

PRINCIPAL FTSE CHINA 50 ETF

UNAUDITED SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2024

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INVESTORS' LETTER

Dear Valued Investor,

Greetings from Principal Asset Management Berhad ("Principal Malaysia") and thank you for investing with us!

We are pleased to bring you a copy of the Unaudited Semi-Annual Fund Report Principal FTSE China 50 ETF for the financial period ended 31 December 2024. You may also download this report from our website at www.principal.com.my.

We are proud to announce that Principal Malaysia has earned numerous accolades in 2024. At the Asia Asset Management 2024 Best of the Best Awards, we were honored with the Best of the Best Performance Award for China A-Share Equity (3 years) and recognized as the Best Institutional House – Malaysia. At the 2024 Global Banking & Finance Awards, our CEO, Munirah Khairuddin, was named Asset Management CEO of the Year Malaysia, and our company was recognized as Asset Management Company of the Year Malaysia. Additionally, we received the Best International Equity Fund Manager for MSCI EM Latin America 2023 at the EPF External Fund Managers Awards 2023.

At the Alpha Southeast Asia Fund Management Awards 2024, we won three awards: Best Absolute Return Strategy, Best Online & Mobile Platform (Asset Manager), and Best Asset Manager (Income-Oriented, Money Market & Alternative Investment Funds). The International Finance Awards honored us with 'Best Asset Management Company – Malaysia 2024' and 'Best Asset Management CEO – Munirah Khairuddin – Malaysia 2024'. At the Triple A Sustainable Investing Awards 2024, we secured the Asset Management Company of the Year (Malaysia) award. The World Business Outlook magazine recognized us with the titles of Best Investment Management and Solutions Provider Malaysia, Best Institutional House Malaysia, and Asset Management CEO (Munirah Khairuddin) of the Year Malaysia. Additionally, we received three awards at the iFast Awards 2024, seven at the LSEG Lipper Fund Awards 2024, ten at the FSMOne Recommended Funds 2023/2024, and two at the Edge Awards 2024.

Digital innovation is central to our strategy, as we use data and technology to develop the right solutions for you. We will continue to advance our digital capabilities to provide easy access to your investment portfolio and enable you to carry out transactions seamlessly. Please continue to check out our website, like our Facebook page (@PrincipalMalaysia), follow us on our Instagram account (@principalmalaysia), and LinkedIn page (Principal Malaysia) for the latest updates, market insights and investment articles.

We appreciate your continuous support and the trust you place in us.

Yours faithfully,
for **Principal Asset Management Berhad**

Munirah Khairuddin
Chief Executive Officer,
Malaysia & Global Shariah & Managing Director,
Strategic Distribution & Institutional Client Relations
(Southeast Asia & Global Shariah)
Non-Independent Executive Director

MANAGER'S REPORT

FUND OBJECTIVE AND POLICY

What is the investment objective of the Fund?

The Fund aims to provide investment results that closely correspond to the performance of the Financial Times Stock Exchange ("FTSE") China 50 Index ("Benchmark Index"), regardless of its performance.

Has the Fund achieved its objective?

For the financial period under review, the Fund has met its objective in closely corresponding to the performance of the Benchmark Index.

What are the Fund investment policy and principal investment strategy?

A passive strategy whereby the Manager may adopt either a Replication Strategy or a Representative Sampling Strategy.

Replication Strategy

In managing the Fund, the Manager will generally adopt a Replication Strategy. Using a Replication Strategy, the Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e., proportions) as the Benchmark Index (to the extent possible). If the Manager is of the opinion there exists liquidity constraints with the Index Securities, the Fund may substitute the Index Securities (in part or in whole) with one or more derivatives of the Index Securities which are likely to behave in a manner consistent with the investment objective of the Fund as determined by the Manager.

Representative Sampling Strategy

The Manager may decide to adopt a Representative Sampling Strategy if various circumstances make it impossible or impracticable to adopt a Replication Strategy.

Fund category/type

Exchange-traded Fund ("ETF")/Equity

When was the Fund launched?

9 July 2010*

* Listing date

What was the size of the Fund as at 31 December 2024?

RM6.04 million (4.55 million units)

What is the Fund's benchmark?

The FTSE China 50 Index or such replacement index as may be determined by the Manager, subject to the approval of the Securities Commission Malaysia ("SC").

What is the Fund distribution policy?

Annually, subject to the discretion of the Manager.

What was the net income distribution for the six months financial period ended 31 December 2024?

There was no distribution made for the six months financial period ended 31 December 2024.

