

Affin Hwang

Select Asia Pacific (ex Japan) Dividend Fund

Annual Report
31 August 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763950-H)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 31 August 2021

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FUND INFORMATION

Fund Name	Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund
Fund Type	Growth & Income
Fund Category	Equity
Investment Objective	The Fund endeavours to provide investors with regular income and capital growth over the medium to long-term period
Benchmark	MSCI AC Asia Pacific ex Japan High Dividend Yield Index
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year.

BREAKDOWN OF UNITHOLDERS BY MYR SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	6,218	10,743
5,001 to 10,000	2,481	18,372
10,001 to 50,000	5,440	121,418
50,001 to 500,000	2,260	278,413
500,001 and above	103	1,063,648
Total	16,502	1,492,594

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	6,218	10,743
5,001 to 10,000	2,481	18,372
10,001 to 50,000	5,440	121,418
50,001 to 500,000	2,260	278,413
500,001 and above	103	1,063,648
Total	16,502	1,492,594

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY EUR SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	0	0
50,001 to 500,000	3	738
500,001 and above	0	0
Total	3	738

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	3	20
10,001 to 50,000	8	179
50,001 to 500,000	13	1,156
500,001 and above	5	15,951
Total	29	17,306

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY RMB SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	7
10,001 to 50,000	12	313
50,001 to 500,000	16	3,318
500,001 and above	14	99,042
Total	43	102,680

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY GBP SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	4	31
10,001 to 50,000	10	247
50,001 to 500,000	1	65
500,001 and above	2	1,724
Total	17	2,067

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SGD SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	-
5,001 to 10,000	18	129
10,001 to 50,000	23	472
50,001 to 500,000	11	1,364
500,001 and above	4	5,008
Total	56	6,973

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Aug 2021 (%)	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)
Portfolio composition			
Quoted equities – local			
- Financials	-	-	1.76
- REITs	-	-	-
- Trading / Services	-	-	-
- Utilities	-	-	3.26
Total quoted equities – local	-	-	5.02
Quoted equities – foreign			
- Basic materials	6.93	-	0.24
- Consumer staples	8.00	-	-
- Consumer discretionary	23.78	-	-
- Consumer goods	-	2.88	1.00
- Consumer services	-	29.85	8.21
- Telecommunications	0.81	-	0.34
- Financial services	13.64	15.76	26.06
- Health care	3.20	4.52	1.03
- Industrials	8.96	6.81	3.96
- Real estate	2.86	-	-
- Technology	26.30	39.07	29.58
- Utilities	1.63	-	2.54
Total quoted equities – foreign	96.11	98.89	72.96
Exchange-traded fund – local	-	-	1.83
Exchange-traded fund – foreign	-	-	6.51
Collective investment scheme	-	-	1.76
Cash & cash equivalent	3.89	1.11	11.92
Total	100.00	100.00	100.00

Category	As at 31 Aug 2021 (%)							As at 31 Aug 2020 (%)						
Currency class	MYR Class	AUD Class	EUR Class	USD Class	RMB Class	GBP Class	SGD Class	MYR Class	AUD Class	EUR Class	USD Class	RMB Class	GBP Class	SGD Class
Total NAV (million)	1,204.394	5.377	0.563	13.565	75.846	1.513	5.431	622.202	0.286	0.112	0.737	0.118	0.030	0.089
NAV per Unit (respective currencies)	0.8059	0.7681	0.7599	0.7837	0.7386	0.7303	0.7784	0.7358	0.6799	0.6732	0.7010	0.6967	0.6684	0.6946
Unit in Circulation (million)	1,494.519	7.001	0.741	17.309	102.683	2.071	6.977	845.661	0.421	0.167	1.052	0.169	0.045	0.128
Highest NAV	0.9064	0.8247	0.8491	0.8964	0.8425	0.8286	0.8789	0.7437	0.6954	0.6845	0.7070	0.7050	0.6799	0.7041
Lowest NAV	0.7097	0.6669	0.6605	0.6751	0.6681	0.6618	0.6773	0.5329	0.5698	0.4993	0.4663	0.4803	0.5092	0.4961
Return of the Fund (%) ⁱⁱⁱ	13.66	14.51	15.19	13.94	7.30	10.01	12.78	27.42	18.26	19.40	28.69	24.03	18.01	25.99
- Capital Growth (%) ⁱ	9.53	12.97	12.88	11.80	6.01	9.26	12.06	23.02	18.26	19.40	28.69	24.03	18.01	25.99
- Income Distribution (%) ⁱⁱ	3.78	1.36	2.05	1.92	1.22	0.69	0.64	3.58	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	3.00	1.00	1.50	1.50	0.90	0.50	0.50	2.30	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	3.00	1.00	1.50	1.50	0.90	0.50	0.50	2.30	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%) ¹	1.95							1.97						
Portfolio Turnover Ratio (times) ²	1.79							2.10						

¹The Fund's MER was lower than previous year due to higher average NAV of the Fund during the financial year.

² The Fund's PTR was lower than previous year due to higher average NAV of the Fund during the financial year.

Category	As at 31 Aug 2019 (%)						
Currency class	MYR Class	AUD Class	EUR Class	USD Class	RMB Class	GBP Class	SGD Class
Total NAV (million)	462.046	0.176	0.001	0.254	0.360	0.006	0.051
NAV per Unit (respective currencies)	0.5981	0.5749	0.5638	0.5447	0.5617	0.5664	0.5513
Unit in Circulation (million)	772.565	0.306	0.001	0.467	0.641	0.011	0.092
Highest NAV	0.6350	0.5865	0.5899	0.5748	0.5718	0.5867	0.5724
Lowest NAV	0.5468	0.5000	0.5000	0.4973	0.4938	0.4985	0.4963
Return of the Fund (%) ⁱⁱⁱ	-1.08	14.98	12.76	8.94	12.34	13.28	10.26
- Capital Growth (%) ⁱ	-5.53	14.98	12.76	8.94	12.34	13.28	10.26
- Income Distribution (%) ⁱⁱ	4.71	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	2.50	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	2.50	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%)	1.96						
Portfolio Turnover Ratio (times)	2.01						

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

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

An illustration of the above would be as follow:-

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

MANAGER'S REPORT

Income Distribution / Unit Split

MYR Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Dec-20	16-Dec-20	0.7955	0.0150	0.7875
15-Jun-21	16-Jun-21	0.8364	0.0150	0.8163

AUD Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Dec-20	16-Dec-20	0.7350	0.0050	0.7315
15-Jun-21	16-Jun-21	0.7534	0.0050	0.7430

EUR Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Dec-20	16-Dec-20	0.7339	0.0100	0.7267
15-Jun-21	16-Jun-21	0.7648	0.0050	0.7557

USD Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Dec-20	16-Dec-20	0.7790	0.0100	0.7761
15-Jun-21	16-Jun-21	0.8109	0.0050	0.8011

RMB Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Dec-20	16-Dec-20	0.7357	0.0100	0.7369
15-Jun-21	16-Jun-21	0.7571	0.0050	0.7468

GBP Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Jun-21	16-Jun-21	0.7392	0.0050	0.7292

SGD Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Jun-21	16-Jun-21	0.7944	0.0050	0.7847

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

Performance Review

MYR Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 13.66% return compared to the benchmark return of 14.12%. The Fund thus underperformed the Benchmark by 0.46%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was MYR0.8059 while the NAV as at 31 August 2020 was MYR0.7358. During the period under review, the Fund has declared a total gross income distribution of RM0.0300 per unit.

Since commencement, the Fund has registered a return of 98.99% compared to the benchmark return of 13.16%, outperforming by 85.83%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (29/12/14 - 31/8/21)
Fund	13.66%	42.80%	76.60%	98.99%
Benchmark	14.12%	1.92%	13.07%	13.16%
Outperformance	(0.46%)	40.88%	63.53%	85.83%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (29/12/14 - 31/8/21)
Fund	13.66%	12.60%	12.04%	10.85%
Benchmark	14.12%	0.64%	2.49%	1.87%
Outperformance	(0.46%)	11.96%	9.55%	8.98%

