

FIRST SUPPLEMENTARY PROSPECTUS

VP-DJ Shariah China A-Shares 100 ETF

(an exchange-traded fund established and constituted in Malaysia on 8 October 2020)

**THIS FIRST SUPPLEMENTARY PROSPECTUS IS DATED 31 MAY 2023
("FIRST SUPPLEMENTARY PROSPECTUS") AND MUST BE READ IN CONJUNCTION WITH
THE PROSPECTUS DATED 12 JULY 2021.**

The Securities Commission Malaysia has approved the listing of and quotation for Units of the VP-DJ Shariah China A-Shares 100 ETF (the "**Fund**") on the Main Market of Bursa Malaysia Securities Berhad and a copy of this First Supplementary Prospectus has been registered by the Securities Commission Malaysia.

The approval, and registration of this First Supplementary Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed, or report contained in this First Supplementary Prospectus and the Prospectus dated 12 July 2021. The Securities Commission Malaysia has not, in any way, considered the merits of the securities being offered for investments.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the Fund and takes no responsibility for the contents of this First Supplementary Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this First Supplementary Prospectus.

Admission to the Official List of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, the Fund or of its Units.

Manager



**Value Partners Asset Management
Malaysia Sdn Bhd**
Registration No.: 201801020486 (1282505-P)

Trustee



CIMB Islamic Trustee Berhad
Registration No.: 198801000556 (167913-M)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTARY PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

RESPONSIBILITY STATEMENTS

The directors of the Manager have seen and approved this First Supplementary Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in this First Supplementary Prospectus false or misleading.

ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws and regulations including any statement in this First Supplementary Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplementary Prospectus or the conduct of any other person in relation to the Fund.

VP-DJ Shariah China A-Shares 100 ETF has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

This First Supplementary Prospectus can also be viewed or downloaded from Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

No action has been taken to permit an offering of Units or the distribution of this First Supplementary Prospectus in any jurisdiction other than Malaysia and accordingly, this First Supplementary Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Investors should consult their tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable the investors to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether investment in the Fund is appropriate for the investors.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Unless otherwise provided in this First Supplementary Prospectus, all the capitalized terms used herein shall have the same meanings as ascribed to them in the Prospectus dated 12 July 2021 (“Prospectus”).

EXPLANATORY NOTES

- (i) The following information have been deleted or updated as the Initial Offer Period has ended:
 - Information on “Indicative Timetable”;
 - Information on “Approved Fund Size”; and
 - Information on “Section 5.1.1. Before Listing”.
- (ii) The following information have been updated to reflect the delegation of fund management function to an external fund manager:
 - Definition of “External Fund Manager”; and
 - Information on “Designated Fund Manager” and “Section 7.7. External Fund Manager”.
- (iii) The following information have been updated to comply with the requirements of the revised Prospectus Guidelines for Collective Investment Schemes:
 - Definition of “LPD”;
 - Information on the Manager, External Fund Manager, Trustee and Shariah Adviser;
 - Information on Direct and Indirect Interests in Sections 7.5, 9.4 and 9.5;
 - Information on “Section 11. Taxation”;
 - Information on “Section 12.1. Keeping abreast with developments of the Fund”; and
 - Information on “Section 12.2. Material Agreements”;
- (iv) The following information have been updated to reflect the latest Benchmark methodology and Shariah screening rules:
 - Information on “Section 3.5. Benchmark”; and
 - Information on “Section 10. Shariah Pronouncement”.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

A. ABBREVIATIONS/ DEFINITIONS

Pages VI and IX of the Prospectus.

- The definition of “LPD” is hereby deleted and replaced with the following:

LPD	28 February 2023, being the latest practicable date prior to the registration of this First Supplementary Prospectus.
------------	---

- The definition of “Sub-investment Manager” and all references to it in the Prospectus is replaced with the following:

External Fund Manager	Value Partners Hong Kong Limited
------------------------------	----------------------------------

B. INDICATIVE TIMETABLE

Page XII of the Prospectus.

- The information in relation to the indicative timetable is hereby deleted in its entirety.

C. CORPORATE DIRECTORY

Page XIII of the Prospectus.

- The e-mail address of the Trustee is hereby inserted as follows:
E-mail: ss.corptrust@cimb.com
- The e-mail address of the Shariah Adviser is hereby inserted as follows:
E-mail: info@amanieadvisors.com

D. SECTION 1. KEY DATA

Pages 1-2 of the Prospectus.

Section 1.1. The Fund

- The information in relation to “Initial Approved Fund Size” is hereby deleted in its entirety, and replaced with the following:

Item	Brief Description	Section
Approved Fund Size	4,000,000,000 Units	3.15

- The information in relation to “Offering of Units – Before Listing” is hereby deleted in its entirety.

E. SECTION 3. ABOUT VP-DJ SHARIAH CHINA A-SHARES 100 ETF

Pages 14-18 of the Prospectus.