PERFORMANCE DATA

Details of portfolio composition of the Fund for the last three unaudited financial periods were as follows:

	31.12.2024	31.12.2023	31.12.2022
	%	%	%
Quoted securities			
- Consumer Discretionary	33.82	33.58	34.43
- Consumer Staples	0.86	2.13	2.54
- Energy	5.28	4.75	4.46
- Financials	31.25	28.76	26.71
- Health Care	1.39	3.05	3.72
- Industrials	2.55	1.56	1.24
- Information Technology	5.57	3.55	2.52
- Materials	1.50	1.08	1.76
- Real Estate	0.93	2.35	3.21
- Telecommunication Services	16.92	18.30	18.41
- Utilities	0.42	-	0.49
Cash and other assets	1.02	2.70	3.08
Liabilities	(1.51)	(1.81)	(2.57)
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three unaudited financial periods are as follows:

	31.12.2024	31.12.2023	31.12.2022
Total asset value (RM Million)	6.14	4.88	5.56
Net Asset Value ("NAV") (RM Million)	6.04	4.80	5.42
Units in circulation (Million)	4.55	4.55	4.55
NAV per Unit (RM)	1.3284	1.0542	1.1909
Market Price per Unit (RM)	1.3450	1.0600	1.2200
	01.07.2024	01.07.2023	01.07.2022
	to 31.12.2024	to 31.12.2023	to 31.12.2022
Highest NAV per Unit (RM)	1.4880	1.2758	1.3973
Lowest NAV per Unit (RM)	1.0578	1.0111	0.9185
Highest Market Price per Unit (RM)	1.5900	1.2750	1.4000
Lowest Market Price per Unit (RM)	1.0850	1.0600	1.1000
Total return (%) ^	12.33	(12.21)	(13.95)
- Capital growth (%)	12.33	(12.21)	(13.95)
- Income distribution (%)	-	-	-
Total Expenses Ratio ("TER") (%) *	0.83	0.82	0.82
Portfolio Turnover Ratio ("PTR") (times) #	0.09	0.06	0.07

^ based on NAV per unit

* The Fund's TER increased from 0.82% to 0.83% due to increase in overall expenses during the financial period under review.

During the financial period under review, the Fund's PTR increased from 0.06 times to 0.09 times as there were more trading activities from portfolio rebalancing.

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
	%	%	%	%	%
Annual total return	25.97	(11.46)	(16.49)	17.74	5.23

(Listing date: 9 July 2010)

PERFORMANCE DATA (CONTINUED)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

MARKET REVIEW (1 JULY 2024 TO 31 DECEMBER 2024)

The FTSE China 50 Index, which tracks the largest and most liquid Chinese stocks listed on the Hong Kong Stock Exchange (“HKEX”), experienced significant movements in the latter half of 2024. In September 2024, the Chinese government introduced a comprehensive stimulus package aimed at revitalizing the economy. This package included a reduction in a key short-term interest rate, lowered rates on existing mortgages, decreased bank reserve requirements, and an infusion of at least 800 billion Chinese Yuan Renminbi (“CNY”) (USD114 billion) to support the stock market. These measures led to a surge in China-focused ETFs and stocks of Chinese companies listed on US exchanges, reflecting increased investor confidence.

FUND PERFORMANCE

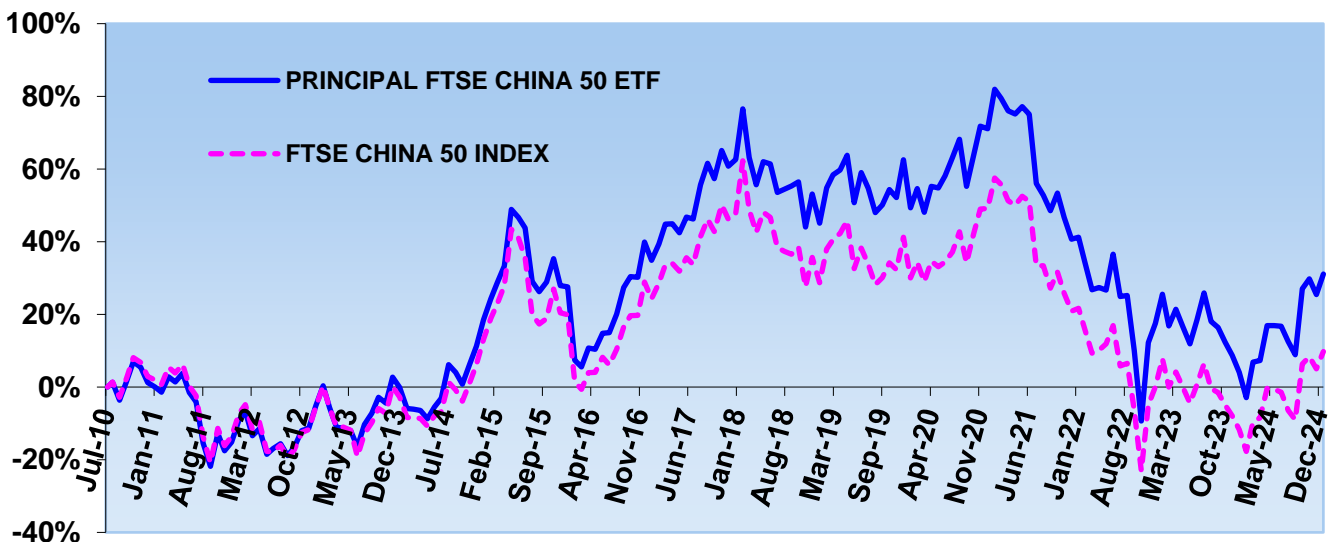
	6 months to 31.12.2024 %	1 year to 31.12.2024 %	3 years to 31.12.2024 %	5 years to 31.12.2024 %	Since inception to 31.12.2024 %
Income					
Distribution	-	-	-	-	-
Capital Growth ^	12.33	25.97	(6.85)	(19.36)	31.08
Total Return ^	12.33	25.97	(6.85)	(19.36)	31.08
Average Total					
Return ^	25.94	25.97	(2.34)	(4.21)	1.89
Benchmark	11.30	24.35	(9.19)	(22.28)	9.75
Changes in Market					
Price per Unit	9.80	26.89	(6.60)	(18.48)	30.58

