the auditing dispute being reached.

Asian markets may continue to see weakness. Korea and Taiwan have underperformed thus far as manufacturing gauges for both countries slumped in August 2022. Chinese markets were not spared following renewed lockdowns in major cities. Nevertheless, easing COVID-19 restrictions and policymakers signalling an end to the regulatory crackdown have given hope of a recovery in the Chinese markets.

Locally, election rumours have begun circulating. The United Malays National Organisation (UMNO) Supreme Council nominated Datuk Seri Ismail Sabri Yaakob as the Prime Minister for the 15<sup>th</sup> General Election (GE15) following a meeting between council members. According to political analysts, the timing of GE15 would be highly dependent on whether UMNO would be allowed by the Registrar of Societies (RoS) to amend its party constitution to delay its party polls. Assuming a full-term, Parliament would need to be dissolved by 16 July 2023. By the latest, election would need then to be held by 14 September 2023.

In other news, Malaysia's Consumer Price Index (CPI) for July 2022 accelerated by 4.4% year-on-year, its highest in 14 months as food and beverage prices remained as the main contributor to inflation. The latest reading marks a full percentage jump from June 2022's figures, though largely in line with consensus estimates. Bank Negara Malaysia (BNM) is still expected to remain gradual and accommodative in its current rate hiking cycle.

### **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 Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by Affin Hwang Asset Management. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

### **Cross Trade**

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

### **Securities Financing Transactions**

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

### **Changes Made To the Fund's Prospectus**

There were no changes made to the Fund's prospectus during the financial period under review.



## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AFFIN HWANG GROWTH FUND**

We have acted as Trustee of the Fund for the financial period ended 31 August 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Afifn Hwang Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, Securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Amanahraya Trustees Berhad

**ZAINUDIN BIN SUHAIMI**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
19 October 2022

**AFFIN HWANG GROWTH FUND**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022**

# **AFFIN HWANG GROWTH FUND**

## **UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022**

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## AFFIN HWANG GROWTH FUND

### UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022

	<u>Note</u>	6 months financial period ended <u>31.8.2022</u> RM	6 months financial period ended <u>31.8.2021</u> RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		1,223,131	1,325,992
Interest income from financial assets at amortised cost		138,373	70,123
Net (loss)/gain on financial assets at fair value through profit or loss	8	<u>(11,153,409)</u>	<u>6,363,850</u>
		<u>(9,791,905)</u>	<u>7,759,965</u>
<b>EXPENSES</b>			
Management fee	4	(681,114)	(960,065)
Trustee fee	5	(36,341)	(51,215)
Auditors' remuneration		(3,781)	(3,781)
Tax agent's fee		(1,906)	-
Transaction cost		(296,190)	(348,757)
Other expenses		(5,296)	(25,598)
		<u>(1,024,628)</u>	<u>(1,389,416)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(10,816,533)	6,370,549
Taxation	6	<u>-</u>	<u>-</u>
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(10,816,533)</u>	<u>6,370,549</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		7,776,580	4,174,595
Unrealised amount		<u>(18,593,113)</u>	<u>2,195,954</u>
		<u>(10,816,533)</u>	<u>6,370,549</u>

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

## AFFIN HWANG GROWTH FUND

### UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	9,863,399	7,400,092
Amount due from brokers		1,024,099	-
Dividend receivables		-	29,246
Financial assets at fair value through profit or loss	8	<u>67,186,634</u>	<u>124,361,655</u>
<b>TOTAL ASSETS</b>		<u>78,074,132</u>	<u>131,790,993</u>
<b>LIABILITIES</b>			
Amount due to brokers		473,713	1,103,308
Amount due to Manager			
- management fee		101,095	161,422
- cancellation of units		15,646	100,646
Amount due to Trustee		5,392	8,609
Auditors' remuneration		3,801	3,801
Tax agent's fee		6,883	9,357
Other payable and accruals		<u>17,606</u>	<u>18,130</u>
<b>TOTAL LIABILITIES</b>		<u>624,136</u>	<u>1,405,273</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>77,449,996</u>	<u>130,385,720</u>
<b>EQUITY</b>			
Unitholders' capital		57,748,778	87,058,854
Retained earnings		<u>19,701,218</u>	<u>43,326,866</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>77,449,996</u>	<u>130,385,720</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>275,462,000</u>	<u>362,794,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.2812</u>	<u>0.3594</u>

