

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

Stock code: 0838EA (MYR)

2022 SEMI-ANNUAL
REPORT

For the financial period ended 31 December 2022

Value Partners Asset Management Malaysia Sdn. Bhd.

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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:

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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
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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

VP-DJ SHARIAH CHINA A-SHARES 100 ETF

(A Malaysia Exchange-Traded Fund)

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	1 Year	Since launch*
	1.1.2022 - 31.12.2022	12.7.2021 - 31.12.2022
Fund	-29.26%	-24.38%
Benchmark	-28.80%	-23.78%
Outperformance/ (underperformance)	-0.46%	-0.60%

Cumulative Return	6 Months	1 Year	Since launch*
	1.7.2022 - 31.12.2022	1.1.2022 - 31.12.2022	12.7.2021 - 31.12.2022
Fund	-20.52%	-29.26%	-33.69%
Benchmark	-18.56%	-28.80%	-32.92%
Outperformance/ (underperformance)	-1.96%	-0.46%	-0.77%

*The Fund was launched on 12 July 2021.

Source: Value Partners Asset Management Malaysia Sdn. Bhd. and Bloomberg, as at 31 December 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 31 December 2022. Performance data is net of all fees. All indices are for reference only.

2. MANAGER'S REPORT (continued)

2.2. Fund performance (continued)

Financial period ended	1.7.2022 -31.12.2022	12.7.2021 -31.12.2021
Total net asset value ("NAV") in MYR millions	26.52	29.99
Units in circulation, in millions	20	16
NAV per unit		
MYR Counter, in MYR	1.3260	1.8746
• Highest	1.6841	2.0372
• Lowest	1.2998	1.7843
Closing price per unit		
MYR Counter, in MYR	1.310	1.880
• Highest	1.700	2.045
• Lowest	1.310	1.785
Total expense ratio ("TER"), in %	0.49	0.64
Portfolio turnover ratio ("PTR")	0.14	0.79
Tracking error, in %	2.62	0.94

The historical tracking error for the Fund's NAV against the Benchmark was at 47 basis points since its launch on 12 July 2021 until 31 December 2022. The difference in performance between the Fund and Benchmark is mainly attributed to fees and expenses, and security mis-weightings.

Please see pages 38-39 in Notes to the Financial Statements for more information on the Fund's TER and PTR.

The Fund achieved its investment objective using a full replication strategy during the financial period ended 31 December 2022.

2.3. Income distribution/ unit split

No income distribution or unit splits were declared for the financial period ended 31 December 2022.

Financial period ended	31.12.2022	31.12.2021
Distribution/ unit, in MYR		
• Gross	Nil	Nil
• Net	Nil	Nil
Distribution yield, in %	Nil	Nil

2.4. Portfolio strategy review

Investors have been hit by an unexpected storm in 2022. The Asian market, as represented by the MSCI Asia ex Japan Index, has declined 32% in the first ten months of 2022¹. China, which accounts for about a third of the regional index, was down by an even bigger magnitude, plummeting 42%.

The market declines were broad-based and prolonged. In September, the MSCI China and MSCI Asia (ex-Japan) indices registered the largest single monthly decline since 2008, down 15% and 13%, respectively, and declined further to decade lows in the following month. At the end of October, the China and Asia indices recorded losses for 21 and 17 consecutive months – the longest in the last two decades.

2. MANAGER'S REPORT (continued)

2.4. Portfolio strategy review (continued)

The unusual storm needs various factors to form coincidentally. First, the sustained and high inflation in the west was a challenge, especially in the US, where it invited the most aggressive rate hike in decades. This dampened market sentiment, especially toward rapidly growing companies that were not supported by strong financial resources. In Europe, the heightened geopolitical tensions have adversely affected global supply chains, pushing up commodity prices.

In China, the once-in-a-century pandemic has driven its long-sustained anti-COVID policy, directly impacting some of the country's crucial economic growth drivers - domestic consumption. The weakness of another key growth driver - property, continued its downturn in 2022, with a weak property sales recovery and more developers defaulting. The latter made potential homebuyers even more cautious, offsetting some policy support offered by local governments and contributing to the downward spiral.

Lastly, ongoing geopolitical tensions between the US and China added to investor concerns. The heightened technology competition, such as the tightened US restrictions on high-end chip sales and the prohibition of know-how transfer to China, have further weighed on the already weakening demand, especially for consumer electronic products.

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 31 December 2022², the Fund's AUM stood at MYR26.5 million, with 98.74% of the Fund's NAV invested in equities.

Source:

1. MSCI AC Asia ex Japan total return performance, year-to-date ending 31 October 2022.

2. Value Partners Asset Management Malaysia Sdn. Bhd., as at 31 December 2022.

2.5. Investment outlook

2023 will continue to be a volatile year for the equity markets. The US and Europe will likely face higher recession risks while central banks must continue to combat inflation. Governments will find it more difficult to roll out supportive fiscal policies as the monetary policies are still tightening. On the other hand, as China faces a different economic cycle versus the west, and with its direction towards gradually fine-tuning on reopening, the country will likely fare better under a challenging global environment.

At the same time, valuations are at a historically low range. We believe that there will be clearer economic policy direction and supportive measures announced in 2023. In addition, as the government fine-tunes zero-COVID toward reopening, Chinese equities are expected to recover gradually from their bottoms, and re-ratings should be warranted when sentiment improves. With ample liquidity and when confidence comes back, consumption growth could lift economic recovery. Company earnings have also bottomed, and we expect gradual upward revisions starting next year as most companies are taking a conservative outlook for now. While concerns over the US-China tensions continue to linger, we see signs of stabilization coming.

Finally yet importantly, we believe the full relaxation of the COVID measures is extremely crucial to driving the country's economic recovery, especially for domestic consumption. The road map of such shall also drive the re-rating of sectors that would benefit from the long-awaited normalization process. This policy direction is one of the key themes to construct the view that the worst is behind in China and marked the end of the de-rating cycle for 2023.