Section 3.5. Benchmark

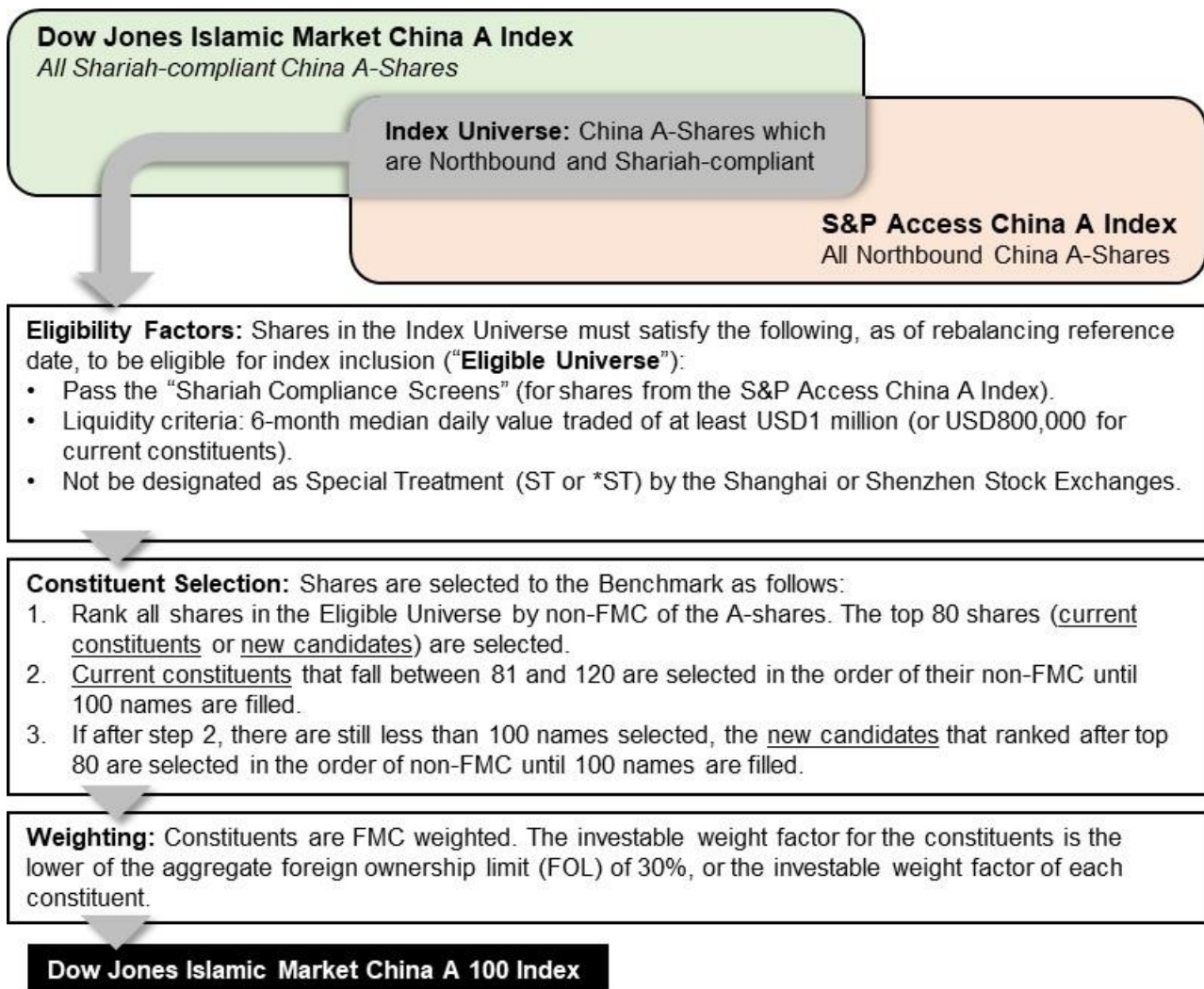
- The information in relation to the “Section 3.5. Benchmark” is hereby deleted in its entirety, and replaced with the following:

Introduction

The DJIM China A-Shares 100 Index (“**Benchmark**”) measures the stock performance of 100 of the largest stocks contained in both the Dow Jones Islamic Market China A Index and the S&P Access China A Index that pass the rules-based screens for Shariah compliance detailed in “Shariah Compliance Screens”, and also meet additional liquidity criteria. The index is float-adjusted market capitalization (“**FMC**”) weighted. The price return version of the Benchmark is used for performance comparison.

The Index Licensor is not a related corporation of the Manager.

Construction of the Benchmark



Note: ST and *ST are risk warning indicators issued on the stocks of companies which face the risk of delisting and/or other major risk(s). Please refer to Chapter XIII in both the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2019) (<http://english.sse.com.cn/start/sserules/stocks/mainboard/listing/>) and the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2018 Revision) (<http://www.szse.cn/English/rules/siteRule/index.html>) for details.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Public Shares Available to Foreign Investors:

- If an individual stock's foreign investment limit is very stringent and the stock is in high demand among global investors, then frequently the amount available to foreign investors is quickly reached.
- The Index Licensor monitors the practical available limit for companies on an ongoing basis. At each quarterly rebalancing, existing constituents whose remaining practical available limits have dropped below 4% for China A-Shares, are removed. A stock can be added only if the practical available limit is above this level at the time of addition.
- Additionally, if the practical available limit for an existing constituent China A-Share falls below 2%, then it will be removed from the Benchmark with 2-5 business days' notice.

For more information on float-adjustment, foreign investment limits, and Investable Weight Factors (IWFs), please refer to S&P Dow Jones Indices' Float Adjustment Methodology at <https://www.spglobal.com/spdji/en/governance/methodologies/#methodology-information>.

Constituents of the Benchmark

The table below details the top ten (10) constituents of the Benchmark and the respective weightings, as at LPD:

No.	Company Name	Full Replication	Representative Sampling*
		Weightings (%)	Weightings (%)
1	Contemporary Amperex Technology Co Ltd	8.1	8.2
2	China Yangtze Power Co Ltd	3.9	3.9
3	BYD Co Ltd	3.8	3.8
4	Shenzhen Mindray Bio-Medical Electronics Co Ltd	3.1	3.1
5	Foshan Haitian Flavouring & Food Co Ltd	3.1	3.1
6	LONGi Green Energy Technology Co Ltd	2.7	2.7
7	Jiangsu Hengrui Medicine Co Ltd	2.3	2.3
8	SF Holding Co Ltd	2.2	2.2
9	Aier Eye Hospital Group Co Ltd	1.8	1.8
10	Luxshare Precision Industry Co Ltd	1.7	1.7

*The Manager will primarily use a full replication strategy. However, if extreme circumstances (e.g. illiquidity of several securities) hinder the execution of a full replication, the Manager will then resort to representative sampling.

Source: S&P Dow Jones Indices.

There is no guarantee or assurance of exact or identical replication at any time of the performance of the Benchmark. Composition of the Benchmark may change, and securities may be de-listed.

There is a lack of discretion for the Fund to adapt to market changes due to the inherent investment nature of exchange-traded funds and that falls in the Benchmark are expected to result in corresponding falls in the value of the Fund.

Investments of the Fund may be concentrated in a particular market or sector.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Review and Rebalancing of the Benchmark

The Benchmark undergoes quarterly rebalancings where current constituents are evaluated and replaced (in the case of any deletions) to maintain the target constituent count using the respective rebalanced underlying (parent) index as the universe according to the following:

- The Benchmark is reviewed quarterly in March, June, September, and December. Changes to FMC weighted indices are announced on the first Friday of the review month; changes are implemented at the opening of trading on the Monday following the third Friday of the review month.
- Market data as of the last business day in February, May, August, and November is used for the index composition review for the Benchmark.
- Shares, weights, and weighting cap factors are updated quarterly in March, June, September, and December. Constituents' index shares are calculated using closing prices on the Wednesday prior to the second Friday of the rebalancing month as the reference price. Index share amounts are calculated and assigned to each stock to arrive at the weights determined on the reference dates.

Ongoing Maintenance: The index is reviewed on an ongoing basis for events such as delistings, bankruptcies, mergers, and takeovers. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced 2-5 business days prior to the implementation date.

