

TradePlus

HSCEI Daily (2x) Leveraged Tracker

Annual Report
30 June 2022

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
CIMB Commerce Trustee Berhad (313031-A)

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

Annual Report and Audited Financial Statements For the Financial Year Ended 30 June 2022

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GENERAL INFORMATION

MANAGER

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
Registered Office:
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

Business Office:

Ground Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2116 6000
Fax No.: 03 – 2116 6100
Toll Free No.: 1-800-88-7080
E-mail: customercare@affinhwangam.com
Website: www.affinhwangam.com

MANAGER'S DELEGATE

(fund valuation & accounting function)
CIMB Commerce Trustee Berhad (313031-A)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9886

TRUSTEE

CIMB Commerce Trustee Berhad (313031-A)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9886

TRUSTEE'S DELEGATE

(Custodian Services)
CIMB Bank Berhad (13491-P)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 0099

Business Office:

Level 21, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9892

COMPANY SECRETARY

Raja Shahrul Nizam Raja Yahya (LS0009904)
27th Floor Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur

REGISTRAR

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

FUND INFORMATION

Fund Name	TradePlus HSCEI Daily (2x) Leveraged Tracker
Fund Type	Leveraged exchange-traded fund
Fund Category	Futures-based exchange-traded fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the daily performance of the Benchmark
Benchmark	Hang Seng China Enterprises Futures 2x Leveraged Index
Distribution Policy	The Fund may distribute income on an incidental basis

FUND PERFORMANCE DATA

Category	As at 30 Jun 2022 (%)	As at 30 Jun 2021 (%)	As at 30 Jun 2020 (%)
Portfolio composition			
Quoted derivative - futures	3.46	(4.04)	(1.69)
Collective investment schemes - local	31.97	32.53	-
Cash and Cash Equivalent	64.57	71.51	101.69
Total	100.00	100.00	100.00
Total NAV (MYR 'million)	0.387	0.560	0.592
NAV per Unit (MYR)	0.7943	1.6563	1.4451
Unit in Circulation (million)	0.487	0.338	0.410
Highest NAV per unit	1.6563	2.1145	2.2522
Lowest NAV per unit	0.5248	1.2999	1.2290
Return of the Fund (%) ⁱⁱⁱ	-52.04	14.61	-27.74
- Capital Growth (%) ⁱ	-52.04	14.61	-27.74
- Income Distribution (%) ⁱⁱ	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expense Ratio (%) ¹	2.58	3.28	6.66
Portfolio Turnover Ratio (times) ²	25.81	32.05	19.46
Tracking Error	6.72	5.42	5.35

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

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

An illustration of the above would be as follow:-

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

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

¹The PTR of the Fund was lower than the previous year due to lower trading activities during the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial year ended 30 June 2022.

Performance Review

For the period 1 July 2021 to 30 June 2022, the Fund registered a -52.04% return compared to the benchmark return of -50.53%. The Fund thus underperformed the Benchmark by 1.51%. The Net Asset Value ("NAV") of the Fund as at 30 June 2022 was MYR386,663.31 (MYR0.7943 per unit) while the NAV as at 30 June 2021 was MYR560,318.19 (MYR1.6563 per unit).

Since commencement, the Fund has registered a return of -60.28% compared to the benchmark return of -50.83%, underperforming by 9.45%.

Table 1: Performance of the Fund

	1 Year (1/7/21 - 30/6/22)	Since Commencement (26/11/19 - 30/6/22)
Fund	(52.04%)	(60.28%)
Benchmark	(50.53%)	(50.83%)
Outperformance	(1.51%)	(9.45%)
HSCEI	(28.10%)	(27.87%)

HSCEI : Hang Seng China Enterprises Index; Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/21 - 30/6/22)	Since Commencement (26/11/19 - 30/6/22)
Fund	(52.04%)	(29.92%)
Benchmark	(50.53%)	(23.91%)
Outperformance	(1.51%)	(6.01%)
HSCEI	(28.10%)	(11.82%)

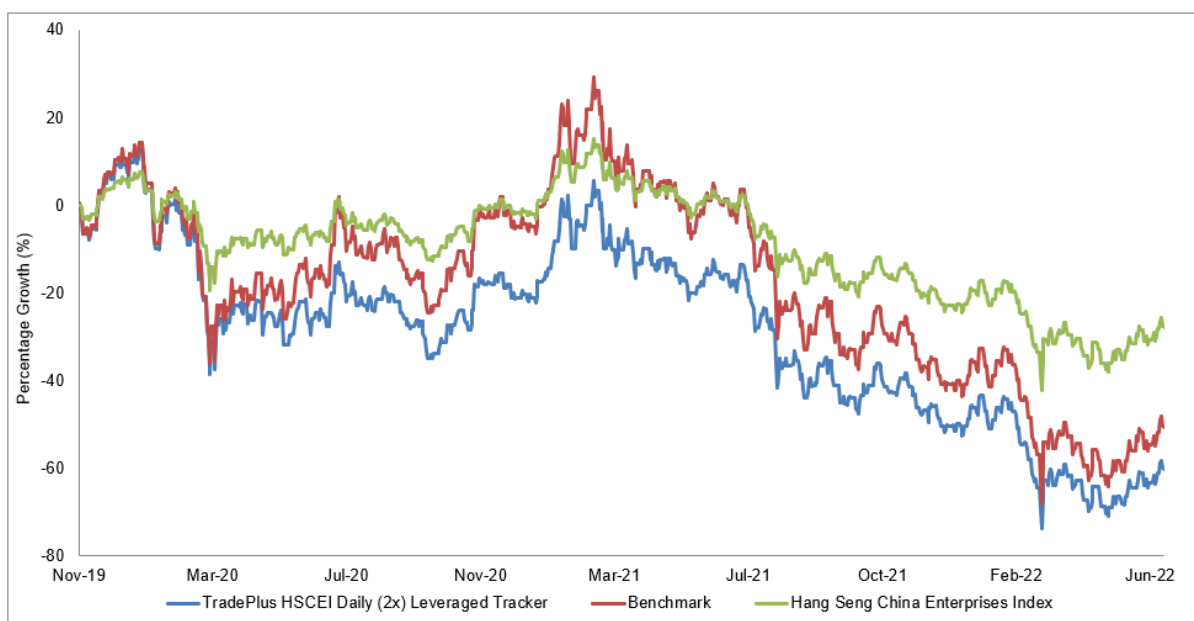
HSCEI : Hang Seng China Enterprises Index; Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (1/7/20 - 30/6/21)	FYE 2020 (26/11/19 - 30/6/20)
Fund	(52.04%)	14.61%	(27.74%)
Benchmark	(50.53%)	21.27%	(18.03%)
Outperformance	(1.51%)	(6.66%)	(9.71%)
HSCEI	(28.10%)	9.27%	(8.19%)