2. MANAGER'S REPORT (continued)

2.6. 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.

2.7. Cross-trade

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

2.8. Securities financing transactions

During the financial period under review, no securities financing transactions were undertaken by the Manager for the Fund.

Value Partners Asset Management Malaysia Sdn. Bhd.
21 February 2023

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.

3. UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022

	<u>Note</u>	1.7.2022 to 31.12.2022 MYR	12.7.2021 (date of launch) to 31.12.2021 MYR
INVESTMENT LOSS			
Gross dividend income		99,511	21,682
Net loss on financial assets designated at fair value through profit or loss	8	(5,349,351)	(900,340)
Net (loss) / gain on foreign currency exchange		(1,372,054)	114,678
Profit from short term Shariah-compliant deposits		1,980	-
Other Income		-	2,450
		<u>(6,619,914)</u>	<u>(761,530)</u>
EXPENSES			
Management fee	4	(86,736)	(71,872)
Trustee fee	5	(5,782)	(4,791)
Foreign sub-custodian fee		(2,125)	(1,476)
Auditors' remuneration		(12,098)	(7,330)
Tax agent's fee		(2,521)	(2,443)
Transaction cost		(26,032)	(34,896)
Other expenses		(25,776)	(74,809)
		<u>(161,070)</u>	<u>(197,617)</u>
LOSS BEFORE TAXATION		(6,780,984)	(959,147)
Taxation	7	-	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(6,780,984)</u>	<u>(959,147)</u>
Net loss after taxation is made up of the following:			
Realised amount		(887,873)	(772,477)
Unrealised amount		(5,893,111)	(186,670)
		<u>(6,780,984)</u>	<u>(959,147)</u>

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

4. UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>31.12.2022</u> MYR	<u>31.12.2021</u> MYR
ASSETS			
Cash and cash equivalents	9	370,622	364,460
Financial assets designated at fair value through profit or loss	8	26,193,946	29,664,057
TOTAL ASSETS		26,564,568	30,028,517
LIABILITIES			
Amount due to Manager			
– management fee		13,687	15,561
Amount due to Trustee		912	1,037
Auditors' remuneration payable		12,098	7,330
Tax agent's fee payable		7,521	2,443
Other payables and accruals		9,501	8,351
TOTAL LIABILITIES		43,719	34,722
NET ASSET VALUE OF THE FUND		26,520,849	29,993,795
EQUITY			
Unitholders' capital		36,939,320	30,952,942
Retained earnings		(10,418,471)	(959,147)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		26,520,849	29,993,795
NUMBER OF UNITS IN CIRCULATION	10	20,000,000	16,000,000
NET ASSET VALUE PER UNIT (MYR)		1.3260	1.8746

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

5. UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022

	Unitholders' <u>capital</u> MYR	Accumulated <u>losses</u> MYR	<u>Total</u> MYR
Balance as at 1 July 2022	33,670,523	(3,637,487)	30,033,036
Total comprehensive loss for the financial period	-	(6,780,984)	(6,780,984)
<u>Movement in unitholders' capital:</u>			
Creation of units arising from applications	3,268,797	-	3,268,797
Cancellation of units	-	-	-
Balance as at 31 December 2022	36,939,320	(10,418,471)	26,520,849

	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		(959,147)	(959,147)
<u>Movement in unitholders' capital:</u>			
Creation of units arising from applications	30,952,942	-	30,952,942
Cancellation of units	-	-	-
Balance as at 31 December 2021	30,952,942	(959,147)	29,993,795

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

6. UNAUDITED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022

	1.7.2022 to 31.12.2022 MYR	12.7.2021 (date of launch) to 31.12.2021 MYR
CASH FLOWS USED IN OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	2,379,078	4,727,833
Purchase of Shariah-compliant investments	(5,568,360)	(34,918,587)
Dividends received	99,967	21,682
Profits received from Shariah-compliant deposits	2,115	-
Management fee paid	(87,097)	(56,311)
Trustee fee paid	(5,806)	(3,754)
Foreign sub-custodian fee paid	(1,802)	(1,102)
Payment for other fees and expenses	(61,732)	(101,727)
Net realised foreign exchange loss	(36,848)	(256,516)
Net cash used in operating activities	<u>(3,280,485)</u>	<u>(30,588,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	3,268,797	30,952,942
Payments for cancellation of units	-	-
Net cash generated from financing activities	<u>3,268,797</u>	<u>30,952,942</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(11,688)	364,460
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(448)	-
CASH AND CASH EQUIVALENTS AS AT 1 JULY 2022	<u>382,758</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>370,622</u>	<u>364,460</u>

Cash and cash equivalents as at 31 December 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 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)*

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:

- Annual Improvements to MFRS 9 "Fees in the '10 per cent' Test for Derecognition of Financial Liabilities. When entities restructure their loans with the existing lenders, MFRS 9 requires management to quantitatively assess the significance of the difference between cash flows of the existing and new loans (commonly known as the '10% test'). This amendment to MFRS 9 clarifies that only fees paid or received between the borrower and the lender are included in the 10% test. Any fees paid to third parties should be excluded. This amendment will impact the result of the 10% test and accordingly affect the amount of gain or loss recognised in profit or loss. An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
- Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract. The amendments clarify that direct cost 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. The amendments also clarify that before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendments shall be applied to contracts for which the entity has yet to fulfil all its obligations at the beginning of annual reporting period in which the amendments are first applied. Comparative information is not restated.

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

(b) The standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial period beginning on/after 1 January 2023

- Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current. The narrow-scope amendments to MFRS 101 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what MFRS 101 means when it refers to the 'settlement' of a liability.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited) (continued)*

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

- The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Financial period beginning on/after 1 January 2024

- Amendments to MFRS 101 - Classification of liabilities as current or non-current (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).
- In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

The amendments shall be applied retrospectively.