Additions and Deletions: Generally, no companies are added to an index between annual rebalancings, except for spin-offs and replacements for deleted constituents as described below.

Spin-offs are added at a zero price at the market close of the day before the ex-date (with no divisor adjustment) and are removed after at least one (1) day of regular way trading (with a divisor adjustment), regardless of Shariah compliance.

Deletions from the underlying (parent) indices are deleted from the Benchmark. As part of ongoing index maintenance, companies that are removed from the index subsequent to a corporate event, such as delisting, bankruptcy, merger or takeover are replaced at the subsequent quarterly rebalancing.

For the Benchmark, constituents removed from the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect Programs are removed from the Benchmark with 2-5 business days' notice.

Replacement of the Benchmark

In accordance with the Deed, the Manager may, after taking into account the interests of the Unit Holders and subject to the approval of the SC, replace the Benchmark with another index in the event any of the following occurs:

- The Benchmark ceases to exist;
- A release of a new index replacing the Benchmark;
- The Index Licensor increases its licence fee that is considered too high by the Manager; or
- All or part of the securities forming the Benchmark has become difficult, illiquid or impossible for the Manager to invest.

The Manager may change the name of the Fund if the Benchmark is replaced. Replacement of the Benchmark would require the SC's prior approval.

The Benchmark may be replaced in the event of cessation of the availability of the Benchmark.

Further Information on the Benchmark Latest information and other important news on the Benchmark will be published on the S&P Dow Jones Indices website at <https://www.spglobal.com/spdji/en/governance/methodologies/#methodology-information> (for index ground rules and methodology) and the Fund's website (for the end of day index values).

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Shariah Compliance Screens

(A) Sector-Based Screens

Based on the Shariah Supervisory Board established parameters, the businesses listed below are inconsistent with Shariah law. The majority of Shariah scholars and boards hold that these industries and their financial instruments are inconsistent with Shariah precepts and hence are not suitable for Islamic investment purposes. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of tobacco companies and the defence industry, most Shariah boards have advised against investment in companies involved in these activities. Revenues from Shariah non-compliant activities are tolerated, provided the revenues comply with the following: **Non-permissible revenue¹ (excluding non-operating Interest Income)/ Total Revenue must be less than 5%.**

- Alcohol (brewers, distillers & vintners, packagers, transporters, sellers and resellers)
- Tobacco and electronic cigarettes
- Recreational cannabis products
- Pork-related products (food products, food retailers & wholesalers, hotels, restaurants & bars)
- Conventional financial services (banking, insurance, investment services, insurance brokers, mortgage finance, etc.)
 - Financial institutions that are transitioning to being fully Islamic are also considered Shariah-compliant if they satisfy the criteria below:
 - a. The company must have a decision from its board of directors to convert to being fully Islamic.
 - b. The company has an independent Shariah supervision mechanism throughout the transition period.
 - c. The Shariah supervisor after reviewing and approving the conversion road map has given an approval for investment in the company's shares.
 - d. Any new product issued by the company should be approved by the Shariah supervisor.
- Weapons and defence (defence industries, manufacturers of weapons, contractors, suppliers of spyware and offensive components and systems)
- Entertainment (hotels, casinos/ gambling, cinema, pornography, music, etc.)

Companies classified as financial[#] are considered eligible if the company is incorporated as an Islamic financial institution, such as the following: Islamic banks and *takaful* insurance companies.

Companies classified as real estate[#] are considered eligible if the company's operations and properties are conducting business according to Shariah principles.

[#]According to a unique proprietary classification system.

(B) Accounting-Based Screens

After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. The filters are based on criteria set up by the Shariah supervisory board to remove companies with unacceptable levels of debt or impure interest income.

All the following must be less than 33%:

- Total interest-bearing debt divided by trailing 24-month average market capitalization, and
- The sum of a company's cash and interest-bearing securities divided by trailing 24-month average market capitalisation.

¹ Non-permissible revenue includes all forms of revenue or income from non-permissible business activities (e.g., alcohol sales, entertainment revenue, etc.) and also excluded non-operating interest income.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Stocks deemed Shariah-compliant at the prior evaluation period that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two (2) percentage points of the maximum allowed (i.e. if it is between 33% to 35%). However, if the maximum is breached for three (3) consecutive evaluation periods the stock will be deemed Shariah non-compliant. If any of the ratios are above the two (2) percentage point buffer limit (i.e. more than 35%), the stock is deemed Shariah non-compliant immediately.

Stocks deemed Shariah non-compliant at the prior evaluation period that pass all accounting-based screens at the current evaluation period remain non-compliant if any ratio is within two (2) percentage points of the maximum allowed (i.e. if it is between 31% to 33%). However, if the companies satisfy all the accounting-based screens for three (3) consecutive evaluation periods the stock will be deemed Shariah-compliant. If all the accounting-based screens are below the two (2) percentage point buffer limit (i.e. lower than 31%), the stock is deemed Shariah-compliant immediately.

Companies passing the sector-based and accounting-based screens may be included as index constituents of the Dow Jones Islamic Market Indices.

Dividend Purification

A dividend purification ratio is provided to index subscribers at the constituent level for purification purposes. It is calculated as: *Dividends * (Non-Permissible Revenue/ Total Revenue)*

Where Non-Permissible Revenue for dividend purification includes all forms of revenue or income from non-permissible business activities (e.g., alcohol sales, gambling revenue, etc.) and also includes all forms of interest income.

F. SECTION 5. DEALING INFORMATION

Page 26 of the Prospectus.

- The information in relation to “Section 5.1.1. Before Listing” is hereby deleted in its entirety.

G. SECTION 7. ABOUT THE MANAGER

Pages 41-44 of the Prospectus.

Section 7.1. Corporate Information

- The third paragraph of this section is hereby deleted in its entirety and replaced with the following:

Value Partners Group is one of Asia's most established independent asset managers with assets under management of US\$6.3 billion (as at LPD) across equities, fixed income, ETFs, alternatives and multi-asset portfolios. Investment management is its core business, headquartered in Hong Kong, with offices in Shanghai, Shenzhen, Kuala Lumpur, Singapore and London providing research and client servicing. The Value Partners Group also maintains a representative office in Beijing. Value Partners Group adopts a fundamental investment approach with around 50 investment professionals focusing on Greater China and Asia ex Japan investments conducting frequent due diligence meetings, which has resulted in more than 250 coveted performance awards and prizes won since establishment in 1993.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Section 7.3. Board of Directors

- This information in this section is hereby deleted in its entirety and replaced with the following:

The board of directors is responsible for the overall management of the Manager and its funds. The board of directors will meet up to four (4) times every year, or more should the need arise.