HSCEI : Hang Seng China Enterprises Index; 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: Hang Seng China Enterprises Futures 2x Leveraged Index

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

Asset Allocation

As at 30 June 2022, the ETF's asset allocation stood at 3.46% in quoted derivatives and 31.97% in local collective investment schemes, while the remaining was held in cash and cash equivalent. This provided the ETF with an exposure of 198.44% into the Hang Seng China Enterprises Index.

Strategies Employed

The Manager continues to adopt the full replication strategy. The Manager invested into quoted derivatives or futures to provide investment results that closely correspond to the performance of the Benchmark. As at 30 June 2022, the Fund's assets under management stood at RM0.387million, with quoted derivatives or futures amounting to 3.46% of the Fund's NAV.

Market Review

Uncertainty has been an ongoing theme in economies and markets. 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. Market volatility then spiked further after US Federal Reserve (Fed) Chairmen Powell's testimony suggested that asset price deflation would not be a reason to ease off rate normalisation. The 75 basis points (bps) rate hike in June by the Fed was a clear indication that Central Bank priorities have shifted to addressing inflationary pressures. Whilst some factors driving inflation could be temporary as a result of supply chain issues or the Ukraine conflict, there is also a recognition that the period of loose monetary policy to stimulate the economy during the pandemic has created a foundation for higher inflation.

Although global equities started 2022 on a strong note due to policy easing, equity markets saw notable retracement, potentially heading towards a bear market by the second half of the year. With decreasing

optimism over the growth outlook, more defensive business models are being valued, as both Healthcare and Consumer Staples outperformed during both June and the second quarter of 2022. However, the global equity markets in general saw a selloff in June with the Morgan Stanley Capital International All Country World Index (MSCI AC World) declining 8.6% in June.

Real gross domestic product (GDP) growth for United States in the first quarter was weaker than expected, falling 1.4% on an annualised basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualised basis.

In the Eurozone, equities continue to decline in the second quarter as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 8.6% in June, an increase from 8.1% in May. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and real estate fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, as Covid-19 restrictions relaxed, economic data reflected a positive picture due to economic stimulus from tax and government fee reductions in addition to increasing local government bond issuance with the aim to fund spending. Given the low valuation, Chinese equities was only one of the few markets ending the month of June on a positive return, with the CSI300 up 9.6% in the month and outperforming the Standard & Poor's 500 (S&P 500) by 10 percentage points. The Chinese Yuan also experienced some sharp depreciation during the first quarter of 2022 as the 2-year US Treasury yield rose above its Chinese equivalent. It has however recovered slightly as we head into the second half of the year.

Asia equities registered a negative return in the second quarter. Investors were increasingly downbeat as rising global inflation and supply chain issues could tip the economy into a recession. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to concerns that rising inflation and soaring energy prices will continue to weaken investor sentiment toward the market.

Bond yields continued to rise in June 2022 as central bank hawkishness increased, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 9.1% year on year in June. Corporate bonds garnered negative total returns and underperformed government bonds in general.

Over the first half of the year, we saw energy prices continue to outperform the broader market. However, investors have become increasingly concerned over the impact rising commodity prices will have on consumer spending and economic activity in general. The concerns were warranted as the Materials and Energy sector experienced notable corrections, though Energy remained the best performing sector over the second quarter.

On the domestic front, the FTSE Bursa Malaysia KLCI fell by 8.02% in June, its sharpest monthly decline since the start of the pandemic in March 2020. The decline can be attributed to pessimistic global market sentiment over concerns of inflation and tightening monetary policies potentially coaxing the economy into a recession. In terms of trade, Malaysia continued to see a strong performance through June 2022 with a value of RM270.4 billion, a 43.4% growth from a year ago. Exports expanded 38.8% while imports grew 49.3%.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalisation of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with it peak GDP growth during the pandemic era also likely realised in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggests that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Exchange-Traded 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, no soft commission was received by the manager on behalf of the Fund.

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 year under review.

