

**VP-DJ SHARIAH
CHINA A-SHARES 100 ETF**

Stock code: 0838EA (MYR)

2022 ANNUAL
REPORT

For the financial year ended 30 June 2022

Value Partners Asset Management Malaysia Sdn. Bhd.

Level 28.03, Integra Tower, The Intermark

No. 348, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Tel: (6) 03-2775 7688 Fax: (6) 03-2775 7687

Email: vpmy-enquiry@valuepartners-group.com

Website: www.valuepartners-group.com.my

This report shall not constitute an offer to sell or a solicitation of an offer to buy units in any of the funds. Subscriptions are to be made only on the basis of the information contained in the prospectus.

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1. CORPORATE DIRECTORY

MANAGER AND REGISTRAR

Value Partners Asset Management Malaysia Sdn. Bhd. (“Value Partners Malaysia”)

(Registration no. 201801020486 (1282505-P))

Registered office:

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel. no.: (6) 03-2382 4343
Fax no.: (6) 03-2382 4170/ 71

Business office:

Level 28.03, Integra Tower, The Intermark
No. 348, Jalan Tun Razak
50400 Kuala Lumpur
General line: (6) 03-2775 7688
Fax no.: (6) 03-2775 7687
Email: vpmy-enquiry@valuepartners-group.com
Website: www.valuepartners-group.com.my

TRUSTEE AND MANAGER’S DELEGATE (for fund accounting and valuation)

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

Registered office:

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. no.: (6) 03-2261 8888
Fax no.: (6) 03-2261 0099

Business office:

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. no.: (6) 03-2261 8888
Fax no.: (6) 03-2261 9889
Website: www.cimb.com

TRUSTEE’S DELEGATE (CUSTODIAN)

CIMB Islamic Bank Berhad (Registration no.: 200401032872 (671380-H))

Registered office:

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. no.: (6) 03-2261 8888
Fax no.: (6) 03-2261 8889

Business office:

Level 21, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. no.: (6) 03-2261 8888
Fax no.: (6) 03-2261 9892
Website: www.cimb.com

SHARIAH ADVISER

Amanie Advisors Sdn Bhd (Registration no.: 200501007003 (684050-H))

Registered Office:

Unit 11-3A,
3rd Mile Square, No. 151,
Jalan Klang Lama Batu 3 ½,
58100 Kuala Lumpur

Business Office:

Level 13A-2,
Menara Tokio Marine Life
189 Jalan Tun Razak
50400 Kuala Lumpur
Tel. no.: (6) 03-2161 0260
Fax no.: (6) 03-2161 0262
Website: www.amanieadvisors.com

1. CORPORATE DIRECTORY (continued)

SUB-INVESTMENT MANAGER

Value Partners Hong Kong Limited

43rd Floor, The Center
99 Queen's Road Central
Hong Kong
Tel. no.: (852) 2880 9263
Fax no.: (852) 2564 8487

COMPANY SECRETARY

TMF Administrative Services Malaysia Sdn. Bhd.
(Registration no. 199501012166 (341368-X))

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel. no.: (6) 03-2382 4343
Fax no.: (6) 03-2382 4170/ 71

AUDITOR OF THE FUND AND THE MANAGER

PricewaterhouseCoopers PLT

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd

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

SOLICITOR

Messrs Wei Chien & Partners

D-20-02, Menara Suezcap 1
No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur

PARTICIPATING DEALERS

Kenanga Investment Bank Berhad

(Registration no.: 197201002193 (15678-H))

Level 12, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

Malacca Securities Sdn Bhd

(Registration no.: 197301002760 (16121-H))

No. 1, 3 & 5, Jalan PPM9
Plaza Pandan Malim Business Park
Balai Panjang
75250 Melaka

MARKET MAKER

Information relation to the market maker may be obtained from the Fund's website.

INDEX LICENSOR

S&P Opco, LLC

55 Water Street, New York
New York 10041
United States of America

2. MANAGER'S REPORT

2.1. Fund review

VP-DJ Shariah China A-Shares 100 ETF (the “**Fund**”) is an index-tracking Islamic exchange-traded fund launched on 12 July 2021 (“**Launch Date**”). The Fund was listed on the Bursa Malaysia Stock Exchange (“**Bursa Malaysia**”) on 28 July 2021 where units of the Fund may be traded.

The Fund aims to closely correspond to the performance of the Dow Jones Islamic Market China A-Shares 100 Index (“**Benchmark**”) by primarily using a full replication strategy through investing in Shariah-compliant China A-shares which are included in the Benchmark in substantially the same weightings in which they are included in the Benchmark to track the performance of the Benchmark. The Fund may distribute income on an incidental basis.

2.2. Fund performance

Average Total Return	12.7.2021* - 30.6.2022
Fund	-16.57%
Benchmark	-17.63%
Over/(underperformance)	1.06%

Annual Total Return	12.7.2021* - 30.6.2022
Fund	-16.57%
Benchmark	-17.63%
Over/(underperformance)	1.06%

**The Fund was launched on 12 July 2021.*

Source: Value Partners Asset Management Malaysia Sdn. Bhd., as at 30 June 2022. Past performance is not indicative of future performance. Fund performance mentioned refers to VP-DJ Shariah China A-Shares 100 ETF. All performance figures are sourced from Value Partners and Bloomberg (data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 30 June 2022. Performance data is net of all fees. All indices are for reference only.

During the financial year ended 30 June 2022, the Fund delivered a return of -16.57% outperforming the Benchmark return of -17.63% by 1.06%.

2. MANAGER'S REPORT (continued)

2.2. Fund performance (continued)

Financial year ended	30.6.2022
Total net asset value ("NAV") in MYR millions	30.03
Units in circulation, in millions	18
<u>NAV per unit</u>	
MYR Counter, in MYR	1.6685
• Highest	2.0372
• Lowest	1.3194
<u>Closing price per unit</u>	
MYR Counter, in MYR	1.665
• Highest	2.045
• Lowest	1.400
<u>Total return ^(a), in %</u>	-16.57
• Capital return ^(b)	-16.57
• Income return ^(c)	Nil
Management expense ratio ("MER"), in %	1.11
Portfolio turnover ratio ("PTR")	0.94
Tracking error, in %	0.49

The historical tracking error for the Fund's NAV against the Benchmark was at 49 basis points since its launch on 12 July 2021 until 30 June 2022. The difference in performance between the Fund and Benchmark is mainly attributed to fees and expenses, and security mis-weightings.

Please see page 41 in Notes to the Financial Statements for more information on the Fund's MER and PTR.

The Fund achieved its investment objective using a full replication strategy during the financial year ended 30 June 2022.

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 are as below:-

^(a) Total return	=	(1 + Capital return) x (1 + Income return) – 1
	=	[(1 + (-16.57%)) x (1 + 0.00%) – 1] x 100
	=	<u>-16.57%</u>
^(b) Capital return	=	NAV per Unit as at financial year end / NAV per Unit as at Launch Date – 1
	=	(NAV per Unit @30.6.2022 ÷ NAV per Unit @12.7.2021 – 1) x 100
	=	(1.6685 ÷ 1.9999 – 1) x 100
	=	<u>-16.57%</u>
^(c) Income return	=	Income distribution per Unit / NAV per Unit ex-date
	=	<u>Nil</u>

2. MANAGER'S REPORT (continued)

2.3. Income distribution/ unit split

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

Financial year ended	30.6.2022
Distribution/ unit, in MYR	
• Gross	Nil
• Net	Nil
Distribution yield, in %	Nil

2.4. Fund composition

Financial year ended	30.6.2022 in %
<u>Breakdown by asset class:</u>	
• Shariah-compliant quoted equities - China A-shares	98.86
• Cash and cash equivalents	1.14
Total:	100.00
<u>Breakdown by GICS industry:</u>	
• Automobiles and components	6.98
• Capital goods	17.77
• Consumer durables and apparel	2.46
• Food, beverage and tobacco	8.02
• Health care equipment and services	5.48
• Household and personal products	0.29
• Materials	8.85
• Pharmaceuticals, biotechnology and life sciences	13.96
• Semiconductors and semiconductor equipment	14.98
• Software and services	3.22
• Technology hardware and equipment	8.02
• Transportation	5.04
• Utilities	3.79
• Cash and cash equivalents	1.14
Total:	100.00

2.5. Portfolio strategy review

Volatility was carried into 2022, with Asian markets broadly under pressure in the first half of the year. Various risks loomed the horizon, including unexpected rising geopolitical events, particularly the Russia-Ukraine tensions, and the surging commodity prices that drastically changed the world's inflation expectations.