Members of the Board of Directors:

Mr. ONG Hwee Yeow, James (52 years old as at LPD) – Acting CEO of Value Partners Malaysia

Mr. James ONG is Managing Director, Head of Southeast Asia and Chief Executive Officer of Singapore of Value Partners. He oversees the Group's business in Southeast Asia, and leads the Group's institutional business for Southeast Asia.

Mr. ONG joined Value Partners in November 2021. He brings over 25 years of leadership and sales management experience from leading financial institutions. He was formerly the Managing Director of State Street Global Advisors ("SSGA") and Head of South East Asia region, responsible for both institutional and intermediary business and P&L for the region. Before SSGA, he was Client Director at HSBC Asset Management and Director at UOB Asset Management. Prior to that, he worked at a boutique investment advisory firm and insurance companies.

Mr. ONG holds a Bachelor of Applied Science (Computer Technology) from Nanyang Technological University in Singapore.

Mr. HO Man Kei, Norman CFA (56 years old as at LPD)

Mr. Norman HO is a Senior Investment Director of Value Partners Group. He is a leader in Value Partners Group's investment process, with a high degree of responsibility over portfolio management.

Mr. HO has over 32 years of asset management and financial industry experience, with a solid track record in research and portfolio management. He joined Value Partners Group in November 1995. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and January 2014, respectively. He is a member of the Board of Directors of Value Partners Group, and is also a director of certain subsidiaries of Value Partners Group. Prior to joining Value Partners Group, he was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.

Mr. HO graduated with a Bachelor's Degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. He is a Chartered Financial Analyst ("CFA") charterholder. He is also a Capital Markets Services Representative's Licence holder.

Ms. LAM Mei Kuen, Winnie (55 years old as at LPD)

Ms. Winnie LAM is Chief Operating Officer of Value Partners. She oversees the Group's overall operations and back office functions, covering finance, information technology, fund operations, product development, as well as administration across the Group's Hong Kong headquarters and overseas offices.

Ms. LAM joined Value Partners in July 2021. She is an esteemed industry veteran with more than 30 years of experience in the fund management and financial services industry across Asia. She previously spent 14 years as the Head of Operations, Asia at First Sentier Investors (formerly known as First State Investments), based in Hong Kong. Before this, she was Head of Settlement and Fund Administration at Lloyd George Management, and headed up the teams on operations control and data management at J.P. Morgan Securities. Before that, Ms. LAM has held various senior positions in fund management companies, investment banks and financial services firms, including Kerry Investment Management, Kerry Securities and American Express.

Ms. LAM graduated from the University of South Australia with a Master's degree in Business Administration, and obtained a Bachelor's degree in Business Studies from City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Mr. LEE Siang Korn @ LEE Siang Chin (74 years old as at LPD)

Mr. LEE Siang Korn @ LEE Siang Chin was appointed as an independent non-executive director of Value Partners Malaysia since 29 March 2019.

Previously, Mr. LEE was an independent non-executive director of Value Partners Group and he served as an independent non-executive director of Maybank Investment Bank Berhad, Maybank Kim Eng Securities (Thailand) Public Limited Company (a company listed on the Stock Exchange of Thailand), Star Media Group Bhd (a company listed on Bursa Securities) and Tune Insurance Malaysia Bhd. He also served as an independent non-executive director of Hilong Holding Ltd (a company listed on the Stock Exchange of Hong Kong Limited), the Social Security Organization of Malaysia and a member of its investment panel. Mr. LEE previously served as chairman and managing director of Surf88.com Sdn Bhd and AmSecurities Sdn Bhd, respectively. He also worked in corporate finance departments of leading investment banks in London, Sydney and Kuala Lumpur. In addition, Mr. LEE held various public offices. He was a board member of the Kuala Lumpur Stock Exchange and the President of the Association of Stock Broking Companies in Malaysia.

Mr. LEE became a member of the Malaysian Institute of Certified Public Accountants in 1975, and a Fellow of the Institute of Chartered Accountants in England and Wales in 1979.

Datuk Mohd Nasir bin ALI (64 years old as at LPD)

Datuk Mohd Nasir bin ALI was appointed as an independent non-executive director of Value Partners Malaysia since 24 July 2019.

He was formerly the Chairman of Amanah Raya Berhad from October 2018 to May 2020. He was also formerly the Group Executive Director of Utusan Melayu (M) Berhad from October 2000 until his retirement from that position in June 2014.

Prior to his time at Utusan Melayu, he was the Executive Director/ Chief Executive Officer of Kuala Lumpur City Securities Sdn Bhd, General Manager of Dealing & Research with Mayban Securities Sdn Bhd, Investment Manager with BBMB Unit Trust Management Berhad and Senior Financial & Marketing Executive, Amanah Saham Nasional Berhad and Investment Executive with Permodalan Nasional Berhad. He has extensive experience in the unit trust, investment management and stockbroking industry.

Apart from his directorships on the board of E.A Technique (M) Berhad, Damansara Holdings Berhad and Goodyear Malaysia Berhad which are listed on Bursa Securities, he is also a director of MIDF Amanah Investment Bank Berhad and some private limited companies.

He graduated from University of Malaya in 1980 with a Bachelor of Economics (Honours). In 1988, he graduated from the University of Strathclyde, United Kingdom with a Master of Science (Financial Studies).

Section 7.4. Key Personnel and Designated Fund Manager

- The information in this section is hereby deleted in its entirety, and replaced with the following:

Key Personnel:

Mr. ONG Hwee Yeow, James

Acting Chief Executive Officer, Value Partners Malaysia

Designated Fund Manager:

The Manager has appointed Value Partners Hong Kong Limited as the External Fund Manager for the Fund with effect from 8 February 2023. Please refer to Section 7.7. External Fund Manager of this First Supplementary Prospectus for further details on the designated fund manager for the Fund.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Section 7.6. Direct and Indirect Unit Holding in the Fund

- The information in this section is hereby deleted in its entirety, and replaced with the following:

As at LPD, save for the following, none of the directors or key personnel of the Manager have any direct or indirect Unit holding in the Fund:

- The Manager has direct Unit holding in the Fund.
- Datuk Mohd Nasir bin Ali is an independent non-executive director of the Manager and has direct Unit holding in the Fund.

Section 7.7. External Fund Manager

- The information in relation to “Section 7.7. Sub-investment Manager” is hereby deleted in its entirety, and replaced with the following:

The Manager has appointed Value Partners Hong Kong Limited as the external fund manager of the Fund with effect from 8 February 2023.