- Amendments to MFRS 101 – Non-current liabilities with covenants (effective 1 January 2024) specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of liability as current or non-current, even if the covenant is only assessed after the reporting date.

The amendments shall be applied retrospectively.

The Fund will apply these standards when effective. These standards are not expected to have a significant impact on the Fund's financial statements.

B. INCOME RECOGNITIONDividend 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).

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited) (continued)

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.

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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited) (continued)*

H. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**(i) Classification**

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

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

The Fund classifies its 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.

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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited) (continued)*

H. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(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 unlikeliness 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 an individual basis.

Write-off

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

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

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited) (continued)*

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 period 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.

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; and
- (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 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)*

1. INFORMATION ON THE FUND

The exchange-traded Fund was constituted under the name VP-DJ Shariah China A-Shares 100 ETF (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 21 February 2023.

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.

With effect from 8 February 2023, the investment management function will be delegated to Value Partners Hong Kong Limited, which will be the Fund’s external fund manager.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised cost MYR	At fair value through profit or loss MYR	<u>Total</u> MYR
31 December 2022				
<u>Financial assets</u>				
Cash and cash equivalents	9	370,622	-	370,622
Shariah-compliant quoted equities	8	-	26,193,946	26,193,946
Total		<u>370,622</u>	<u>26,193,946</u>	<u>26,564,568</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee	4	13,687	-	13,687
Amount due to Trustee	5	912	-	912
Auditors' remuneration payable		12,098	-	12,098
Tax agent's fee payable		7,521	-	7,521
Other payables and accruals		<u>9,501</u>	-	<u>9,501</u>
Total		<u>43,719</u>	-	<u>43,719</u>
 <u>Note</u>				
31 December 2021				
<u>Financial assets</u>				
Cash and cash equivalents	9	364,460	-	364,460
Shariah-compliant quoted equities	8	-	29,664,057	29,664,057
Total		<u>364,460</u>	<u>29,664,057</u>	<u>30,028,517</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee	4	15,561	-	15,561
Amount due to Trustee	5	1,037	-	1,037
Auditors' remuneration payable		7,330	-	7,330
Tax agent's fee payable		2,443	-	2,443
Other payables and accruals		<u>8,351</u>	-	<u>8,351</u>
Total		<u>34,722</u>	-	<u>34,722</u>

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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The 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:

	<u>2022</u>	<u>2021</u>
	MYR	MYR

Shariah-compliant quoted investments

Shariah-compliant quoted equities	<u>26,193,946</u>	<u>29,664,057</u>
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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	Impact on loss after taxation MYR	<u>Impact on NAV</u> MYR
<u>2022</u>			
+20%	31,440,535	(5,246,589)	5,246,589
0%	26,193,946	-	-
-20%	<u>20,947,357</u>	<u>5,246,589</u>	<u>(5,246,589)</u>
<u>2021</u>			
+20%	35,589,072	(5,925,015)	5,925,015
0%	29,664,057	-	-
-20%	<u>23,739,042</u>	<u>5,925,015</u>	<u>(5,925,015)</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Market risk (continued)

(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 equivalents</u>	<u>Quoted equities</u>	<u>Dividend receivable</u>	<u>Total</u>
	MYR	MYR	MYR	MYR
<u>Financial assets</u>				
Chinese Yuan	245,009	26,193,946	-	26,438,955
United States Dollar	2,444	-	-	2,444
	<u>247,453</u>	<u>26,193,946</u>	<u>-</u>	<u>26,441,399</u>

<u>2022</u>	<u>Other payables and accruals*</u>	<u>Total</u>
	MYR	MYR
<u>Financial liabilities</u>		
United States Dollar	<u>3,313</u>	<u>3,313</u>

<u>2021</u>	<u>Cash and cash equivalents</u>	<u>Quoted equities</u>	<u>Dividend receivable</u>	<u>Total</u>
	MYR	MYR	MYR	MYR
<u>Financial assets</u>				
Chinese Yuan	2,296	29,664,057	-	29,666,353
United States Dollar	11,008	-	-	11,008
	<u>13,304</u>	<u>29,664,057</u>	<u>-</u>	<u>29,677,361</u>

<u>2021</u>	<u>Other payables and accruals*</u>	<u>Total</u>
	MYR	MYR
<u>Financial liabilities</u>		
United States Dollar	<u>5,908</u>	<u>5,908</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 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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%	(1,310,439)	1,310,439
-5%	<u>1,310,439</u>	<u>(1,310,439)</u>
<u>United States Dollar</u>		
+5%	(122)	122
-5%	<u>122</u>	<u>(122)</u>
2021		
<u>Chinese Yuan</u>		
+5%	(1,483,318)	1,483,318
-5%	<u>1,483,318</u>	<u>(1,483,318)</u>
<u>United States Dollar</u>		
+5%	(255)	255
-5%	<u>255</u>	<u>(255)</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	Total MYR
2022		
Financial Services		
• AAA	<u>370,622</u>	<u>370,622</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Credit risk (continued)

	Cash and cash equivalents MYR	Total MYR
2021		
Financial Services		
• AAA	364,460	364,460

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 one month MYR	Between one month to one year MYR	Total MYR
2022			
Amount due to Manager- management fee	13,687	-	13,687
Amount due to Trustee	912	-	912
Auditors' remuneration payable	-	12,098	12,098
Tax agent's fee payable	-	7,521	7,521
Other payables and accruals	9,501	-	9,501
	<u>24,100</u>	<u>19,619</u>	<u>43,719</u>

2021

Amount due to Manager- management fee	15,561	-	15,561
Amount due to Trustee	1,037	-	1,037
Auditors' remuneration payable	-	7,330	7,330
Tax agent's fee payable	-	2,443	2,443
Other payables and accruals	-	8,351	8,351
	<u>16,598</u>	<u>18,124</u>	<u>34,722</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

*FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)*

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

The capital of the Fund is represented by equity consisting of unitholders' capital and 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 31 December 2022, all investments held are Shariah-compliant counters as approved by the Shariah boards of the Benchmark and Shariah Adviser.