To combat inflation, the US Fed and other central banks have started hiking interest rates at a faster-than-expected pace. Central banks have found themselves way behind the curve, especially after CPI numbers continued to rise higher among developed markets. Investors have gradually shifted their attention from the beginning of an aggressive rate hike cycle and quantitative tightening to recession and stagflation risks. The market now expects a total of 350 bps hike from the Fed and 175 bps from the European Central Bank (ECB) by December.

2. MANAGER'S REPORT (continued)

2.5. Portfolio strategy review (continued)

Elsewhere, the sudden resurgence of COVID-19 cases in China, notably in Shanghai and Beijing, took investors by surprise, as the subsequent lockdowns further weighed on the economic activities and led to supply chain disruptions, with the latter raising further concerns over inflationary pressures.

For the year-to-date ending 30 June 2022¹, China's broad market gauge, the MSCI China, fell by 5.5%, reflecting the continued sentiments and concerns surrounding slowing economic growth, Russia-Ukraine tensions, surging commodity prices and interest rate hikes across the globe. In contrast to the performance recorded in 2H 2021, we are seeing reversal between China Onshore and China Offshore indices. China Onshore indices performed relatively worse during the first six month of 2022, as Shanghai Shenzhen CSI 300 recorded a 9.2% decline while DJIM China A-shares 100 fell by 12.5% during the same period. Meanwhile, for China Offshore indices, Hang Seng China Enterprises Index (+0.2%) recorded the best performance, followed by MSCI Overseas China (-5.1%).

In terms of portfolio strategy, we continue to adopt the full replication method. The portfolio remained highly invested in the Index securities in the same approximate weightings or proportions as they appear in the Benchmark, to provide investment results that closely correspond to the performance of the Benchmark, with minimal cash kept for liquidity purposes. As of 30 June 2022², the Fund's asset under management stood at MYR30.03 million, with 98.9% of the Fund's NAV invested in equities.

Source:

1. Bloomberg, data as at 30 June 2022.

2. Value Partners Asset Management Malaysia Sdn. Bhd., as at 30 June 2022.

2.6. Investment outlook

According to the World Bank's June 2022 Global Economic Prospects, global growth is expected to slow down from 5.7% in 2021 to 2.9% in 2022 – significantly lower than 4.1% that was forecasted in January. Russia's invasion of Ukraine, coupled with the surge in commodity prices have compounded existing COVID-19 pandemic-induced damage to the global economy, which World Bank marked as the period of low growth and elevated inflation, drawing similar parallels to 1970's era of stagflation. Consequently, China's economy is expected to decelerate in 2022 with a growth forecast of 4.3%, versus 8.1% GDP growth recorded in 2021, citing headwinds on both the domestic and global fronts. However, growth momentum is expected to rebound in the second half of the year, aided by more supportive policy stance from aggressive fiscal stimulus, monetary easing and further relaxation of housing sector regulations in order to mitigate the economic downturn.

Despite a weak macro backdrop, we believe there are some silver linings in the cloud. In China, we continue to view that its counter-cyclical pro-growth policies, which contrast with other parts of the world, and fine-tuned regulations shall support its growth stability agenda in 2022. The government is expected to provide additional stimulus to the economy. In a national assembly meeting held in May, Premier Li Keqiang has urged provincial governments to step up the policy execution, announcing a package of measures to stabilise the economy.

Furthermore, fine-tuned regulations are also expected, especially in the internet and property sectors, which were heavily beaten last year. Recently in May 2022, top policymakers in China met with dozens of executives and industry experts, pledging to support the healthy developments of the technology sector.

Although we remain cautious and closely monitor China's zero-COVID strategy, newly reported COVID-19 cases have been falling in China. At the same time, more measures are being taken to ensure the logistic flows and production resumptions. For one thing, Shanghai has lifted the white-list system for resumed production from the beginning of June 2022. More recently, China eased its COVID-19 quarantine period, cutting in half the time new arrivals must spend in quarantine, in the country's biggest shift yet in its COVID-19 policy.

2. MANAGER'S REPORT (continued)

2.7. Breakdown of unitholders by size

Size of holdings (in units)	No. of unitholders	No. of units held	% of units held
Less than 100	3	100	0.00
100 – 1,000	180	107,200	0.60
1,001 – 10,000	201	792,300	4.40
10,001 – 100,000	50	1,461,200	8.12
100,001 to less than 5%*	3	717,700	3.98
5%* and above	3	14,921,500	82.90
Total:	440	18,000,000	100.00

*Means 5% of the total number of units issued.

2.8. Soft dollars commission and rebate

The Manager will not retain any rebate from, or otherwise share in any commission with, any broker / dealer in consideration for direct dealings (if any) in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund.

During the financial period under review, the Manager did not receive or retain any rebates or soft commission from brokers or dealers.

2.9. Cross-trade

During the financial year under review, no cross-trade transactions were undertaken by the Manager for the Fund.

Value Partners Asset Management Malaysia Sdn. Bhd.
18 August 2022

The views expressed are the views of Value Partners Asset Management Malaysia Sdn. Bhd. only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investors should note that investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results.

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager

Value Partners Malaysia's Board of Directors comprise of six (6) members including two (2) independent directors after the following appointments and resignation:

- Tsang Tak Ming, Wallace (Resigned with effect from 30 May 2022);
- Lam Mei Kuen Winnie (Appointed with effect from 30 May 2022); and
- Ong Hwee Yeow, James (Appointed with effect from 30 May 2022).

The Board of Directors oversee the management and operations of the Manager. For the financial year ended 30 June 2022, there were 4 (four) board meetings held, and there has been no public sanction or penalty imposed on Value Partners Malaysia by the relevant regulatory bodies.

Name	Durraini binti Baharuddin
Age	39
Gender	Female
Nationality	Malaysian
Position	Managing Director/ Executive Non-Independent Director and Chief Executive Officer
Date of appointment to the Board	3 December 2018
Number of board meetings attended during the financial year	4 of 4 meetings (100%) from 12 July 2021 to 30 June 2022.
Qualification	• Bachelor of Laws (Honours) from King's College London. • Was called to the English Bar as a Barrister at Law, and is a member of Lincoln's Inn. • Master's degree in Masters Applied Finance from Kaplan Professional, Australia.
Working experience and occupation	• Currently the Managing Director of Value Partners Malaysia who oversees Value Partners business in Malaysia to build up the institutional business of the firm in Malaysia and the Southeast Asia market, and lead the product development initiatives for Value Partners Malaysia and the Southeast Asia Region. • Has over 12 years of experience in the asset management industry, in which she had held various roles from investment management (equity), setting up global offices, operational rationalisation and business development across asset classes including equities, fixed income and alternative investments. A lawyer by training, she built up her experience in asset management during her time with Permodalan Nasional Berhad ("PNB"), one of the largest unit trust companies in Malaysia. Under this esteemed organisation, she managed ASEAN and Asia Pacific equity mandates, alongside doing investment research into the global and regional consumer sectors and plantations. She was also tasked with setting up of PNB Global Offices and ended her stint with PNB at its Singapore office in 2016. • She further enhanced her asset management experience by taking on the Institutional Sales role with a global asset management company, in which she helped raised assets across equity and fixed income mandates and serviced key institutional clients in Malaysia.
Member of other board committee(s)	Nil

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Durraini binti Baharuddin
Directorship(s) in other public companies and listed issuers	Nil
Other conflict of interest with the Fund	Durraini is the CEO of Value Partners Asset Management Malaysia Sdn. Bhd. of which is the Manager and unitholder of the Fund.
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

Name	Ho Man Kei, Norman
Age	55
Gender	Male
Nationality	Chinese, Hong Kong SAR
Position	Non-Independent Non-Executive Director
Date of appointment to the Board	1 April 2021
Number of board meetings attended during the financial year	4 of 4 meetings (100%) from 12 July 2021 to 30 June 2022.
Qualification	- Bachelor's degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. - Chartered Financial Analyst ("CFA") charterholder since October 1996.
Working experience and occupation	- Currently a Senior Investment Director of Value Partners, he is a leader in the Company's investment process, with a high degree of responsibility over portfolio management. He has over 31 years of asset management and financial industry experience, with a solid track record in research and portfolio management. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and 2014, respectively. - Prior to joining Value Partners in November 1995, he was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.
Member of other board committee(s)	Member of Value Partners Nomination Committee and Risk Management Committee.