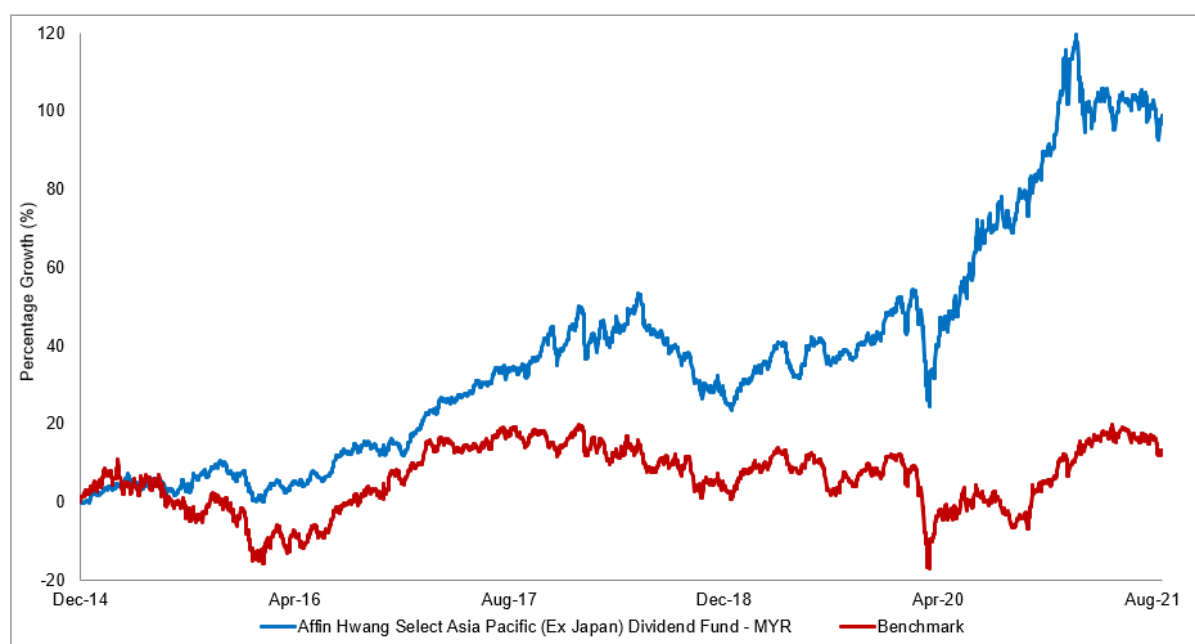
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (1/9/18 - 31/8/19)	FYE 2018 (1/9/17 - 31/8/18)	FYE 2017 (1/9/16 - 31/8/17)
Fund	13.66%	27.42%	(1.40%)	3.63%	19.33%
Benchmark	14.12%	(4.49%)	(6.49%)	(6.95%)	19.23%
Outperformance	(0.46%)	31.91%	5.09%	10.58%	0.10%

Source of Benchmark: Bloomberg

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



AUD Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 14.51% return compared to the benchmark return of 15.65%. The Fund thus underperformed the Benchmark by 1.14%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was AUD0.7681 while the NAV as at 31 August

2020 was AUD0.6799. During the period under review, the Fund has declared a total gross income distribution of AUD0.0100 per unit.

Since commencement, the Fund has registered a return of 55.71% compared to the benchmark return of 6.56%, outperforming by 49.15%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	14.51%	55.71%
Benchmark	15.65%	6.56%
Outperformance	(1.14%)	49.15%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	14.51%	17.91%
Benchmark	15.65%	2.40%
Outperformance	(1.14%)	15.51%

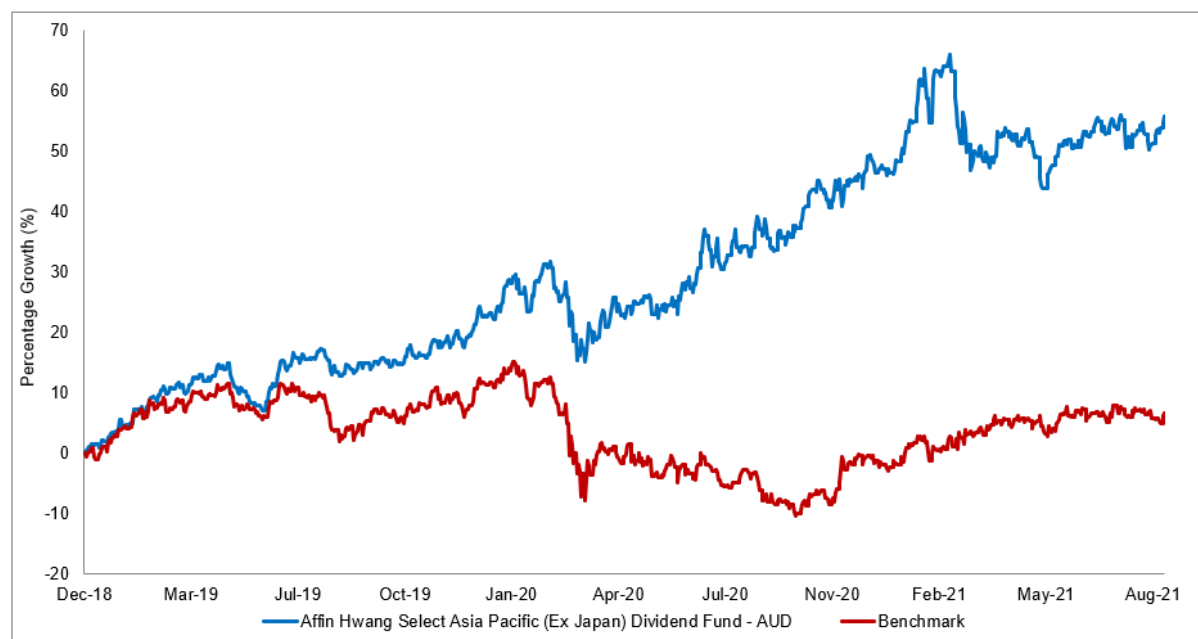
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	14.51%	18.26%	14.98%
Benchmark	15.65%	(11.97%)	4.67%
Outperformance	(1.14%)	30.23%	10.31%

Source of Benchmark: Bloomberg

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



EUR Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 15.19% return compared to the benchmark return of 15.75%. The Fund thus underperformed the Benchmark by 0.56%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was EUR0.7599 while the NAV as at 31 August

2020 was EUR0.6732. During the period under review, the Fund has declared a total gross income distribution of EUR0.0150 per unit.

Since commencement, the Fund has registered a return of 55.09% compared to the benchmark return of 6.85%, outperforming by 48.24%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	15.19%	55.09%
Benchmark	15.75%	6.85%
Outperformance	(0.56%)	48.24%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	15.19%	17.74%
Benchmark	15.75%	2.50%
Outperformance	(0.56%)	15.24%

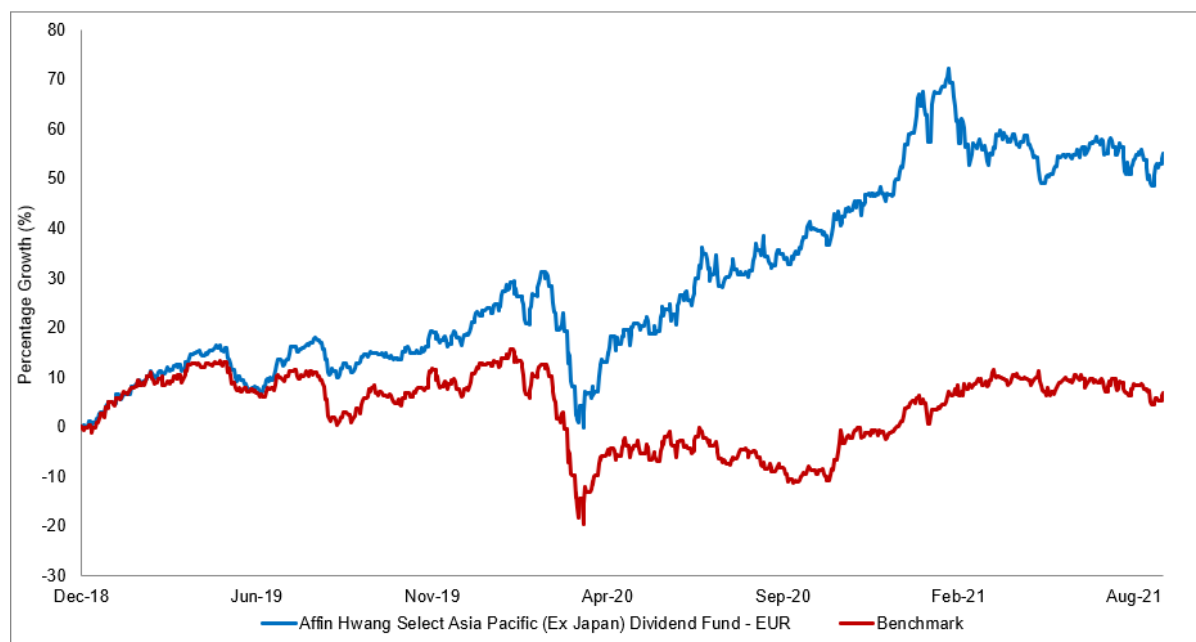
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	15.19%	19.40%	12.76%
Benchmark	15.75%	(11.04%)	3.77%
Outperformance	(0.56%)	30.44%	8.99%

Source of Benchmark: Bloomberg

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



GBP Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 10.01% return compared to the benchmark return of 11.31%. The Fund thus underperformed the Benchmark by 1.30%. The Net Asset

Value per unit ("NAV") of the Fund as at 31 August 2021 was GBP0.7303 while the NAV as at 31 August 2020 was GBP0.6684. During the period under review, the Fund has declared a gross income distribution of GBP0.0050 per unit.