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)

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

3. FAIR VALUE ESTIMATION (continued)

(i) Fair value hierarchy (continued)

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>Level 1</u> MYR	<u>Level 2</u> MYR	<u>Level 3</u> MYR	<u>Total</u> MYR
<u>2022</u>				
Financial assets designated at fair value through profit or loss				
• Shariah-compliant quoted equities	<u>29,193,946</u>	<u>-</u>	<u>-</u>	<u>29,193,946</u>
<u>2021</u>				
Financial assets designated at fair value through profit or loss				
• Shariah-compliant quoted equities	<u>29,664,057</u>	<u>-</u>	<u>-</u>	<u>29,664,057</u>

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

- (ii) The carrying values of cash and cash equivalents, 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 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)*

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 1 July 2022 to 31 December 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 (2021: 0.60% per annum).

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 1 July 2022 to 31 December 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 (2021: 0.04% per annum).

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 1 July 2022 to 31 December 2022, the index licence fee of USD15,000 is borne by the Manager (2021: USD10,000 per annum borne by the Manager).

7. TAXATION

	1.7.2022 to 31.12.2022 MYR	12.7.2021 (date of launch) to 31.12.2021 MYR
Current taxation	-	-

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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:

	1.7.2022 to 31.12.2022 MYR	12.7.2021 (date of launch) to 31.12.2021 MYR
Net loss before taxation	(6,780,984)	(959,147)
Tax at Malaysian statutory rate of 24%	(1,627,436)	(230,195)
Tax effects of:		
• Investment loss disallowed from tax	1,588,779	183,355
• Expenses not deductible for tax purposes	36,285	28,420
• Restriction on tax deductible expenses for exchange-traded Fund	2,372	18,420
Tax expense	-	-

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

	2022 MYR	2021 MYR
Financial assets designated at fair value through profit or loss:		
• Shariah-compliant quoted equities - foreign	26,193,946	29,664,057
Net loss on financial assets at fair value through profit or loss:		
• realised loss on sale of Shariah-compliant investments	(765,056)	(359,363)
• unrealised loss on changes in fair value	(4,584,295)	(540,977)
	(5,349,351)	(900,340)

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign

(i) Shariah-compliant quoted equities – foreign as at as at 31 December 2022 are as follows:

Name of counters 31 December 2022	Quantity	Aggregate cost MYR	Fair value MYR	Percentage of NAV %
<i><u>Automobiles & components</u></i>				
BYD Co Ltd A	6,400	1,146,648	1,040,379	3.92
Fuyao Glass Industry Group Co Ltd A	7,100	219,185	157,516	0.59
Great Wall Motor Co Ltd A	12,400	382,195	232,346	0.88
Huizhou Desay Sv Automotive Co Ltd A	2,000	182,837	133,276	0.50
Ningbo Tuopu Group Co Ltd A	3,900	130,905	144,525	0.54
	31,800	2,061,769	1,708,042	6.43
<i><u>Capital goods</u></i>				
AECC Aviation Power Co Ltd A	9,500	333,510	254,090	0.96
Contemporary Amperex Technology Co Ltd A	8,704	2,907,213	2,166,230	8.17
Eve Energy Co Ltd A	6,800	463,411	378,118	1.43
Ginlong Technologies Co Ltd A	1,300	134,505	148,070	0.56
Jiangsu Hengli Hydraulic Co Ltd A	4,600	253,211	183,764	0.69
Ming Yang Smart Energy Group Ltd A	8,100	128,982	129,434	0.49
NARI Technology Co Ltd A	23,780	394,179	367,055	1.38
Ningbo Deye Technology Co Ltd A	800	200,039	167,614	0.63
Pylon Technologies Co Ltd A	500	117,318	99,840	0.38
Sany Heavy Industry Co Ltd A	30,200	489,164	301,851	1.14
Shenzhen Inovance Technology Co Ltd A	9,400	439,367	413,278	1.56
Sungrow Power Supply Co Ltd A	5,300	436,575	374,841	1.41
Suzhou Maxwell Technologies Co Ltd A	580	145,207	151,107	0.57
Wuxi Lead Intelligent Equipment Co Ltd A	5,600	149,622	142,588	0.54
Zhejiang Sanhua Intelligent Controls Co Ltd A	12,800	219,176	171,824	0.65
	127,964	6,811,478	5,449,703	20.56
<i><u>Consumer durables & apparel</u></i>				
Haier Smart Home Co Ltd A	22,400	369,598	346,604	1.31
Huali Industrial Group Co Ltd A	1,800	72,933	65,030	0.25
Oppein Home Group Inc A	1,800	162,350	138,384	0.52
	26,000	604,881	550,018	2.08
<i><u>Food, beverage & tobacco</u></i>				
Eastroc Beverage Group Co Ltd A	500	48,211	56,270	0.21
Foshan Haitian Flavouring & Food Co Ltd A	16,520	1,000,833	831,864	3.14
Inner Mongolia Yili Industrial Group Co Ltd A	22,800	526,466	447,122	1.69
Tongwei Co Ltd A	16,000	513,212	390,491	1.47
Yihai Kerry Arawana Holdings Co Ltd A	6,400	241,180	176,359	0.66
	62,220	2,329,902	1,902,105	7.17

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 December 2022 are as follows:
(continued)