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

## AFFIN HWANG GROWTH FUND

### UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 March 2022	69,330,173	34,767,521	104,097,694
Total comprehensive loss for the financial period	-	(10,816,533)	(10,816,533)
Distribution (Note 7)	-	(4,249,770)	(4,249,770)
Movement in unitholders' capital:			
Creation of units arising from application	235,380	-	235,380
Creation of units arising from distribution	4,249,770	-	4,249,770
Cancellation of units	(16,066,545)	-	(16,066,545)
Balance as at 31 August 2022	<u>57,748,778</u>	<u>19,701,218</u>	<u>77,449,996</u>
Balance as at 1 March 2021	93,216,807	42,243,922	135,460,729
Total comprehensive income for the financial period	-	6,370,549	6,370,549
Distribution (Note 7)	-	(5,287,605)	(5,287,605)
Movement in unitholders' capital:			
Creation of units arising from application	22,108	-	22,108
Creation of units arising from distribution	5,287,605	-	5,287,605
Cancellation of units	(11,467,666)	-	(11,467,666)
Balance as at 31 August 2021	<u>87,058,854</u>	<u>43,326,866</u>	<u>130,385,720</u>

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

## AFFIN HWANG GROWTH FUND

### UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022

	<u>Note</u>	6 months financial period ended <u>31.8.2022</u> RM	6 months financial period ended <u>31.8.2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		47,060,306	67,029,194
Purchase of investments		(28,646,834)	(55,223,835)
Interest received		138,373	70,123
Dividends received		1,310,908	1,534,329
Management fee paid		(703,290)	(956,395)
Trustee's fee paid		(37,523)	(51,020)
Payment for other fees and expenses		(310,338)	(379,976)
		<hr/>	<hr/>
Net cash flows generated from operating activities		18,811,602	12,022,420
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from creation of units		235,380	22,108
Payments for cancellation of units		(16,060,631)	(11,394,170)
		<hr/>	<hr/>
Net cash flows used in from financing activities		(15,825,251)	(11,372,062)
		<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,986,351	650,358
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		6,877,048	6,749,734
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9	9,863,399	7,400,092
		<hr/> <hr/>	<hr/> <hr/>

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

## AFFIN HWANG GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022

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 and IFRS 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.

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

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

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



## AFFIN HWANG GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (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 short-term deposits with licensed financial institutions are recognised based on effective interest rate method on an accruals 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 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 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 period.

#### **E DISTRIBUTIONS**

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

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

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

## AFFIN HWANG GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

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

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

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

##### (ii) Recognition and initial 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.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are 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.

## AFFIN HWANG GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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

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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

##### Qualitative criteria:

The debtor meets unlikelihood 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.

## AFFIN HWANG GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

##### 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.

#### H 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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### I AMOUNT DUE FROM/(TO) BROKERS

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

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

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

#### 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 assets value ("NAV");
- 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 period if the unitholder exercises the right to put the unit back to the Fund.

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

## **AFFIN HWANG GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)**

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

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

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

#### **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 Unit Trust Funds.

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022

#### 1 INFORMATION ON THE FUND

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

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

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

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

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, 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 2022.