Since commencement, the Fund has registered a return of 47.06% compared to the benchmark return of 2.25%, outperforming by 44.81%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	10.01%	47.06%
Benchmark	11.31%	2.25%
Outperformance	(1.30%)	44.81%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	10.01%	15.43%
Benchmark	11.31%	0.83%
Outperformance	(1.30%)	14.60%

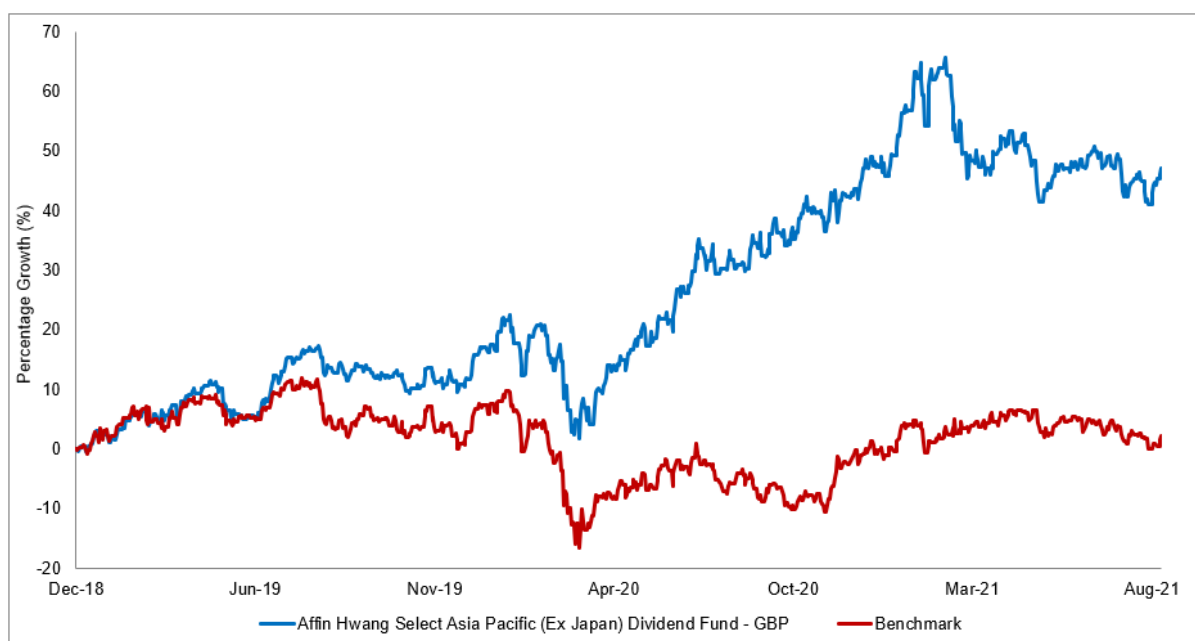
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	10.01%	18.01%	13.28%
Benchmark	11.31%	(12.06%)	4.46%
Outperformance	(1.30%)	30.07%	8.82%

Source of Benchmark: Bloomberg

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



RMB Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 7.30% return compared to the benchmark return of 7.80%. The Fund thus underperformed the Benchmark by 0.50%. The Net Asset Value

per unit ("NAV") of the Fund as at 31 August 2021 was RMB0.7386 while the NAV as at 31 August 2020 was RMB0.6967. During the period under review, the Fund has declared a total gross income distribution of RMB0.0090 per unit.

Since commencement, the Fund has registered a return of 49.52% compared to the benchmark return of 3.38%, outperforming by 46.14%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	7.30%	49.52%
Benchmark	7.80%	3.38%
Outperformance	(0.50%)	46.14%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	7.30%	16.14%
Benchmark	7.80%	1.25%
Outperformance	(0.50%)	14.89%

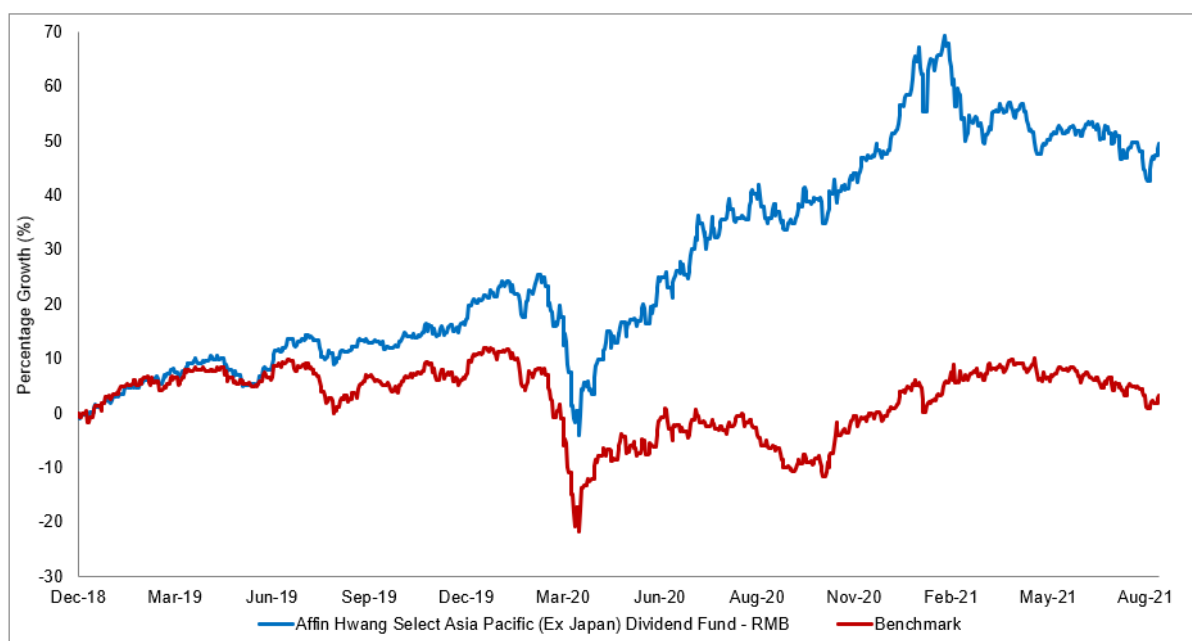
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	7.30%	24.03%	12.34%
Benchmark	7.80%	(7.52%)	3.70%
Outperformance	(0.50%)	31.55%	8.64%

Source of Benchmark: Bloomberg

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



SGD Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 12.78% return compared to the benchmark return of 13.15%. The Fund thus underperformed the Benchmark by 0.37%. The Net Asset

Value per unit ("NAV") of the Fund as at 31 August 2021 was SGD0.7784 while the NAV as at 31 August 2020 was SGD0.6946. During the period under review, the Fund has declared a gross income distribution of SGD0.0050 per unit.

Since commencement, the Fund has registered a return of 56.67% compared to the benchmark return of 8.23%, outperforming by 48.44%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	12.78%	56.67%
Benchmark	13.15%	8.23%
Outperformance	(0.37%)	48.44%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	12.78%	18.18%
Benchmark	13.15%	2.99%
Outperformance	(0.37%)	15.19%

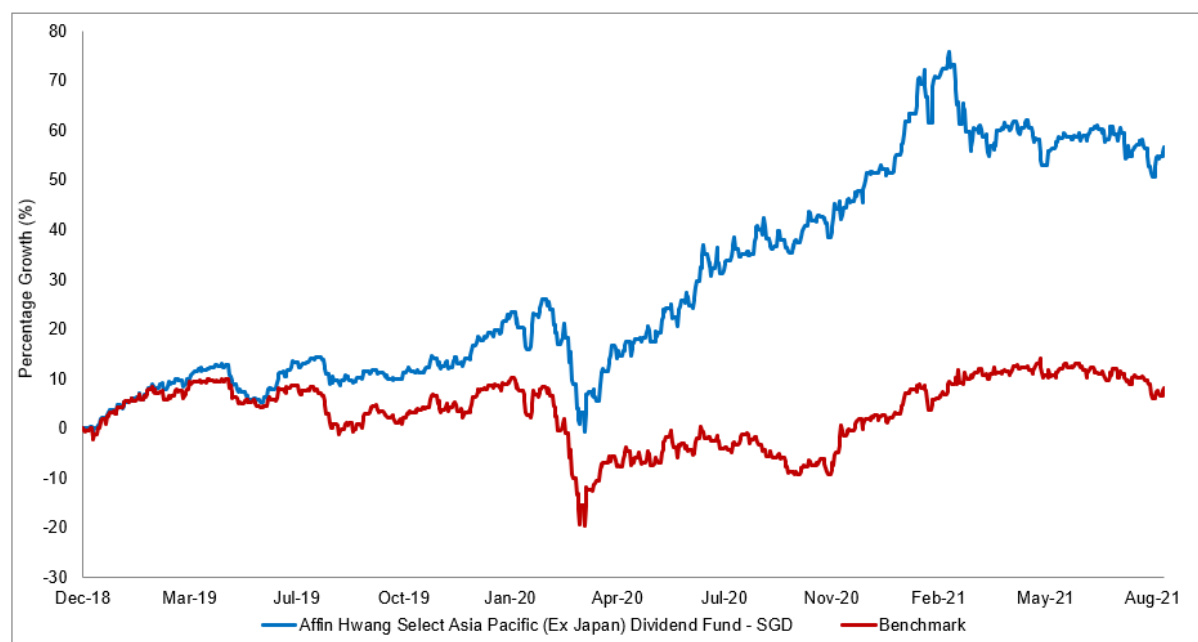
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	12.78%	25.99%	10.26%
Benchmark	13.15%	(5.30%)	1.00%
Outperformance	(0.37%)	31.29%	9.26%

Source of Benchmark: Bloomberg

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



USD Class

For the period 1 September 2020 to 31 August 2021, the Fund registered a 13.94% return compared to the benchmark return of 14.42%. The Fund thus underperformed the Benchmark by 0.48%. The Net Asset

Value per unit ("NAV") of the Fund as at 31 August 2021 was USD0.7837 while the NAV as at 31 August 2020 was USD0.7010. During the period under review, the Fund has declared a total gross income distribution of USD0.0150 per unit.