^ based on NAV per Unit

The fund returned 12.33% during the period under review, outperforming the benchmark which increased by 11.30%.

The last available published market price of the fund quoted on Bursa Malaysia increased from RM1.2250 to RM1.3450 during the period under review, representing an increased of 9.80%.

Since Inception



FUND PERFORMANCE (CONTINUED)**Changes in NAV**

	31.12.2024	30.06.2024 Audited	Changes %
NAV (RM Million)	6.04	5.41	11.65
NAV/Unit (RM)	1.3284	1.1883	11.79

During the financial period under review, the fund's NAV increased by 11.65%, while the NAV per unit increased by 11.79% due to positive investment performance.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

PORTFOLIO STRUCTURE**Asset allocation**

(% of NAV)	31.12.2024	30.06.2024 Audited
Quoted securities	100.49	97.62
Cash and other assets	1.02	4.28
Liabilities	(1.51)	(1.90)
TOTAL	100.00	100.00

The Fund remained fully invested during the period under review. A minimal level of liquid assets was maintained primarily for liquidity purposes.

MARKET OUTLOOK*

The FTSE China 50 Index is expected to remain volatile, as investors assess the effectiveness of China's recent stimulus measures and structural reforms aimed at stabilizing the economy. While policies targeting the property market, consumer spending, and private sector confidence could support growth, external factors such as geopolitical tensions, a strong USD and global monetary tightening may continue to weigh on investor sentiment. The trajectory of the index will largely hinge on China's ability to maintain a balance between short-term economic recovery and long-term fiscal and financial stability.

* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Asset Management Berhad ("Principal Malaysia") or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

INVESTMENT STRATEGY

As this is an ETF, the Fund will continue to remain fully invested in the Benchmark Index stocks with minimal cash kept for liquidity purposes in order to track the performance of the benchmark.

SOFT COMMISSIONS AND REBATES

Principal Malaysia (the “Manager”) and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Principal Malaysia Funds (“Funds”). Accordingly, any rebate or shared commission will be directed to the account of the Fund. The Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we and the fund the manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

During the financial period under review, the Manager and the Trustee did not receive any rebates from the brokers or dealers, but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. The Manager confirms that the goods and services received were for the benefit of the Fund, the trades were made on a best execution basis and there was no churning of trades.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

STATE OF AFFAIR OF THE FUND

Effective 18 November 2024, the Fund has changed Trustee to HSBC (Malaysia) Trustee Berhad following the issuance of the Second Supplemental Prospectus is dated 18 November 2024.

We are of view that the changes above do not affect the existing unit holder to stay invested in the Fund and it is not a significant change.

There were no significant changes in the state of affairs of the Fund during the financial period and up to the date of Manager’s report, not otherwise disclosed in the financial statements.

CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF UNIT HOLDERS

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

CROSS TRADE

No cross-trade transactions have been carried out during the financial period under review.

UNIT SPLIT

No unit split exercise has been carried out during the financial period under review.