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Ho Man Kei, Norman
Directorship(s) in other public companies and listed issuers	<u>Listed company:</u> Value Partners Group Limited (listed in Hong Kong, HKEX stock code: 00806)
Other conflict of interest with the Fund	Nil
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

Name	Lee Siang Korn @ Lee Siang Chin
Age	73
Gender	Male
Nationality	Malaysian
Position	Independent Non-Executive Director
Date of appointment to the Board	29 March 2019
Number of board meetings attended during the financial year	4 of 4 meetings (100%) from 12 July 2021 to 30 June 2022.
Qualification	• A member of the Malaysian Institute of Certified Public Accountants in 1975. • A fellow of the Institute of Chartered Accountants in England and Wales in 1979.
Working experience and occupation	Previously served as an independent non-executive director of: • Value Partners Group Limited, • Maybank Investment Bank Berhad, • Maybank Kim Eng Securities (Thailand) Public Limited Company, • Star Media Group Bhd, • Tune Insurance Malaysia Bhd, • Hilong Holding Ltd, and • Social Securities Organization of Malaysia ("SOCSO"). Previously also served as: • A member of SOCSO's investment panel, • Chairman of Surf88.com, and • Managing Director of AmSecurities Sdn Bhd.

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Lee Siang Korn @ Lee Siang Chin
Member of other board committee(s)	Nil
Directorship(s) in other public companies and listed issuers	Nil
Other conflict of interest with the Fund	Nil
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

Name	Datuk Mohd Nasir bin Ali
Age	64
Gender	Male
Nationality	Malaysian
Position	Independent Non-Executive Director
Date of appointment to the Board	24 July 2019
Number of board meetings attended during the financial year	4 of 4 meetings (100%) from 12 July 2021 to 30 June 2022.
Qualification	- Bachelor of Economics (Honours) from University of Malaysia. - Master of Science (Financial Studies) from the University of Strathclyde, United Kingdom.
Working experience and occupation	Has extensive experience in the unit trust, investment management and stockbroking industry. Formerly served as: - Chairman of Amanah Raya Berhad from October 2018 to May 2020, - Group Executive Director of Utusan Melayu (M) Berhad from October 2000 until his retirement from that position in June 2014, - Executive Director/ Chief Executive Officer of Kuala Lumpur City Securities Sdn. Bhd., - General Manager, Dealing & Research with Mayban Securities Sdn. Bhd., - Investment Manager with BBMB Unit Trust Management Berhad, - Senior Financial & Marketing Executive, Amanah Saham Nasional Berhad, and - Investment Executive with Permodalan Nasional Berhad.

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Datuk Mohd Nasir bin Ali
Member of other board committee(s)	Nil
Directorship(s) in other public companies and listed issuers	<u>Listed companies:</u> • Director of Damansara Holdings Berhad, • Director of E.A Technique (M) Berhad, and • Director of icapital.biz Berhad. <u>Non-listed companies:</u> • Director of Damansara Assets Sdn Bhd, • Director of Gold Li Berhad, • Director of Goodyear Malaysia Berhad, • Director of MIDF Amanah Investment Bank Berhad, and • Director of MSWG Berhad.
Other conflict of interest with the Fund	Nil
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

Name	Lam Mei Kuen Winnie
Age	55
Gender	Female
Nationality	Chinese, Hong Kong SAR
Position	Non-Independent Non-Executive Director
Date of appointment to the Board	30 May 2022
Number of board meetings attended during the financial year	1 of 1 meeting (100%) from 30 May 2022 to 30 June 2022.
Qualification	• Bachelor in Business Studies (Honours) from City University of Hong Kong. • Associate Member of Hong Kong Society of Accountants. • Fellow Member of The Association of Chartered Certified Accountants (ACCA). • Master of Business Administration from the University of South Australia.

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Lam Mei Kuen Winnie
Working experience and occupation	- Currently the Chief Operating Officer and Managing Director of Value Partners, Ms. Lam oversees the Company's overall operations and back office functions, covering finance, information technology, fund operations, product development, as well as administration across the Company's Hong Kong headquarter and overseas offices. - Has 32 years of experience in the asset management and capital markets industry, in which she held various leadership roles such as the Head of Operations - Asia in First State Investment (Hong Kong) Limited; Head of Settlement and Fund Administration in Lloyd George Management, Hong Kong; and Vice President of Core Operations in J. P. Morgan Securities (Asia Pacific) Limited, Hong Kong. Prior to that, she was also with Kerry Investment Management Limited, Kerry Securities Limited and American Express Bank Limited.
Member of other board committee(s)	Member of Value Partners Risk Management Committee.
Directorship(s) in other public companies and listed issuers	Nil
Other conflict of interest with the Fund	Nil
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

2. MANAGER'S REPORT (continued)

2.10. Board of Directors of the Manager (continued)

Name	Ong Hwee Yeow, James
Age	51
Gender	Male
Nationality	Singaporean
Position	Non-Independent Non-Executive Director
Date of appointment to the Board	30 May 2022
Number of board meetings attended during the financial year	1 of 1 meeting (100%) from 30 May 2022 to 30 June 2022.
Qualification	- Bachelor's in Applied Science from Nanyang Technological University, Singapore. - Certified Financial Planner with the Financial Planning Association of Singapore.
Working experience and occupation	- Currently the Head of Southeast Asia and Chief Executive Officer of Value Partners Asset Management Singapore Pte. Ltd., Mr. Ong is responsible for creating and driving the Southeast Asia business strategy. He is responsible for mentoring and overseeing members in the sales team, and managing their day-to-day operations. He is also involved in the board and management of the Singapore office with overall oversight responsibilities over human resources, information technology, operations, risk and compliance. - Has over 27 years of experience in the asset management and financial planning industry in which he held the roles of Managing Director at State Street Global Advisors, Singapore; Client Director at HSBC Asset Management, Singapore; and Director of Regional Institutional Business at UOB Asset Management, Singapore. He was also a financial adviser with Life Planning Associates; Professional Investment Advisory Services; Ascendur Consulting; Prudential Assurance, and Great Eastern Life.
Member of other board committee(s)	Nil
Directorship(s) in other public companies and listed issuers	Nil
Other conflict of interest with the Fund	Nil
Family relationship(s) with any director of Value Partners Malaysia and/or major shareholder of the Fund	Nil
Convictions for offences within the past 5 years	Nil
Public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil

2. MANAGER'S REPORT (continued)

2.11. Directors' training

The Board of Directors acknowledges the importance of continuing education for its Directors. During the financial year ended 30 June 2022, the Board members had attended various training programs, workshops, seminars, briefings and/or conferences on various subjects in accordance with the respective Director's own training needs.