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised costs RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	9,863,399	-	9,863,399
Amount due from brokers		1,024,099	-	1,024,099
Quoted equities	8	-	67,186,634	67,186,634
Total		<u>10,887,498</u>	<u>67,186,634</u>	<u>78,074,132</u>
<u>Financial liabilities</u>				
Amount due to brokers		473,713	-	473,713
Amount due to Manager				
- management fee		101,095	-	101,095
- cancellation of units		15,646	-	15,646
Amount due to Trustee		5,392	-	5,392
Auditors' remuneration		3,801	-	3,801
Tax agent's fee		6,883	-	6,883
Other payables and accruals		17,606	-	17,606
Total		<u>624,136</u>	<u>-</u>	<u>624,136</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

Financial instruments are as follows (continued):

	<u>Note</u>	At amortised costs RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	7,400,092	-	7,400,092
Dividend receivables		29,246	-	29,246
Quoted equities	8	-	124,361,655	124,361,655
Total		<u>7,429,338</u>	<u>124,361,655</u>	<u>131,790,993</u>
<u>Financial liabilities</u>				
Amount due to brokers		1,103,308	-	1,103,308
Amount due to Manager				
- management fee		161,422	-	161,422
- cancellation of units		100,646	-	100,646
Amount due to Trustee		8,609	-	8,609
Auditors' remuneration		3,801	-	3,801
Tax agent's fee		9,357	-	9,357
Other payables and accruals		18,130	-	18,130
Total		<u>1,405,273</u>	<u>-</u>	<u>1,405,273</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 Unit Trust Funds.



## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (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>2022</u> RM	<u>2021</u> RM
<b>Quoted investment</b>		
Quoted equities	67,186,634	124,361,655

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and NAV to price risk movement. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/NAV RM
<u>2022</u>		
-4%	64,499,169	(2,687,465)
0%	67,186,634	-
+4%	69,874,099	2,687,465
<u>2021</u>		
-10%	111,925,489	(12,436,166)
0%	124,361,655	-
+10%	136,797,821	12,436,166

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

##### Market risk (continued)

##### (b) Interest rate risk

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

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

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

##### Credit risk

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

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

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

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

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

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

	Cash and cash <u>equivalents</u> RM	Amount due from <u>brokers</u> RM	<u>Total</u> RM
<u>2022</u>			
Financial Services			
- AAA	9,814,823	-	9,814,823
- AA1	48,576	-	48,576
Technology			
- NR	-	1,024,099	1,024,099
	<u>9,863,399</u>	<u>1,024,099</u>	<u>10,887,498</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

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

	Cash and cash equivalents RM	Dividend receivables RM	Total RM
<u>2021</u>			
Financial Services			
- AAA	7,362,003	-	7,362,003
- AA1	38,089	-	38,089
Technology			
- NR	-	3,906	3,906
Transportation & Logistics			
- NR	-	25,340	25,340
	<u>7,400,092</u>	<u>29,246</u>	<u>7,429,338</u>

#### 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 bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	Within <u>one month</u> RM	Between one month to <u>one-year</u> RM	Total RM
<u>2022</u>			
Amount due to brokers	473,713	-	473,713
Amount due to Manager			
- management fee	101,095	-	101,095
- cancellation of units	15,646	-	15,646
Amount due to Trustee	5,392	-	5,392
Auditors' remuneration	-	3,801	3,801
Tax agent's fee	-	6,883	6,883
Other payables and accruals	-	17,606	17,606
	<u>595,846</u>	<u>28,290</u>	<u>624,136</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

##### Liquidity risk (continued)

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

	Within <u>one month</u> RM	Between one month to <u>one-year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to brokers	1,103,308	-	1,103,308
Amount due to Manager			
- management fee	161,422	-	161,422
- cancellation of units	100,646	-	100,646
Amount due to Trustee	8,609	-	8,609
Auditors' remuneration	-	3,801	3,801
Tax agent's fee	-	9,357	9,357
Other payables and accruals	-	18,130	18,130
	<u>1,373,985</u>	<u>31,288</u>	<u>1,405,273</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.

#### 3 FAIR VALUE ESTIMATION

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

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

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

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

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (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.