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	Note	01.07.2024 to 31.12.2024 RM	01.07.2023 to 31.12.2023 RM
INCOME/(LOSS)			
Dividend income		125,749	113,520
Interest income		55	-
Net gain/(loss) on financial assets at fair value through profit or loss	8	611,196	(684,471)
Net foreign exchange gain/(loss)		2,680	(1,539)
		<u>739,680</u>	<u>(572,490)</u>
EXPENSES			
Management fee	4	16,763	15,964
Trustee and custodian fees	5	11,849	10,934
Audit fee		12,750	12,770
Tax agent's fee		2,300	2,212
Transaction costs		1,423	1,130
Other expenses	6	13,877	12,486
		<u>58,962</u>	<u>55,496</u>
PROFIT/(LOSS) BEFORE TAXATION		680,718	(627,986)
Taxation	7	(43,321)	(39,078)
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>637,397</u>	<u>(667,064)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		1,359,880	(90,707)
Unrealised amount		(722,483)	(576,357)
		<u>637,397</u>	<u>(667,064)</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		31.12.2024	30.06.2024
	Note	RM	Audited RM
ASSETS			
Cash and cash equivalents	9	51,693	153,617
Financial assets at fair value through profit or loss	8	6,074,025	5,278,391
Dividends receivable		6,787	42,549
Tax recoverable		3,123	35,244
TOTAL ASSETS		<u>6,135,628</u>	<u>5,509,801</u>
LIABILITIES			
Accrued management fee		3,057	2,819
Amount due to Trustee		229	1,018
Other payables and accruals	11	88,026	99,045
TOTAL LIABILITIES		<u>91,312</u>	<u>102,882</u>
NET ASSET VALUE OF THE FUND		<u>6,044,316</u>	<u>5,406,919</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>6,044,316</u>	<u>5,406,919</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	12	<u>4,550,000</u>	<u>4,550,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.3284</u>	<u>1.1883</u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	Note	01.07.2024 to 31.12.2024 RM	01.07.2023 to 31.12.2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT BEGINNING OF THE FINANCIAL PERIOD		<u>5,406,919</u>	<u>5,463,490</u>
Movement due to units created and cancelled during the financial period:			
Total comprehensive income/(loss) for the financial period		<u>637,397</u>	<u>(667,064)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	10	<u><u>6,044,316</u></u>	<u><u>4,796,426</u></u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
Note	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from disposal of quoted securities	365,061	313,740
Purchase of quoted securities	(547,581)	(369,747)
Dividend income received	150,287	133,594
Interest received	55	-
Management fee paid	(16,525)	(16,272)
Trustee and custodian fees paid	(12,638)	(10,904)
Payments for other fees and expenses	(29,005)	(17,453)
Tax paid	(11,200)	(44,147)
Payment of other foreign exchange loss	(102)	(765)
Net cash used in operating activities	<u>(101,648)</u>	<u>(11,954)</u>
Net decrease in cash and cash equivalents	(101,648)	(11,954)
Effects of foreign exchange differences	(276)	(448)
Cash and cash equivalents at the beginning of the financial period	<u>153,617</u>	<u>136,542</u>
Cash and cash equivalents at the end of the financial period	9 <u>51,693</u>	<u>124,140</u>
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	<u>51,693</u>	<u>124,140</u>
Cash and cash equivalents at the end of the financial period	9 <u><u>51,693</u></u>	<u><u>124,140</u></u>

The accompanying notes to the financial statements form an integral part of the unaudited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2024****1. THE FUND, THE MANAGER, AND ITS PRINCIPAL ACTIVITIES**

Principal FTSE China 50 ETF (the “Fund”) is governed by a Deed dated 19 April 2010, a First Supplemental Deed dated 8 December 2010, a Second Supplemental Deed dated 30 July 2014, a Third Supplemental Deed dated 2 August 2019, a Fourth Supplemental Deed dated 31 May 2023 made between Principal Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Previous Trustee”) and a Fifth Supplemental Deed dated 24 July 2024 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (the “Manager”), the Previous Trustee and HSBC (Malaysia) Trustees Malaysia Berhad (the “Trustee”).

The Manager may adopt either a Replication Strategy or a Representative Sampling Strategy. In managing the Fund, the Manager will generally adopt a Replication Strategy. Using a Replication Strategy, the Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e., proportions) as the Benchmark Index (to the extent possible). If the Manager is of the opinion there exists liquidity constraints with the Index Securities, the Fund may substitute the Index Securities (in part or in whole) with one or more derivatives of the Index Securities which are likely to behave in a manner consistent with the investment objective of the Fund as determined by the Manager. Meanwhile, the Manager may decide to adopt a Representative Sampling Strategy if various circumstances make it impossible or impracticable to adopt a Replication Strategy.

The Fund had issued the Second Supplemental Prospectus is dated 18 November 2024.

All investments will be subjected to the Securities Commission Malaysia (“SC”) Guidelines on ETFs, SC requirements, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia’s leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS as issued by the Malaysian Accounting Standards Board (“MASB”) and IFRS as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS 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 revenues and expenses during the reported period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

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 2(k).

There are no other standards, amendments to standards or interpretations effective for financial periods beginning on 1 July 2024 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial periods beginning on/after 1 January 2025 are applicable to the Fund.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income ("OCI").

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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 consisting of the amount outstanding.

All of the Fund's financial liabilities are measured at amortised cost.

Recognition and measurement

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets and financial liabilities (continued)

Recognition and measurement (continued)

Financial instruments are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

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 when the Fund's right to receive payments is established.

Foreign quoted securities are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted 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 quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases 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.

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit loss ("ECL") using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL. The Manager 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 ECL 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 Manager as any contractual payment which is more than 30 days past due.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Definition of default and credit-impaired financial assets

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

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 impairment gains. There are no write-offs/recoveries during the financial period.