Director	Trainings Attended for the financial year ended 30 June 2022
Durraini binti Baharuddin	- CGS-CIMB 14th Annual Malaysia Virtual Corporate Day 2022 - Malaysian Aviation Day by Maybank Investment Bank Berhad
Ho Man Kei	- Citi Pan-Asia regional investor Conference 2021 by Citibank 2022 Asia Pacific Telecom, Media & Technology Conference by Bank of America securities (BofA) - ICAC - Anti-Corruption Talk for Financial Practitioners by The Independent Commission Against Corruption of Hong Kong (ICAC) - Insider dealing & Best execution by Simmons & Simmons - SCLE Revision: Fund Management Regulation (Module 9) by SIDC - CMDP: Module 1 Directors As Gatekeepers Of Market Participants by SIDC - CMDP: Module 2B Business Challenges And Regulatory Expectations - What Directors Need To Know (Fund Management) by SIDC - CMDP: Module 3 Risk Oversight And Compliance - Action Plan For Board Of Directors by SIDC - CMDP: Module 4 Emerging And Current Regulatory Issues In The Capital Market by SIDC
Lee Siang Korn @ Lee Siang Chin	Maybank Invest ASEAN Conference by Maybank Investment Bank Berhad
Datuk Mohd Nasir bin Ali	- Cybersecurity Landscape And Awareness by MIDF - Shariah Dialogue 2021 by MIDF - Islamic Finance For Board Of Directors Programme by ISRA - Talk On "Implementing Amendments In The Malaysian Code On Corporate Governance" by ICLIF - FIDE FORUM: The Board's Role And Responsibilities In Crisis Communication - BNM-FIDE FORUM: Dialogue On RMIT Implementation - Identifying The Red Flags In Anti-Money Laundering & Counter Financing Of Terrorism (AML/CFT) by SIDC - Shariah Programme On "Legal Islamic Finance - Sharing Cases" With Mr. Jal Othman by Shook Lin & Bok - Integrity Programme On Anti-Bribery And Corruption For Board Of Directors And Senior Management by MIDF
Lam Mei Kuen Winnie	- Enrich the Knowledge of the Latest HKEX ESG Reporting Guide's Requirements & the Related Reporting Trend by The Hong Kong General Chamber of Commerce - Asian Financial Forum 2022 by The Government of the Hong Kong Special Administrative Region & Hong Kong Trade Development Council - Digital Marketing by The Hong Kong General Chamber of Commerce
Ong Hwee Yeow, James	- Anti-Money Laundering & Bribery by Simmons & Simmons - Insider Dealing & Best Execution by Simmons & Simmons

VP-DJ SHARIAH CHINA A-SHARES 100 ETF

(A Malaysia Exchange-Traded Fund)

3. STATEMENT OF COMPREHENSIVE INCOME*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

	<u>Note</u>	Financial period from 12.7.2021 (date of launch) to 30.6.2022 MYR
INVESTMENT LOSS		
Dividend income		169,114
Profit income from financial assets at amortised cost		2,163
Net loss on financial assets at fair value through profit or loss	8	(3,162,213)
Net loss on foreign currency exchange		(299,776)
		<u>(3,290,712)</u>
EXPENSES		
Management fee	4	(150,547)
Trustee fee	5	(10,036)
Custodian fee		(90,827)
Auditors' remuneration		(15,000)
Tax agent's fee		(9,200)
Transaction cost		(43,239)
Other expenses		(27,926)
		<u>(346,775)</u>
LOSS BEFORE TAXATION		(3,637,487)
Taxation	7	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u><u>(3,637,487)</u></u>
Net loss after taxation is made up of the following:		
Realised amount		(1,726,034)
Unrealised amount		(1,911,453)
		<u><u>(3,637,487)</u></u>

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

4. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<u>Note</u>	<u>30.6.2022</u> MYR
ASSETS		
Cash and cash equivalents	9	382,893
Financial assets designated at fair value through profit or loss	8	29,691,423
Dividend receivable		456
Other receivables		1,000
TOTAL ASSETS		<u>30,075,772</u>
LIABILITIES		
Amount due to Manager - management fee		14,048
Amount due to Trustee		936
Auditors' remuneration payable		15,000
Tax agent's fee payable		5,000
Other payables and accruals		7,752
TOTAL LIABILITIES		<u>42,736</u>
NET ASSET VALUE OF THE FUND		<u>30,033,036</u>
EQUITY		
Unitholders' capital		33,670,523
Retained earnings		(3,637,487)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>30,033,036</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>18,000,000</u>
NET ASSET VALUE PER UNIT (MYR)		<u>1.6685</u>

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

5. STATEMENT OF CHANGES IN EQUITY

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

	Unitholders' <u>capital</u> MYR	Accumulated <u>losses</u> MYR	<u>Total</u> MYR
Balance as at 12 July 2021 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(3,637,487)	(3,637,487)
<u>Movement in unitholders' capital:</u>			
Creation of units arising from applications	33,670,523	-	33,670,523
Cancellation of units	-	-	-
Balance as at 30 June 2022	<u>33,670,523</u>	<u>(3,637,487)</u>	<u>30,033,036</u>

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

VP-DJ SHARIAH CHINA A-SHARES 100 ETF

(A Malaysia Exchange-Traded Fund)

6. STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

	<u>Note</u>	Financial period from 12.7.2021 (date of launch) to 30.6.2022 MYR
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments		7,804,956
Purchase of Shariah-compliant investments		(41,003,439)
Dividends received		168,658
Profits income from Shariah-compliant deposits		2,163
Management fee paid		(136,499)
Trustee fee paid		(9,100)
Custodian fee paid		(81,713)
Payment for other fees and expenses		(33,126)
Net realised foreign exchange gain		3,260
Net cash used in operating activities		<u>(33,284,840)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units		<u>33,670,523</u>
Net cash generated from financing activities		<u>33,670,523</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		385,683
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(2,790)
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH		<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u><u>382,893</u></u>

Cash and cash equivalents as at 30 June 2022 comprise of bank balances and Shariah-compliant deposits.

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

- Amendments to MFRS 9 and MFRS 4 'Interest Rate Benchmark (IBOR) Reform - Phase 2' (effective 1 January 2021) provide practical expedient allowing entities to update the effective interest rate for instruments measured at amortised cost to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

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

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

(b) Standards and amendments that have been issued but are 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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

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 rights to receive the dividend has been established.

Realised gains and losses on sale of investments

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

Profit income

Profit income from Shariah-compliant deposits with licensed financial institutions are recognised based on effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

C. SHARIAH NON-COMPLIANT INCOME

Any income from Shariah non-compliant investments such as interest income, or dividend distribution received by the Fund from its investment portfolio which relates to fortuitous activities are considered impure income.

This impure income is subject to an income purification process as determined by the Shariah Adviser from time to time without limitation. The impure income has to be channeled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser and approved by the Trustee.

D. TRANSACTION COSTS

Transaction costs are costs in relation to any particular transaction or dealing, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, and other duties and charges whether in connection with the Fund assets or the acquisition or disposal of Fund assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

E. TAXATION

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

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

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

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 (“**MYR**”), 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 financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

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

The Fund classifies cash and cash equivalents and dividend receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent solely payments of principal and interest*.

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

**For the purpose of this Fund, interest refers to profits earned from Shariah-compliant investments.*

(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 assets. Shariah-compliant 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 Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

H. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(ii) Recognition and measurement (continued)

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

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

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

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

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

H. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(iii) Impairment (continued)

Write-off

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

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

I. CASH AND CASH EQUIVALENTS

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

J. UNITHOLDERS' CAPITAL

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

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

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

Units are created and cancelled at the Participating Dealer's option at Creation Price and Redemption Price as stated in the Fund's Prospectus at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

K. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the Fund Manager, in reference to the Investment Strategy stated in the Fund's Prospectus and the Operating Memorandum between the Manager and the Trustee. The Fund Manager, who is responsible for the Fund's portfolio allocation and the assessment of its performance, reports the status of the Fund to the Chief Executive Officer and Board of Directors of the Manager.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR primarily due to the following factors:

- (i) A significant portion of the Fund's investors are based in Malaysia;
- (ii) The Fund is regulated by SC, a regulatory body in Malaysia;
- (iii) A significant portion of the Fund's expenses are denominated in MYR;
- (iv) All subscription and redemptions of units are transacted in MYR.

M. REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

8. NOTES TO THE FINANCIAL STATEMENTS

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

1. INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name VP-DJ Shariah China A-Shares 100 (the **"Fund"**) pursuant to the execution of a Deed dated 8 October 2020 entered into between Value Partners Asset Management Malaysia Sdn. Bhd. (the **"Manager"**) and CIMB Islamic Trustee Berhad (the **"Trustee"**).

The Fund commenced operations on 12 July 2021 and will continue its operations until terminated by the Trustee as provided under Section 26 of the Deed.

The Fund may invest in the following permitted investments:

- Authorised Securities;
- Islamic collective investment schemes;
- Islamic money market instruments;
- Islamic deposits; and
- Any other Shariah-compliant investments permitted by the Shariah Advisory Council of the SC, the Shariah Advisory Council of Bank Negara Malaysia or the Shariah Adviser from time to time.

All investments will be subjected to the SC's Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

The Fund is listed on the main market of Bursa Malaysia, and its aim is to provide investment results that closely corresponds to the performance of the Benchmark.