Changes Made To the Fund's Master Prospectus

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

THE MANAGER

Board of Directors

Name	Dato' Teng Chee Wai
Designation	Managing Director
Age	55
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Bachelor of Science, National University of Singapore • Post-Graduate Diploma in Actuarial Studies, City University in London.
Working Experience and Occupation	<p><u>Current</u></p> <p>Founder & Managing Director of AHAM</p> <p><u>Past</u></p> <ul style="list-style-type: none"> • Assistant General Manager (Investment), Overseas Assurance Corporation • Investment Manager, NTUC Income, Singapore
Date appointed to the Board	23 December 2004
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> • Director of Affin Hwang Trustee Berhad • Chairman of Bintang Capital Partners Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	8/8

Name	Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad
Designation	Chairman, Non - Independent Non - Executive Director
Age	76
Gender	Male
Nationality	Malaysian
Qualification	Raja Tan Sri Dato' Seri Aman graduated from Universiti Malaya. He is a Fellow of the Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants as well as a Fellow of the Institute of Bankers Malaysia.
Working Experience and Occupation	<p>Raja Tan Sri Dato' Seri Aman held various positions in the Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad as an Executive Director. In 1992, he joined Perbadanan Usahawan Nasional Berhad as its CEO before he was re-appointed as the CEO of Affin Bank Berhad in 1995.</p> <p>Raja Tan Sri Dato' Seri Aman had served as a member of the National Pension Fund's ("KWAP") Investment Panel and he is currently the Chairman of Lembaga Tabung Angkatan Tentera's (LTAT) Investment Committee. He had also served as a member of the Malaysian Government's Working Group Policy of the Special Task Force to Facilitate Business (PEMUDAH) for a period of ten (10) years from 2007 to 2017.</p> <p>He was previously served as Director of Affin Hwang Investment Bank Berhad.</p>
Date appointed to the Board	19 February 2019
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> • Chairman of Ahmad Zaki Resources Berhad • Director of Tomei Consolidated Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	8/8

Name	Eleanor Seet Oon Hui (Xue Enhui Eleanor)
Designation	Non-Independent Non-Executive Director
Age	46
Gender	Female
Nationality	Singaporean
Qualification	Bachelor of Economics, University of New South Wales, Sydney
Working Experience and Occupation	<p>Present:</p> <ul style="list-style-type: none"> • Representative director • President and Director of Nikko Asset Management Asia Limited • Head of Asia ex-Japan of Nikko Asset Management (Nikko AM) <p>Past:</p> <ul style="list-style-type: none"> • Director, AxJ Intermediaries, BlackRock/ BGI • Director, SE Asia, AllianceBernstein <p>Other Appointments:</p> <ul style="list-style-type: none"> • Serves as Vice-Chairman on the Executive Committee of the Investment Management Association of Singapore (IMAS)
Date appointed to the Board	30 March 2018
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Member of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	8/8

Name	Faizal Sham Bin Abu Mansor
Designation	Independent Non-Executive Director
Age	51
Gender	Male
Nationality	Malaysian
Qualification	Encik Faizal graduated with a Bachelor of Science in Accounting from Rutgers University, New Jersey, USA. He later went on to obtain his Master in Business Administration from Ohio University, Athens, USA. Faizal also has a Diploma in Aviation Studies from the International Air Transport Association. He is a Fellow of the Chartered Accountants Australia & New Zealand and a Member of the Malaysian Institute of Accountants.
Working Experience and Occupation	<p>Encik Faizal Sham started his career with the Securities Commission before gaining experience within the financial services industry through his tenure at Bank of Tokyo-Mitsubishi (M) Berhad, and Arab-Malaysian Merchant Bank Berhad which is now known as AmInvestment Bank Berhad.</p> <p>He left Malaysia in 1998 to work in Australia for Polyaire Holdings Pty Ltd, a manufacturer and distributor of air-conditioning components before returning to rejoin AmInvestment Bank Berhad in 2003 where he provided financial advisory services to some of the largest corporates in the country.</p> <p>He then moved on to become the Chief Financial Officer of WWE Holdings Berhad and later established his career at Malaysia Airports Holdings Berhad where he had helped restructure the company, drive it's financial performance and raise its profile with the investor community and international business expansion.</p> <p>Prior to his appointment as Director of the Company, Encik Faizal Sham was the Chief Executive Officer of Astro Productions, and Head of Astro Awani within Astro Malaysia Holdings Berhad.</p> <p>Encik Faizal was also served as a Senior Director, Finance & Procurement at MARA Corporation Sdn Bhd, an investment holding company of Majlis Amanah Rakyat (MARA).</p> <p>He is presently an Independent Non Executive Director of Solution Group Berhad. He also holds directorships in a few private companies.</p>
Date appointed to the Board	5 July 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Chairman of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	7/8

Name	Major General Dato' Zulkiflee bin Mazlan (R)
Designation	Independent Non-Executive Director
Age	67
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Graduated from the Royal Military Academy at Sandhurst • Bachelor of Law (Hons) from Institute Technology of Mara • Master Degree in National Security Strategy from National Defense University, Fort McNair, Washington DC
Working Experience and Occupation	<p>Present:</p> <p>Major. Gen Dato' Zulkiflee is the Chairman of Koperasi Angkatan Tentera Malaysia and he also sits on the Board of Great Eastern Takaful Berhad.</p> <p>Past:</p> <p>Major General Dato' Zulkiflee had a distinguished career in the Malaysian Armed Forces. He also held numerous commands and staff appointments at the Ministry of Defence. He had served as Director General of Jabatan Hal Ehwal Veteran. He was the Chief Executive Officer of Yayasan Veteran Angkatan Tentera Malaysia and also served on the Board of Perbadanan Hal Ehwal Bekas Tentera. He was previously served as the Chairman of Affin Hwang Investment Berhad and Affin Hwang Trustee Berhad.</p>
Date appointed to the Board	1 September 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Chairman of Board Compliance and Risk Management Committee • Member of Board Audit Committee
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> • Director of Great Eastern Takaful Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	8/8