Since commencement, the Fund has registered a return of 59.75% compared to the benchmark return of 10.57%, outperforming by 49.18%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	13.94%	59.75%
Benchmark	14.42%	10.57%
Outperformance	(0.48%)	49.18%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	Since Commencement (25/12/18 - 31/8/21)
Fund	13.94%	19.04%
Benchmark	14.42%	3.82%
Outperformance	(0.48%)	15.22%

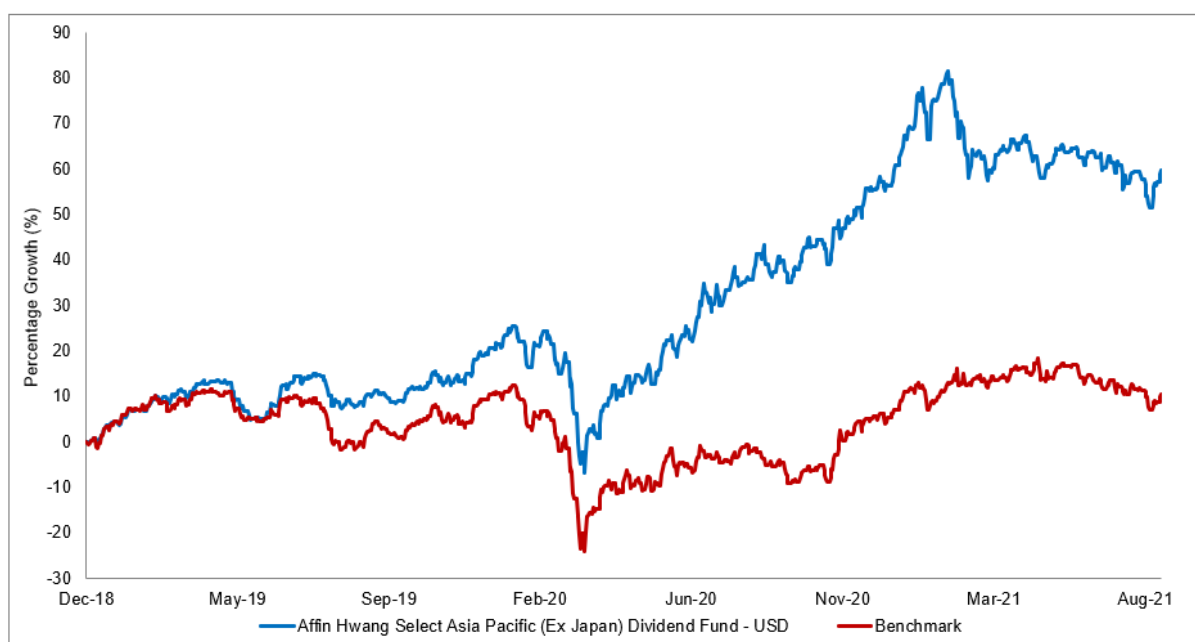
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	13.94%	28.69%	8.94%
Benchmark	14.42%	(3.30%)	(0.07%)
Outperformance	(0.48%)	31.99%	9.01%

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: MSCI AC Asia Pacific ex Japan High Dividend Yield Index

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

Asset Allocation

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

As at 31 August 2021, the Fund's asset allocation stood at 96.11% in equities and the remaining was held in cash and cash equivalent.

During the year under review, the Manager added exposures towards basic materials while reduced exposures from technology sector within the foreign equities. Cash level on the other hand, were higher at 3.89% level over the same period.

Strategies Employed

Over the period under review, the Manager continued to focus on sectors that are less directly impacted from the pandemic as well as defensive high yields sectors as volatility persisted in markets. The Manager also participated into cyclical names to take advantage of the reflation theme undergoing in market.

Market Review

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

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

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

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

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

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

The local equity market's performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital

gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

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

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

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers. During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

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

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

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages as well as a power crunch in China sent shockwaves across the region's supply chain. The crackdown on power consumption is being driven by rising demand for electricity and surging coal and gas prices, as well as strict targets from Beijing to cut emissions. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. News of the potential default of China's leading real estate developer Evergrande also sent chills down investors' spines. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery is on track as backed by positive vaccine roll-outs throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. The 12th Malaysia Plan also aims to revive the economy as well as move up the supply value chain, with an emphasis of clean & sustainable energy at the forefront. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

We are of the view that the distributions made during this financial year ended 31 August 2021 by the Manager are not inconsistent with the objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
15 October 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

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AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
INVESTMENT INCOME			
Dividend income		12,912,972	8,545,024
Interest income from financial assets at amortised cost		139,276	68,147
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(5,075,050)	182,798
Net (loss)/gain on foreign currency exchange		(2,536,338)	409,701
Net gain on financial assets at fair value through profit or loss	8	131,370,756	132,502,045
		<u>136,811,616</u>	<u>141,707,715</u>
EXPENSES			
Management fee	4	(20,149,076)	(9,165,402)
Trustee fee	5	(654,147)	(301,558)
Auditors' remuneration		(9,500)	(9,500)
Tax agent's fee		(35,771)	(49,547)
Transaction costs		(9,098,178)	(4,345,440)
Other expenses		(1,911,371)	(931,015)
		<u>(31,858,043)</u>	<u>(14,802,462)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		104,953,573	126,905,253
FINANCE COST			
Distributions	6	(39,716,174)	(17,724,083)
NET PROFIT BEFORE TAXATION		<u>65,237,399</u>	<u>109,181,170</u>
Taxation	7	(6,887,278)	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>58,350,121</u>	<u>109,181,170</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Increase in net assets attributable to unitholders comprise the following:			
Realised amount		24,734,231	34,820,322
Unrealised amount		33,615,890	74,360,848
		58,350,121	109,181,170

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	10	67,409,890	12,341,570
Amount due from Manager			
- creation of units		491,172	1,383,665
Dividends receivable		383,719	351,054
Financial assets at fair value through profit or loss	8	1,301,211,582	620,306,854
Forward foreign currency contracts at fair value through profit or loss	11	-	677,500
Tax recoverable		546,102	-
TOTAL ASSETS		<u>1,370,042,465</u>	<u>635,060,643</u>
LIABILITIES			
Amount due to Manager			
- management fee		2,123,584	953,234
- cancellation of units		335,832	409,012
Amount due to Trustee		68,873	30,916
Amount due to brokers		9,368,444	6,436,204
Auditors' remuneration		9,500	9,500
Tax agent's fee		3,800	3,800
Deferred tax liabilities	9	4,219,891	-
Other payables and accruals		-	4,158
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>16,129,924</u>	<u>7,846,824</u>
NET ASSET VALUE OF THE FUND		<u>1,353,912,541</u>	<u>627,213,819</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,353,912,541</u>	<u>627,213,819</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- RM Class		1,204,393,845	622,202,156
- AUD Class		16,280,952	873,024
- EUR Class		2,759,083	558,255
- GBP Class		8,653,125	166,543
- RMB Class		48,715,681	71,400
- SGD Class		16,773,795	272,430
- USD Class		56,336,060	3,070,011
		<u>1,353,912,541</u>	<u>627,213,819</u>
NUMBER OF UNITS IN CIRCULATION			
- RM Class	12 (a)	1,494,519,000	845,661,000
- AUD Class	12 (b)	7,001,000	421,000
- EUR Class	12 (c)	741,000	167,000
- GBP Class	12 (d)	2,071,000	45,000
- RMB Class	12 (e)	102,683,000	169,000
- SGD Class	12 (f)	6,977,000	128,000
- USD Class	12 (g)	17,309,000	1,052,000
		<u>1,631,301,000</u>	<u>847,643,000</u>
NET ASSET VALUE PER UNIT (RM)			
- RM Class		0.8059	0.7358
- AUD Class		2.3255	2.0737
- EUR Class		3.7235	3.3428
- GBP Class		4.1782	3.7010
- RMB Class		0.4744	0.4225
- SGD Class		2.4042	2.1284
- USD Class		<u>3.2547</u>	<u>2.9183</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
REPRESENTED BY: (CONTINUED)			
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- RM Class		RM0.8059	RM 0.7358
- AUD Class		AUD0.7681	AUD 0.6799
- EUR Class		EUR0.7599	EUR 0.6732
- GBP Class		GBP0.7303	GBP 0.6684
- RMB Class		RMB0.7386	RMB 0.6967
- SGD Class		SGD0.7784	SGD 0.6946
- USD Class		USD0.7837	USD 0.7010