Value Partners Hong Kong Limited was incorporated in Hong Kong on 10 May 1999 and commenced its current operations in January 2008. It is dedicated to the philosophy of investing in “value” securities and concentrates its investment expertise in Asian markets, particularly the Greater China region. Using a disciplined bottom-up approach, the External Fund Manager applies fundamental analysis to seek under-valued positions.

Value Partners Hong Kong Limited is licensed by the Securities and Futures Commission in Hong Kong to conduct the following regulated activities in Hong Kong under the Securities and Futures Ordinance: Type 1 - Dealing in Securities, Type 2 - Dealing in Futures Contracts, Type 4 - Advising on Securities, Type 5 - Advising on Futures Contracts, and Type 9 - Asset Management.

The role and responsibilities of the External Fund Manager include managing the Fund's investments in accordance with the Deed, the Prospectus and the relevant laws.

Mr. John Hui Kiu Tat is the designated fund manager of VP-DJ Shariah China A-Shares 100 ETF.

Mr. HUI Kiu Tat, John CFA, CAIA, FRM

Portfolio Manager, Quantitative Investment Solutions, Value Partners Hong Kong Limited

Mr. John HUI joined Value Partners Hong Kong Ltd in June 2010 as a quantitative analyst for about 3 years, and re-joined the company in November 2016. He is currently a Portfolio Manager, Quantitative Investment Solutions.

Mr. HUI is involved in the operations and portfolio management of the company's exchange-traded funds, including an emerging market equity ETF and a physical gold ETF. Prior to re-joining Value Partners Hong Kong Ltd, he was a quantitative analyst at APAC CIO Office of BNP Paribas Investment Partners from March 2013 to November 2016, where he was responsible for quantitative research and to support the management of a passive mandate that tracks the CSI 300 Index.

Mr. HUI graduated with a Master's degree in Business Administration (MBA) and a Bachelor's degree in Business Administration (Information Systems) from The University of Hong Kong. He is a CFA and Financial Risk Manager (FRM) charterholder.

Material Litigation and Arbitration

As at LPD, the External Fund Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/ financial position of the External Fund Manager.

Information on the Manager, External Fund Manager and the Shariah Adviser, and any subsequent changes to such information may be obtained from the Fund's website.
--

H. SECTION 9. RELATED PARTY TRANSACTIONS

Page 47 of the Prospectus.

Section 9.4. Details of the Directors of the Manager's Direct and Indirect Interest in Other Corporations Carrying on a Similar Business

- The information in this section is hereby deleted in its entirety.

Section 9.5. Details of the Substantial Shareholders of the Manager's Direct and Indirect Interest in Other Corporations Carrying on a Similar Business

- The information in this section is hereby deleted in its entirety.

Section 9.6. Declaration of Conflict of Interest as at LPD

- The 6th item is included in this section as shown below:
 - (vi) Value Partners Hong Kong Limited has confirmed that as at LPD, it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the external fund manager in respect of the Fund.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

I. SECTION 10. SHARIAH PRONOUNCEMENT

Pages 48-53 of the Prospectus.

- The information in relation to “Section 10. Shariah Pronouncement” is hereby deleted in its entirety, and replaced with the following:

SHARIAH PRONOUNCEMENT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

All praise is due to Allah, the Cherisher of the world, and peace and blessing be upon the Prophet of Allah, on his family and all his companions



VP-DJ Shariah China A-Shares 100 ETF

A SHARIAH COMPLIANT EXCHANGE-TRADED FUND KNOWN AS “VP-DJ SHARIAH CHINA A-SHARES 100 ETF” (“THE FUND”)

We, Amanie Advisors Sdn Bhd, as the Shariah Adviser for the abovesaid Shariah-compliant Exchange-Traded Fund (ETF) known as VP-DJ Shariah China A-Shares 100 ETF (the “**Fund**”) managed by Value Partners Asset Management Malaysia Sdn. Bhd. (the “**Manager**”), have reviewed the structure and mechanism of the Fund to ensure compliance with the Shariah principles.

Except where defined herein, defined terms used in this Shariah Pronouncement have the same meanings given in the Prospectus dated 12 July 2021 (“the **Prospectus**”).

1.0 The Structure and Mechanism

The Fund is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) based on the structure and mechanism as set out below:

1.1 Brief Description

Item	Brief Description
Name of Fund	VP-DJ Shariah China A-Shares 100 ETF
Category of Fund	Islamic equity exchange-traded fund
Type of Fund	Index tracking fund
Approved Fund Size	4,000,000,000 Units
Base Currency	MYR
Benchmark	DJIM China A-Shares 100 Index
Investment Objective	The Fund aims to provide investment results that closely correspond to the performance of the Benchmark.
Investment Strategy	The Manager will primarily use a full replication strategy through investing in Shariah-compliant A-Shares which are included in the Benchmark in substantially the same weightings in which they are included in the Benchmark through the Stock Connects. However, if the Manager believes that the full replication technique is not the most efficient method to track the Benchmark, the Manager may utilise a representative sampling strategy. Under the representative sampling strategy, the Manager will invest in a representative sample of Shariah-compliant securities consisting of the Index Securities and non-Index Securities selected by the Manager using, amongst others, a quantitative analytical model in a technique known as “portfolio sampling”. The non-Index Securities selected

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Item	Brief Description
	shall have a high correlation (i.e. positive correlation coefficient of at least 0.7) with one or more of the Index Securities which it is substituting, and where it is expected to mirror the performance of those of the Index Securities to be substituted, the Manager shall ensure that the non-Index Securities to be selected have passed the necessary Shariah screenings. The remaining NAV of the Fund may be invested in Islamic collective investment schemes (“CIS”), Islamic money market instruments and/or Islamic deposits to meet liquidity requirements.
Asset Allocation	• At least 90% of the Fund’s NAV will be invested in Authorised Securities. • The remaining NAV of the Fund may be invested in Islamic CIS, Islamic money market instruments and/or Islamic deposits.
Income Distribution Policy	The Fund may distribute income on an incidental basis.

Investment Objective

- 1.2 The Fund is an Islamic exchange-traded fund which aims to provide investment results that closely correspond to the performance of the Benchmark.
- 1.3 The Fund can only invest in securities and financial instruments under the Permitted Investment as provided in Shariah Investment Guidelines issued for the Fund as stated in the Prospectus.