Name	Kameel Bin Abdul Halim
Designation	Non-Independent Non-Executive Director
Age	48
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Master Degree, Risk Management, University of Nottingham, United Kingdom • Bachelor Degree, Business Administration, Coventry University, United Kingdom
Working Experience and Occupation	<p>Encik Kameel Bin Abdul Halim (“Encik Kameel”) has more than 20 years of experience in the banking sector ranging from commercial banking to central banking and development finance. He has business degree from Coventry University and MA in Risk Management from Nottingham University.</p> <p>Encik Kameel began his banking career with Sime Bank Berhad before joining HSBC Bank (M) Berhad. He then left commercial banking to join Bank Negara Malaysia (“BNM”) where his experience includes departments such as Financial Conglomerate and Banking Supervision, Financial Surveillance and strategic policymaking. Encik Kameel has also served in the Governor’s Office at BNM in a role that requires strong stakeholder management.</p> <p>Prior to his appointment as the Chief Operating Officer (“COO”) of Affin Hwang Investment Bank Berhad (“AHIB”), Encik Kameel was the COO of Bank Simpanan Nasional (“BSN”). His experience at BSN is wide ranging starting from corporate strategy, product development, sales and banking operations. He had successfully delivered numerous regulatory and business improvement projects at BSN including digital transformation and IT projects.</p> <p>In his role at BSN, Encik Kameel has also assisted international agencies through bilateral assistance and engagements on financial inclusion. Encik Kameel was also as Non Independent Non Executive Director of Gibraltar BSN (M) Berhad, a life insurance company.</p> <p>In his role as the COO of AHIB, Encik Kameel will oversee the Operations function, ensuring smooth and sustainable operation works and processes at AHIB, as well as advise the Board of Directors and Senior Management on all matters pertaining to operations.</p>
Date appointed to the Board	21 February 2022
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Member of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	3/3

Director's Training

The Board acknowledges the importance of continuing education for its Directors. During the financial year ended June 2022, the Board members had attended various training programmes, workshops, seminars, briefings and/or conferences on various subjects in accordance to the respective Director's own training needs. These trainings include:

DATO' TENG CHEE WAI

Organiser	Name of Programme
ABB / Asian Banking School	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels.
Navlan	Design Thinking and Innovation Practitioners Program
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.
AHAM	Governance, Risks and Controls

RAJA TAN SIR DATO' SERI AMAN BIN RAJA HAJI AHMAD

Organiser	Name of Programme
Ahmad Zaki Resources Berhad	Covid-19: Micro Outlook 2nd Half 2021.
Affin Hwang Asset Management Berhad ("AHAM")	Corporate Liability on Corruption under the MACC Act 2009.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.
AHAM	Governance, Risks & Controls ("GRC")

ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)

Organiser	Name of Programme
IMAS	Sustainable Investment & MAS Guidelines on Environmental Risk Management Module
Affin Bank Berhad	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels

MAS IBF	MAS-IBF Growing Timber webinar series: Powering Our International Financial Centre With A Globalised Singaporean Workforce
Affin Hwang Asset Management Berhad (AHAM)	Anti-Money Laundering (AML) Program on 22 September 2021 (SM & Director Session)
Institute of Policy Studies	IPS Corporate Associates Breakfast Dialogue on "Virtually Unlimited Singapore"
BNP	BNPP's Sustainable Future Forum 2021
MAS	Symposium on Asian Banking and Finance.
SMU	Climate Governance Singapore Launch.
BNP	BNP Paribas Virtual Webinar: An Allocator's Lens into 2022.
Standard Chartered Bank	'React, Recover and Respond – A CRO's Role Today'.
MAS	Financial Stability Review Analyst Briefing.
IHRP	The People Behind People Forum 2021.
PNB	PNB Public Markets Dialogue 2022.
IMAS & Bloomberg	The Evolution of Human Capital.
IMAS & Bloomberg	IMAS-Bloomberg Investment Conference 2022: Stewarding Capital Towards New Horizons: Investing for a Greener Future.
IMAS	IMAS Digital Summit 2022: Digitalisation in Asset Management: How far have we come?
Bloomberg	Bloomberg Women's Buy-Side Network (BWBN)

IBF MAS	Singapore Financial Forum - Opportunities and Challenges Ahead
IBF MAS	Singapore Financial Forum - The Rise of APAC Wealth (Keys to Unlock Growth Opportunities) Sustainable Finance Hub 2030 (A Greener Future for Finance)
AHAM	Governance, Risks & Controls

FAIZAL SHAM BIN ABU MANSOR

Organiser	Name of Programme
Affin Hwang Asset Management Berhad	Corporate Liability on Corruption under the MACC Act 2009.
Affin Bank Berhad	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
ABB / Asian Banking School	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.
Securities Commission of Malaysia	Audit Oversight Board Conversation with Audit Committees.
AHAM	Governance, Risks & Controls (“GRC”)

MAJOR GENERAL DATO’ ZULKIFLEE BIN MAZLAN (R)

Organiser	Name of Programme
Affin Hwang Investment Bank Berhad	Talk on Directors and Officers (D&O) and Comprehensive Crime and Professional Indemnity (CCPI) Insurance.
Affin Hwang Asset Management Berhad (“AHAM”)	Corporate Liability on Corruption under the MACC Act 2009.
Affin Bank Berhad	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

KAMEEL BIN ABDUL HALIM

Organiser	Name of Programme
Securities Industry Development Corporation	Capital Market Director Programme
Bursa Malaysia – Institute of Corporate Directors Malaysia	Mandatory Accreditation Programme
Affin Hwang Asset Management Berhad	Governance, Risks & Controls

During the financial year ended June 2022, there were no public sanction or penalty that was imposed on the management company by the relevant regulatory bodies.