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>2021</u> RM	<u>2020</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	627,213,819	464,014,199
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	779,481,143	130,095,999
- RM Class	608,535,557	123,634,724
- AUD Class	22,739,227	776,081
- EUR Class	2,675,165	518,526
- GBP Class	10,310,927	256,113
- RMB Class	51,323,142	68,347
- SGD Class	21,781,777	259,605
- USD Class	62,115,298	4,582,603
Creation of units arising from distributions	39,184,838	17,607,452
- RM Class	38,304,896	17,607,452
- AUD Class	173,019	-
- EUR Class	17,833	-
- GBP Class	59,073	-
- RMB Class	319,849	-
- SGD Class	80,616	-
- USD Class	229,552	-
Cancellation of units	(150,317,381)	(93,685,001)
- RM Class	(125,036,376)	(89,294,196)
- AUD Class	(8,658,166)	(584,230)
- EUR Class	(452,400)	-
- GBP Class	(1,995,858)	(146,535)
- RMB Class	(99,585)	(261,241)
- SGD Class	(5,766,564)	(164,903)
- USD Class	(8,308,432)	(3,233,896)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONTINUED)

	<u>2021</u> RM	<u>2020</u> RM
Net increase in net assets attributable to unitholders during the financial year	58,350,121	109,181,170
- RM Class	59,423,649	108,226,489
- AUD Class	1,327,569	164,348
- EUR Class	(2,433)	37,568
- GBP Class	138,298	26,699
- RMB Class	(2,841,065)	63,705
- SGD Class	431,248	27,661
- USD Class	(127,145)	634,700
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>1,353,912,541</u></u>	<u><u>627,213,819</u></u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,714,635,039	1,044,176,889
Purchase of investments		(2,275,527,256)	(1,121,539,143)
Dividend income received		12,880,307	7,983,189
Interest income received		139,276	68,147
Management fee paid		(18,978,726)	(8,937,573)
Trustee fee paid		(616,190)	(294,195)
Payment for other fees and expenses		568,279	(296,588)
Realised loss on forward foreign currency contract		(4,397,550)	(713,621)
Net realised foreign currency exchange gain		2,657,117	414,038
Tax paid		(5,742,568)	-
Net cash used in operating activities		(574,382,272)	(79,138,857)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		780,373,636	128,712,334
Payments for cancellations of units		(150,390,561)	(94,576,123)
Payments for distribution		(531,335)	(116,631)
Net cash generated from financing activities		629,451,740	34,019,580
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		55,069,468	(45,119,277)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(1,148)	(4,337)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		12,341,570	57,465,184
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	67,409,890	12,341,570

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

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

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

D DISTRIBUTION

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

E TAXATION

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

E TAXATION (CONTINUED)

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

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

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

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

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

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

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

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

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

(ii) Recognition and measurement

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

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (contined)

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

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

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

(iii) Impairment

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

Significant increase in credit risk

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

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

H 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.

I CASH AND CASH EQUIVALENTS

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

J CREATION AND CANCELLATION OF UNITS

The unitholders' capital contribution to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 'Financial Instruments: Presentation'.

The Fund issues cancellable units, in seven classes of units, known respectively as the RM class, AUD class, EUR class, GBP class, RMB class, SGD class and USD class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

J CREATION AND CANCELLATION OF UNITS (CONTINUED)

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

K AMOUNT DUE FROM/(TO) BROKERS

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

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

L DERIVATIVE FINANCIAL INSTRUMENTS

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

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

The fair value of forward foreign currency contracts is determined using forward exchange rates at the statements of financial position, with the resulting value discounted back to present value.

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.

M INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

O REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Fund.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang Select Asia Pacific (ex Japan) Dividend Fund (the “Fund”) pursuant to the execution of a Deed dated 1 July 2013 as modified by a Supplemental Deed dated 5 November 2014 and a Second Supplemental Deed dated 23 July 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Hwang Select Asia Pacific (ex Japan) Dividend Fund to Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund as amended by the Supplemental Deed dated 5 November 2014. The Fund issued six new class of units in Australian Dollar (“AUD”), Euro (“EUR”), Pound Sterling (“GBP”), Renminbi (“RMB”), Singapore Dollar (“SGD”) and United States Dollar (“USD”) as amended by Second Supplemental Deed dated 23 July 2018.

The Fund commenced operations on 29 December 2014 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deeds.

The Fund may invest in any of the following investments:

- 1) Listed securities;
- 2) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities;
- 3) Government bonds, treasury bills and other government approved or guaranteed bonds;
- 4) Debentures;
- 5) Money market instruments;
- 6) Deposits with financial institutions;
- 7) Structured products such as credit - linked notes;
- 8) Derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- 9) Warrants;
- 10) Units or shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- 11) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund.

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

The main objective of the Fund endeavours to provide unitholders with regular income and capital growth over the medium to long-term period.

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 series to private clients.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	67,409,890	-	67,409,890
Dividends receivable		383,179	-	383,179
Amount due from Manager				
- creation of units		491,172	-	491,172
Quoted equities	8	-	1,301,211,582	1,301,211,582
Total		<u>68,284,781</u>	<u>1,301,211,582</u>	<u>1,369,496,363</u>
<u>Financial liabilities</u>				
Amount due to brokers		9,368,444	-	9,368,444
Amount due to Manager				
- management fee		2,123,584	-	2,123,584
- cancellation of units		335,832	-	335,832
Amount due to Trustee		68,873	-	68,873
Auditors' remuneration		9,500	-	9,500
Tax agent's fee		3,800	-	3,800
Total		<u>11,910,033</u>	<u>-</u>	<u>11,910,033</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	12,341,570	-	12,341,570
Dividends receivable		351,054	-	351,054
Amount due from Manager				
- creation of units		1,383,665	-	1,383,665
Quoted equities	8	-	620,306,854	620,306,854
Forward foreign currency contracts		-	677,500	677,500
Total		<u>14,076,289</u>	<u>620,984,354</u>	<u>635,060,643</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (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>2020</u> (continued)				
<u>Financial liabilities</u>				
Amount due to brokers		6,436,204	-	6,436,204
Amount due to Manager				
- management fee		953,234	-	953,234
- cancellation of units		409,012	-	409,012
Amount due to Trustee		30,916	-	30,916
Auditors' remuneration		9,500	-	9,500
Tax agent's fee		3,800	-	3,800
Other payables and accruals		4,158	-	4,158
Total		<u>7,846,824</u>	<u>-</u>	<u>7,846,824</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 Unit Trust Funds.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk

(a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Quoted investments		
Quoted equities	1,301,211,582	620,306,854

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

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after tax/NAV RM
<u>2021</u>		
-10%	1,171,090,424	(130,121,158)
0%	1,301,211,582	-
+10%	1,431,332,740	130,121,158
<u>2020</u>		
-10%	558,276,169	(62,030,685)
0%	620,306,854	-
+10%	682,337,539	62,030,685

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(b) Interest rate risk

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

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

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

(c) Currency risk

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2021</u>					
<u>Financial assets</u>					
Australian Dollar	116,220,188	30,290,589	107,389	16,072	146,634,238
Chinese Yuan	50,757,246	1,539,923	-	-	52,297,169
Euro	11,996,983	180,555	-	-	12,177,538
Hong Kong Dollar	378,462,066	5,143,196	14,527	-	383,619,789
Indonesian Rupiah	43,467,964	-	-	-	43,467,964
Indian Rupee	143,189,345	-	214,349	-	143,404,694
Korean Won	21,346,301	3	-	-	21,346,304
Pound Sterling	-	201,323	-	-	201,323
Singapore Dollar	21,244,409	492	7,897	-	21,252,798
Taiwan Dollar	151,099,649	-	-	-	151,099,649

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2021</u> (continued)					
<u>Financial assets</u> (continued)					
United States Dollar	363,427,431	25,833,216	39,557	-	389,300,204
	<u>1,301,211,582</u>	<u>63,371,236</u>	<u>383,719</u>	<u>16,072</u>	<u>1,364,800,670</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Amount due to <u>brokers</u> RM	Net assets attributable to <u>unitholders</u> RM	<u>Total</u> RM
<u>2021</u> (continued)			
<u>Financial liabilities</u>			
Australian Dollar	9,368,444	16,280,952	25,649,396
Chinese Yuan	-	48,715,681	48,715,681
Euro	-	2,759,083	2,759,083
Pound Sterling	-	8,653,125	8,653,125
Singapore Dollar	-	16,773,795	16,773,795
United States	-	56,336,060	56,336,060
	<u>9,368,444</u>	<u>149,518,696</u>	<u>158,887,140</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Quoted equities RM	Forward foreign currency contract RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	-	-	239,052	-	239,052
Chinese Yuan	6,976,857	-	637,948	-	7,614,805
Euro	-	-	44	54,383	54,427
Hong Kong Dollar	311,403,506	-	598,330	-	312,001,836
Korean Won	39,976,444	-	2	-	39,976,446
Pound Sterling	13,688,592	-	74,411	-	13,763,003
Singapore Dollar	7,585,047	-	5,730,209	164,284	13,479,540
Taiwan Dollar	58,710,057	-	-	153,784	58,863,841
United States Dollar	181,966,351	677,500	2,561,143	68,307	185,273,301
	<u>620,306,854</u>	<u>677,500</u>	<u>9,841,139</u>	<u>440,758</u>	<u>631,266,251</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Amount due to brokers RM	Net assets attributable to unitholders RM	Total RM
<u>2020</u> (continued)			
<u>Financial liabilities</u>			
Australian Dollar	-	873,024	873,024
Chinese Yuan	-	71,400	71,400
Euro	-	558,255	558,255
Hong Kong Dollar	6,436,204	-	6,436,204
Pound Sterling	-	166,543	166,543
Singapore Dollar	-	272,430	272,430
United States Dollar	-	3,070,011	3,070,011
	<u>6,436,204</u>	<u>5,011,663</u>	<u>11,447,867</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in in rate %	Impact on profit after tax/ NAV RM
<u>2021</u>		
Australian Dollar	+/-7.30	+/- 8,830,299
Chinese Yuan	+/-3.61	+/- 129,428
Euro	+/-5.22	+/- 491,936
Hong Kong Dollar	+/-3.60	+/- 13,824,783
Indonesian Rupiah	+/-5.16	+/- 7,394,367
Indian Rupee	+/-4.57	+/- 1,987,212
Korean Won	+/-5.53	+/- 1,181,428
Pound Sterling	+/-6.88	+/- (581,092)
Singapore Dollar	+/-2.89	+/- 129,249
Taiwan Dollar	+/-3.51	+/- 5,299,378
United States Dollar	+/-3.61	+/- 12,032,425
<u>2020</u>		
Australian Dollar	+/-13.14	-/+ 83,308
Chinese Yuan	+/-5.95	+/- 448,925
Euro	+/-8.27	-/+ 41,671
Hong Kong Dollar	+/-6.27	+/- 19,145,808
Korean Won	+/-9.37	+/- 3,747,047
Pound Sterling	+/-12.30	+/- 1,672,494
Singapore Dollar	+/-4.57	+/- 603,253
Taiwan Dollar	+/-5.73	+/- 3,374,797
United States Dollar	+/-6.21	+/- 11,315,805