Construction of Benchmark

- 1.4 Constituents of the Benchmark comprise of shares contained in both the Dow Jones Islamic Market China A Index and the S&P Access China A Index that pass the rules-based screens for Shariah compliance, and also meet the additional liquidity criteria.
- 1.5 In accordance with the Dow Jones Islamic Market Indices Methodology, S&P Dow Jones Indices will screen the constituents of the Benchmark based on the following criteria:

(a) Sector-Based Screens

Based on the Shariah Supervisory Board established parameters, the businesses listed below are inconsistent with Shariah law. The majority of Shariah scholars and boards hold that these industries and their financial instruments are inconsistent with Shariah precepts and hence are not suitable for Islamic investment purposes. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of tobacco companies and the defense industry, most Shariah boards have advised against investment in companies involved in these activities. Revenues from Shariah non-compliant activities are tolerated, provided the revenues comply with the following: **Non-permissible revenue² (excluding non-operating Interest Income)/ Total Revenue must be less than 5%.**

- Alcohol (brewers, distillers & vintners, packagers, transporters, sellers and resellers)
- Tobacco and electronic cigarettes
- Recreational cannabis products
- Pork-related products (food products, food retailers & wholesalers, hotels, restaurant & bars)

² Non-permissible revenue includes all forms of revenue or income from non-permissible business activities (e.g., alcohol sales, entertainment revenue, etc.) and also excludes non-operating interest income.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

- Conventional financial services (banking, insurance, investment services, insurance brokers, mortgage finance, etc.)
 - Financial institutions that are transitioning to being fully Islamic are also considered Shariah-compliant if they satisfy the criteria below:
 - a. The company must have a decision from its board of directors to convert to being fully Islamic.
 - b. The Company has an independent Shariah supervision mechanism throughout the transition period.
 - c. The Shariah supervisor after reviewing and approving the conversion road map has given an approval for investment in the company's shares.
 - d. Any new product issued by the company should be approved by the Shariah supervisor.
- Weapons and defense (defense industries, manufacturers of weapons, contractors, suppliers of spyware and offensive components and systems)
- Entertainment (hotels, casinos/ gambling, cinema, pornography, music, etc.)

Companies classified as financial* are considered eligible if the company is incorporated as an Islamic financial institution, such as the following:

- Islamic banks
- Takaful insurance companies

Companies classified as real estate* are considered eligible if the company's operations and properties are conducting business according to Shariah principles.

**According to a unique proprietary classification system.*

(b) Accounting-Based Screens

After removing companies with unacceptable primary business activities, the remaining stocks are evaluated according to several financial ratio filters. The filters are based on criteria set up by the Shariah Supervisory Board to remove companies with unacceptable levels of debt or impure interest income. All the following must be less than 33%:

- Total interest-bearing debt divided by trailing 24-month average market capitalization, and
- The sum of a company's cash and interest-bearing securities divided by trailing 24-month average market capitalization

Stocks deemed Shariah-compliant at the prior evaluation period that exceed the maximum ratio for any accounting-based screen at the current evaluation period remain compliant if the ratio is within two (2) percentage points of the maximum allowed (i.e. if it is between 33% to 35%). However, if the maximum is breached for three (3) consecutive evaluation periods the stock will be deemed Shariah non-compliant. If any of the ratios are above the two (2) percentage point buffer limit (i.e. more than 35%), the stock is deemed Shariah non-compliant immediately.

Stocks deemed Shariah non-compliant at the prior evaluation period that pass all accounting-based screens at the current evaluation period remain non-compliant if any ratio is within two (2) percentage points of the maximum allowed (i.e. if it is between 31% to 33%). However, if the companies satisfy all the accounting-based screens for three (3) consecutive evaluation periods the stock will be deemed Shariah-compliant. If all the accounting-based screens are below the two (2) percentage point buffer limit (i.e. lower than 31%), the stock is deemed Shariah-compliant immediately.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Permitted Investment

- 1.6 As stated in the Shariah Investment Guidelines in the Prospectus, the Fund can only invest in securities and financial instruments as follows:

(a) Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the Benchmark.

(b) Non-Index Securities

The Shariah Adviser shall verify all investments made by the Fund into companies that constitute the underlying index.

However, for companies that are not constituents of the Benchmark and/or the underlying index, the Shariah compliance screens methodology as set out in Item 1.5 above are adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund. In the case it is not applicable to do so or when limitation arises, the Shariah Adviser, upon discussion and consultation with the Manager, will review and determine the Shariah status of the said securities in accordance with the ruling issued by the Shariah Adviser.

(c) Local or foreign Islamic CIS

The Shariah Adviser shall verify all the investments made by the Fund in local or foreign Islamic CIS as certified by the appointed Shariah board or Shariah adviser of the local or foreign Islamic CIS.

(d) Islamic money market instruments

The Fund may also invest into any Islamic money market instruments classified as Shariah-compliant by the SAC of BNM or the Shariah Adviser.

(e) Islamic Deposits

The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.

Other terms and features

- 1.7 The Unit Holders are entitled to redeem Units by way of Cash Redemption through the delivery of existing Units in exchange for the Actual Redemption Amount via Participating Dealer.
- 1.8 The Creation Applications and Redemption Applications may be made by the Participating Dealer on any Dealing Day. If the Creation Applications and Redemption Applications are received on a day which is not a Dealing Day or received after the Application Deadline of a Dealing Day, such Applications will be treated as having been received on the following Dealing Day.
- 1.9 The Creation of Units by investors through the Participating Dealer is when the payment made by the investor (via the Participating Dealer) for Cash Creation of new Units through payment of Estimated Creation Amount on a Dealing Day. Similarly, the redemption of Units by Unit Holders through the Participating Dealer will be completed in the same manner, i.e. redemption of Units shall only be made or accepted on a Dealing Day.
- 1.10 The Fund will strictly comply with the Shariah Investment Guidelines which cover the Fund investments as well as its operational and administrative matters from Shariah perspectives in relation to the Fund.

2.0 Shariah Conformity

Based on our review in the end-to-end process of the Fund, below are conformation of the Fund with Shariah rules and principles as guided by the SAC of the SC.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

2.1 Permissible Investments for Islamic ETF

The Fund's assets may only consist of assets that comply with Shariah principles to be in line with **Paragraph 31.01 of the Permissible investments for Islamic ETF in the Guidelines on Islamic Capital Market Products and Services SC-GL/1-2022** which highlights that the Fund Assets must only consist of assets that comply with Shariah principles.

2.2 Construction of Benchmark

Reference made to **item 1.4 Construction of Benchmark** in this Shariah Pronouncement.