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>2022</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	67,186,634	-	-	67,186,634
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2021</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	124,361,655	-	-	124,361,655
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

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

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 4 MANAGEMENT FEE

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

For the 6 months financial period ended 31 August 2022, the management fee is recognised at a rate of 1.50% (2021: 1.50%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 5 TRUSTEE'S FEE

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

For the 6 months financial period ended 31 August 2022, the Trustee fee is recognised at a rate of 0.08% (2021: 0.08%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 6 TAXATION

	6 months financial period ended <u>31.8.2022</u> RM	6 months financial period ended <u>31.8.2021</u> RM
Current taxation-local	-	-

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 6 TAXATION (CONTINUED)

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

	6 months financial period ended <u>31.8.2022</u> RM	6 months financial period ended <u>31.8.2021</u> RM
Net (loss)/profit before taxation	<u>(10,816,533)</u>	<u>6,370,549</u>
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(2,595,968)	1,528,932
Tax effect of:		
Investment income not subject to tax	2,350,058	(1,862,392)
Expenses not deductible for tax purposes	80,749	101,350
Restriction on tax deductible expenses for Unit Trust Funds	165,161	232,110
Tax expense	<u>-</u>	<u>-</u>

#### 7 DISTRIBUTION

	6 months financial period ended <u>31.8.2022</u> RM	6 months financial period ended <u>31.8.2021</u> RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	<u>4,249,770</u>	<u>5,287,605</u>
Net distribution amount	<u>4,249,770</u>	<u>5,287,605</u>
Gross/Net distribution per unit (sen)	<u>1.50</u>	<u>1.50</u>
Ex-date	<u>20.7.2022</u>	<u>21.7.2021</u>

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 period is an amount of RM4,249,770 (2021: RM5,287,605) made from previous year's realised income.

The Fund has incurred an unrealised loss of RM18,593,113 (2021: RM Nil) for the 6 months financial period ended 31 August 2022.

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities - local	<u>67,186,634</u>	<u>124,361,655</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	7,439,704	4,167,896
- unrealized (loss)/gain on changes in fair value	(18,593,113)	2,195,954
	<u>(11,153,409)</u>	<u>6,363,850</u>

(a) Quoted equities – local

(i) Quoted equities - local as at 31 August 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Consumer Products &amp; Services</u>				
Fraser & Neave Holdings Bhd	34,300	778,521	767,634	0.99
Hong Leong Industries Bhd	215,900	1,530,606	1,973,326	2.55
	<u>250,200</u>	<u>2,309,127</u>	<u>2,740,960</u>	<u>3.54</u>
<u>Energy</u>				
Dayang Enterprise Hldgs Bhd	1,267,300	1,649,313	1,356,011	1.75
<u>Financial Services</u>				
Aeon Credit Service M Bhd	138,700	2,156,663	1,936,252	2.50
Alliance Bank Malaysia Bhd	461,900	1,631,664	1,630,507	2.11
AMMB Holdings Bhd	539,400	1,646,195	2,233,116	2.88
CIMB Group Holdings Bhd	341,249	1,467,823	1,829,095	2.36
Hong Leong Bank Bhd	112,700	2,183,488	2,350,922	3.04
Malayan Banking Bhd	289,493	2,452,051	2,596,752	3.35
	<u>1,883,442</u>	<u>11,537,884</u>	<u>12,576,644</u>	<u>16.24</u>
<u>Health Care</u>				
IHH Healthcare Bhd	391,900	2,153,335	2,429,780	3.14



## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Quoted equities – local (continued)