<u>Name of counters</u> 31 December 2022	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u>Health care equipment & services</u>				
Aier Eye Hospital Group Co Ltd A	25,514	642,972	501,475	1.89
Huadong Medicine Co Ltd A	6,200	146,505	183,555	0.69
Shenzhen Mindray Bio-Medical Electronics Co Ltd A	4,300	1,024,244	859,495	3.24
	<u>36,014</u>	<u>1,813,722</u>	<u>1,544,525</u>	<u>5.82</u>
<u>Household & personal products</u>				
Yunnan Botanee Bio-Technology Group Co Ltd A	1,300	143,758	122,732	0.46
<u>Materials</u>				
Beijing Oriental Yuhong Waterproof Technology Co Ltd A	9,000	195,326	191,127	0.72
China Jushi Co Ltd A	14,200	159,285	123,156	0.46
China Northern Rare Earth Group High-Tech Co Ltd A	12,900	353,445	204,422	0.77
CNGR Advanced Material Co Ltd A	2,200	173,695	91,311	0.34
Ganfeng Lithium Group Co Ltd A	5,720	445,789	251,520	0.95
Guangzhou Tinci Materials Technology Co Ltd A	6,900	263,231	191,446	0.72
Hoshine Silicon Industry Co Ltd A	2,300	272,829	120,676	0.46
Ningxia Baofeng Energy Group Co Ltd A	25,200	269,978	192,414	0.73
Shandong Gold Mining Co Ltd A	12,900	154,762	156,356	0.59
Shandong Hualu Hengsheng Chemical Co Ltd A	7,500	169,877	157,280	0.59
Shanghai Putailai New Energy Technology Co Ltd A	4,900	240,871	160,846	0.61
Tianqi Lithium Corp A	5,274	355,165	263,537	0.99
Yunnan Energy New Material Co Ltd A	3,200	532,274	265,773	1.00
	<u>112,194</u>	<u>3,586,525</u>	<u>2,369,864</u>	<u>8.93</u>
<u>Pharmaceuticals, biotechnology & life sciences</u>				
Asymchem Laboratories Tianjin Co Ltd A	1,160	185,590	108,605	0.41
Beijing Tongrentang Co Ltd A	4,900	140,629	138,496	0.52
Beijing Wantai Biological Pharmacy Enterprise Co Ltd A	2,330	216,707	186,750	0.70
Bloomage Biotechnology Corp Ltd A	1,200	115,397	102,694	0.39
Changchun High & New Technology Industry Group Inc A	1,400	249,711	147,415	0.56
Chongqing Zhifei Biological Products Co Ltd A	5,700	569,924	316,699	1.19

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 December 2022 are as follows:
(continued)

<u>Name of counters</u> 31 December 2022	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u>Pharmaceuticals, biotechnology & life sciences (continued)</u>				
Hangzhou Tigermed Consulting Co Ltd A	2,700	241,978	179,001	0.67
Imeik Technology Development Co Ltd A	800	279,529	286,618	1.08
Jiangsu Hengrui Pharmaceuticals Co Ltd A	22,700	727,154	553,292	2.09
Pharmaron Beijing Co Ltd A	3,450	275,923	148,408	0.56
Shanghai Fosun Pharmaceutical (Group) Co Ltd A	7,500	300,220	167,196	0.63
Shijiangzhuang Yiling Pharmaceutical Co Ltd A	5,900	169,529	111,821	0.42
Walvax Biotechnology Co Ltd A	5,700	253,960	144,918	0.55
WuXi AppTec Co Ltd A	9,083	800,394	465,418	1.75
Yunnan Baiyao Group Co Ltd A	6,380	272,144	219,396	0.83
Zhangzhou Pientzhuang Pharmaceutical Co Ltd A	2,100	496,615	383,208	1.44
Zhejiang NHU Co Ltd A	10,960	167,686	129,999	0.49
	<u>93,963</u>	<u>5,463,090</u>	<u>3,789,934</u>	<u>14.28</u>
<u>Semiconductors & semiconductor equipment</u>				
Advanced Micro-Fabrication Equipment Inc China A	2,200	172,028	136,402	0.51
China Resources Microelectronics Ltd A	4,700	169,375	156,540	0.59
Flat Glass Group Co Ltd A	6,000	173,374	126,431	0.48
GigaDevice Semiconductor (Beijing) Inc A	2,400	258,941	155,574	0.59
Hangzhou First Applied Material Co Ltd A	4,700	268,481	197,541	0.74
Hangzhou Silan Microelectronics Co Ltd A	5,000	168,330	103,715	0.39
JA Solar Technology Co Ltd A	8,380	337,501	318,548	1.20
LONGi Green Energy Technology Co Ltd A	26,960	1,061,549	720,740	2.72
Montage Technology Co Ltd A	4,000	185,693	158,403	0.60
NAURA Technology Group Co Ltd A	1,900	404,838	270,797	1.02
SG Micro Corp A	1,300	169,530	141,943	0.54
StarPower Semiconductor Ltd A	600	152,523	124,989	0.47
TCL Zhonghuan Renewable Energy Technology Co Ltd A	11,500	340,198	273,973	1.03
Unigroup Guoxin Microelectronics Co Ltd A	2,979	267,919	248,417	0.94
Will Semiconductor Co Ltd Shanghai A	4,220	488,592	205,797	0.78
Zhejiang Jingsheng Mechanical & Electrical Co Ltd A	4,700	203,340	188,978	0.71
	<u>91,539</u>	<u>4,822,211</u>	<u>3,528,789</u>	<u>13.31</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities – foreign as at 31 December 2022 are as follows:
(continued)