Paragraph 31.03 of the Acceptable indices in the Guidelines on Islamic Capital Market Products and Services SC-GL/1-2022 highlights that where the ETF is expressed to be managed and administered in accordance with Shariah principles, the index must be a Shariah index consisting of Shariah-compliant securities.

2.3 Periodic Review

The Shariah Adviser will review the Fund on at least a quarterly basis to ensure that the Fund's operating procedures and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Fund's compliance with Shariah. Further, a report on the Fund's compliance status for the financial period concerned will be prepared by the Shariah Adviser and included in the Fund's annual report.

The periodic review is in line with the **Paragraph 11(d) of Schedule A of the Guidelines on Exchange-traded Funds SC-GL/ETF-2005 (R4-2022)**.

"11. Where a Shariah adviser is appointed, the following information must be disclosed:

(d) Frequency of review on the ETF's investments by the Shariah adviser to ensure compliance with Shariah principles or any other relevant principle at all times."

2.4 Cleansing Process for the Fund

(a) Wrong Investment

This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of/ withdrawn with immediate effect or within a month of knowing the Shariah status of the investment. Any gain made in the form of capital gain or dividend received before or after the disposal of the investment has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Fund has the right to retain only the investment cost. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

In line with **Resolutions of the SAC of SC, 31 December 2022** requires that, for unintentional mistake of investing in Shariah non-compliant securities, the SAC of SC had resolved that for investors who invest based on Shariah principles but due to unintentional mistake invest in Shariah non-compliant securities, the following steps must be taken:

- (i) To dispose the Shariah non-compliant securities held within a period of not more than one month after knowing the status of the securities; and
- (ii) In the event that there is any gain made in the form of capital gain or dividend received before or after the disposal of the securities, it has to be channeled to *baitulmal* and/or charitable bodies. The investors have the right to retain only the investment cost.

The above **Resolutions of the SAC of SC, 31 December 2022** are also applicable to Islamic funds such as Islamic unit trust funds, Islamic wholesale funds and others. If the disposal of the Shariah non-compliant securities causes losses to the Islamic funds, the fund management company must bear the losses by ensuring the loss portion be restored and returned to the funds.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

(b) Reclassification of Shariah Status of the Fund's Investment

Reclassification of Shariah status refers to securities which are reclassified as Shariah non-compliant by the Shariah Adviser or the Shariah boards of the relevant Islamic Indices. The said securities will be disposed soonest practical.

Any dividends received and capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement/ review date can be kept by the Fund. However, any dividends received and excess capital gains derived from the disposal after the announcement/ review date at a market price that is higher than the closing price on the announcement/ review date is to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser.

Resolutions of the SAC of SC, 31 December 2022 requires that, for Shariah-compliant securities which are subsequently reclassified as Shariah non-compliant securities, the SAC of SC had resolved, in respect of Shariah-compliant securities which have been reclassified as Shariah non-compliant securities on the date of the announcement of the List of Shariah-compliant Securities takes effect, the timing for the disposal of such securities are as follows:

- (i) If the market price of the said securities exceeds or is equal to the investment cost, investors who hold such Shariah non-compliant securities must dispose them off. Any dividends received up to the date of the announcement and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement can be kept by the investors. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement should be channeled to *baitulmal* and/or charitable bodies; and
- (ii) If the market price of the said securities is below the investment cost, the investors are allowed to hold their investment in the Shariah non-compliant securities until the investors receive the investment cost. It is also permissible for the investors to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the investors are advised to dispose of their holding. In addition, during the holding period of the Shariah non-compliant securities, the investors are also allowed to subscribe to: (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the investors, for example the investors subscribe to rights issues, bonus issues, special issues and warrants (excluding securities whose nature is Shariah non-compliant e.g. loan stocks); and (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the investors. If by taking the actions as specified in items (a) and (b) above the investors manage to get back the investment cost, they must expedite the disposal of the Shariah non-compliant securities held.

3.0 Approval

This Shariah Pronouncement provided herein is after our review of the Fund's structure, terms and conditions and the abovesaid. We hereby confirm that the Fund's structure and the terms and conditions are in compliance with the Shariah principles, subject to proper implementation by the Client.

Yours faithfully

For and on behalf of Amanie Advisors Sdn Bhd,

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Date: 31 March 2023

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

J. SECTION 11. TAXATION

Pages 54-57 of the Prospectus.

- The information in relation to “Section 11. Taxation” is hereby deleted in its entirety, and replaced with the following:

**TAXATION ADVISER’S LETTER
ON TAXATION OF THE FUND AND UNIT HOLDERS**
(prepared for inclusion in this First Supplementary Prospectus)

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, Menara TH 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur

The Board of Directors

Value Partners Asset Management Malaysia Sdn Bhd
Level 28.03, Integra Tower
The Intermark
No. 348, Jalan Tun Razak
50400 Kuala Lumpur

14 March 2023

Dear Sirs,

TAXATION OF THE FUND VP-DJ SHARIAH CHINA A-SHARES 100 ETF AND ITS UNIT HOLDERS

This letter has been prepared for inclusion in the First Supplementary Prospectus (hereinafter referred to as the “Prospectus”) in connection with the offer of units in VP-DJ Shariah China A-Shares 100 ETF (the “Fund”).

The taxation of income for both the Fund and the Unit holders are subject to the provisions of the Malaysian Income Tax Act, 1967 (the “Act”). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

(1) Foreign Investments

With effect from 1 January 2022, the exemption of foreign-sourced income received in Malaysia is only applicable to a person who is a non-resident.

The following foreign-sourced income received by Malaysian residents from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted from Malaysian income tax:

- Dividend income received by resident companies and limited liability partnerships.
- All classes of income received by resident individuals (except for resident individuals which carry on business through a partnership).

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Based on clarifications from the Inland Revenue Board (“IRB”), foreign-sourced income (e.g. dividends, interest, etc.) of a resident Fund which is received in Malaysia will continue to be subject to income tax. There will be a transitional period from 1 January 2022 to 30 June 2022 where foreign-sourced income remitted to Malaysia will be taxed at the rate of 3 per cent on gross income. From 1 July 2022 onwards, any foreign-sourced income remitted to Malaysia will be subject to Malaysian income tax at the rate of 24 per cent for a resident Fund.

Such income from foreign investments may be subject to taxes or withholding tax (“WHT”) in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

The foreign income subjected to Malaysian tax at the Fund level will also be taxable upon distribution to the Unit holders. However, the income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

Gains on disposal of foreign investments by the Fund will not be subject to Malaysian income tax.