(c) Income recognition

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

(d) Foreign currencyFunctional 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 Malaysian Ringgit ("MYR" or "RM"), which is the Fund's functional and presentation 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) Units of the Funds are denominated in MYR; and
- ii) Significant portion of the Fund's expenses are denominated in MYR.

Transactions and balances

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 remeasured. 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 statement of comprehensive income.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

(f) Taxation

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

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in.

Pursuant to Finance Act 2021, foreign-sourced income received in Malaysia will be taxed at prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Following the announcement by the Honorable Finance Minister II, tax on foreign-sourced income will be exempted for the period from 1 January 2024 until 31 December 2026.

(g) Transactions costs

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

(h) Unit holders' contributions

The unit holders' 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 NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations 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 unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(i) Realised and unrealised portions of profit or loss after taxation

The analysis of realised and unrealized portions of profit or loss after taxation as presented on the statement of comprehensive income is prepared in accordance with SC Guidelines on ETFs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

(k) 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 content of 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 judgement 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 SC Guidelines on ETFs.

However, the Manager is of the opinion that in applying this accounting policy, no significant judgement was required.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance.

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on ETFs.

(a) Market risk

(i) Price risk

This is the risk that the fair value of an investment in quoted securities will fluctuate because of changes in market prices (other than those arising from currency risk). The value of quoted securities may fluctuate according to the activities of individual companies, sector, and overall political and economic conditions. Such fluctuation may cause the Fund's NAV and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The very nature of an ETF, however, helps mitigate this risk because a Fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the Fund.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Currency risk**

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus MYR based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund.

The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid asset comprises bank balances and other instruments which are capable of being converted into cash within 7 business days. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

(d) Capital risk management

The capital of the Fund is represented by net assets attributable to unit holders. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

Fair value is defined as 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 (i.e., an exit price).

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.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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.

An active market is a market in which transactions for the asset or liability 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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2024				
Financial assets at fair value through profit or loss:				
- Quoted securities	6,074,025	-	-	6,074,025

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.06.2024				
Audited				
Financial assets at fair value through profit or loss:				
- Quoted securities	<u>5,278,391</u>	<u>-</u>	<u>-</u>	<u>5,278,391</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. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

(ii) Financial instruments that are not carried at fair value

The carrying values of cash and cash equivalents, dividends receivable, and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

4. MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee of up to 3.00% per annum calculated and accrued daily based on the NAV of the Fund.

For the six months financial period ended 31 December 2024, the management fee is recognised at a rate of 0.60% per annum (31.12.2023: 0.60% per annum).

There was no further liability to the Manager in respect of management fee other than the amount recognised above.

5. TRUSTEE'S AND CUSTODIAN FEES

In accordance with the Deeds, the Trustee is entitled to a fee not exceeding a maximum of 0.045% per annum, calculated daily based on the NAV of the Fund, subject to a minimum fee of RM18,000 per annum. However, the minimum Trustee fee is revised to RM12,000 per annum effective from 1 June 2023 based on the agreement between the Trustee and the Manager, excluding foreign sub-custodian fees and charges. The foreign sub-custodian fee and charges are dependent on the country invested and are charged monthly.

For the financial period from 1 July 2024 to 17 November 2024, the Trustee fee was recognised at a rate of 0.08% per annum subject to a minimum fee of RM12,000 per annum, effective 18 November 2024, the Trustee fee was recognised at a rate of 0.045% per annum (31.12.2023: 0.08% per annum subject to a minimum fee of RM12,000 per annum), while the foreign sub-custodian fee is recognised at RM7,036 (31.12.2023: RM6,033).

There was no further liability to the Trustee and custodian in respect of Trustee's and custodian fees other than the amounts recognised above.

6. OTHER EXPENSES

	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
	RM	RM
Withholding tax	11,224	10,817
Others	2,653	1,669
	<u>13,877</u>	<u>12,486</u>

7. TAXATION

	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>43,321</u>	<u>39,078</u>

A numerical reconciliation between the profit/(loss) before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund was as follows:

	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
	RM	RM
Profit/(loss) before taxation	<u>680,718</u>	<u>(627,986)</u>
Taxation at Malaysian statutory rate of 24% (31.12.2023: 24%)	163,372	(150,717)
Tax effects of:		
- (Loss not deductible for tax purpose)/Income not subject to tax	(177,523)	137,397
- Expenses not deductible for tax purposes	5,047	6,169
- Restriction on tax deductible expenses for ETFs	9,104	7,151
- Foreign source income	43,321	39,078
Taxation	<u>43,321</u>	<u>39,078</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.12.2024	30.06.2024
	RM	Audited RM
At fair value through profit or loss at inception:		
- Quoted securities	<u>6,074,025</u>	<u>5,278,391</u>
	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- Realised loss on disposals	(108,239)	(108,888)
- Unrealised fair value gain/(loss)	719,435	(575,583)
	<u>611,196</u>	<u>(684,471)</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2024				
QUOTED SECURITIES				
HONG KONG, CHINA				
Consumer Discretionary				
Alibaba Group Holding Ltd	11,340	910,457	537,939	8.90
Anta Sports Products Ltd	1,855	71,764	83,137	1.37
BYD Company Ltd	1,505	138,131	230,988	3.82
China Tourism Group Duty Free Corporation Ltd	105	10,072	3,210	0.05
Great Wall Motor Company Ltd	3,500	43,427	27,524	0.46
Haier Smart Home Co. Ltd.	3,290	55,604	52,086	0.86
JD. Com, Inc.	3,266	449,047	255,710	4.23
Li Auto Inc.	1,750	88,992	94,652	1.57
Meituan	5,588	430,029	488,017	8.07
Midea Group Co., Ltd	490	22,583	21,312	0.35
Trip.Com Group Limited	805	143,057	250,255	4.14
	<u>33,494</u>	<u>2,363,163</u>	<u>2,044,830</u>	<u>33.82</u>
Consumer Staples				
Nongfu Spring Co., Ltd.	<u>2,660</u>	<u>53,000</u>	<u>51,989</u>	<u>0.86</u>
Energy				
China Coal Energy Company Limited	2,800	13,903	14,975	0.25
China Petroleum & Chemical Corporation	36,610	95,776	93,789	1.55
China Shenhua Energy Company Limited	5,180	61,289	100,199	1.66
PetroChina Company Ltd	<u>31,220</u>	<u>113,616</u>	<u>109,816</u>	<u>1.82</u>
	<u>75,810</u>	<u>284,584</u>	<u>318,779</u>	<u>5.28</u>
Financials				
Agricultural Bank of China Ltd	46,445	78,881	118,450	1.96
Bank of China Limited	113,400	192,707	259,177	4.29
Bank of Communications Co., Ltd.	10,710	30,797	39,399	0.65
China Citic Bank Corporation Limited	13,300	31,642	41,117	0.68
China Construction Bank Corporation	108,150	326,555	403,454	6.67
China Everbright Bank Company Ltd	5,110	9,650	8,884	0.15

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2024 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Financials (continued)				
China Life Insurance Company Ltd	11,480	114,405	97,020	1.60
China Merchants Bank Co., Ltd.	5,635	64,490	129,762	2.15
China Merchants Securities Co., Ltd	700	6,433	6,448	0.11
China Minsheng Banking Corp., Ltd.	8,750	24,475	17,328	0.29
China Pacific Insurance (Group) Co., Ltd.	3,850	53,554	55,854	0.92
China Securities Co., Ltd.	1,400	4,520	7,915	0.13
Citic Securities Company Ltd	2,380	24,445	29,253	0.48
Industrial And Commercial Bank of China Ltd	101,500	264,066	304,437	5.04
PICC Property and Casualty Company Ltd	9,940	57,238	70,157	1.16
Ping An Insurance (Group) Company of China, Ltd.	8,820	286,365	233,825	3.87
Postal Savings Bank of China Co., Ltd.	14,840	38,331	39,128	0.65
The People's Insurance Company (Group) of China Ltd	12,250	22,576	27,292	0.45
	<u>478,660</u>	<u>1,631,130</u>	<u>1,888,900</u>	<u>31.25</u>
Health Care				
Beigene, Ltd.	1,155	75,539	72,610	1.20
WuXi AppTec Co., Ltd.	357	12,558	11,612	0.19
	<u>1,512</u>	<u>88,097</u>	<u>84,222</u>	<u>1.39</u>
Industrials				
China Railway Group Ltd	4,900	13,666	11,171	0.18
China Tower Corporation Limited	70,000	38,195	45,135	0.75
CITIC Ltd	9,520	43,768	50,477	0.83
COSCO Shipping Holdings Co., Ltd.	4,270	34,528	31,465	0.52
CRRC Corporation Ltd	5,600	15,792	16,152	0.27
	<u>94,290</u>	<u>145,949</u>	<u>154,400</u>	<u>2.55</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
31.12.2024 (CONTINUED)				
QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Information Technology				
Hanergy Thin Film Power Group Ltd *	102,900	332,879	-	-
Xiaomi Corporation	16,940	239,180	336,454	5.57
	<u>119,840</u>	<u>572,059</u>	<u>336,454</u>	<u>5.57</u>
Materials				
CMOC Group Limited	5,600	23,774	16,925	0.28
Zijin Mining Group Company Ltd	9,030	52,880	73,507	1.22
	<u>14,630</u>	<u>76,654</u>	<u>90,432</u>	<u>1.50</u>
Real Estate				
China Resources Land Ltd	<u>4,340</u>	<u>46,840</u>	<u>56,342</u>	<u>0.93</u>
Telecommunication Services				
Baidu, Inc.	3,360	265,717	159,970	2.65
Kuaishou Technology	4,130	250,289	98,315	1.63
Netease, Inc.	2,555	229,385	203,573	3.37
Tencent Holdings Ltd	2,335	401,954	560,552	9.27
	<u>12,380</u>	<u>1,147,345</u>	<u>1,022,410</u>	<u>16.92</u>
Utilities				
CGN Power Co., Ltd	<u>15,400</u>	<u>22,279</u>	<u>25,267</u>	<u>0.42</u>
TOTAL QUOTED SECURITIES	<u>853,016</u>	<u>6,431,100</u>	<u>6,074,025</u>	<u>100.49</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(357,075)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>6,074,025</u>		