<u>Name of counters</u> 31 December 2022	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u>Software & services</u>				
360 Security Technology Inc A	25,400	190,990	105,085	0.40
Beijing Kingsoft Office Software Inc A	1,595	198,614	266,870	1.01
Hundsun Technologies Inc A	6,764	176,274	173,125	0.65
Iflytek Co Ltd A	8,300	281,265	172,377	0.65
Shanghai Baosight Software Co Ltd A	5,249	167,908	148,759	0.56
Yonyou Network Technology Co Ltd A	12,200	241,829	186,537	0.70
	<u>59,508</u>	<u>1,256,880</u>	<u>1,052,752</u>	<u>3.97</u>
<u>Technology hardware & equipment</u>				
Avary Holding Shenzhen Co Ltd A	7,700	157,484	133,661	0.50
Chaozhou Three-Circle Group Co Ltd A	6,800	166,055	132,105	0.50
China Zhenhua Group Science & Technology Co Ltd A	1,800	156,206	130,071	0.49
GoerTek Inc A	12,200	323,514	129,889	0.49
Lens Technology Co Ltd A	17,700	257,008	117,905	0.44
Luxshare Precision Industry Co Ltd A	25,200	611,105	506,143	1.91
Maxscend Microelectronics Co Ltd A	1,860	279,785	134,489	0.51
Ninestar Corp A	5,000	153,240	164,128	0.62
Shenzhen Transsion Holdings Co Ltd A	2,890	189,007	145,380	0.55
Unisplendour Corp Ltd A	10,200	156,387	125,889	0.47
Wingtech Technology Co Ltd A	4,400	282,037	146,353	0.55
Yealink Network Technology Corp Ltd A	3,200	174,268	122,654	0.46
	<u>98,950</u>	<u>2,906,096</u>	<u>1,988,667</u>	<u>7.49</u>
<u>Transportation</u>				
SF Holding Co Ltd A	17,400	654,656	635,778	2.40
Shanghai International Airport Co Ltd A	8,800	271,703	321,265	1.21
YTO Express Group Co Ltd A	12,200	167,022	155,049	0.58
	<u>38,400</u>	<u>1,093,380</u>	<u>1,112,092</u>	<u>4.19</u>
<u>Utilities</u>				
China Yangtze Power Co Ltd A	80,900	1,089,417	1,074,724	4.05
Total Shariah-compliant quoted equities – foreign	<u>860,752</u>	<u>33,983,109</u>	<u>26,193,946</u>	<u>98.74</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – foreign		<u>(7,789,163)</u>		
Total Shariah-compliant quoted equities – foreign		<u>26,193,946</u>		

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 December 2021 are as follows:

<u>Name of counters</u> 31 December 2021	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u><i>Automobiles & Components</i></u>				
BYD Co Ltd A	5,200	919,378	912,659	3.04
Changzhou Xingyu Automotive Lighting Systems Co Ltd A	800	107,853	106,962	0.36
Fuyao Glass Industry Group Co Ltd A	5,800	188,327	178,976	0.60
Great Wall Motor Co Ltd A	9,400	323,322	298,678	0.99
Huizhou Desay Sv Automotive Co Ltd	1,600	145,298	148,212	0.49
Ningbo Tuopu Group Co Ltd A	3,200	99,383	111,020	0.37
	<u>26,000</u>	<u>1,783,561</u>	<u>1,756,507</u>	<u>5.85</u>
<u><i>Capital Goods</i></u>				
AECC Aviation Power Co Ltd A	7,700	287,263	319,865	1.07
Contemporary Amperex Technology Co Ltd A	6,704	2,296,818	2,580,402	8.60
Eve Energy Co Ltd A	5,500	398,105	425,483	1.42
Gongniu Group Co Ltd A	700	85,359	76,660	0.25
Jiangsu Hengli Hydraulic Co Ltd A	3,700	228,227	198,121	0.66
NARI Technology Co Ltd A	15,900	314,139	416,638	1.39
Sany Heavy Industry Co Ltd A	24,400	429,644	364,167	1.21
Shenzhen Inovance Technology Co Ltd A	7,500	370,946	336,792	1.12
Sungrow Power Supply Co Ltd A	4,300	379,379	410,395	1.37
Suzhou Maxwell Technologies Co Ltd A	300	118,909	126,135	0.42
Wuxi Shangji Automation Co Ltd A	800	138,692	87,444	0.29
Zhejiang Sanhua Intelligent Controls Co Ltd A	10,300	163,656	170,582	0.57
	<u>87,804</u>	<u>5,211,137</u>	<u>5,512,684</u>	<u>18.37</u>
<u><i>Commercial Services & Supplies</i></u>				
Shanghai M&G Stationery Inc A	2,700	130,181	114,016	0.38
<u><i>Consumer Durables & Apparel</i></u>				
Ecovacs Robotics Co Ltd A	1,600	191,837	158,099	0.53
Gree Electric Appliances Inc of Zhuhai A	17,000	398,706	412,077	1.37
Haier Smart Home Co Ltd. A	18,100	299,877	354,144	1.18
Oppein Home Group Inc A	1,500	139,639	144,830	0.48
	<u>38,200</u>	<u>1,030,059</u>	<u>1,069,150</u>	<u>3.56</u>
<u><i>Consumer Services</i></u>				
Offcn Education Technology Co Ltd A	12,500	103,703	64,314	0.21

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 December 2021 are as follows:
(continued)