The Custodian (Trustee's Delegate)

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad (CIMB Bank). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instruction from the Trustee.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Affin Hwang Asset Management Berhad** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Securities Commission Malaysia's Guidelines on Exchange-traded Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

For and on behalf of
CIMB Commerce Trustee Berhad

Ezreen Eliza Zulkiplee
Chief Executive Officer

Kuala Lumpur
16 August 2022

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
INVESTMENT (LOSS)/INCOME			
Dividend income		1,410	2,772
Interest income from financial assets at amortised cost		-	229
Net gain on foreign currency exchange		2,691	12,143
Net gain on financial assets at fair value through profit or loss	9	1,813	644
Net (loss)/gain on futures at fair value through profit or loss	10	(326,859)	44,717
		<u>(320,945)</u>	<u>60,505</u>
EXPENSES			
Management fee	4	(4,600)	(5,591)
Trustee fee	5	(184)	(223)
Tax agent's fee		(3,500)	(3,500)
Index license fee	7	-	(67)
Transaction costs		(1,884)	(4,513)
Other expenses		(3,594)	(8,995)
		<u>(13,762)</u>	<u>(22,889)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(334,707)	37,616
Taxation	8	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(334,707)</u>	<u>37,616</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(342,713)	47,765
Unrealised amount		8,006	(10,149)
		<u>(334,707)</u>	<u>37,616</u>

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Margin account	11	210,126	163,363
Cash and cash equivalents		73,084	245,459
Amount due from Manager			
- management fee rebate receivable		24	40
Financial assets at fair value through profit or loss	9	123,606	182,282
TOTAL ASSETS		<u>406,840</u>	<u>591,144</u>
LIABILITIES			
Quoted futures at fair value through profit or loss	10	13,363	22,659
Amount due to brokers		-	1,182
Amount due to Manager			
- management fee		302	466
Amount due to Trustee		12	19
Tax agent's fee		3,500	3,500
Other payables and accruals		3,000	3,000
TOTAL LIABILITIES		<u>20,177</u>	<u>30,826</u>
NET ASSET VALUE OF THE FUND		<u>386,663</u>	<u>560,318</u>
EQUITY			
Unitholders' capital		881,270	720,218
Accumulated losses		(494,607)	(159,900)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>386,663</u>	<u>560,318</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>486,800</u>	<u>338,300</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7943</u>	<u>1.6563</u>

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Unitholder's <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 July 2021	720,218	(159,900)	560,318
Total comprehensive loss for the financial year	-	(334,707)	(334,707)
Movements in unitholders' capital:			
Creation of units arising from applications	348,804	-	348,804
Cancellation of units	(187,752)	-	(187,752)
Balance as at 30 June 2022	<u>881,270</u>	<u>(494,607)</u>	<u>386,663</u>
Balance as at 1 July 2020	789,997	(197,516)	592,481
Total comprehensive income for the financial year	-	37,616	37,616
Movements in unitholders' capital:			
Creation of units arising from applications	1,220,109	-	1,220,109
Cancellation of units	(1,289,888)	-	(1,289,888)
Balance as at 30 June 2021	<u>720,218</u>	<u>(159,900)</u>	<u>560,318</u>

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	<u>2022</u> RM	<u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	181,471	360,671
Purchase of investments	(122,580)	(541,590)
(Payments to)/proceeds from margin account	(44,879)	14,466
Dividends received	1,410	2,772
Interest income received	-	229
Management fee rebate received	432	423
Management fee paid	(4,764)	(5,539)
Trustee fee paid	(191)	(221)
Payment for other fees and expenses	(10,862)	(45,262)
Realised (loss)/gain on futures	(336,200)	57,358
Realised gain on foreign exchange	4,917	9,891
	<hr/>	<hr/>
Net cash flows used in operating activities	(331,246)	(146,802)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	348,804	1,220,109
Payments for cancellation of units	(187,752)	(1,289,888)
	<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities	161,052	(69,779)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(170,194)	(216,581)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(2,181)	2,251
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	245,459	459,789
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	73,084	245,459
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 30 June 2022 and 30 June 2021 comprise of bank balances.

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 IRFS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

- 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 Fund 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.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and loss on sale of investments

For collective investment schemes ("CIS"), 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.

Realised gains and loss on sale of futures

Realised gains or losses on futures are measured by the net settlement amount as per the future contracts.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

C TRANSACTION COSTS

Transaction costs are costs incurred in relation to any particular transaction or dealing relating to the Fund, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, foreign exchange costs and other duties and charges whether in connection with the Fund's assets or the creation, issue, transfer, cancellation or redemption of units or the acquisition or disposal of Fund's assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing. 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 year.

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classify 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.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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.

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies margin account, cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding that represent SPPI.

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

(ii) Recognition and measurement

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

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

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

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 currency transactions are presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the financial year which they arise.

Investment CIS are valued at the last published net asset value (“NAV”) per unit at the date of the statement of financial position.

Valuation of derivatives - futures will be “marked to market” at the close of each valuation day to the extent possible as quoted in respective stock exchanges. Foreign exchange gains and losses on the derivative financial instruments 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 instruments.

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.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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

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.

Write-off

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

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

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which are subject to an insignificant risk of change in value.

I UNITHOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's 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 year if unitholder exercises the right to put the unit back to the Fund.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

I UNITHOLDERS' CAPITAL (CONTINUED)

Units are created and cancelled at the Participating Dealer's option 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.

J DERIVATIVE FINANCIAL INSTRUMENTS

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

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 positive fair value and a negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities as fair value through profit or loss, respectively.

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.

K SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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 Exchange-Traded Funds.

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.

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1 INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name TradePlus HSCEI Daily (2X) Leveraged Tracker (the “Fund”) pursuant to the execution of a Deed dated 4 September 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”).

The Fund commenced operations on 26 November 2019 and will continue its operations until terminated by the Trustee as provided under Section 26.2 of the Deed.

The Fund is listed on the main market of Bursa Malaysia and its aims to provide investment results that closely correspond to the daily performance of the Hang Seng China Enterprises Futures 2x Leveraged Index (the “Benchmark Index”).