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024				
Audited				
QUOTED SECURITIES				
HONG KONG, CHINA				
Consumer Discretionary				
Alibaba Group Holding Ltd	10,780	935,083	459,403	8.50
Anta Sports Products Ltd	1,715	65,210	77,752	1.44
BYD Company Ltd	1,330	113,706	186,520	3.45
China Tourism Group Duty Free Corporation Ltd	105	10,072	3,037	0.06
Great Wall Motor Company Ltd	2,800	38,948	20,378	0.38
Haier Smart Home Co. Ltd.	2,940	50,742	46,385	0.86
JD. Com, Inc.	3,126	472,811	195,198	3.61
Li Auto Inc.	1,400	71,177	59,493	1.10
Meituan	6,638	510,832	445,797	8.24
Trip.Com Group Limited	735	128,648	166,434	3.08
	<u>31,569</u>	<u>2,397,229</u>	<u>1,660,397</u>	<u>30.72</u>
Consumer Staples				
Nongfu Spring Co., Ltd.	<u>2,310</u>	<u>48,062</u>	<u>51,735</u>	<u>0.96</u>
Energy				
China Coal Energy Company Limited	2,800	13,903	15,436	0.29
China Petroleum & Chemical Corporation	33,110	87,128	101,273	1.87
China Shenhua Energy Company Limited	4,620	50,862	100,398	1.86
PetroChina Company Ltd	28,420	104,511	135,718	2.51
Yankuang Energy Group Company Limited	4,095	33,773	27,625	0.51
	<u>73,045</u>	<u>290,177</u>	<u>380,450</u>	<u>7.04</u>
Financials				
Agricultural Bank of China Ltd	40,845	66,225	82,465	1.53
Bank of China Limited	109,900	185,450	255,767	4.73
Bank of Communications Co., Ltd.	10,010	28,362	37,092	0.69
China Citic Bank Corporation Limited	11,900	27,582	36,039	0.67

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 Audited (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Financials (continued)				
China Construction Bank Corporation	116,200	350,186	405,292	7.50
China Everbright Bank Company Ltd	5,110	9,650	7,506	0.14
China International Capital Corporation Ltd	2,100	20,234	11,031	0.20
China Life Insurance Company Ltd	10,080	103,974	67,269	1.24
China Merchants Bank Co., Ltd.	5,215	57,144	111,752	2.07
China Minsheng Banking Corp., Ltd.	8,750	24,475	14,281	0.26
China Pacific Insurance (Group) Co., Ltd.	3,500	48,691	40,325	0.75
China Securities Co., Ltd.	1,400	4,520	4,900	0.09
Citic Securities Company Ltd	2,030	20,054	14,112	0.26
Industrial And Commercial Bank of China Ltd	98,000	253,267	274,872	5.08
PICC Property and Casualty Company Ltd	9,100	52,584	53,358	0.99
Ping An Insurance (Group) Company of China, Ltd.	8,330	276,436	178,252	3.30
Postal Savings Bank of China Co., Ltd.	14,000	36,394	38,760	0.72
The People's Insurance Company (Group) of China Ltd	10,150	18,966	16,443	0.30
	<u>466,620</u>	<u>1,584,194</u>	<u>1,649,516</u>	<u>30.52</u>
Health Care				
Beigene, Ltd.	875	56,956	45,593	0.84
WuXi AppTec Co., Ltd.	357	12,558	6,301	0.12
	<u>1,232</u>	<u>69,514</u>	<u>51,894</u>	<u>0.96</u>