<u>Name of counters</u> 31 December 2021	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u><i>Food, Beverage & Tobacco</i></u>				
Foshan Haitian Flavouring & Food Co Ltd A	11,700	801,876	805,019	2.68
Guangdong Haid Group Co Ltd A	4,800	208,471	230,314	0.77
Inner Mongolia Yili Industrial Group Co Ltd. A	17,500	396,406	474,945	1.58
Tongwei Co. Ltd. A	12,900	416,590	379,658	1.27
Yihai Kerry Arawana Holdings Co Ltd A	3,600	158,925	148,298	0.49
	<u>50,500</u>	<u>1,982,268</u>	<u>2,038,234</u>	<u>6.79</u>
<u><i>Health Care Equipment & Services</i></u>				
Aier Eye Hospital Group Co Ltd A	15,500	540,482	428,986	1.43
Guangzhou Kingmed Diagnostics Group Co Ltd A	1,300	100,525	94,774	0.32
Huadong Medicine Co Ltd A	5,000	115,517	131,575	0.44
Shenzhen Mindray Bio-Medical Electronics Co Ltd A	3,500	868,829	872,451	2.91
Topchoice Medical Corporation A	900	176,261	117,239	0.39
	<u>26,200</u>	<u>1,801,614</u>	<u>1,645,025</u>	<u>5.49</u>
<u><i>Materials</i></u>				
China Jushi Co Ltd A	11,500	133,153	137,008	0.46
China Northern Rare Earth Group High-Tech Co Ltd A	10,400	303,610	311,799	1.04
Citic Pacific Special Steel Group Co Ltd A	12,100	187,074	162,215	0.54
Ganfeng Lithium Co Ltd A	3,300	388,755	308,582	1.03
Guangzhou Tinci Materials Technology Co Ltd. A	2,700	215,803	202,635	0.67
Hoshine Silicon Industry Co Ltd A	1,500	218,477	129,581	0.43
LB Group Co Ltd A	6,800	148,304	127,262	0.42
Ningxia Baofeng Energy Group Co Ltd A	19,000	215,028	215,913	0.72
Shandong Gold Mining Co Ltd A	10,400	124,515	128,124	0.43
Shandong Hualu Hengsheng Chemical Co Ltd A	6,100	144,422	124,983	0.42
Shanghai Putailai New Energy Technology Co Ltd A	2,000	202,741	210,271	0.70
Yunnan Energy New Material Co Ltd A	2,600	453,445	426,171	1.42
Zhejiang Huayou Cobalt Co Ltd A	3,500	306,252	252,731	0.84
	<u>91,900</u>	<u>3,041,579</u>	<u>2,737,275</u>	<u>9.12</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 December 2021 are as follows:
(continued)

<u>Name of counters</u> 31 December 2021	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u><i>Pharmaceuticals, Biotechnology & Life Sciences</i></u>				
Asymchem Laboratories (Tianjin) Co Ltd A	700	166,064	199,326	0.66
Beijing Wantai Biological Pharmacy Enterprise Co Ltd A	1,500	198,808	217,491	0.73
Changchun High & New Technology Industry (Group) Inc A	1,200	235,964	213,190	0.71
Chongqing Zhifei Biological Products Co Ltd A	4,600	505,300	375,191	1.25
Hangzhou Tigermed Consulting Co Ltd A	2,200	214,506	184,047	0.61
Hualan Biological Engineering Inc A	5,200	114,994	99,190	0.33
Imeik Technology Development Co Ltd A	500	174,207	175,469	0.59
Jiangsu Hengrui Medicine Co Ltd A	18,400	639,724	610,784	2.04
Pharmaron Beijing Co Ltd A	1,900	249,121	175,703	0.59
Shanghai Fosun Pharmaceutical (Group) Co Ltd A	5,800	251,911	185,810	0.62
Shenzhen Kangtai Biological Products Co Ltd A	2,000	168,731	129,009	0.43
Walvax Biotechnology Co Ltd A	4,600	222,149	169,227	0.56
WuXi AppTec Co Ltd A	7,400	697,035	574,406	1.92
Yunnan Baiyao Group Co Ltd A	3,700	231,078	253,464	0.85
Zhangzhou Pientzhuang Pharmaceutical Co Ltd A	1,700	418,823	486,469	1.62
Zhejiang NHU Co Ltd A	7,400	137,378	150,747	0.50
	<u>68,800</u>	<u>4,625,793</u>	<u>4,199,523</u>	<u>14.01</u>
<u><i>Retailing</i></u>				
China Tourism Group Duty Free Corp Ltd A	5,600	924,654	804,304	2.68
<u><i>Semiconductors & Semiconductor Equipment</i></u>				
Flat Glass Group Co Ltd A	4,900	148,097	185,845	0.62
GigaDevice Semiconductor (Beijing) Inc A	1,900	217,930	218,712	0.73
Hangzhou First Applied Material Co Ltd A	2,700	230,947	230,737	0.77
Hangzhou Silan Microelectronics Co Ltd A	4,100	143,641	145,465	0.48
LONGi Green Energy Technology Co Ltd A	15,500	887,550	874,611	2.92
NAURA Technology Group Co Ltd A	1,500	339,525	340,739	1.14
SG Micro Corp A	700	140,552	141,590	0.47
StarPower Semiconductor Ltd A	500	133,776	124,701	0.42
Unigroup Guoxin Microelectronics Co Ltd A	1,700	216,195	250,385	0.83
Will Semiconductor Co Ltd Shanghai A	2,500	433,262	508,575	1.70
Zhejiang Jingsheng Mechanical & Electrical Co Ltd A	3,700	166,257	168,330	0.56
	<u>39,700</u>	<u>3,057,732</u>	<u>3,189,690</u>	<u>10.64</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 December 2021 are as follows:
(continued)

<u>Name of counters</u> 31 December 2021	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
<u>Software & Services</u>				
360 Security Technology Inc A	20,500	167,645	170,693	0.57
Hundsun Technologies Inc A	4,180	151,565	170,057	0.57
Iflytek Co Ltd A	6,600	241,021	226,862	0.76
Sangfor Technologies Inc A	1,200	210,903	150,034	0.50
Shanghai Baosight Software Co Ltd A	3,230	141,704	128,616	0.43
Yonyou Network Technology Co Ltd A	9,400	206,864	220,778	0.74
	<u>45,110</u>	<u>1,119,702</u>	<u>1,067,040</u>	<u>3.57</u>
<u>Technology Hardware & Equipment</u>				
Avary Holding (Shenzhen) Co Ltd A	4,900	106,333	136,096	0.45
Chaozhou Three-Circle Group Co Ltd A	5,200	139,261	151,815	0.51
Foxconn Industrial Internet Co Ltd A	28,500	217,825	222,381	0.74
GoerTek Inc A	9,800	278,971	347,056	1.16
Lens Technology Co Ltd A	14,300	239,173	215,111	0.72
Luxshare Precision Industry Co Ltd A	20,200	515,002	650,568	2.17
Maxscend Microelectronics Co Ltd A	1,000	269,104	213,923	0.71
Shengyi Technology Co Ltd A	6,600	105,263	101,744	0.34
Unisplendour Co Ltd A	8,200	133,727	122,652	0.41
Wingtech Technology Co Ltd A	3,600	251,404	304,703	1.02
Wuhan Guide Infrared Co Ltd A	6,700	118,087	106,181	0.35
Wuxi Lead Intelligent Equipment Co Ltd A	4,500	208,163	219,072	0.73
Yealink Network Technology Corporation Ltd A	2,600	144,832	138,625	0.46
Zhejiang Dahua Technology Co Ltd A	8,600	120,657	132,182	0.44
	<u>124,700</u>	<u>2,847,802</u>	<u>3,062,109</u>	<u>10.21</u>
<u>Telecommunications Services</u>				
China United Network Communications Ltd A	89,000	241,118	228,959	0.76
<u>Transportation</u>				
Beijing-Shanghai High Speed Railway Co Ltd A	141,000	440,462	445,802	1.49
S.F. Holding Co Ltd A	13,100	515,031	591,007	1.97
Shanghai International Airport Co Ltd A	5,500	155,564	168,098	0.56
	<u>159,600</u>	<u>1,111,057</u>	<u>1,204,907</u>	<u>4.02</u>
<u>Utilities</u>				
China Yangtze Power Co Ltd A	65,300	835,859	970,320	3.24

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities – foreign as at 31 December 2021 are as follows:
(continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
31 December 2021				
Total Shariah-compliant quoted equities - China A-shares	<u>933,614</u>	29,847,819	<u>29,664,057</u>	<u>98.90</u>
Accumulated unrealised loss on Shariah-compliant quoted equities - China A-shares		(183,762)		
Total Shariah-compliant quoted equities - China A-shares		<u>29,664,057</u>		

9. CASH AND CASH EQUIVALENTS

	<u>2022</u> MYR	<u>2021</u> MYR
Cash and bank balances	<u>370,622</u>	<u>364,460</u>

10. NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period/ the date of launch	18,000,000	-
Creation of units arising from applications	<u>2,000,000</u>	<u>16,000,000</u>
At the end of the financial period	<u>20,000,000</u>	<u>16,000,000</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

11. TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the financial period from 1 July 2022 to 31 December 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> %
CLSA Ltd	3,376,075	42.46	2,363	45.85
Citigroup Global Markets Asia Ltd	3,204,580	40.30	2,243	43.51
Daiwa Capital Markets HK Ltd	1,370,840	17.24	548	10.64
	<u>7,951,495</u>	<u>100.00</u>	<u>5,154</u>	<u>100.00</u>

- (ii) Details of transactions with the top brokers for the financial period from 12 July 2021 (date of launch) to 31 December 2021 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	29.70	8,244	31.89
Instinet Pacific Ltd	7,573,848	19.10	4,743	18.35
Daiwa Capital Markets HK Ltd	5,278,254	13.31	2,111	8.17
CLSA Ltd	5,158,857	13.01	3,611	13.97
Citigroup Global Markets Asia Ltd	3,651,536	9.21	2,556	9.89
Merrill Lynch Far East Ltd	3,623,095	9.13	2,536	9.81
HSBC Securities Brokers (Asia) Ltd	2,292,938	5.78	1,834	7.10
BNP Paribas Securities (Asia) Ltd	301,989	0.76	211	0.82
	<u>39,656,938</u>	<u>100.00</u>	<u>25,846</u>	<u>100.00</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

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

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

<u>Related parties</u>	<u>Relationship</u>
Value Partners Asset Management Malaysia Sdn. Bhd.	The Manager of the Fund

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>No. of units</u>	<u>2021</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>7,956,000</u>	<u>6,000,000</u>	<u>11,280,000</u>

Other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 31 December 2022 (2021: nil).

13. TOTAL EXPENSE RATIO ("TER")

	<u>1.7.2022</u> <u>to 31.12.2022</u> %	<u>12.7.2021</u> (date of launch) <u>to 31.12.2021</u> %
TER	<u>0.49</u>	<u>0.64</u>

TER is derived from the following calculation:

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

- 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 1 July 2022 to 31 December 2022 calculated on a daily basis was MYR28,499,911 (2021: MYR25,169,494).

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 31 DECEMBER 2022
(unaudited)

14. PORTFOLIO TURNOVER RATIO ("PTR")

	1.7.2022 to 31.12.2022 %	12.7.2021 (date of launch) to 31.12.2021 %
PTR (times)	<u>0.14</u>	<u>0.79</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = MYR 5,568,360 (2021: MYR 34,918,587)
total disposal for the financial period = MYR 2,377,640 (2021: MYR 4,738,350)

15. 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 31 December 2022, three unitholders (2021: three unitholders) held more than 10% of the Fund's NAV. The unitholders' total holdings were 84.29%, which were 44.17%, 30.00% and 10.12% respectively (2021: 91.20%, which were 43.70%, 37.50% and 10.00% 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.

16. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There were no significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the period under review.

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 1 July 2022 to 31 December 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:

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

For and on behalf of
CIMB Islamic Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
21 February 2023

10. STATEMENT BY THE MANAGER

I, Ong Hwee Yeow, 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 8 to 39 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 31 December 2022 and of its financial performance, changes in equity and cash flows for the financial period from 1 July 2022 to 31 December 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.

Ong Hwee Yeow
Director

Kuala Lumpur, Malaysia
21 February 2023