(i) Quoted equities - local as at 31 August 2022 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Industrial Products &amp; Services</u>				
PIE Industrial Bhd	485,900	1,549,472	1,501,431	1.94
Press Metal Aluminium Holding Bhd	299,700	1,780,160	1,423,575	1.84
Scientex Bhd	519,900	869,037	1,835,247	2.37
Scope Industries Bhd	13,271,300	4,281,940	2,256,121	2.91
SKP Resources Bhd	1,513,975	1,902,225	2,558,618	3.30
Sunway Bhd	1,296,078	2,072,491	2,125,568	2.75
V.S. Industry Bhd	2,123,400	1,948,300	2,123,400	2.74
	<u>19,510,253</u>	<u>14,403,625</u>	<u>13,823,960</u>	<u>17.85</u>
<u>Plantation</u>				
Hap Seng Plantations Holdings Bhd	801,400	2,249,404	1,811,164	2.34
Kuala Lumpur Kepong Bhd	202,100	5,173,813	4,656,384	6.01
Sime Darby Plantation Bhd	582,200	3,011,337	2,590,790	3.35
Ta Ann Holdings Bhd	549,100	2,997,093	2,185,418	2.82
	<u>2,134,800</u>	<u>13,431,647</u>	<u>11,243,756</u>	<u>14.52</u>
<u>Property</u>				
Eco World Development Grp Bhd	2,473,500	1,336,344	1,644,877	2.12
<u>Real Estate Investment Trusts</u>				
Atrium REIT	1,148,400	1,607,760	1,619,244	2.09
<u>Technology</u>				
D&O Green Technologies Bhd	294,500	1,313,501	1,151,495	1.49
Genetec Technology Bhd	746,600	1,932,166	1,881,432	2.43
GHL Systems Bhd	1,149,750	1,055,760	1,264,725	1.63
Greatech Technology Bhd	251,600	1,084,558	910,792	1.18
My EG Services Bhd	208,100	166,480	166,480	0.21
Pentamaster Corporation Bhd	201,200	818,014	804,800	1.04
	<u>2,851,750</u>	<u>6,370,479</u>	<u>6,179,724</u>	<u>7.98</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Quoted equities – local (continued)

(i) Quoted equities - local as at 31 August 2022 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Telecommunication &amp; Media</u>				
TIME dotCom Berhad	762,000	2,410,542	3,634,740	4.69
Telekom Malaysia Bhd	605,500	3,670,733	3,614,835	4.67
	<u>1,367,500</u>	<u>6,081,275</u>	<u>7,249,575</u>	<u>9.36</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	362,000	2,414,540	2,559,340	3.30
TASCO Bhd	1,736,500	1,549,849	1,632,310	2.11
	<u>2,098,500</u>	<u>3,964,389</u>	<u>4,191,650</u>	<u>5.41</u>
<u>Utilities</u>				
YTL Corp Bhd	3,641,800	2,699,410	2,130,453	2.75
Total quoted equities - local	<u>39,019,345</u>	67,544,588	<u>67,186,634</u>	<u>86.75</u>
Accumulated unrealised loss on quoted equities - local		<u>(357,954)</u>		
Total quoted equities - local		<u>67,186,634</u>		