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (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 interest, principals and proceeds from realisation of investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

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

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

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

	Cash and cash <u>equivalents</u> RM	Dividend <u>receivables</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2021</u>				
Basic Materials				
- NR	-	288,210	-	288,210
Consumer Discretionary				
- NR	-	48,055	-	48,055
Financial Services				
- AAA	4,142,413	-	-	4,142,413
- AA1	63,267,477	-	-	63,267,477
Industrials				
- NR	-	7,897	-	7,897
Technology				
- NR	-	39,557	-	39,557
Others				
- NR	-	-	491,172	491,172
	<u>67,409,890</u>	<u>383,719</u>	<u>491,172</u>	<u>68,284,781</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Credit risk (continued)

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

	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2020</u>				
Consumer Goods				
- NR	-	-	79,311	79,311
Financial Services				
- AAA	677,500	12,341,570	-	13,019,070
- NR	-	-	164,332	164,332
Industrials				
- NR	-	-	3,182	3,182
Technology				
- NR	-	-	104,229	104,229
Others				
- NR	-	-	1,383,665	1,383,665
	<u>677,500</u>	<u>12,341,570</u>	<u>1,734,719</u>	<u>14,753,789</u>

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

Liquidity risk

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

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Liquidity risk (continued)

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2021</u>			
Amount due to brokers	9,368,444	-	9,368,444
Amount due to Manager			
- management fee	2,123,584	-	2,123,584
- cancellation of units	335,832	-	335,832
Amount due to Trustee	68,873	-	68,873
Auditors remuneration	-	9,500	9,500
Tax agent's fee	-	3,800	3,800
Other payables and accruals	-	-	-
Net assets attributable to unitsholders*	1,353,912,541	-	1,353,912,541
	<u>1,365,809,274</u>	<u>13,300</u>	<u>1,365,822,574</u>
<u>2020</u>			
Amount due to brokers	6,436,204	-	6,436,204
Amount due to Manager			
- management fee	953,234	-	953,234
- cancellation of units	409,012	-	409,012
Amount due to Trustee	30,916	-	30,916
Auditors remuneration	-	9,500	9,500
Tax agent's fee	-	3,800	3,800
Other payables and accruals	-	4,158	4,158
Net assets attributable to unitsholders*	627,213,819	-	627,213,819
	<u>635,043,185</u>	<u>17,458</u>	<u>635,060,643</u>

* Outstanding units are redeemed on demand at the unitholder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of the instruments typically retain them for the medium to long term.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

Capital risk

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

3 FAIR VALUE ESTIMATION

(i) Fair value hierarchy (continued)

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- quoted equities	<u>1,301,211,582</u>	<u>-</u>	<u>-</u>	<u>1,301,211,582</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	620,306,854	-	-	620,306,854
- forward foreign currency contracts	-	677,500	-	677,500
	<u>620,306,854</u>	<u>677,500</u>	<u>-</u>	<u>620,984,354</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

4 MANAGEMENT FEE

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

For the financial year ended 31 August 2021, the management fee is recognised at a rate of 1.85% (2020: 1.85%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

6 DISTRIBUTIONS

	<u>2021</u> RM	<u>2020</u> RM
Distributions to unitholders is from the following sources:		
Gross dividend income	8,112,774	2,333,457
Net realised gain on sale of investment	29,622,902	-
Previous years' realised income	1,991,636	15,390,626
	<u>39,727,312</u>	<u>17,724,083</u>
Less: Expenses	(11,138)	-
Net distribution amount	<u>39,716,174</u>	<u>17,724,083</u>

During the financial year ended 31 August 2021, distributions were made as follows:

	<u>AUD class</u> AUD	<u>EUR class</u> EUR	<u>GBP class</u> GBP	<u>RMB class</u> CNH	<u>Gross/Net distribution per unit (sen)</u>		
<u>Ex-date</u>					<u>SGD class</u> SGD	<u>USD class</u> USD	<u>RM class</u> RM
16.12.2020	0.50	1.00	-	0.40	-	1.00	1.50
16.06.2021	0.50	0.50	0.50	0.50	0.50	0.50	1.50
	<u>1.00</u>	<u>1.50</u>	<u>0.50</u>	<u>0.90</u>	<u>0.50</u>	<u>1.50</u>	<u>3.00</u>

During the financial year ended 31 August 2020, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen)</u> <u>RM class</u> RM
<u>Ex-date</u>	
18.12.2019	1.00
17.06.2020	1.30
	<u>2.30</u>

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

Included in distributions for the financial year is an amount of RM1,991,636 (2020: RM15,390,626) made from previous years' realised income.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

7 TAXATION

	<u>2021</u> RM	<u>2020</u> RM
Current taxation - foreign	3,213,489	-
Deferred tax (Note 9)	4,219,891	-
Over provision of taxation in prior year	(546,102)	-
	<u>6,887,278</u>	<u>-</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Net profit before finance cost and taxation	104,953,573	126,905,253
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	25,188,858	30,457,261
Tax effects of:		
Investment income not subject to tax	(29,621,299)	(34,009,851)
Expenses not deductible for tax purposes	2,807,504	1,350,614
Restriction on tax deductible expenses for Unit Trust Funds	4,838,426	2,201,976
Foreign income subject to foreign tax rate	4,219,891	-
Overprovision of taxation in current year	(546,102)	-
Tax expense	<u>6,887,278</u>	<u>-</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – foreign	<u>1,301,211,582</u>	<u>620,306,854</u>
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	97,076,218	59,033,278
- unrealised gain on changes in fair value	<u>34,294,538</u>	<u>73,468,767</u>
	<u>131,370,756</u>	<u>132,502,045</u>

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 August 2021 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>AUSTRALIA</u>				
<u>Basic materials</u>				
BHP Group Ltd	163,184	22,385,654	22,530,436	1.66
IGO Limited	563,465	13,982,529	16,378,170	1.21
OZ Minerals Ltd	221,432	14,861,475	15,789,140	1.17
	<u>948,081</u>	<u>51,229,658</u>	<u>54,697,746</u>	<u>4.04</u>
<u>Financial services</u>				
Bank of Queensland Ltd	1,247,855	36,473,930	35,704,513	2.64
<u>Industrials</u>				
Amcor PLC Depositary Receipt	488,651	24,699,060	25,817,929	1.91
<u>CHINA</u>				
<u>Consumer discretionary</u>				
China Tourism Group Duty Free	119,202	23,937,628	17,470,777	1.29
<u>Industrials</u>				
Nari Technology Co Ltd	990,417	19,572,955	22,261,375	1.64

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2021 is as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>CHINA</u> (continued)				
<u>Telecommunications</u>				
Luxshare Precision Industry Co	507,170	14,257,718	11,025,094	0.81
<u>GERMANY</u>				
<u>Consumer staples</u>				
HelloFresh SE	26,904	9,641,749	11,996,983	0.89
<u>HONG KONG</u>				
<u>Basic materials</u>				
Aluminum Corp of China Ltd	2,680,000	6,873,070	8,046,644	0.59
Ganfeng Lithium Co Ltd	180,600	10,773,469	17,240,202	1.27
	2,860,600	17,646,539	25,286,846	1.86
<u>Consumer discretionary</u>				
Alibaba Group Holding Ltd	295,584	34,444,404	26,072,820	1.93
Haier Smart Home Co Ltd	1,881,400	30,881,504	29,348,006	2.17
Li Ning Company Ltd	270,000	12,564,191	15,032,660	1.11
Samsonite International SA	2,668,500	22,599,160	23,139,786	1.71
Yum China Holdings Inc	28,700	7,465,126	7,328,374	0.54
	5,144,184	107,954,385	100,921,646	7.46
<u>Consumer staples</u>				
China Mengniu Dairy Co Ltd	1,173,000	27,836,586	29,182,416	2.16
<u>Financial services</u>				
AIA Group Ltd	986,600	45,483,676	48,905,994	3.61