The Fund is a passively managed fund. To achieve the investment objective of the Fund, the Manager will use a futures-based replication strategy. Under the futures-based replication strategy, the Manager will directly invest in the nearest spot month futures contracts of the Hang Seng China Enterprises Index (the “Underlying Index”) subject to the futures roll on a quarterly basis in order to obtain the required exposure of up to 200% of its NAV to the Underlying Index.

The Fund seek to rebalance its position daily at or around the close of trading of the Underlying Index, by increasing exposure in response to the Underlying Index’s daily gains or reducing exposure in response to the Underlying Index’s daily losses, so that its daily leveraged exposure ratio to the Underlying Index is consistent with the Leveraged Fund’s investment objective and Benchmark.

A maximum of 30% of the Fund’s net assets value is to be committed as margin for investments in the futures contracts, 10% of the Fund’s NAV is to be invested in debentures with a remaining tenure above 365 days and the remaining balance of the Fund’s NAV is to be invested in debentures with a remaining tenure of 365 days and below, money market instruments, money market collective investment schemes and/or deposits.

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 16 August 2022.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2022</u>				
<u>Financial assets</u>				
Margin account	11	210,126	-	210,126
Cash and cash equivalents		73,084	-	73,084
Amount due from Manager				
- management fee rebate receivable		24	-	24
Collective investment schemes	9	-	123,606	123,606
		<u>283,234</u>	<u>123,606</u>	<u>406,840</u>
<u>Financial liabilities</u>				
Quoted futures	10	-	13,363	13,363
Amount due to Manager				
- management fee		302	-	302
Amount due to Trustee		12	-	12
Tax agent's fee		3,500	-	3,500
Other payables and accruals		3,000	-	3,000
		<u>6,814</u>	<u>13,363</u>	<u>20,177</u>
<u>2021</u>				
<u>Financial assets</u>				
Margin account	11	163,363	-	163,363
Cash and cash equivalents		245,459	-	245,459
Amount due from Manager				
- management fee rebate receivable		40	-	40
Collective investment schemes	9	-	182,282	182,282
		<u>408,862</u>	<u>182,282</u>	<u>591,144</u>

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Quoted futures	10	-	22,659	22,659
Amount due to brokers		1,182	-	1,182
Amount due to Manager				
- management fee		466	-	466
Amount due to Trustee		19	-	19
Tax agent's fee		3,500	-	3,500
Other payables and accruals		3,000	-	3,000
		<u>8,167</u>	<u>22,659</u>	<u>30,826</u>

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

Market risk

(a) Price risk

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

The Fund is exposed to price risk arising from its exposure into futures contracts linked to the movement of its referenced Underlying Index. The price of the Underlying Index may fluctuate, and movement is uncertain. The Fund is structured as an index tracking fund with the Benchmark Index that is linked to the Underlying Index. The Underlying Index comprises of a diversified list of equity securities in its constituents. As such the Fund is able to mitigate the price risk through the diversification that it has through the diversification of the Underlying Index, which the future contracts the Fund enters into replicates.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The Fund is also exposed to price risk arising 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 table below summarises the sensitivity of the Fund's (loss)/profit after taxation, and NAV to movements in prices of its Benchmark index. The analysis is based on the assumption that the Benchmark Index fluctuates by 64.32% (2021: 38.29%), which is 2 times the 12-month standard deviation of the Underlying Index as at 30 June 2022. If all other variables are held constant, and that the fair value of the investments move in the same quantum with the fluctuation of the Underlying Index, this would represent the Management's best estimates of a reasonable possible shift in the futures contracts. However, it must be noted that there may be instances where the price of the futures contracts/Benchmark Index may deviate from the movement of the Underlying Index.

<u>% Change in Benchmark Index</u>	Benchmark <u>Index</u> RM	<u>Market value</u> RM	Impact on (loss)/ profit after <u>tax/NAV</u> RM
<u>2022</u>			
-64.32%	1,876	(21,968)	(8,595)
0%	5,257	(13,363)	-
+64.32%	8,638	(4,768)	8,595
<u>2021</u>			
-38.29%	6,244	(31,335)	(8,676)
0%	10,118	(22,659)	-
+38.29%	13,992	(13,983)	8,676

The Fund's collective investment schemes exposure to price risk was as follows:

	<u>2022</u> RM	<u>2021</u> RM
Quoted investments		
Collective investment schemes - local	123,606	182,282

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (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 (loss)/profit after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 1% (2021: 5%) and decreased by 1% (2021: 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.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/NAV RM
<u>2022</u>		
-1%	126,370	(1,236)
0%	123,606	-
+1%	124,842	1,236
	<u> </u>	<u> </u>
<u>2021</u>		
-5%	173,168	(9,114)
0%	182,282	-
+5%	191,396	9,114
	<u> </u>	<u> </u>

(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 placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's is not exposed to any interest rate risk as it does not hold any deposits with licensed financial institution as at 30 June 2022.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk

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

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

	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2022</u>		
<u>Financial assets</u>		
Hong Kong Dollar	1,202	1,202
	<u>Quoted futures</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>		
Hong Kong Dollar	13,363	13,363
	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2021</u>		
<u>Financial assets</u>		
Hong Kong Dollar	191,078	191,078

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted futures</u> RM	<u>Amount due to brokers</u> RM	<u>Total</u> RM
<u>2021</u> (continued)			
<u>Financial liabilities</u>			
Hong Kong Dollar	22,659	1,182	23,841

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

	<u>Change in rate</u> %	<u>Impact on (loss)/profit after tax/ NAV</u> RM
<u>2022</u>		
Hong Kong Dollar	+/- 3.29	-/+ 400
<u>2021</u>		
Hong Kong Dollar	+/- 3.23	-/+ 5,403

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Credit risk

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

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

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

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

	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial services				
- AAA	210,126	73,084	-	283,210
Other				
- NR	-	-	24	24
	<u>210,126</u>	<u>73,084</u>	<u>24</u>	<u>283,234</u>
<u>2021</u>				
Financial services				
- AAA	163,363	245,459	-	408,822
Other				
- NR	-	-	40	40
	<u>163,363</u>	<u>245,459</u>	<u>40</u>	<u>408,862</u>

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. This includes scenarios such as the need to efficiently top-up its margin account to a level required by its brokers, or meeting redemption applications made by unitholders of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders. Liquid assets comprise bank balances 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.