The Manager is a company incorporated in Malaysia. It holds a capital markets services licence for fund management under the CMSA and focuses on managing assets across diversified investment strategies covering equities, fixed income, quantitative investment solutions, multi-asset and alternatives for investors, both institutional and wholesale. It is licensed to manage investment portfolios, including but not limited to ETFs, for insurance companies, financial institutions, pension funds, unit trust companies, corporations and government institutions in Malaysia. It specialises in greater China equity strategy, all China equity strategy, Asia ex Japan equity strategy, China high yield strategy and innovative exchange-traded funds.

The financial statements were authorised for issue by the Manager on 18 August 2022.

1.1. SUB-INVESTMENT MANAGER

The Manager has appointed Value Partners Hong Kong Limited as the Sub-investment Manager of the Fund to manage the Fund together with the Manager.

The Sub-investment Manager was incorporated in Hong Kong on 10 May 1999, commenced its current operations in January 2008 and is licensed by the Securities and Futures Commission in Hong Kong. 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 Sub-investment Manager applies fundamental analysis to seek under-valued positions.

The role and responsibilities of the Sub-Investment Manager includes providing investment management services in respect of the Fund in accordance with the Deed, the Prospectus and the relevant laws.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

2022	Note	At amortised cost MYR	At fair value through profit or loss MYR	Total MYR
<u>Financial assets</u>				
Cash and cash equivalents	9	382,893	-	382,893
Shariah-compliant quoted equities	8	-	29,691,423	29,691,423
Dividend receivable		456	-	456
Total		383,349	29,691,423	30,074,772
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee	4	14,048	-	14,048
Amount due to Trustee	5	936	-	936
Auditors' remuneration payable		15,000	-	15,000
Tax agent's fee payable		5,000	-	5,000
Other payables and accruals		7,752	-	7,752
Total		42,736	-	42,736

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Exchange-Traded Funds.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund is structured as an index tracking fund that tracks its benchmark index, Dow Jones Islamic Market China A-Shares 100 Index, which comprises of a diversified list of Shariah-compliant equity securities in its constituents. As such, the Manager believes that the Fund is able to minimise its price risk through the diversification that it has in its portfolio of underlying securities that replicates its Benchmark Index.

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

	2022
	MYR
Shariah-compliant quoted investments	
Shariah-compliant quoted equities	29,691,423

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(a) Price risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss, and NAV to movements in prices of its Benchmark Index. The analysis is based on the assumption that the Benchmark Index fluctuates by +/-20%. If all other variables are held constant, and that the fair value of the investments move in the same quantum with the fluctuation of the Benchmark Index, this would represent the management's best estimates of a reasonable possible shift in the quoted securities.

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

<u>% Change in Benchmark Index</u>	<u>Market value</u> MYR	<u>Impact on</u> <u>loss after</u> <u>taxation</u> MYR	<u>Impact on NAV</u> MYR
2022			
+20%	35,644,325	(5,952,902)	5,952,902
0%	29,691,423	-	-
-20%	<u>23,738,521</u>	<u>5,952,902</u>	<u>(5,952,902)</u>

(b) Currency risk

Currency risk is associated with Shariah-compliant investments denominated in foreign currencies. When the foreign currencies fluctuates in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gains/losses. The Manager will evaluate the likely direction of a foreign currency versus Ringgit Malaysia based on consideration of economic fundamentals such as interest rate differentials, balance of payment position, debt level and technical consideration.

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

<u>2022</u>	<u>Cash and cash</u> <u>equivalents</u> MYR	<u>Quoted</u> <u>equities</u> MYR	<u>Dividend</u> <u>receivable</u> MYR	<u>Total</u> MYR
<u>Financial assets</u>				
Chinese Yuan	14,843	29,691,423	456	29,706,722
United States Dollar	<u>11,977</u>	<u>-</u>	<u>-</u>	<u>11,977</u>
	<u>26,820</u>	<u>29,691,423</u>	<u>456</u>	<u>29,718,699</u>
<u>2022</u>			<u>Other payables</u> <u>and accruals*</u> MYR	<u>Total</u> MYR
<u>Financial liabilities</u>				
United States Dollar			<u>7,752</u>	<u>7,752</u>

*Other payables and accruals consist of transaction cost payable charged by custodians.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(b) Currency risk (continued)

The table below summarises the sensitivity of the Fund's loss after taxation and net asset value to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by +/-5%, with all other variables remaining 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.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Impact on loss after taxation MYR	Impact on NAV MYR
2022		
<u>Chinese Yuan</u>		
+5%	(1,485,336)	1,485,336
-5%	<u>1,485,336</u>	<u>(1,485,336)</u>
<u>United States Dollar</u>		
+5%	(211)	211
-5%	<u>211</u>	<u>(211)</u>

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 Shariah-compliant investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

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

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

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

	Cash and cash equivalents MYR	Dividend receivable MYR	Total MYR
2022			
Financial services			
• AAA	382,893	-	382,893
Technology hardware & equipment			
• NR	-	456	456
	<u>382,893</u>	<u>456</u>	<u>383,349</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of cash to meet anticipated payments for operating expenses and cancellation of units by unitholders.

The Fund's units can be redeemed in cash. For cash redemptions, a redemption basket of securities is liquidated and Actual Redemption Amount (as defined in the Fund's Prospectus) will be delivered to the investors. The Fund maintains a sufficient amount of cash and liquid securities to meet the ongoing operating expenses and liquidity requirements of the Fund.

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

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

	Within <u>one month</u> MYR	Between one month to <u>one year</u> MYR	<u>Total</u> MYR
<u>2022</u>			
Amount due to Manager- management fee	14,048	-	14,048
Amount due to Trustee	936	-	936
Auditors' remuneration payable	-	15,000	15,000
Tax agent's fee payable	-	5,000	5,000
Other payables and accruals	<u>7,752</u>	<u>-</u>	<u>7,752</u>
	<u>22,736</u>	<u>20,000</u>	<u>42,736</u>

Capital risk

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

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Adviser or the Shariah boards of the relevant Islamic indices performed quarterly. If this occurs, the Manager will take the necessary steps to dispose such securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the dividend received and excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost.

As at 30 June 2022, all investments held are Shariah-compliant counters as approved by the Shariah boards of the Benchmark and Shariah Adviser.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

3. FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the last traded price for financial assets which fall 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 judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement 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 measured at fair value:

<u>2022</u>	<u>Level 1</u> MYR	<u>Level 2</u> MYR	<u>Level 3</u> MYR	<u>Total</u> MYR
Financial assets designated at fair value through profit or loss				
• Shariah-compliant quoted equities	29,691,423	-	-	29,691,423

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

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

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

4. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 1.00% per annum of the NAV of the Fund calculated on a daily basis.

For the financial period from 12 July 2021 (date of launch) to 30 June 2022, management fee is recognised at a rate of 0.60% 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 amount recognised above.

5. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum of the NAV of the Fund calculated on a daily basis (excluding foreign sub-custodian fees and charges).

For the financial period from 12 July 2021 (date of launch) to 30 June 2022, the trustee fee is recognised at a rate of 0.04% per annum on the NAV of the Fund subject to a minimum of MYR12,000 per annum (excluding foreign sub-custodian fees and charges) 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 amount recognised above.

6. INDEX LICENCE FEE

The index licence fee is recognised at up to 0.04% per annum of the NAV of the Fund, subject to a minimum of USD10,000 per annum for the first twelve months and USD15,000 per annum thereafter.

For the financial period from 12 July 2021 (date of launch) to 30 June 2022, the index licence fee of USD10,000 is borne by the Manager.