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2021 is as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>HONG KONG</u> (continued)				
<u>Healthcare</u>				
Hangzhou Tigermed Consulting	230,600	21,897,111	16,872,716	1.25
<u>Industrials</u>				
China Resources Cement Holding	4,914,000	20,130,954	19,995,454	1.48
CK Hutchison Holdings Ltd	468,000	15,407,161	14,163,915	1.05
Swire Pacific Ltd - CL A	657,500	20,475,247	18,478,978	1.36
	6,039,500	56,013,362	52,638,347	3.89
<u>Real estate</u>				
Longfor Group Holdings Ltd	385,500	8,109,581	6,918,008	0.51
Link REIT	477,000	17,867,897	18,201,182	1.34
	862,500	25,977,478	25,119,190	1.85
<u>Technology</u>				
Baidu Inc	277,418	27,721,938	22,591,510	1.67
Netjoy Holdings Ltd	3,201,900	12,186,910	7,359,641	0.54
Tencent Holdings Ltd	107,400	28,123,013	27,538,503	2.03
	3,586,718	68,031,861	57,489,654	4.24
<u>Utilities</u>				
China Resources Power Holdings Ltd	2,162,000	20,783,327	22,045,257	1.63
<u>INDIA</u>				
<u>Consumer discretionary</u>				
Jubilant Foodworks Ltd	89,118	14,919,333	20,189,224	1.49
<u>Consumer staples</u>				
Varun Beverages Ltd	393,948	13,158,339	18,852,303	1.39

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2021 is as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>INDIA (continued)</u>				
<u>Financial services</u>				
HDFC Bank Ltd	438,279	34,047,631	39,284,785	2.90
SBI Cards & Payment Services	643,804	33,719,125	41,793,071	3.09
	<u>1,082,083</u>	<u>67,766,756</u>	<u>81,077,856</u>	<u>5.99</u>
<u>Healthcare</u>				
Max Healthcare Institute Ltd	319,993	3,547,164	7,005,245	0.52
<u>Technology</u>				
Tata Consultancy Svcs Ltd	74,619	14,117,581	16,064,717	1.19
<u>INDONESIA</u>				
<u>Consumer staples</u>				
Unilever Indonesia Tbk PT	9,306,000	13,774,623	10,892,208	0.80
<u>Financial services</u>				
Bank Rakyat Indo Agroniaga	18,537,000	13,783,856	12,589,404	0.93
<u>Technology</u>				
Bukalapak.com PT Tbk	73,571,200	18,391,696	19,986,352	1.48
<u>SOUTH KOREA</u>				
<u>Technology</u>				
Samsung SDI Co Ltd	7,589	20,018,263	21,346,301	1.58
<u>SINGAPORE</u>				
<u>Consumer discretionary</u>				
SATS Ltd	552,500	6,862,709	6,944,808	0.51

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2021 is as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>SINGAPORE</u> (continued)				
<u>Industrials</u>				
Credit Bureau Asia Ltd	150,000	424,861	588,340	0.04
<u>Real estate</u>				
Capitaland Ltd	1,109,900	12,901,629	13,711,261	1.01
<u>TAIWAN</u>				
<u>Consumer discretionary</u>				
Gourmet Master Co Ltd	675,000	15,197,066	14,834,137	1.10
<u>Technology</u>				
ASE Technology Holding Co Ltd	1,577,000	22,328,977	30,177,472	2.23
Taiwan Semiconductor Manufac	905,000	53,914,616	82,937,367	6.13
United Microelectronics Corp.	2,458,000	21,968,404	23,150,673	1.71
	4,940,000	98,211,997	136,265,512	10.07
<u>UNITED STATES</u>				
<u>Basic materials</u>				
Amyris Inc	223,670	13,679,596	13,961,390	1.03
<u>Consumer discretionary</u>				
Airbnb Inc - Class A	35,491	19,906,368	22,844,615	1.69
Amazon.com Inc	4,917	59,248,747	70,873,351	5.23
American Eagle Outfitters Inc	214,504	17,928,852	27,161,563	2.01
Netflix Inc.	9,104	18,913,972	21,520,455	1.59
The Walt Disney Company	25,358	19,156,477	19,086,706	1.41
	289,374	135,154,416	161,486,690	11.93
<u>Consumer staples</u>				
Coca-cola European Partners	155,793	38,746,373	37,371,201	2.76

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2021 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>UNITED STATES</u> (continued)				
<u>Financial services</u>				
Longview Acquisition Corp -A	155,560	6,470,318	6,369,961	0.47
<u>Healthcare</u>				
Laboratory Corp of America Holding	15,400	12,252,229	19,399,195	1.43
<u>Industrials</u>				
Axon Enterprise Inc	26,806	11,888,645	20,068,615	1.48
<u>Technology</u>				
Apple Inc.	46,310	25,011,349	29,200,770	2.16
Microsoft Corporation	20,022	10,496,662	25,101,734	1.85
NVIDIA Corp	54,304	30,576,107	50,467,875	3.73
	120,636	66,084,118	104,770,379	7.74
Total quoted equities – foreign	139,170,171	1,168,788,591	1,301,211,582	96.11
Accumulated unrealised gain on quoted equities – foreign		132,422,991		
Total quoted equities – foreign		1,301,211,582		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign

(ii) Quoted equities – foreign as at 31 August 2020 is as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>CHINA</u>				
<u>Consumer Services</u>				
Joyoung Co Ltd	260,953	6,138,932	6,976,857	1.11
<u>HONG KONG</u>				
<u>Consumer Services</u>				
China Mengniu Dairy Co Ltd	320,000	5,032,266	6,548,323	1.04
Nissin Foods Co Ltd	2,996,000	10,420,038	13,452,507	2.14
Nongfu Spring Co Ltd -IPO	551,800	6,371,993	6,371,993	1.02
Shenzhou Intl Group Holdings	182,700	10,194,590	12,266,021	1.96
Zhongsheng Group Holdings Ltd	230,000	6,213,985	5,978,997	0.95
	4,280,500	38,232,872	44,617,841	7.11
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	436,784	42,870,109	66,297,024	10.57
JD.com Inc	43,550	6,485,354	7,265,153	1.16
Sun Art Retail Group Ltd	1,742,000	11,513,275	9,431,132	1.51
Topsports International Hld	1,381,000	7,701,669	7,105,822	1.13
	3,603,334	68,570,407	90,099,131	14.37
<u>Financial Services</u>				
AIA Group Ltd	323,800	13,462,927	13,869,560	2.21
A-Living Services Co Ltd	566,250	13,268,667	12,165,315	1.94
CIFI Holdings Group Co Ltd	2,501,116	7,307,380	8,839,239	1.41
Ping An Insurance Grp Co China	815,000	37,915,193	36,113,261	5.76
Shimao Group Holdings Ltd	668,000	12,223,813	12,521,520	2.00
	4,874,166	84,177,980	83,508,895	13.32
<u>Industrials</u>				
China Resources Cement Holdings Ltd	1,322,000	7,157,896	8,023,522	1.28

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>HONG KONG (continued)</u>				
<u>Technology</u>				
Alibaba Health Information Tec	972,000	10,533,588	9,762,544	1.56
HKBN Ltd	1,775,500	9,616,638	13,846,578	2.21
Tencent Holdings Ltd	181,600	31,948,630	51,743,570	8.25
Xiaomi Corp	778,200	6,347,924	9,801,425	1.56
	<u>3,707,300</u>	<u>58,446,780</u>	<u>85,154,117</u>	<u>13.58</u>
<u>SOUTH KOREA</u>				
<u>Technology</u>				
Samsung Electronics Co Ltd				
- Pref Shares	117,590	18,400,301	19,627,535	3.13
SK Hynix Inc	77,108	23,533,810	20,348,909	3.24
	<u>194,698</u>	<u>41,934,111</u>	<u>39,976,444</u>	<u>6.37</u>
<u>SINGAPORE</u>				
<u>Industrials</u>				
Venture Corp Ltd	124,700	6,272,681	7,585,047	1.21
<u>TAIWAN</u>				
<u>Consumer Goods</u>				
Largan Precision Co Ltd	9,000	5,295,024	4,295,304	0.68
<u>Industrials</u>				
Hon Hai Precision Industry Co	499,000	5,655,631	5,418,282	0.86