	<u>Within one month</u> RM	<u>Between one month to one-year</u> RM	<u>Total</u> RM
<u>2022</u>			
Quoted futures at fair value through profit or loss	-	13,363	13,363
Amount due to Manager			
- management fee	302	-	302
Amount due to Trustee	12	-	12
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	3,000	3,000
	<u>314</u>	<u>19,863</u>	<u>20,177</u>
<u>2021</u>			
Quoted futures at fair value through profit or loss	-	22,659	22,659
Amount due to brokers	1,182	-	1,182
Amount due to Manager			
- management fee	466	-	466
Amount due to Trustee	19	-	19
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	3,000	3,000
	<u>1,667</u>	<u>29,159</u>	<u>30,826</u>

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion 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 values 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 price for the financial assets.

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 and financial liabilities 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.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (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 and financial liabilities (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:				
- collective investment schemes	123,606	-	-	123,606
	<u>123,606</u>	<u>-</u>	<u>-</u>	<u>123,606</u>
Financial liabilities at fair value through profit or loss:				
- quoted futures	13,363	-	-	13,363
	<u>13,363</u>	<u>-</u>	<u>-</u>	<u>13,363</u>
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- collective investment schemes	182,282	-	-	182,282
	<u>182,282</u>	<u>-</u>	<u>-</u>	<u>182,282</u>
Financial liabilities at fair value through profit or loss:				
- quoted futures	22,659	-	-	22,659
	<u>22,659</u>	<u>-</u>	<u>-</u>	<u>22,659</u>

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

- (ii) The carrying value of margin account, cash and cash equivalents, amount due from Manager and all current liabilities except for quoted futures are a reasonable approximation of the fair values due to their short-term nature.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 3.00% per annum of the NAV of the Fund, calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 June 2022, the management fee is recognised at a rate of 1.00% (2021: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis, as stated in the Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum of the NAV of the Fund, excluding foreign sub-custodian fees and charges, calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 June 2022, the Trustee fee is recognised at a rate of 0.04% (2021: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis, as stated in the Prospectus.

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

6 AUDITORS' REMUNERATION

Auditors' remuneration of the Fund is recognised at RM20,000 (2021: RM20,000).

The auditors' remuneration was borne by the Manager for the financial year ended 30 June 2022 and 30 June 2021.

7 INDEX LICENSE FEE

License fee is payable to ICE Data Indices, the Benchmark Index provider. The license fee is recognised at minimum of HKD100,000 (2021: HKD100,000) per annum.

The Index License Fee was borne by the Manager for the financial year ended 30 June 2022 and 30 June 2021.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

8 TAXATION

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

	<u>2022</u> RM	<u>2021</u> RM
Current taxation	-	-
Net (loss)/profit before taxation	(334,707)	37,616
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(80,330)	9,028
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	77,027	(14,522)
Expenses not deductible for tax purposes	2,199	3,912
Restriction on tax deductible expenses for Exchange Traded Fund	1,104	1,582
	-	-

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial asset at fair value through profit or loss: - collective investment schemes - local	123,606	182,282
Net gain on financial asset at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	507	(60)
- unrealised gain on changes in fair value	890	241
- management fee rebate on collective investment schemes #	416	463

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

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

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes has been considered as part of its NAV. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in a collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the NAV of the collective investment schemes.

(a) Collective investment schemes

(i) Collective investment schemes as at 30 June 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Money Market Fund	115,098	61,775	62,452	16.15
Affin Hwang Select Cash Fund	57,416	60,700	61,154	15.82
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes – local	172,514	122,475	123,606	31.97
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised gain on collective investment schemes		1,131		
		<hr/>		
Total collective investment schemes		123,606		
		<hr/>		

(ii) Collective investment schemes as at 30 June 2021 are as follows:

Affin Hwang Aiiman Money Market Fund	169,865	90,871	91,150	16.27
Affin Hwang Enhanced Deposit Fund	77,797	91,170	91,132	16.26
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment schemes - local	247,662	182,041	182,282	32.53
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised gain on collective investment schemes		241		
		<hr/>		
Total collective investment schemes		182,282		
		<hr/>		

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

10 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

The Fund's investment in quoted derivative – futures contracts is set out below:

	<u>2022</u> RM	<u>2021</u> RM
Financial liabilities at fair value through profit or loss:		
- quoted derivative – futures	13,363	22,659
Net (loss)/gain on financial liabilities at fair value through profit or loss:		
- realised (loss)/gain on settlement of futures contracts	(336,156)	57,358
- unrealised gain/(loss) on changes in fair value	9,297	(12,641)
	<u>(326,859)</u>	<u>44,717</u>

As at the date of statement of financial position, there are 6 (2021: 7) futures contracts outstanding. The notional principal amount of the outstanding futures amounted to RM779,978 (2021: RM1,096,816). As the Fund has not adopted hedge accounting during the financial year, changes in fair value of futures are recognised immediately in the statement of comprehensive income.