7. TAXATION

Financial period
 from 12.7.2021
 (date of launch)
 to 30.6.2022
 MYR

Current taxation

_____ -

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

7. TAXATION (continued)

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

	Financial period from 12.7.2021 (date of launch) to <u>30.6.2022</u> MYR
Net loss before taxation	<u>(3,637,487)</u>
Tax at Malaysian statutory rate of 24%	(872,997)
Tax effects of:	
• Investment loss disallowed from tax	789,771
• Expenses not deductible for tax purposes	79,253
• Restriction on tax deductible expenses for Exchange-Traded Fund	<u>3,973</u>
Tax expense	<u>-</u>

8. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

2022
MYR

Financial assets designated at fair value through
profit or loss:

- Shariah-compliant quoted equities - foreign 29,691,423

Net loss on financial assets at fair value through
profit or loss:

- realised loss on sale of Shariah-compliant
investments (1,253,551)
- unrealised loss on changes in fair value (1,908,662)
- (3,162,213)

(a) Shariah-compliant quoted equities – foreign

(i) Shariah-compliant quoted equities – foreign as at as at 30 June 2022 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	Aggregate <u>cost</u> MYR	<u>Fair value</u> MYR	Percentage <u>of NAV</u> %
<u>Automobiles & components</u>				
BYD Co Ltd A	6,000	1,047,264	1,315,618	4.38
Fuyao Glass Industry Group Co Ltd A	6,600	205,770	181,434	0.60
Great Wall Motor Co Ltd A	10,800	346,526	263,021	0.88
Huizhou Desay Sv Automotive Co Ltd A	1,800	159,291	175,158	0.58
Ningbo Tuopu Group Co Ltd A	<u>3,600</u>	<u>111,713</u>	<u>161,974</u>	<u>0.54</u>
	28,800	1,870,564	2,097,205	6.98

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

8. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(a) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 30 June 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost MYR</u>	<u>Fair value MYR</u>	<u>Percentage of NAV %</u>
<u>Capital goods</u>				
AECC Aviation Power Co Ltd A	8,800	311,562	263,321	0.88
Contemporary Amperex Technology Co Ltd A	7,704	2,568,352	2,704,913	9.01
Eve Energy Co Ltd A	6,300	430,574	403,869	1.34
Ginlong Technologies Co Ltd A	1,200	119,090	168,057	0.56
Jiangsu Hengli Hydraulic Co Ltd A	4,300	246,063	174,498	0.58
NARI Technology Co Ltd A	22,080	359,500	391,975	1.31
Sany Heavy Industry Co Ltd A	28,000	466,779	350,894	1.17
Shenzhen Inovance Technology Co Ltd A	8,700	412,295	376,793	1.25
Sungrow Power Supply Co Ltd A	4,900	405,000	316,537	1.05
Suzhou Maxwell Technologies Co Ltd A	580	139,917	187,205	0.62
	<u>92,564</u>	<u>5,459,132</u>	<u>5,338,062</u>	<u>17.77</u>
<u>Consumer durables & apparel</u>				
Ecovacs Robotics Co Ltd A	1,900	212,612	152,271	0.51
Haier Smart Home Co Ltd A	20,800	342,991	375,543	1.25
Huali Industrial Group Co Ltd A	900	41,361	43,245	0.14
Oppein Home Group Inc A	1,700	155,431	168,423	0.56
	<u>25,300</u>	<u>752,395</u>	<u>739,482</u>	<u>2.46</u>
<u>Food, beverage & tobacco</u>				
Eastroc Beverage Group Co Ltd A	400	37,795	44,936	0.15
Foshan Haitian Flavouring & Food Co Ltd A	14,720	901,080	874,540	2.91
Guangdong Haid Group Co Ltd A	5,500	236,031	217,011	0.72
Inner Mongolia Yili Industrial Group Co Ltd A	21,100	485,822	540,363	1.80
Tongwei Co Ltd A	14,800	464,851	582,498	1.94
Yihai Kerry Arawana Holdings Co Ltd A	4,200	178,261	149,176	0.50
	<u>60,720</u>	<u>2,303,840</u>	<u>2,408,524</u>	<u>8.02</u>
<u>Health care equipment & services</u>				
Aier Eye Hospital Group Co Ltd A	17,869	595,528	525,997	1.75
Huadong Medicine Co Ltd A	5,800	133,019	172,217	0.57
Shenzhen Mindray Bio-Medical Electronics Co Ltd A	4,000	968,720	823,716	2.74
Topchoice Medical Corp A	1,100	195,444	126,164	0.42
	<u>28,769</u>	<u>1,892,711</u>	<u>1,648,094</u>	<u>5.48</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

8. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(a) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 30 June 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost MYR</u>	<u>Fair value MYR</u>	<u>Percentage of NAV %</u>
<u>Household & personal products</u>				
Yunnan Botanee Bio-Technology Group Co Ltd A	600	64,707	85,816	0.29
<u>Materials</u>				
China Jushi Co Ltd A	13,200	149,746	151,101	0.50
China Northern Rare Earth Group High-Tech Co Ltd A	12,000	336,552	277,412	0.92
CNGR Advanced Material Co Ltd A	1,700	137,016	138,489	0.46
Ganfeng Lithium Co Ltd A	3,800	422,433	371,527	1.24
Guangzhou Tinci Materials Technology Co Ltd A	6,300	240,962	257,068	0.86
Hoshine Silicon Industry Co Ltd A	1,800	237,279	139,606	0.46
LB Group Co Ltd A	7,800	159,920	102,826	0.34
Ningxia Baofeng Energy Group Co Ltd A	21,700	238,763	209,023	0.70
Shandong Gold Mining Co Ltd A	11,900	143,160	145,218	0.48
Shandong Hualu Hengsheng Chemical Co Ltd A	7,000	161,756	134,393	0.45
Shanghai Putailai New Energy Technology Co Ltd A	4,600	224,687	255,268	0.85
Yunnan Energy New Material Co Ltd A	2,900	487,771	477,546	1.59
	94,700	2,940,045	2,659,477	8.85
<u>Pharmaceuticals, biotechnology & life sciences</u>				
Asymchem Laboratories Tianjin Co Ltd A	800	184,107	152,014	0.51
Beijing Wantai Biological Pharmacy Enterprise Co Ltd A	2,430	226,379	248,127	0.83
Bloomage Biotechnology Corp Ltd A	1,000	97,213	93,483	0.31
Changchun High & New Technology Industry Group Inc A	1,300	235,903	199,516	0.66
Chongqing Zhifei Biological Products Co Ltd A	5,300	549,294	386,842	1.29
Hangzhou Tigermed Consulting Co Ltd A	2,500	229,094	188,127	0.63
Imeik Technology Development Co Ltd A	500	171,162	197,253	0.66
Jiangsu Hengrui Medicine Co Ltd A	21,000	690,191	512,120	1.70
Pharmaron Beijing Co Ltd A	3,250	270,033	203,473	0.68
Shanghai Fosun Pharmaceutical (Group) Co Ltd A	6,600	273,480	191,329	0.64
Shanghai Junshi Biosciences Co Ltd A	2,300	130,348	113,933	0.38
Shenzhen Kangtai Biological Products Co Ltd A	3,580	176,340	106,347	0.35
Walvax Biotechnology Co Ltd A	5,300	245,320	168,627	0.56
WuXi AppTec Co Ltd A	8,400	758,967	574,337	1.91
Yunnan Baiyao Group Co Ltd A	5,880	254,677	233,474	0.78

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

8. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(a) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 30 June 2022 are as follows: (continued)