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities - local as at 31 August 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Guan Chong Bhd	421,900	769,432	1,244,605	0.95
Hong Leong Industries Bhd	446,600	3,166,135	4,139,982	3.18
Malayan Flour Mills Bhd	5,622,800	4,783,140	4,357,670	3.34
	<u>6,491,300</u>	<u>8,718,707</u>	<u>9,742,257</u>	<u>7.47</u>
<u>Energy</u>				
Dayang Enterprise Holdings Bhd	1,775,900	2,478,260	1,953,490	1.50
<u>Financial Services</u>				
AMMB Holdings Bhd	1,254,500	3,828,608	3,801,135	2.92
CIMB Group Holdings Bhd	545,432	2,346,415	2,672,617	2.05
Hong Leong Bank Bhd	218,700	3,671,347	4,190,292	3.21
Malayan Banking Bhd	466,529	4,021,716	3,914,178	3.00
Public Bank Bhd	630,900	2,581,390	2,618,235	2.01
RHB Bank Bhd	723,306	3,665,709	4,028,814	3.09
	<u>3,839,367</u>	<u>20,115,185</u>	<u>21,225,271</u>	<u>16.28</u>
<u>Health Care</u>				
IHH Healthcare Bhd	520,800	2,861,589	3,317,496	2.54
<u>Industrial Products &amp; Services</u>				
ATA IMS Bhd	979,100	2,028,269	2,643,570	2.03
Kobay Technology Bhd	808,400	2,284,312	4,527,040	3.47
PIE Industrial Bhd	123,800	432,000	434,538	0.33
Press Metal Aluminium Holdings Bhd	384,600	1,949,922	2,069,148	1.59
Scientex Bhd	1,332,800	2,227,837	5,970,944	4.58
Scope Industries Bhd	11,234,800	3,736,972	3,314,266	2.54
SKP Resources Bhd	2,078,975	2,612,116	3,804,524	2.92
Sunway Bhd	1,409,778	2,254,303	2,467,112	1.89
Supercomnet Technologies Bhd	2,492,000	4,859,400	3,613,400	2.77
Ta Win Holdings Bhd	38,565,500	3,548,584	6,363,308	4.88
Ta Win Holdings Bhd - warrant	15,426,200	-	1,002,703	0.77
V.S. Industry Bhd	3,564,300	3,270,380	5,132,592	3.94
V.S. Industry Bhd - warrant	712,860	-	313,658	0.24
	<u>79,113,113</u>	<u>29,204,095</u>	<u>41,656,803</u>	<u>31.95</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities - local as at 31 August 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Plantation</u>				
Kuala Lumpur Kepong Bhd	166,400	3,856,643	3,540,992	2.72
<u>Property</u>				
Eco World Development Grp Bhd	4,195,700	2,090,713	2,978,947	2.28
<u>Technology</u>				
Genetec Technology Bhd	194,200	2,291,560	6,020,200	4.62
GHL Systems Bhd	1,191,850	1,094,419	2,324,108	1.78
Greatech Technology Bhd	356,000	1,476,494	2,456,400	1.88
Inari Amertron Bhd	983,700	2,619,733	3,383,928	2.60
Malaysian Pac Industries Bhd	86,700	868,187	3,816,534	2.93
Unisem M Bhd	195,300	1,183,551	1,677,627	1.29
	<u>3,007,750</u>	<u>9,533,944</u>	<u>19,678,797</u>	<u>15.10</u>
<u>Telecommunication &amp; Media</u>				
Telekom Malaysia Bhd	1,463,300	8,870,989	8,926,130	6.85
TIME dotCom Bhd	817,200	2,585,164	3,759,120	2.88
	<u>2,280,500</u>	<u>11,456,153</u>	<u>12,685,250</u>	<u>9.73</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	62,000	2,414,540	2,606,400	2.00
TASCO Bhd	2,244,200	2,002,978	2,535,946	1.94
	<u>2,606,200</u>	<u>4,417,518</u>	<u>5,142,346</u>	<u>3.94</u>
<u>Utilities</u>				
YTL Corp Bhd	3,641,800	2,699,409	2,440,006	1.87
Total quoted equities - local	<u>107,638,830</u>	<u>97,432,216</u>	<u>124,361,655</u>	<u>95.38</u>
Accumulated unrealised gain on quoted equities - local		<u>26,929,439</u>		
Total quoted equities - local		<u>124,361,655</u>		

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	48,576	38,089
Deposits with licensed financial institutions	9,814,823	7,362,003
	<u>9,863,399</u>	<u>7,400,092</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposits with licensed financial institutions	<u>2.25</u>	<u>1.75</u>

Deposits with licensed financial institutions have an average maturity of 1 day (2021: 1 day).

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	313,022,000	379,617,000
Creation of units arising from application	758,000	63,000
Creation of units arising from distribution	15,538,464	15,783,896
Cancellation of units	<u>(53,856,464)</u>	<u>(32,669,896)</u>
At the end of the financial period	<u>275,462,000</u>	<u>362,794,000</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS