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>TAIWAN (continued)</u>				
<u>Technology</u>				
Accton Technology Corp	196,000	6,085,411	6,475,997	1.03
MediaTek Inc	63,000	6,308,302	4,945,954	0.79
Parade Technologies Ltd	35,000	5,398,848	5,114,970	0.82
Taiwan Semiconductor Manufacturing Company Ltd	539,000	21,127,564	32,459,550	5.17
	<u>833,000</u>	<u>38,920,125</u>	<u>48,996,471</u>	<u>7.81</u>
<u>UNITED KINGDOM</u>				
<u>Consumer Services</u>				
Compass Group PLC	202,542	13,677,956	13,688,592	2.18
<u>UNITED STATES</u>				
<u>Consumer Goods</u>				
The Coca-Cola Company	33,274	6,560,768	6,859,494	1.09
<u>Consumer Services</u>				
Amazon.com Inc	2,047	19,259,280	29,323,973	4.67
TJX Cos Inc/The	41,763	9,294,700	9,524,016	1.52
	<u>43,810</u>	<u>28,553,980</u>	<u>38,847,989</u>	<u>6.19</u>
<u>Financial Services</u>				
Visa Inc	17,313	13,735,763	15,278,971	2.44
<u>Health Care</u>				
Anthem Inc	14,590	17,185,514	17,098,402	2.72
Laboratory Corp of America Hdq	15,400	12,252,229	11,266,085	1.80
	<u>29,990</u>	<u>29,437,743</u>	<u>28,364,487</u>	<u>4.52</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>UNITED STATES</u> (continued)				
<u>Industrials</u>				
Axon Enterprise Inc	20,865	8,569,038	7,093,069	1.13
PayPal Holdings Inc	10,972	8,066,443	9,315,252	1.49
TransUnion	14,559	5,086,904	5,256,023	0.84
	<u>46,396</u>	<u>21,722,385</u>	<u>21,664,344</u>	<u>3.46</u>
<u>Techonolgy</u>				
Facebook Inc	26,499	20,621,089	32,332,322	5.16
Kingsoft Cloud Holdings	101,933	10,740,822	14,639,974	2.33
Micron Technology Inc	27,589	5,828,795	5,224,663	0.83
Microsoft Corporation	20,022	10,496,662	18,754,107	2.99
	<u>176,043</u>	<u>47,687,368</u>	<u>70,951,066</u>	<u>11.31</u>
Total quoted equities – foreign	<u>20,258,019</u>	<u>522,178,402</u>	<u>620,306,854</u>	<u>98.89</u>
Accummulated unrealised gain on quoted equities – foreign		<u>98,128,452</u>		
Total quoted equities – foreign		<u>620,306,854</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

9 DEFERRED TAX

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

	<u>2021</u> RM	<u>2020</u> RM
Deferred tax assets	-	-
Deferred tax liabilities	(4,219,891)	-
	<u>(4,219,891)</u>	<u>-</u>

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

	Unrealised gain on financial assets at fair value through profit or loss RM
<u>2021</u>	
Balance at the beginning of the financial year	-
Transfer to income statement	(4,219,891)
Balance as at the end of the financial year	<u>(4,219,891)</u>

10 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	63,267,477	9,868,738
Deposit with a licensed financial institution	4,142,413	2,472,832
	<u>67,409,890</u>	<u>12,341,570</u>

Weighted average effective interest rates per annum for deposit with a licensed financial institutions is as follows:

	<u>2021</u> %	<u>2020</u> %
Deposit with a licensed financial institution	<u>1.75</u>	<u>1.75</u>

Deposit with a licensed financial institution has an average maturity period of 1 day (2020: 1 day).

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

11 FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 August 2021, there is Nil (2020: 1) forward foreign currency contract outstanding. The notional principal amount of the outstanding forward foreign currency contract amounted to RMNil (2020: RM146,394,500). The forward foreign currency contracts entered into during the financial year was for hedging against the currency exposure arising from the investment in the foreign equities denominated in United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the changes in the fair value of the forward foreign currency contract is recognised immediately in profit or loss.

12 NUMBER OF UNITS IN CIRCULATION

(a) RM Class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	845,661,000	772,565,000
Creation of units arising from applications	751,625,630	190,414,316
Creation of units arising from distributions	47,658,359	27,056,684
Cancellation of units	(150,425,989)	(144,375,000)
At the end of the financial year	<u>1,494,519,000</u>	<u>845,661,000</u>

(b) AUD Class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	421,000	306,000
Creation of units arising from applications	10,064,082	424,000
Creation of units arising from distributions	74,989	-
Cancellation of units	(3,559,071)	(309,000)
At the end of the financial year	<u>7,001,000</u>	<u>421,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

12 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c) EUR Class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	167,000	1,000
Creation of units arising from applications	684,132	166,000
Creation of units arising from distributions	4,868	-
Cancellation of units	(115,000)	-
At the end of the financial year	<u>741,000</u>	<u>167,000</u>

(d) GBP Class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	45,000	11,000
Creation of units arising from applications	2,476,067	79,000
Creation of units arising from distributions	13,933	-
Cancellation of units	(464,000)	(45,000)
At the end of the financial year	<u>2,071,000</u>	<u>45,000</u>

(e) RMB Class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year	169,000	641,000
Creation of units arising from applications	102,068,000	167,000
Creation of units arising from distributions	665,159	-
Cancellation of units	(219,159)	(639,000)
At the end of the financial year	<u>102,683,000</u>	<u>169,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

12 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(f) SGD Class units in circulation		<u>2021</u>	<u>2020</u>
		No. of units	No. of units
At the beginning of the financial year	128,000	92,000	
Creation of units arising from applications	9,174,000	126,000	
Creation of units arising from distributions	33,047	-	
Cancellation of units	(2,358,047)	(90,000)	
At the end of the financial year	<u>6,977,000</u>	<u>128,000</u>	
(g) USD Class units in circulation		<u>2021</u>	<u>2020</u>
		No. of units	No. of units
At the beginning of the financial year	1,052,000	467,000	
Creation of units arising from applications	18,762,043	1,797,000	
Creation of units arising from distributions	70,957	-	
Cancellation of units	(2,576,000)	(1,212,000)	
At the end of the financial year	<u>17,309,000</u>	<u>1,052,000</u>	

13 TRANSACTIONS WITH BROKERS

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

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> of total trade %	<u>Brokerage</u> fees RM	<u>Percentage</u> of total brokerage %
Robert W. Baird & Co.	509,959,226	12.85	143,432	1.58
CLSA Ltd (Hong Kong)	182,254,888	4.59	445,202	4.89
Macquarie Bank Ltd (Australia)	176,181,116	4.44	389,935	4.29
JPMorgan Securities (Asia Pacific)	175,793,045	4.43	471,226	5.18
Sanford C. Bernstein Ltd. London	170,843,364	4.30	278,724	3.07
China International Capital Corporation Hong Kong Securities Ltd.	145,125,027	3.66	393,846	4.33

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

13 TRANSACTIONS WITH BROKERS (CONTINUED)

(a) Details of transactions with the top 10 brokers for the financial year ended 31 August 2021 are as follows: (continued)

Name of brokers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
CIMB Securities (Singapore) Pte Ltd	141,216,383	3.56	348,044	3.83
Morgan Financial Ltd	125,262,300	3.15	313,156	3.44
Haitong International Securities Co Ltd	114,965,548	2.90	354,082	3.89
Jefferies LLC.	110,181,521	2.78	72,317	0.80
Others #	2,117,140,323	53.34	5,887,196	64.70
	<u>3,968,922,741</u>	<u>100.00</u>	<u>9,097,160</u>	<u>100.00</u>

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

Name of brokers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
Robert W. Baird & Co.	287,974,935	13.29	62,305	2.26
CLSA Ltd (Hong Kong)	249,613,284	11.52	165,540	5.99
Macquarie Bank Ltd (Hong Kong)	220,327,339	10.17	262,034	9.49
CLSA Singapore Pte Ltd.	148,275,923	6.84	111,829	4.05
JPMorgan Securities (Asia Pacific)	148,188,623	6.84	414,112	14.99
CLSA Securities Korea Ltd.	123,085,575	5.68	80,953	2.93
Credit Suisse (Hong Kong) Ltd	99,021,769	4.57	192,352	6.96
Masterlink Securities Co. Ltd	85,917,844	3.97	214,795	7.78
CIMB Securities (Singapore) Pte Ltd.	65,469,054	3.02	90,052	3.26
Deutsche Bank (Malaysia) Bhd	61,324,351	2.83	-	-
Others #	677,534,976	31.27	1,167,825	42.29
	<u>2,166,733,673</u>	<u>100.00</u>	<u>2,761,797</u>	<u>100.00</u>

Included in transactions with brokers are trades conducted with Affin Hwang Investment Bank Berhad, a related party of the Manager amounting to RM100,649 (2020: RM12,081,660). The Manager is of the opinion that all transactions with the related company has been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 3 AUGUST 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Ultimate 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	Subsidiaries 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 number of units held by the Manager and party related to the Manager as follows:

	<u>2021</u>		<u>2020</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)				
- RM Class	1,925,694	1,551,917	3,323,653	2,445,544
- AUD Class	3,481	8,096	2,956	6,130
- EUR Class	2,820	10,500	2,977	9,952
- GBP Class	3,920	16,379	3,410	12,620
- RMB Class	2,984	1,416	2,289	967
- SGD Class	2,939	7,066	3,083	6,562
- USD Class	3,395	11,050	3,403	9,931
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Party related to the Manager:

Director of Affin Hwang Asset Management Berhad (The units are held beneficially)				
- RM Class	2,557,652	2,061,212	1,635,216	1,203,192
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

15 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u> %	<u>2020</u> %
MER	<u>1.95</u>	<u>1.97</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM 1,090,131,738 (2020: RM502,543,681).

16 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>1.79</u>	<u>2.10</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM 2,280,519,627 (2020: RM1,127,396,954)
total disposal for the financial year = RM 1,624,811,259 (2020: RM984,883,430)

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 52 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 October 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 52.

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
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that gives 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 controls as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
15 October 2021

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