(2) Domestic Investments

(i) General Taxation

The income of the Fund consisting of dividends, interest or profit³ (other than interest and profit³ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments by the Fund will not be subject to Malaysian income tax.

(ii) Dividends and Other Exempt Income

All companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest income or profit³ or discount income derived from the following investments is exempt from tax:

- a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- b) Debentures⁴ or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; and
- c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

As such, provided the investment in structured products is seen to be “debentures” under the Capital Markets and Services Act 2007, the income received will be exempted. Otherwise, tax implications could arise.

³ Section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

⁴ Structured products approved by the Securities Commission Malaysia are deemed to be “debenture” under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Interest income or profit³ derived from the following investments is exempt from tax:

- a) Interest or profit³ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest or profit³ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- d) Interest or profit³ paid or credited by Malaysia Building Society Berhad⁵.

With effect from 1 January 2019, the exemption shall not apply to interest income paid or credited to a unit trust that is a wholesale fund which is a money market fund.

The interest income or profit³ or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unit holders.

Exception:

i. Wholesale money market fund

Interest or profit³ paid by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013 or any development financial institution regulated under the Development Financial Institutions Act, 2002 to a unit trust that is a wholesale money market fund is no longer tax exempted.

ii. Retail money market fund ("RMMF")

Based on the Finance Act 2021, the interest income or profit³ of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act.

However, resident and non-resident Unit holders (other than individual Unit holders), who receive income distributed from interest or profit³ income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24 per cent.

The WHT is to be withheld and remitted by the RMMF to the tax authorities upon distribution of the income to the Unit holders.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain/ loss relating to the principal portion will be treated as capital gain/ loss. Gains/ losses relating to the income portion would normally be treated as revenue gains/ losses. The gain/ loss on revaluation will only be taxed or claimed upon realisation. Any gain/ loss on foreign exchange is treated as capital gain/ loss if it arises from the revaluation of the principal portion of the investment.

(4) Other Income

The Fund may be receiving income such as exit fee which will be subject to tax at the rate of 24 per cent.

⁵ Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect from YA 2015.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

(5) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

(6) Real Property Gains Tax ("RPGT")

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies⁶ ("chargeable asset") would be subject to RPGT as follows:-

Disposal time frame	RPGT rates
Within 3 years	30%
In the 4th year	20%
In the 5th year	15%
In the 6th year and subsequent years	10%

(7) Sales and Service Tax ("SST")

Taxable services provided by specific taxable persons will be subject to service tax. Service tax rate is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Sales tax rates are nil, 5 per cent, 10 per cent or a specific rate.

Generally, the Fund, being a collective investment vehicle, should not be caught under the service tax regime. Fund management services and trust services are excluded from service tax.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 6 per cent.

Where the Fund acquires imported taxable services from foreign service providers, the Fund will be required to self-impose 6 per cent service tax and remit the tax to the Royal Malaysian Customs Department in the prescribed form.

Service tax on digital services is implemented at the rate of 6 per cent with effect from 1 January 2020. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

The provision of digital services by a local service provider has also been prescribed as a taxable service with effect from 1 January 2020. Hence, where the Fund obtains any of the prescribed digital services from a local service provider, those services may be subject to service tax at 6 per cent.

⁶ A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

TAXATION OF UNIT HOLDERS

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them

Corporate Unit holders, resident⁷ and non-resident, will generally be liable to income tax at 24 per cent⁸ on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Individuals and other non-corporate Unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent⁹ to 30 per cent¹⁰. Individuals and other non-corporate Unit holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit holders.

Non-resident Unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit holders.

Any gains realised by Unit holders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit holders.

⁷ Resident companies with paid up capital in respect of ordinary shares of MYR2.5 million and below and having an annual sales of not more than MYR50 million will pay tax at 17 per cent for the first MYR600,000 of chargeable income with the balance taxed at 24 per cent, with effect from YA 2020.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid-up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid-up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid-up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid-up capital in respect of ordinary shares of more than MYR2.5 million at the beginning of the basis period for a YA.

⁸ Pursuant to Finance Act 2021, the income tax rate for a company (other than Micro, Small and Medium Enterprises) will be increased to 33 per cent if a company has chargeable income exceeding MYR100,000,000 in YA 2022.

⁹ Effective from YA 2021, the resident individuals tax rate was reduced by 1 per cent (from 14 per cent to 13 per cent) for the chargeable income band MYR50,001 to MYR70,000.

¹⁰ Effective from YA 2020, the resident individuals tax rate was increased to 30 per cent for the chargeable income exceeding MYR2,000,000.

THIS IS A FIRST SUPPLEMENTARY PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 12 JULY 2021

Retail Money Market Fund ("RMMF")

Where the Fund is an RMMF, effective from 1 January 2022, there is a WHT on distribution from interest income of a RMMF exempted under Paragraph 35A of Schedule 6 and distributed to non-individual Unit holders.

For resident corporate Unit holders, the WHT is not a final tax. The resident corporate Unit holders will need to subject the income distributed from interest or profit³ income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in their income tax returns and the attached tax credit (i.e. the 24 per cent WHT) will be available for set-off against the tax chargeable on the resident corporate Unit holders.

For non-resident corporate Unit holders, the 24 per cent WHT is a final tax.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Jennifer Chang
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this First Supplementary Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

K. SECTION 12. RELEVANT INFORMATION

Page 58 of the Prospectus.

Section 12.1. Keeping abreast with developments of the Fund

- The 1st paragraph of Section 12.1. Keeping abreast with developments of the Fund is hereby deleted, and replaced with the following:

The Manager shall publish the annual report of the Fund on the Fund's website (www.valuepartners-group.com.my) within two (2) months from the end of the covered financial period. Unit Holders will be automatically enrolled to receive an electronic copy of the annual report of the Fund via email (according to the email address provided to the Bursa Depository) and they will be notified via email on where to download/ view the annual report of the Fund once such annual report is available. Nevertheless, Unit Holders are allowed to opt out from such electronic communication mode at any time by sending a written notice to the Manager, and printed copies of the annual report of the Fund shall be made available to the Unit Holder without any charges. Notwithstanding the electronic communication mode that is being used, Unit Holders may email the Manager at ypmy-enquiry@valuepartners-group.com to request for the printed copy of the annual report of the Fund. Unit Holders may also request for additional copies of the said annual report during normal business hours subject to the payment of a reasonable sum as may be determined by the Manager and the Trustee.

Section 12.2. Material Agreements

- The following information is included under Section 12.2. Material Agreements:
 - The Investment Management Agreement dated 8 February 2023 entered into between the Manager and External Fund Manager.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK.