



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

Stock code: 0838EA (MYR)

2023 SEMI-ANNUAL
REPORT

For the financial period ended 31 December 2023

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:

Level 13, Menara 1 Sentrum,
No. 201, Jalan Tun Sambanthan,
Brickfields,
50470 Kuala Lumpur
Tel. no.: (6) 03-2382 4288
Fax no.: (6) 03-2382 4170

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
Email: ss.corptrust@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
Email: contact@amanieadvisors.com

1. CORPORATE DIRECTORY (continued)

COMPANY SECRETARY

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

Level 13, Menara 1 Sentrum,
No. 201, Jalan Tun Sambanthan,
Brickfields,
50470 Kuala Lumpur
Tel. no.: (6) 03-2382 4288
Fax no.: (6) 03-2382 4170
Email: TMFKL-CoSec@tmf-group.com

Ng Sally
(MAICSA 7060343 & SSM PC NO.
202008002702)

Goh Xin Yee
(LS0010359 & SSM PC NO. 202008000375)

EXTERNAL 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

SOLICITOR **Messrs Wei Chien & Partners**

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

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

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 in 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

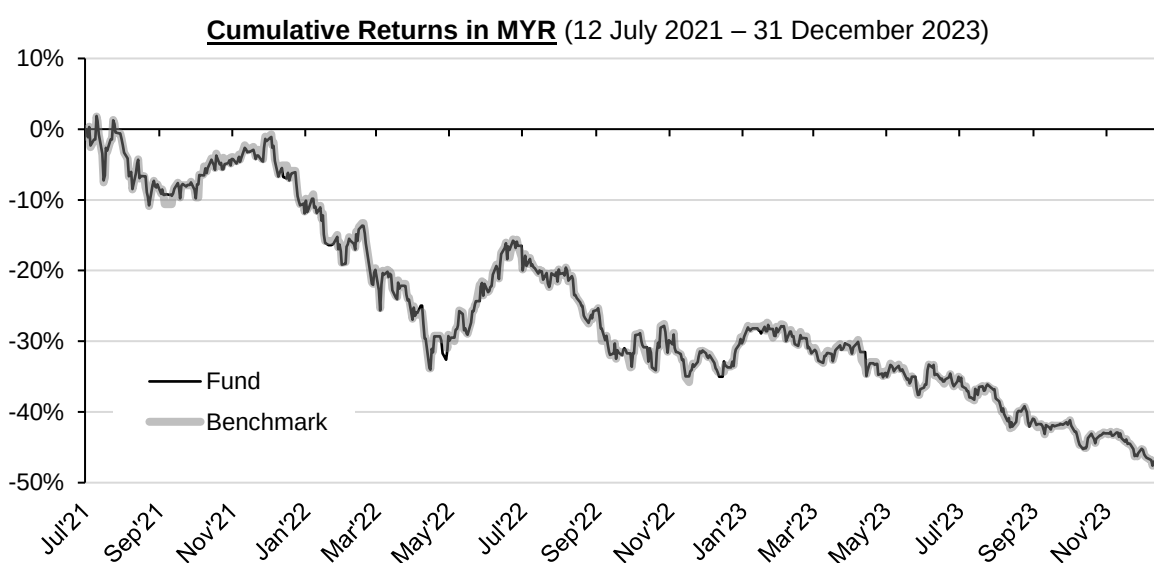
2. MANAGER'S REPORT

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



During the financial period ended 31 December 2023, the Fund delivered a return of -45.54% underperforming the Benchmark return of -44.40% by -1.14%.

Average Total Return	1.1.2023 - 31.12.2023	12.7.2021 - 31.12.2023
Fund	(16.03%)	(21.80%)
Benchmark	(17.20%)	(21.14%)
Over/(underperformance)	1.17%	(0.66%)

Annual Total Return	1.7.2023 - 31.12.2023	1.1.2023 - 31.12.2023	12.7.2021 - 31.12.2023
Fund	(15.71%)	(16.03%)	(45.54%)
Benchmark	(15.42%)	(17.20%)	(44.40%)
Over/(underperformance)	(0.29%)	1.17%	(1.14%)

*The Fund was launched on 12 July 2021.

Source: Value Partners Asset Management Malaysia Sdn. Bhd., as at 31 December 2023. 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 2023. 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	31.12.2023	31.12.2022	31.12.2021
Total net asset value ("NAV") in MYR millions	23.90	26.52	29.99
Units in circulation, in millions	22	20	16
<u>NAV per unit</u>			
MYR Counter, in MYR	1.0866	1.3260	1.8746
• Highest	1.3091	1.6841	2.0372
• Lowest	1.0474	1.2998	1.7843
<u>Closing price per unit</u>			
MYR Counter, in MYR	1.100	1.310	1.880
• Highest	1.325	1.700	2.045
• Lowest	1.030	1.310	1.785
Total expense ratio ("TER"), in %	0.85	0.49	0.64
Portfolio turnover ratio ("PTR")	0.58	0.14	0.79
Tracking error, in %	2.89	2.62	0.94

The historical tracking error for the Fund's NAV against the Benchmark was at 44 basis points since its launch on 12 July 2021 until 31 December 2023. The difference in performance between the Fund and Benchmark is mainly attributed to fees and expenses, and security mis-weightings.

Please see page 42 in the 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 2023.

2. MANAGER'S REPORT (continued)

2.3. Income distribution/ unit split

No income distribution or unit splits were declared for the financial period ended 31 December 2023.

Financial period ended	31.12.2023	31.12.2022	31.12.2021
Distribution/ unit, in MYR			
• Gross	Nil	Nil	Nil
• Net	Nil	Nil	Nil
Distribution yield, in %	Nil	Nil	Nil

2.4. Portfolio strategy review

2023 started on a strong footing, given investors' high expectations of the re-opening boost to the Chinese economy. However, the optimism faded quickly as the ongoing debacle in the Chinese property sector, despite some supportive measures being announced by the government, continued to dent consumer confidence and drag on the overall economy. The market deteriorated further as, one of the largest privately owned developers which was considered "financially sound", also went into default. While the Chinese government announced further supportive measures, fragile investor confidence meant that markets remained volatile for the remainder of 2023.

From a macroeconomic perspective, persistent inflationary pressure across different regions led to one of the fastest and strongest monetary tightening cycles globally, from the US and Europe to most of Asia, including Japan, which had been enduring deflation for a long time. The US Fed was the most aggressive in its tightening, which resulted in a large appreciation of the US dollar. This constrained China in terms of its flexibility to conduct further easing to support the economy, given the risk of further downward pressure on the renminbi.

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 2023, the Fund's asset under management stood at MYR 23.90 million¹, with 99.2% of the Fund's NAV invested in equities.

Source:

1. Value Partners Asset Management Malaysia Sdn. Bhd., as at 31 December 2023.

2. MANAGER'S REPORT (continued)

2.5. Investment outlook

The global and regional macroeconomic and geopolitical factors which had significant influences on Asian assets in 2023, will continue to drive markets in 2024, but in different ways. We expect a gradual change of direction in the wind, with the tailwind that propelled some markets and assets in 2023 to fade, whilst the resistance from significant headwinds for others to reduce – resulting in some mean-reversion for 2024.

Globally, inflationary pressures have eased gradually, and the downward trend will likely continue into 2024. This change from monetary headwind to tailwind will likely be supportive of risk assets. We believe that Asia could benefit the most as this paves the way for stronger easing from central banks in the region, particularly for China.

For 2024, it is critical to watch whether the government will implement further policy support for the ailing property market, particularly concrete measures directed towards easing the pressure on developers facing funding difficulties. We also expect to see more progress with the government's comprehensive packages to resolve the ongoing local government debt issue, which has been another major market concern during the past year.

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 transaction

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

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 ENDED 31 DECEMBER 2023

	<u>Note</u>	1.7.2023 to 31.12.2023 MYR	1.7.2022 to 31.12.2022 MYR
INVESTMENT GAIN/(LOSS)			
Dividend income		68,514	99,511
Profit income from financial assets at amortised cost		671	1,980
Net loss on financial assets at fair value through profit or loss	8	(3,987,852)	(5,349,351)
Net loss on foreign currency exchange		(119,751)	(1,372,054)
		<u>(4,038,418)</u>	<u>(6,619,914)</u>
EXPENSES			
Management fee	4	(75,750)	(86,736)
Trustee fee	5	(5,050)	(5,782)
Custodian fee		(67,614)	(2,125)
Auditors' remuneration		(12,065)	(12,098)
Tax agent's fee		(2,615)	(2,521)
Transaction cost		(33,123)	(26,032)
Other expenses		(53,282)	(25,776)
		<u>(249,499)</u>	<u>(161,070)</u>
LOSS BEFORE TAXATION		(4,287,917)	(6,780,984)
Taxation	7	(3,621)	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(4,291,538)</u>	<u>(6,780,984)</u>
Net loss after taxation is made up of the following:			
Realised amount		(5,703,716)	(887,873)
Unrealised amount		1,412,178	(5,893,111)
		<u>(4,291,538)</u>	<u>(6,780,984)</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)

4. UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>31.12.2023</u> MYR	<u>31.12.2022</u> MYR
ASSETS			
Cash and cash equivalents	9	243,613	370,622
Financial assets designated at fair value through profit or loss	8	23,721,670	26,193,946
TOTAL ASSETS		<u>23,965,283</u>	<u>26,564,568</u>
LIABILITIES			
Amount due to Manager - management fee		12,047	13,687
Amount due to Trustee		803	912
Auditors' remuneration payable		12,065	12,098
Tax agent's fee payable		7,615	7,521
Other payables and accruals		28,650	9,501
TOTAL LIABILITIES		<u>61,180</u>	<u>43,719</u>
NET ASSET VALUE OF THE FUND		<u>23,904,103</u>	<u>26,520,849</u>
EQUITY			
Unitholders' capital		39,256,318	36,939,320
Retained earnings		<u>(15,352,215)</u>	<u>(10,418,471)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>23,904,103</u>	<u>26,520,849</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>22,000,000</u>	<u>20,000,000</u>
NET ASSET VALUE PER UNIT (MYR)		<u>1.0866</u>	<u>1.3260</u>

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 ENDED 31 DECEMBER 2023

	<u>Unitholders'</u> <u>capital</u> MYR	<u>Accumulated</u> <u>losses</u> MYR	<u>Total</u> MYR
Balance as at 1 July 2023	39,497,559	(11,060,677)	28,436,882
Total comprehensive loss for the financial period	-	(4,291,538)	(4,291,538)
Movement in unitholders' capital:			
Creation of units arising from applications	9,472,331	-	9,472,331
Cancellation of units	(9,713,572)	-	(9,713,572)
Balance as at 31 December 2023	39,256,318	(15,352,215)	23,904,103
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)
Movement in unitholders' capital:			
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

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 ENDED 31 DECEMBER 2023

	<u>Note</u>	1.7.2023 to 31.12.2023 MYR	1.7.2022 to 31.12.2022 MYR
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		14,702,196	2,379,078
Purchase of Shariah-compliant investments		(14,184,613)	(5,568,360)
Dividends received		80,706	99,967
Profits income from Shariah-compliant deposits		671	2,115
Management fee paid		(77,362)	(87,097)
Trustee fee paid		(5,158)	(5,806)
Custodian fee paid		(77,488)	(1,802)
Payment for other fees and expenses		(58,253)	(61,732)
Net realised foreign exchange loss		(194,860)	(36,848)
Tax paid		(3,621)	-
Net cash used in operating activities		<u>182,218</u>	<u>(3,280,485)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		9,472,331	3,268,797
Payments for cancellation of units		(9,713,572)	-
Net cash generated from financing activities		<u>(241,241)</u>	<u>3,268,797</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(59,023)	(11,688)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(9,465)	(448)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>312,101</u>	<u>382,758</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u><u>243,613</u></u>	<u><u>370,622</u></u>

Cash and cash equivalents as at 31 December 2023 and 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 ENDED 31 DECEMBER 2023 (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 standards, 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 July 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 non-current, 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 (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(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: (continued)

i. Financial period beginning on/after 1 July 2023 (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 July 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 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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

B. INCOME RECOGNITION (continued)

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.

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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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.

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 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 asset. 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 at fair value through profit or loss' category is presented in the statement of comprehensive income within 'net loss on financial assets designated 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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

H. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(ii) Recognition and measurement (continued)

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.

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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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 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 External 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.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

L. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

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 ENDED 31 DECEMBER 2023 (unaudited)

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 23 February 2024.

1.1. EXTERNAL FUND MANAGER

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

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

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

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

2. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Note	At amortised cost MYR	At fair value through profit or loss MYR	Total MYR
31 December 2023				
<u>Financial assets</u>				
Cash and cash equivalents	9	243,613	-	243,613
Shariah-compliant quoted equities	8	-	23,721,670	23,721,670
Dividend receivables		-	-	-
Total		243,613	23,721,670	23,965,283
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee	4	12,047	-	12,047
Amount due to Trustee	5	803	-	803
Auditors' remuneration payable		12,065	-	12,065
Tax agent's fee payable		7,615	-	7,615
Other payables and accruals		28,650	-	28,650
Total		61,180	-	61,180
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		370,622	26,193,946	26,564,568
<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		9,501	-	9,501
Total		43,719	-	43,719

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 ENDED 31 DECEMBER 2023 (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>2023</u> MYR	<u>2022</u> MYR
Shariah-compliant quoted investments		
Shariah-compliant quoted equities	23,721,670	26,193,946

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
<u>2023</u>			
+20%	28,466,333	(4,744,663)	4,744,663
0%	23,721,670	-	-
-20%	18,977,007	4,744,663	(4,744,663)
<u>2022</u>			
+20%	31,440,535	(5,246,589)	5,246,589
0%	26,193,946	-	-
-20%	20,947,357	5,246,589	(5,246,589)

(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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

Market risk (continued)

(b) Currency risk (continued)

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

2023	<u>Cash and cash equivalents</u> MYR	<u>Quoted equities</u> MYR	<u>Total</u> MYR
<u>Financial assets</u>			
Chinese Yuan	163,767	23,721,670	23,885,437
United States Dollar	3,009	-	3,009
	<u>166,776</u>	<u>23,721,670</u>	<u>23,888,446</u>
		<u>Other payables and accruals*</u> MYR	<u>Total</u> MYR
<u>Financial liabilities</u>			
United States Dollar		<u>25,819</u>	<u>25,819</u>
2022	<u>Cash and cash equivalents</u> MYR	<u>Quoted equities</u> MYR	<u>Total</u> 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>26,441,399</u>
		<u>Other payables and accruals*</u> MYR	<u>Total</u> MYR
<u>Financial liabilities</u>			
United States Dollar		<u>3,313</u>	<u>3,313</u>

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

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (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.

	<u>Impact on loss</u> <u>after taxation</u> MYR	<u>Impact on</u> <u>NAV</u> MYR
<u>2023</u>		
<u>Chinese Yuan</u>		
+5%	(1,194,272)	1,194,272
-5%	<u>1,194,272</u>	<u>(1,194,272)</u>
<u>United States Dollar</u>		
+5%	1,141	(1,141)
-5%	<u>(1,141)</u>	<u>1,141</u>
<u>2022</u>		
<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>

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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

Credit risk (continued)

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

	<u>Cash and cash equivalents</u> MYR	<u>Total</u> MYR
<u>2023</u>		
Financial services - AAA	<u>243,613</u>	<u>243,613</u>
<u>2022</u>		
Financial services - AAA	<u>370,622</u>	<u>370,622</u>

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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

Liquidity risk (continued)

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

	<u>Within</u> <u>one month</u> MYR	<u>Between one</u> <u>month to</u> <u>one year</u> MYR	<u>Total</u> MYR
<u>2023</u>			
Amount due to Manager - management fee	12,047	-	12,047
Amount due to Trustee	803	-	803
Auditors' remuneration payable	-	12,065	12,065
Tax agent's fee payable	-	7,615	7,615
Other payables and accruals	28,650	-	28,650
	<u>41,500</u>	<u>19,680</u>	<u>61,180</u>
<u>2022</u>			
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>

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 2023, 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 ENDED 31 DECEMBER 2023 (unaudited)

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>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2023</u>	MYR	MYR	MYR	MYR
Financial assets designated at fair value through profit or loss				
• Shariah-compliant quoted equities	<u>23,721,670</u>	<u>-</u>	<u>-</u>	<u>23,721,670</u>
<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>

8. NOTES TO THE FINANCIAL STATEMENTS (continued) *FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)*

3. FAIR VALUE ESTIMATION (continued)

(i) Fair value hierarchy (continued)

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.

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.

During the financial period, 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 (2022: 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).

During the financial period, the trustee fee is recognised at a rate of 0.04% per annum on the NAV of the Fund subject to a minimum of MYR 12,000 per annum (excluding foreign sub-custodian fees and charges) calculated on a daily basis as stated in the Fund's Prospectus (2022: 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 USD 15,000 per annum.

During the financial period, the minimum index licence fee of USD15,000 per annum is recognised (2022: USD10,000 per annum borne by the Manager) and payable to the index licensor quarterly in arrears.

7. TAXATION

	<u>1.7.2023</u> <u>to 31.12.2023</u> MYR	<u>1.7.2022</u> <u>to 31.12.2022</u> MYR
Current taxation	<u>3,621</u>	<u>-</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (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:

	<u>1.7.2023</u> <u>to 31.12.2023</u> MYR	<u>1.7.2022</u> <u>to 31.12.2022</u> MYR
Net loss before taxation	<u>(4,287,917)</u>	<u>(6,780,984)</u>
Tax at Malaysian statutory rate of 24%	(1,029,100)	(1,627,436)
Tax effects of:		
• Investment loss disallowed from tax	971,125	1,588,779
• Expenses not deductible for tax purposes	58,641	36,285
• Restriction on tax deductible expenses for Exchange-Traded Fund	2,108	2,372
• Under provision of taxation in prior period	847	-
• Foreign income subject to foreign tax rate	<u>-</u>	<u>-</u>
Tax expense	<u>3,621</u>	<u>-</u>

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

	<u>2023</u> MYR	<u>2022</u> MYR
Financial assets designated at fair value through profit or loss:		
• Shariah-compliant quoted equities - foreign	<u>23,721,670</u>	<u>26,193,946</u>
Net loss on financial assets at fair value through profit or loss:		
• realised loss on sale of Shariah-compliant investments	(5,034,219)	(765,056)
• unrealised loss on changes in fair value	<u>1,046,367</u>	<u>(4,584,295)</u>
	<u>(3,987,852)</u>	<u>(5,349,351)</u>

(a) Shariah-compliant quoted equities – foreign as at as at 31 December 2023 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<u>Automobiles & components</u>				
BYD Co Ltd A	6,300	1,052,408	806,445	3.37
Chongqing Changan Automobile Co Ltd	28,900	239,837	314,449	1.32
Fuyao Glass Industry Group Co Ltd A	7,000	194,417	169,208	0.71
Great Wall Motor Co Ltd A	12,200	294,876	198,918	0.83
Huizhou Desay Sv Automotive Co Ltd A	1,900	170,209	159,084	0.67
Ningbo Tuopu Group Co Ltd A	3,900	147,885	185,319	0.78
Seres Group Co Ltd	<u>5,300</u>	<u>298,909</u>	<u>261,095</u>	<u>1.08</u>
	<u>65,500</u>	<u>2,398,541</u>	<u>2,094,518</u>	<u>8.76</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(a) Shariah-compliant quoted equities – foreign as at as at 31 December 2023 (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	9,300	281,945	224,745	0.94
China CSSC Holdings Ltd A	15,600	294,550	296,914	1.24
Contemporary Amperex Technology Co Ltd A	15,387	2,581,521	1,624,062	6.79
Eve Energy Co Ltd A	7,100	364,757	193,704	0.81
Gongniu Group Co Ltd A	1,500	99,356	92,757	0.39
Jiangsu Hengli Hydraulic Co Ltd A	4,700	225,355	166,148	0.70
NARI Technology Co Ltd A	28,136	397,025	405,999	1.70
Sany Heavy Industry Co Ltd A	29,700	397,230	264,398	1.11
Shenzhen Inovance Technology Co Ltd A	9,300	412,491	379,626	1.59
Sungrow Power Supply Co Ltd A	5,200	383,794	294,460	1.23
Wuxi Lead Intelligent Equipment Co Ltd A	5,500	127,016	91,027	0.38
Zhejiang Sanhua Intelligent Controls Co Ltd A	13,000	224,879	247,092	1.03
	<u>144,423</u>	<u>5,789,919</u>	<u>4,280,932</u>	<u>17.91</u>
<u>Consumer durables & apparel</u>				
Haier Smart Home Co Ltd A	22,000	344,943	298,683	1.25
Huali Industrial Group Co Ltd A	1,800	66,035	61,257	0.26
Oppein Home Group Inc A	1,800	136,708	81,005	0.34
	<u>25,600</u>	<u>547,686</u>	<u>440,945</u>	<u>1.85</u>
<u>Energy</u>				
China Shenhua Energy Company Limited	30,700	615,334	622,221	2.60
Shaanxi Coal Industry Company Limited	33,900	400,492	457,833	1.92
Shanxi Coking Coal Energy Group Co Ltd	19,800	130,306	126,471	0.53
Shanxi Lu' an Environmental Energy Development Co Ltd	10,500	155,652	148,731	0.62
	<u>94,900</u>	<u>1,301,784</u>	<u>1,355,256</u>	<u>5.67</u>
<u>Food products & beverages</u>				
Eastroc Beverage Group Co Ltd A	1,200	138,955	141,591	0.59
Foshan Haitian Flavouring & Food Co Ltd A	18,785	753,060	460,884	1.93
Inner Mongolia Yili Industrial Group Co Ltd A	22,200	457,019	383,924	1.61
	<u>42,185</u>	<u>1,349,034</u>	<u>986,399</u>	<u>4.13</u>
<u>Health care equipment & services</u>				
Aier Eye Hospital Group Co Ltd A	32,649	519,936	333,922	1.40
Huadong Medicine Co Ltd A	6,100	145,591	163,504	0.68
Shenzhen Mindray Bio-Medical Electronics Co Ltd A	4,200	885,905	789,066	3.30
Shenzhen New Industries Biomedical Engineering Co Ltd	2,700	126,465	136,502	0.57
	<u>45,649</u>	<u>1,677,897</u>	<u>1,422,994</u>	<u>5.95</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(a) Shariah-compliant quoted equities – foreign as at as at 31 December 2023 (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>Materials</u>				
Anhui Conch Cement Co Ltd A	14,000	238,028	204,192	0.85
China Jushi Co Ltd A	14,000	142,934	88,971	0.37
China Northern Rare Earth Group High-Tech Co Ltd A	12,600	272,645	157,542	0.66
Ganfeng Lithium Group Co Ltd A	5,620	323,698	155,507	0.65
Guangzhou Tinci Materials Technology Co Ltd A	6,700	207,395	108,635	0.45
Hoshine Silicon Industry Co Ltd A	2,900	217,116	95,617	0.40
Ningxia Baofeng Energy Group Co Ltd A	25,600	249,705	244,448	1.02
Qinghai Salt Lake Industry Co Ltd	19,000	254,817	195,922	0.82
Shandong Hualu Hengsheng Chemical Co Ltd A	7,400	159,649	131,993	0.55
Shanghai Putailai New Energy Technology Co Ltd A	7,005	198,819	94,786	0.40
Tianqi Lithium Corp A	5,174	280,675	186,617	0.78
Yunnan Energy New Material Co Ltd A	3,400	393,244	124,896	0.52
	<u>123,399</u>	<u>2,938,725</u>	<u>1,789,126</u>	<u>7.48</u>
<u>Media & entertainment</u>				
37 Interactive Entertainment Network Technology Group Co Ltd	7,800	156,775	94,853	0.40
	<u>7,800</u>	<u>156,775</u>	<u>94,853</u>	<u>0.40</u>
<u>Pharmaceuticals, biotechnology & life sciences</u>				
Beijing Tongrentang Co Ltd A	4,800	153,421	166,642	0.70
Beijing Wantai Biological Pharmacy Enterprise Co Ltd A	3,422	182,746	166,212	0.70
Changchun High & New Technology Industry Group Inc A	1,400	189,145	131,964	0.55
China Resources Sanjiu Medical & Pharmaceutical Co Ltd A	3,500	126,446	112,527	0.47
Chongqing Zhifei Biological Products Co Ltd A	8,400	411,186	331,864	1.39
Hangzhou Tigermed Consulting Co Ltd A	2,600	173,466	92,399	0.39
Imeik Technology Development Co Ltd A	800	246,846	152,227	0.64
Jiangsu Hengrui Medicine Co Ltd A	22,320	661,227	652,663	2.73
Pharmaron Beijing Co Ltd A	5,200	100,847	97,425	0.41
WuXi AppTec Co Ltd A	8,983	632,177	422,554	1.77
Yunnan Baiyao Group Co Ltd A	6,280	243,625	199,550	0.83
Zhangzhou Pientzhuang Pharmaceutical Co Ltd A	2,100	444,226	328,538	1.37
Zhejiang NHU Co Ltd A	10,760	139,700	117,980	0.49
	<u>80,565</u>	<u>3,705,058</u>	<u>2,972,545</u>	<u>12.44</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(a) Shariah-compliant quoted equities – foreign as at as at 31 December 2023 (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>Semiconductors & semiconductor equipment</u>				
Advanced Micro-Fabrication Equipment Inc China A	2,200	178,229	218,465	0.91
Cambricon Technologies Corp Ltd	1,500	126,694	130,877	0.55
China Resources Microelectronics Ltd A	4,600	164,189	132,904	0.56
Flat Glass Group Co Ltd A	6,600	164,430	113,926	0.48
GigaDevice Semiconductor (Beijing) Inc A	2,300	195,142	137,379	0.57
Hangzhou First Applied Material Co Ltd A	6,480	200,667	101,675	0.43
JA Solar Technology Co Ltd A	11,592	281,534	155,280	0.65
JCET Group Co Ltd A	6,300	128,200	121,618	0.51
LONGi Green Energy Technology Co Ltd A	26,460	778,000	391,736	1.64
Montage Technology Co Ltd A	4,000	161,300	151,953	0.64
NAURA Technology Group Co Ltd A	1,900	366,599	301,818	1.26
Sanan Optoelectronics Co Ltd A	17,400	174,235	155,800	0.65
Tongwei Co Ltd A	15,700	420,428	254,056	1.06
Unigroup Guoxin Microelectronics Co Ltd A	3,039	230,704	132,520	0.55
Will Semiconductor Co Ltd Shanghai A	4,220	385,062	291,129	1.22
Xinjiang Daqo New Energy Co Ltd	6,000	168,143	114,702	0.48
Zhejiang Jingsheng Mechanical & Electrical Co Ltd A	4,600	184,263	131,119	0.55
	<u>124,891</u>	<u>4,307,819</u>	<u>3,036,957</u>	<u>12.70</u>
<u>Software & services</u>				
Beijing Kingsoft Office Software Inc A	1,595	300,371	326,055	1.36
Empyrean Technology Co Ltd	1,500	97,799	102,648	0.43
Hundsun Technologies Inc A	6,564	162,667	122,047	0.51
Iflytek Co Ltd A	8,100	280,402	242,876	1.02
Shanghai Baosight Software Co Ltd A	6,298	178,891	198,697	0.83
Yonyou Network Technology Co Ltd A	12,000	192,598	138,015	0.58
	<u>36,057</u>	<u>1,212,728</u>	<u>1,130,338</u>	<u>4.73</u>
<u>Technology hardware & equipment</u>				
Avary Holding Shenzhen Co Ltd A	7,600	132,026	109,667	0.46
Chaozhou Three-Circle Group Co Ltd A	6,700	147,856	127,564	0.53
Foxconn Industrial Internet Co Ltd A	55,500	645,817	542,517	2.27
GoerTek Inc A	12,000	228,706	162,996	0.68
IEIT Systems Co Ltd	5,100	117,786	109,465	0.46
Lens Technology Co Ltd A	17,400	195,983	148,488	0.62
Luxshare Precision Industry Co Ltd A	25,000	555,202	556,798	2.33
Maxscend Microelectronics Co Ltd A	1,860	212,975	169,551	0.71
Shenzhen Transsion Holdings Co Ltd A	2,790	200,364	249,637	1.04
Unisplendour Corp Ltd A	10,000	160,925	125,098	0.52
Wingtech Technology Co Ltd A	4,300	209,722	117,620	0.49

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

VP-DJ SHARIAH CHINA A-SHARES 100 ETF
(A Malaysia Exchange-Traded Fund)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(a) Shariah-compliant quoted equities – foreign as at as at 31 December 2023 (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)				
Yealink Network Technology Corp Ltd A	4,380	141,329	83,676	0.35
Zhejiang Dahua Technology Co Ltd A	11,500	155,715	137,171	0.57
Zhongji Innolight Co Ltd A	2,800	250,048	204,390	0.86
	<u>166,930</u>	<u>3,354,454</u>	<u>2,844,638</u>	<u>11.90</u>
<u>Transportation</u>				
Beijing-Shanghai High Speed Railway Co Ltd A	171,600	561,753	545,822	2.28
SF Holding Co Ltd A	17,100	574,426	446,628	1.87
Shanghai International Airport Co Ltd A	8,700	249,357	184,373	0.77
YTO Express Group Co Ltd A	12,000	140,978	95,346	0.40
	<u>209,400</u>	<u>1,526,514</u>	<u>1,272,169</u>	<u>5.32</u>
 Total Shariah-compliant quoted equities – foreign	 <u>1,167,299</u>	 30,266,934	 <u>23,721,670</u>	 <u>99.24</u>
 Accumulated unrealised loss on Shariah-compliant quoted equities – foreign		 <u>(6,545,264)</u>		
 Total Shariah-compliant quoted equities – foreign		 <u>23,721,670</u>		

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

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

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost MYR</u>	<u>Fair value MYR</u>	<u>Percentage of NAV %</u>
<u>Automobiles & components</u>				
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
	<u>31,800</u>	<u>2,061,769</u>	<u>1,708,042</u>	<u>6.43</u>
<u>Capital goods</u>				
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
	<u>127,964</u>	<u>6,811,478</u>	<u>5,449,703</u>	<u>20.56</u>
<u>Consumer durables & apparel</u>				
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
	<u>26,000</u>	<u>604,881</u>	<u>550,018</u>	<u>2.08</u>
<u>Food products & beverages</u>				
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
	<u>62,220</u>	<u>2,329,902</u>	<u>1,902,105</u>	<u>7.17</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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

(b) Shariah-compliant quoted equities – foreign as at as at 31 December 2022 (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>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 ENDED 31 DECEMBER 2023 (unaudited)

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

(b) Shariah-compliant quoted equities – foreign as at as at 31 December 2022 (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>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 Pientzehuang 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 ENDED 31 DECEMBER 2023 (unaudited)

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

(b) Shariah-compliant quoted equities – foreign as at as at 31 December 2022 (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>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
	<u>80,900</u>	<u>1,089,417</u>	<u>1,074,724</u>	<u>4.05</u>
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 ENDED 31 DECEMBER 2023 (unaudited)

9. CASH AND CASH EQUIVALENTS

	<u>2023</u> MYR	<u>2022</u> MYR
Cash and bank balances	<u>243,613</u>	<u>370,622</u>

10. NUMBER OF UNITS IN CIRCULATION

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial period	22,000,000	18,000,000
Creation of units arising from applications	8,000,000	2,000,000
Cancellation of units	<u>(8,000,000)</u>	<u>-</u>
At the end of the financial period	<u>22,000,000</u>	<u>20,000,000</u>

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant as at 31 December 2023, 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 ENDED 31 DECEMBER 2023 (unaudited)

12. TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top brokers for the financial period ended 31 December 2023 are as follows:

<u>Name of broker</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> %
Jefferies Hong Kong Limited	8,706,128	30.12	6,094	33.53
Daiwa Capital Markets HK Ltd	6,848,201	23.69	2,739	15.07
China International Capital Corporation Hong Kong Securities Limited	6,403,700	22.16	4,483	24.66
Citigroup Global Markets Asia Ltd	4,571,422	15.82	3,200	17.60
China Merchants Securities (HK) Co., Limited	2,372,160	8.21	1,661	9.14
	<u>28,901,611</u>	<u>100.00</u>	<u>18,177</u>	<u>100.00</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

12. TRANSACTIONS WITH BROKERS (continued)

(ii) Details of transactions with the top brokers for the financial period ended 31 December 2022 are as follows:

<u>Name of broker</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>

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>Relationship</u>	<u>Related Parties</u>
Ultimate holding company of the Manager	Value Partners Group Limited ("VPGL")
The Manager of the Fund	Value Partners Asset Management Malaysia Sdn. Bhd.
Subsidiary of the ultimate holding company of the Manager and External Fund Manager of the Fund	Value Partners Hong Kong Limited
Fellow subsidiaries and associated companies of the ultimate holding company of the Manager	Fellow subsidiaries and associated companies of VPGL as disclosed in their financial statements
Directors of the Manager of the Fund and the ultimate holding company of the Manager	Directors of Value Partners Asset Management Malaysia Sdn. Bhd. and VPGL

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (continued)

The units held by the Manager and its related parties as at the end of the financial period are as follows:

	No. of units	<u>2023</u> MYR	No. of units	<u>2022</u> MYR
<u>The Manager of the Fund:</u>				
Value Partners Asset Management Malaysia Sdn. Bhd. (The units are held beneficially for seeding purpose)	<u>6,000,000</u>	<u>6,519,600</u>	<u>6,000,000</u>	<u>7,956,000</u>
<u>Director of the Manager of the Fund:</u>				
Datuk Mohd Nasir bin Ali (The units are held beneficially)	<u>10,000</u>	<u>10,866</u>	<u>10,000</u>	<u>13,260</u>
<u>Director of the ultimate holding company of the Manager:</u>				
Dato' Seri Cheah Cheng Hye (The units are held beneficially)	<u>9,600,000</u>	<u>10,431,360</u>	<u>1,600,000</u>	<u>2,121,600</u>

8. NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

14. TOTAL EXPENSE RATIO (“TER”)

	<u>1.7.2023</u> <u>to 31.12.2023</u> %	<u>1.7.2022</u> <u>to 31.12.2022</u> %
TER	<u>0.85</u>	<u>0.49</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 ended 31 December 2023 calculated on a daily basis was MYR 25,124,748 (2022: MYR 28,499,911).

15. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>1.7.2023</u> <u>to 31.12.2023</u>	<u>1.7.2022</u> <u>to 31.12.2022</u>
PTR (times)	<u>0.58</u>	<u>0.14</u>

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 14,175,452 (2022: MYR 5,568,360)
total disposal for the financial period = MYR 14,726,159 (2022: MYR 2,377,640)

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (unaudited)

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 External 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 2023, two unitholders (2022: three unitholders) held more than 10% of the Fund's NAV. The unitholders' total holdings were 70.91%, which were 43.64% and 27.27% respectively (2022: 84.29%, which were 44.17%, 30.00% and 10.12% 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. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The challenges of the China macro-economic 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 portfolio exposure and managing the portfolio to achieve the Fund's objective amid this period of volatility.

Proposed change in control of Value Partners Malaysia

On 12 October 2023, M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad) announced that it has entered into a conditional share sale and purchase agreement with Value Partners Group Limited, for the acquisition of 75% equity interest in Value Partners Malaysia comprising 8,700,000 ordinary shares in Value Partners Malaysia for a total cash consideration of MYR 2,570,000.00.

The application for change of shareholders / shareholdings has been approved by Securities Commission Malaysia on 19 December 2023. The completion of change in shareholders / shareholding will be announced in Bursa Malaysia upon its completion.

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 ended 31 December 2023 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 during the period 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
23 February 2024

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 9 to 43 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 2023 and of its financial performance, changes in equity and cash flows for the financial period then ended 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
23 February 2024