- (a) Details of transactions with the top 10 brokers for the 6 months financial period ended 31 August 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	17,255,415	22.39	70,618	23.84
UOB Kay Hian Securities (M) Sdn Bhd	6,993,447	9.07	28,433	9.60
CGS - CIMB Securities Sdn. Bhd	6,802,974	8.83	25,865	8.73
Hong Leong Investment Bank Bhd	6,655,384	8.63	27,108	9.15
Malayan Banking Bhd	6,555,463	8.50	24,774	8.36
Public Investment Bank Bhd	5,665,681	7.35	24,025	8.11
CLSA Securities Malaysia Sdn. Bhd	5,625,915	7.30	20,425	6.90
RHB Investment Bank Bhd	4,972,227	6.45	20,233	6.83
Credit Suisse Securities (Malaysia) Sdn. Bhd.	3,439,143	4.46	12,803	4.32
Maybank Investment Bank Bhd	2,519,748	3.27	2,226	0.75
Others	10,598,275	13.75	39,680	13.41
	<u>77,083,672</u>	<u>100.00</u>	<u>296,190</u>	<u>100.00</u>

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS (CONTINUED)

(b) Details of transactions with the top 10 brokers for the 6 months financial period ended 31 August 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	44,796,652	38.67	134,896	38.68
Public Investment Bank Bhd	10,398,692	8.98	31,910	9.15
Malayan Banking Bhd	7,020,571	6.06	22,355	6.41
CLSA Securities Malaysia Sdn Bhd	6,335,234	5.47	18,661	5.35
TA Securities Bhd	6,150,065	5.31	18,220	5.22
KAF Seagroatt & Campbell Securities Sdn Bhd	6,057,420	5.23	18,761	5.38
RHB Investment Bank Bhd	5,535,764	4.78	16,601	4.76
Macquarie Capital Securities (Malaysia) Sdn Bhd	5,129,730	4.43	16,032	4.60
Alliance Investment Bank Bhd	4,610,906	3.98	14,010	4.02
CGS - CIMB Securities Sdn Bhd	4,419,536	3.81	13,868	3.97
Others	15,397,237	13.28	43,443	12.46
	<u>115,851,807</u>	<u>100.00</u>	<u>348,757</u>	<u>100.00</u>

# Included in transaction with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, a company formerly related to the Manager amounting to RM17,255,415 (2021: RM44,796,652). The Manager is of the opinion that all transactions with the former related company have been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (continued)

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P., CVC Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as "CVC Asia V")	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited companies	General Partner of the ultimate holding
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn. Bhd.	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAM")	Substantial shareholder of the Manager
Affin Hwang Asset Management Berhad ("AHAM")	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding companies of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager



## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (continued)

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

	<u>2022</u>
	RM
<u>The Manager:</u>	
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	812
	<u>2,887</u>
	<u>812</u>
	<u>2021</u>
	RM
<u>The Manager:</u>	
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)	1,270
	<u>3,534</u>
	<u>1,270</u>
<u>Subsidiary and associated companies of the former penultimate holding company of the Manager:</u>	
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	265,731
	<u>739,375</u>
	<u>265,731</u>

Other than the above, there were no units held by the Directors or parties related to the Manager.

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 13 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>31.8.2022</u> %	6 months financial period ended <u>31.8.2021</u> %
TER	<u>0.81</u>	<u>0.82</u>

TER is derived from the following calculation:

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

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

The average net asset value of the Fund for the 6 months financial period calculated on daily basis was RM90,104,573 (2021: RM126,983,852).

#### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.8.2022</u>	6 months financial period ended <u>31.8.2021</u>
PTR (times)	<u>0.39</u>	<u>0.46</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM29,120,547 (2021: RM55,348,798)  
total disposal for the financial period = RM40,644,700 (2021: RM61,453,450)

## AFFIN HWANG GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2022 (CONTINUED)

#### 15 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

##### Change in corporate shareholding of Affin Hwang Asset Management Berhad

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in Affin Hwang Asset Management Berhad.

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, Affin Hwang Asset Management Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

## **AFFIN HWANG GROWTH FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 32 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 August 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

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

Kuala Lumpur  
19 October 2022

## **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](mailto:customercare@affinhwangam.com)

### **PENANG**

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10470 Penang

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Fax : 04 – 899 1916

### **PERAK**

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30450 Ipoh Perak

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

### **MELAKA**

Affin Hwang Asset Management Berhad  
Ground Floor, No. 584, Jalan Merdeka  
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### **JOHOR**

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### **SABAH**

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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SARAWAK**

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