(a) Quoted derivative - futures

(i) Quoted derivative – futures - local as at 30 June 2022 is as follows:

	<u>Quantity</u> RM	<u>Notional</u> <u>Amount</u> RM	<u>Fair</u> <u>value</u> RM	<u>Percentage</u> <u>of NAV</u> %
Hang Seng China Enterprises Index Futures (HCN2)	3	649,954	(11,122)	(2.88)
Mini Hang Seng China Enterprises Index Futures (MHCN2)	3	130,024	(2,241)	(0.58)
Total quoted derivative - futures	<u>6</u>	<u>779,978</u>	<u>(13,363)</u>	<u>(3.46)</u>
Accumulated unrealised loss on quoted derivative – futures – local		<u>(13,363)</u>		
Total quoted derivative – futures		<u>766,615</u>		

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

10 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted derivative - futures (continued)

(ii) Quoted derivative – futures - local as at 30 June 2021 is as follows:

	<u>Quantity</u> RM	<u>Notional Amount</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Hang Seng China Enterprises Index Futures (HCN1)	3	865,975	(17,889)	(3.19)
Mini Hang Seng China Enterprises Index Futures (MHCN1)	4	230,841	(4,770)	(0.85)
Total quoted derivative - futures	<u>7</u>	<u>1,096,816</u>	<u>(22,659)</u>	<u>(4.04)</u>
Accumulated unrealised loss on quoted derivative – futures – local		<u>(22,659)</u>		
Total quoted derivative – futures		<u>1,074,156</u>		

11 MARGIN ACCOUNT

Margin account represents margin deposits held in respect of open exchange-traded futures contracts.

12 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	338,300	410,000
Creation of units arising from applications	329,100	772,300
Cancellation of units	<u>(180,600)</u>	<u>(844,000)</u>
At the end of the financial year	<u>486,800</u>	<u>338,300</u>

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

13 TRANSACTIONS WITH TRADERS/BROKERS

(i) Details of transactions with traders/brokers for the financial year ended 30 June 2022 as follows:

<u>Name of traders/brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CGS-CIMB Securities Sdn Bhd	23,691,631	98.83	1,884	100.00
Affin Hwang Asset Management Bhd #	281,471	1.17	-	-
	<u>23,973,102</u>	<u>100.00</u>	<u>1,884</u>	<u>100.00</u>

(ii) Details of transactions with traders/brokers for the financial year ended 30 June 2021 are as follows:

<u>Name of traders/brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd #	22,789,000	63.56	-	-
CGS-CIMB Securities Sdn Bhd	12,164,584	33.93	4,513	100.00
Affin Hwang Asset Management Bhd #	900,671	2.51	-	-
	<u>35,854,255</u>	<u>100.00</u>	<u>4,513</u>	<u>100.00</u>

Included in transactions with traders/brokers are trades with Affin Hwang Asset Management Bhd and Affin Hwang Investment Bank Bhd, the Manager and the holding company of the Manager amounting to RM281,471 and RMNil (2021: RM900,671 and RM22,789,000). The Manager is of the opinion that all transactions with the related companies has been entered into in the normal course of business at agreed terms between the related parties

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

14 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>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

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

	<u>2022</u>		<u>2021</u>	
	No. of units	RM	No. of units	RM
<u>The Manager of the Fund:</u>				
Affin Hwang Asset Management Berhad (The units are held beneficially for seeding purposes)	300,000	238,290	300,000	496,890

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

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

15 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2022</u> %	<u>2021</u> %
MER	<u>2.58</u>	<u>3.28</u>

MER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebates
- B = Trustee fee
- C = Tax agent’s fee
- D = Index license fee
- E = Other expenses, excluding sales and service tax on transaction costs
- F = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM460,034 (2021: RM559,406).

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2022</u>	<u>2021</u>
PTR (times)	<u>25.81</u>	<u>32.05</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM11,548,709 (2021: RM18,015,777)
total disposal for the financial year = RM12,202,489 (2021: RM17,841,309)

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

17 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by investing into quoted derivatives to meet its investment objective, as stipulated within its investment strategy. The Fund's returns are achieved through the movement in the value of its investments, which comprised from its exposure into futures contracts and deposits with licensed financial institutions.

The Fund has a diversified unitholders' population. However, as at 30 June 2022, there were 3 (2021: 1) unitholders who held more than 10% of the Fund's NAV. The unitholders' holdings were 61.42%, 11.44% and 10.27% (2021: 88.53%).

There were no changes in the reportable segments during the financial year.

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

18 SUBSEQUENT EVENT

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.

TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

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 the opinion of the Manager, the financial statements set out on pages 1 to 32 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 30 June 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 30 June 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
16 August 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Tradeplus HSCEI Daily (2X) Leveraged Tracker (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2022 and of its financial performance and its cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 32.

Basis for opinion

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

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

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ 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
TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Fund. In particular, we considered where the Manager has made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of financial assets and derivative at fair value through profit or loss</p> <p>Refer to Note G, Note J, Note 3, Note 9 and Note 10 to the financial statements.</p> <p>The investment portfolio at the year-end comprised collective investment schemes valued at RM123,606 and quoted derivative - futures valued at RM(13,363).</p> <p>We focused on the valuation and existence of investments and futures because they represent the most significant elements of the net asset recognised in the financial statements.</p>	<p>We have tested the valuation of the collective investment schemes and quoted futures as at year-end by independently agreeing the price used in the valuation to the quoted price published by the relevant stock and derivatives exchanges.</p> <p>We have tested the existence of the investment portfolio by agreeing the investment holding to an independent custodian confirmation held as at 30 June 2022.</p>

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (2X) LEVERAGED TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Fund for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

LEE TZE WOON KELVIN
03482/01/2024 J
Chartered Accountant

Kuala Lumpur
16 August 2022

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