Name of counters	Quantity	Aggregate cost MYR	Fair value MYR	Percentage of NAV %
<u>Pharmaceuticals, biotechnology & life sciences (continued)</u>				
Zhangzhou Pientzhuang Pharmaceutical Co Ltd A	2,000	479,524	469,100	1.56
Zhejiang NHU Co Ltd A	10,160	156,599	152,375	0.51
	82,300	5,128,631	4,190,477	13.96
<u>Semiconductors & semiconductor equipment</u>				
Advanced Micro-Fabrication Equipment Inc China A	2,000	157,222	153,526	0.51
China Resources Microelectronics Ltd A	2,700	104,291	104,864	0.35
Flat Glass Group Co Ltd A	5,600	164,103	140,284	0.47
GigaDevice Semiconductor (Beijing) Inc A	2,200	242,881	205,707	0.68
Hangzhou First Applied Material Co Ltd A	4,400	257,646	189,549	0.63
Hangzhou Silan Microelectronics Co Ltd A	4,700	159,757	160,693	0.54
JA Solar Technology Co Ltd A	7,380	292,572	382,850	1.27
LONGi Green Energy Technology Co Ltd A	24,960	983,158	1,093,478	3.64
Montage Technology Co Ltd A	3,800	180,609	151,359	0.50
National Silicon Industry Group Co Ltd A	9,000	141,417	135,984	0.45
NAURA Technology Group Co Ltd A	1,700	369,976	309,751	1.03
SG Micro Corp A	1,200	158,673	143,614	0.48
StarPower Semiconductor Ltd A	600	153,604	152,238	0.51
TCL Zhonghuan Renewable Energy Technology Co Ltd A	10,600	306,898	410,434	1.37
Unigroup Guoxin Microelectronics Co Ltd A	2,000	250,422	249,482	0.83
Will Semiconductor Co Ltd Shanghai A	2,900	471,525	329,925	1.10
Zhejiang Jingsheng Mechanical & Electrical Co Ltd A	4,200	181,159	186,650	0.62
	89,940	4,575,913	4,500,388	14.98
<u>Software & services</u>				
360 Security Technology Inc A	23,500	183,726	131,645	0.44
Beijing Kingsoft Office Software Inc A	1,477	184,835	191,429	0.64
Hundsun Technologies Inc A	4,780	165,627	136,840	0.46
Iflytek Co Ltd A	7,700	268,083	208,687	0.69
Shanghai Baosight Software Co Ltd A	3,730	156,988	133,905	0.45
Yonyou Network Technology Co Ltd A	11,300	231,867	161,300	0.54
	52,487	1,191,126	963,806	3.22
<u>Technology hardware & equipment</u>				
Avary Holding Shenzhen Co Ltd A	5,600	119,262	111,233	0.37
Chaozhou Three-Circle Group Co Ltd A	6,300	158,690	124,682	0.42
China Zhenhua Group Science & Technology Co Ltd A	1,700	148,755	151,980	0.51

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

8. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(a) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 30 June 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost MYR</u>	<u>Fair value MYR</u>	<u>Percentage of NAV %</u>
<u>Technology hardware & equipment</u> (continued)				
Foxconn Industrial Internet Co Ltd A	32,700	243,556	211,562	0.70
GoerTek Inc A	11,300	308,313	249,640	0.83
Lens Technology Co Ltd A	16,400	251,953	119,368	0.40
Luxshare Precision Industry Co Ltd A	23,300	572,805	517,654	1.72
Maxscend Microelectronics Co Ltd A	1,760	281,134	156,222	0.52
Shenzhen Transsion Holdings Co Ltd A	2,690	180,847	157,819	0.53
Unisplendour Corp Ltd A	9,400	146,434	119,902	0.40
Wingtech Technology Co Ltd A	4,100	271,358	229,435	0.76
Yealink Network Technology Corp Ltd A	3,000	165,047	150,206	0.50
Zhejiang Dahua Technology Co Ltd A	9,900	134,746	106,882	0.36
	<u>128,150</u>	<u>2,982,900</u>	<u>2,406,585</u>	<u>8.02</u>
<u>Transportation</u>				
Beijing-Shanghai High Speed Railway Co Ltd A	161,800	505,715	534,045	1.78
SF Holding Co Ltd A	16,100	608,937	590,791	1.97
Shanghai International Airport Co Ltd A	6,400	184,454	238,594	0.79
YTO Express Group Co Ltd A	11,300	155,870	151,492	0.50
	<u>195,600</u>	<u>1,454,976</u>	<u>1,514,922</u>	<u>5.04</u>
<u>Utilities</u>				
China Yangtze Power Co Ltd A	74,900	983,145	1,138,585	3.79
Total Shariah-compliant quoted equities – foreign	<u>954,830</u>	31,600,085	<u>29,691,423</u>	<u>98.86</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – foreign		<u>(1,908,662)</u>		
Total Shariah-compliant quoted equities – foreign		<u>29,691,423</u>		

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

9. CASH AND CASH EQUIVALENTS

	<u>2022</u> MYR
Cash and bank balances	32,758
Shariah-based deposits with licensed financial institutions	<u>350,135</u>
	<u>382,893</u>
Weighted average profit rate per annum of Shariah-based deposits with licensed financial institutions are as follows:	
	<u>2022</u> %
Shariah-based deposits with licensed financial institutions	<u>2.01</u>
Shariah-based deposits with licensed financial institutions has an average maturity of 16 days.	

10. NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units
At the date of launch	-
Creation of units arising from applications	<u>18,000,000</u>
At the end of the financial period	<u>18,000,000</u>

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant as at 30 June 2022, which comprises:

- (i) China A-shares that pass rules-based screens for adherence to Shariah investment guidelines in accordance with the Dow Jones Islamic Market Indices Methodology; and
- (ii) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

12. TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the financial period from 12 July 2021 (date of launch) to 30 June 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> MYR	<u>Percentage of</u> <u>total trades</u> %	<u>Brokerage</u> <u>fees</u> MYR	<u>Percentage of</u> <u>total brokerage</u> %
CICC HK Securities Ltd	11,776,421	24.29	8,243	27.32
Daiwa Capital Markets HK Ltd	11,444,612	23.60	4,578	15.17
Instinet Pacific Ltd	7,573,848	15.62	4,742	15.71
CLSA Ltd	5,163,553	10.65	3,615	11.98
Citigroup Global Markets Asia Ltd	3,651,536	7.53	2,556	8.47
Merrill Lynch Far East Ltd	3,623,095	7.47	2,536	8.40
Jefferies Hong Kong Limited	2,660,960	5.49	1,863	6.17
HSBC Securities Brokers (Asia) Ltd	2,292,938	4.73	1,834	6.08
BNP Paribas Securities (Asia) Ltd	301,989	0.62	211	0.70
	<u>48,488,952</u>	<u>100.00</u>	<u>30,178</u>	<u>100.00</u>

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

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

<u>Related parties</u>	<u>Relationship</u>
Value Partners Group Limited	Ultimate holding of the Manager
Value Partners Asset Management Malaysia Sdn. Bhd.	The Manager of the Fund
Value Partners Asset Management Singapore Pte Ltd	Fellow subsidiary of ultimate holding of the Manager
Value Partners Hong Kong Limited	Fellow subsidiary of ultimate holding of the Manager
Value Partners Limited	Fellow subsidiary of ultimate holding of the Manager
Value Partners Private Equity Limited	Fellow subsidiary of ultimate holding of the Manager
Prosperous Decade Sdn. Bhd.	Subsidiary of the Manager

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

	<u>No. of units</u>	<u>2022</u> MYR
<u>The Manager of the Fund:</u>		
Value Partners Asset Management Malaysia Sdn. Bhd. (The units are held beneficially)	<u>6,000,000</u>	<u>10,011,000</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022

14. MANAGEMENT EXPENSE RATIO ("MER")

Financial period
 from 12.7.2021
 (date of launch)
 to 30.6.2022
 %

MER 1.11

MER is derived from the following calculation:

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

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

The average NAV of the Fund for financial period from 12 July 2021 (date of launch) to 30 June 2022 calculated on a daily basis was MYR25,851,314.

15. PORTFOLIO TURNOVER RATIO ("PTR")

Financial period
 from 12.7.2021
 (date of launch)
 to 30.6.2022
 %

PTR (times) 0.94

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = MYR 40,671,294
 total disposal for the financial period = MYR 7,817,658

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

*FOR THE FINANCIAL PERIOD FROM 12 JULY 2021 (DATE OF LAUNCH)
TO 30 JUNE 2022*

16. SEGMENT INFORMATION

Operating segments of the Fund are reported in a manner consistent with the internal reporting used by the Fund Manager, in reference to the Investment Strategy stated in the Fund's Prospectus and the Operating Memorandum between the Manager and the Trustee. The Fund Manager, who is responsible for the Fund's portfolio allocation and the assessment of its performance, reports the status of the Fund to the Chief Executive Officer and Board of Directors of the Manager.

The investment objective of the Fund is to provide investment results that closely correspond to the performance of the Benchmark by primarily using a full replication strategy through investing in Shariah-compliant China A-Shares which are included in the Benchmark in substantially the same weightings in which they are included in the Benchmark to track the performance of the Benchmark.

As at 30 June 2022, two unitholders held more than 10% of the Fund's NAV. The unitholders' total holdings were 83.45%, which were 50.12% and 33.33% respectively.

There were no changes in the reportable segment during the financial period.

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

17. COMPARATIVES

There are no comparative figures as this is the first set of financial statements prepared since the launch of the Fund.

18. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of COVID-19, both domestically and globally, has resulted in the deterioration of the Fund's NAV per unit. This is mainly due to the decrease in the fair value of the Fund's investments designated at fair value through profit or loss.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective amid this period of uncertainty.

9. TRUSTEE'S REPORT***TO THE UNIT HOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF
("FUND")***

We have acted as Trustee of the Fund for the financial period from 12 July 2021 (date of launch) to 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Value Partners Asset Management Malaysia Sdn. Bhd.** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Exchange-traded Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Islamic Trustee Berhad

Ezreen Eliza Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
18 August 2022

9.1. Trustee's Delegate

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

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

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

10. SHARIAH ADVISER'S REPORT

TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Value Partners Asset Management Malaysia Sdn. Bhd. has operated and managed the VP-DJ Shariah China A-Shares 100 ETF (the "**Fund**") during the period covered by these financial statements, in accordance with the Shariah principles, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("**SC**") pertaining to Shariah matters; and
2. The assets of the Fund comprise of instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
18 August 2022

10.1. Shariah Adviser's Profile

Amanie Advisors Sdn Bhd ("**Amanie**") was incorporated in Kuala Lumpur, Malaysia in 2005 (Registration no.: 200501007003 (684050-H)) under the Companies Act, 1965. Amanie is a Shariah advisory, consultancy, training, and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser with the SC.

Amanie is led by Tan Sri Dr. Mohd Daud Bakar and teamed with an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of 8 full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah laws and education. As at 30 June 2022, Amanie has acquired over 17 years of experience in the advisory role in capital markets including unit trust funds and fund management, with more than 100 funds which Amanie acts as Shariah adviser.

The designated person responsible for Shariah advisory matters of the Fund is Tan Sri Dr. Mohd Daud Bakar as the Chairman, and Puan Suhaida Mahpot, Chief Executive Officer of Amanie Malaysia.

Amanie does not have any conflict of interest with the Fund. Amanie was not convicted for offences (other than traffic offences), nor did it receive any public sanction or penalty imposed by the relevant regulatory bodies during the Fund's financial year ended 30 June 2022 and the preceding 5 years.

10. SHARIAH ADVISER'S REPORT (continued)**TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF****10.1 Shariah Adviser's Profile (continued)**

Amanie is backed by its own respective Shariah team comprising the following members:

Tan Sri Dr. Mohd Daud Bakar

Shariah Adviser/ Executive Chairman

Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in a few cities globally. He serves as the Chairman of the Shariah Advisory Council ("SAC") at the Central Bank of Malaysia, the Securities Commission Malaysia, the Labuan Financial Services Authority, the Astana International Financial Centre (AIFC), Kazakhstan, the First Abu Dhabi Bank, and Permodalan Nasional Berhad (PNB).

Tan Sri Dr. Mohd Daud Bakar is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Oasis Asset Management (South Africa), Noor Islamic Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.

In the corporate world, Tan Sri Dr. Mohd Daud Bakar is currently a member of the PNB Investment Committee. He also served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). Currently, on the academic side, he is the 8th President of the International Islamic University of Malaysia (IIUM) due to his vast skills and experience serving the university. Previously, his last post there was as the Deputy Vice-Chancellor. He was also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdafter (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Expert Analytic Centre (M) Sdn Bhd and MyFinB.

In 2016, he received the **"Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory"** at London Sukuk Summit Awards and **"Shariah Adviser Award"** at The Asset Triple A Islamic Finance Award. In 2014, he received the **"Most Outstanding Individual"** award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. Under his leadership, Amanie Advisors received the **"Islamic Economy Knowledge Infrastructure Award"** at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015.

He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

His first book entitled **"Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar"** has won the **"Islamic Finance Book of the Year 2016"** by the Global Islamic Finance Award (GIFA) 2016. Then, his book on sukuk entitled **"An Insightful Journey to Emirates Airline Sukuk: Pushing The Boundaries of Islamic Finance"** had also won the **"Best Islamic Finance Case 2017"** by the GIFA 2017 in Kazakhstan.

His latest books include **Mindset Is Everything** (2019), **The Hard Truth Of Islamic Finance** (2019), **Ratiocination in Islamic Legal Theory** (2019), and **Corporate Matrimony** (2019), **Dukun Kegagalan** (2019), **Engsel Kehidupan** (2019) and **Sosialisasi Fekah Dalam Struktur Masyarakat** (2019).

His other books include **I Have 25 Hours A Day: The Smart Way to Create More Time** (2016), **Mainstreaming Islamic Finance: Unveiling The Critical Success and Failure Factors An Insider and Global Perspective** (2018), **Saya Ada 25 Jam Sehari** (2016), **Be The Eagle Amongst The Birds** (2018), **Shariah is Life** (2018), **PULUN** (2018), **Anak Desa ke Persada Antarabangsa** (2018), **Harapan Buat Pakatan Harapan** (2018), and **Membumikan Syariah: Menjelajahi Dimensi Syariah Secara 360 Darjah** (2018).

10. SHARIAH ADVISER'S REPORT (continued)*TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF***10.1 Shariah Adviser's Profile (continued)****Suhaida Mahpot**

Chief Executive Officer

Suhaida Mahpot is the Chief Executive Officer for Amanie Advisors in Kuala Lumpur office. She joined Amanie in 2008 and was amongst the pioneers in the company. She is a specialist in sukuk advisory and has been partnering with Tan Sri Dr. Mohd Daud Bakar for the last 10 years to advise numerous sukuk locally and internationally.

One of the sukuk advised by her has been awarded as Best Securitisation Sukuk at The Asset Triple A Islamic Finance Award (2017). Apart from sukuk advisory, her primary focus is on Shariah governance, structuring, enhancement and conversion exercises, establishment of Islamic financial entities as well as development of Islamic products. She holds a Bachelor of Economics (Islamic Economics & Finance) from International Islamic University Malaysia, and is currently pursuing her MSc in Islamic Finance with INCEIF. Her career in the banking and financial industry started as a trainee under Capital Market Graduated Trainee Scheme organised by the SC.

Prior to joining Amanie, she worked with Affin Investment Bank Bhd since 2006 as an executive in the debt and capital markets department. She completed various projects financing deals using private debt securities instruments ranging from infrastructure and utilities, real estate, plantation and many others.

11. STATEMENT BY THE MANAGER

I, Durraini Binti Baharuddin, for and on behalf of the Board of Directors of the Manager, Value Partners Asset Management Malaysia Sdn. Bhd., do hereby state that in the opinion of the Manager, the financial statements set out on page 17 to 42 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2022 and of its financial performance, changes in equity and cash flows for the financial period from 12 July 2021 (date of launch) to 30 June 2022 in accordance with Malaysia Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
VALUE PARTNERS ASSET MANAGEMENT MALAYSIA SDN. BHD.

Durraini Binti Baharuddin
Managing Director

Kuala Lumpur, Malaysia
18 August 2022

12. INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of VP-DJ Shariah China A-Shares 100 ETF ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2022 and of its financial performance and its cash flows for the financial period from 12 July 2021 (date of launch) to 30 June 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 21 to 26.

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 "Auditor's 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.

Our audit approach

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

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

Key audit matters

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

12. INDEPENDENT AUDITOR'S REPORT (continued)

TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of financial assets at fair value through profit or loss Refer to Note H, Note 3 and Note 8 to the financial statements. The investment portfolio at the period-end comprised quoted equities valued at MYR29,691,423. We focused on the valuation and existence of investments because investments represent the most significant element of the net assets recognised in the financial statements.	We have tested the valuation of the quoted equities as at year-end by independently agreeing the prices used in the valuation to the quoted prices published by the relevant stock exchanges. We have tested the existence of the investment portfolio by obtaining independent confirmation from the custodian of the investment portfolio held as at 30 June 2022.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

12. INDEPENDENT AUDITOR'S REPORT (continued)***TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF*****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)**Auditors' responsibilities for the audit of the financial statements (continued)

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international 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.

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.

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

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

12. INDEPENDENT AUDITOR'S REPORT (continued)
TO THE UNITHOLDERS OF VP-DJ SHARIAH CHINA A-SHARES 100 ETF

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

DATO' MOHAMMAD FAIZ MOHAMMAD AZMI
02025/03/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 August 2022