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 Audited (CONTINUED) QUOTED SECURITIES (CONTINUED)				
HONG KONG, CHINA (CONTINUED)				
Industrials				
China Railway Group Ltd	4,900	13,666	12,766	0.24
CITIC Ltd	8,120	36,632	34,850	0.64
COSCO Shipping Holdings Co., Ltd.	3,570	29,667	29,478	0.55
CRRC Corporation Ltd	4,900	13,914	14,928	0.28
	<u>21,490</u>	<u>93,879</u>	<u>92,022</u>	<u>1.71</u>
Information Technology				
Hanergy Thin Film Power Group Ltd *	102,900	332,879	-	-
Xiaomi Corporation	19,740	281,097	196,648	3.64
	<u>122,640</u>	<u>613,976</u>	<u>196,648</u>	<u>3.64</u>
Materials				
CMOC Group Limited	4,900	21,607	21,149	0.39
Zijin Mining Group Company Ltd	7,630	41,149	76,009	1.41
	<u>12,530</u>	<u>62,756</u>	<u>97,158</u>	<u>1.80</u>
Real Estate				
China Overseas Land & Investment Ltd.	5,250	66,487	42,970	0.78
China Resources Land Ltd	3,640	37,794	58,419	1.08
	<u>8,890</u>	<u>104,281</u>	<u>101,389</u>	<u>1.86</u>
Telecommunication Services				
Baidu, Inc.	3,080	252,500	158,720	2.93
Kuaishou Technology	3,780	242,471	105,451	1.94
Netease, Inc.	2,415	220,022	217,661	4.02
Tencent Holdings Ltd	2,160	355,712	486,238	8.98
	<u>11,435</u>	<u>1,070,705</u>	<u>968,070</u>	<u>17.87</u>
Utilities				
CGN Power Co., Ltd	14,000	20,128	29,112	0.54

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
30.06.2024 Audited (CONTINUED) QUOTED SECURITIES (CONTINUED)				
TOTAL QUOTED SECURITIES	<u>765,761</u>	6,354,901	<u>5,278,391</u>	<u>97.62</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,076,510)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>5,278,391</u>		

* Trading in the securities of the counter has been suspended since 20 May 2015 and subsequently delisted from Hong Kong Stock Exchange (“HKEx”) effective 11 June 2019. Based on announcement in HKEx, Hanergy Mobile Energy Holding Group Co Ltd proposed to take over Hanergy Thin Film Power Group Ltd. The Manager will act on the securities of the counter upon the announcement of the plans subsequent to the completion of the acquisition. Until then, the securities of the counter continue to remain deposited with the central securities depository during the period of suspension/delisting as it was not mandatory for the securities to be withdrawn.

9. CASH AND CASH EQUIVALENTS

	31.12.2024	30.06.2024 Audited
	RM	RM
Bank balances	<u>51,693</u>	<u>153,617</u>

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Net assets attributable to unit holders as at the reporting date comprised:

	31.12.2024	30.06.2024 Audited
	RM	RM
Unit holders’ contributions**	(51,281)	(51,281)
Retained earnings	<u>6,095,597</u>	<u>5,458,200</u>
	<u>6,044,316</u>	<u>5,406,919</u>

** The negative Unitholders’ contributions balance as at reporting date is due to the cancellation of units at a higher NAV price than when the units were created.

10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)

The movement in the components of net assets attributable to unit holders for the financial period were as follows:

	Unit holders' capital** RM	Retained earnings RM	Total RM
Balance as at 1 July 2024	(51,281)	5,458,200	5,406,919
Total comprehensive income for the financial period	-	637,397	637,397
Balance as at 31 December 2024	<u>(51,281)</u>	<u>6,095,597</u>	<u>6,044,316</u>
Balance as at 1 July 2023	(51,281)	5,514,771	5,463,490
Total comprehensive loss for the financial period	-	(667,064)	(667,064)
Balance as at 31 December 2023	<u>(51,281)</u>	<u>4,847,707</u>	<u>4,796,426</u>

** The negative Unitholders' contributions balance as at reporting date is due to the cancellation of units at a higher NAV price than when the units were created.

11. OTHER PAYABLES AND ACCRUALS

	31.12.2024 RM	30.06.2024 Audited RM
Provision for auditors' fee	2,304	25,400
Provision for tax agent's fee	17,813	4,400
Other accruals	67,909	69,245
	<u>88,026</u>	<u>99,045</u>

12. NUMBER OF UNITS IN CIRCULATION (UNITS)

	01.07.2024 to 31.12.2024	01.07.2023 to 30.06.2024 Audited
	No of units	No of units
At the beginning of the financial period/year	4,550,000	4,550,000
At the end of the financial period/year	<u>4,550,000</u>	<u>4,550,000</u>

13. TOTAL EXPENSE RATIO ("TER")

	01.07.2024 to 31.12.2024 %	01.07.2023 to 31.12.2023 %
TER	<u>0.83</u>	<u>0.82</u>

13. TOTAL EXPENSE RATIO (“TER”) (CONTINUED)

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee and custodian fees
C	=	Auditors’ fee
D	=	License fee
E	=	Tax agent’s fee
F	=	Other expenses
G	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on daily basis is RM5,587,343 (31.12.2023: RM5,292,280).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.07.2024 to 31.12.2024	01.07.2023 to 31.12.2023
PTR (times)	0.09	0.06

PTR is derived based on 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	=	RM547,581 (31.12.2023: RM369,860)
total disposal for the financial period	=	RM445,551 (31.12.2023: RM314,361)

15. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager

16. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers/dealers for the six months financial period ended 31 December 2024 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Limited (Hong Kong)	484,507	51.50	245	51.25
CIMB Securities (Singapore) Pte Ltd #	456,372	48.50	233	48.75
	<u>940,879</u>	<u>100.00</u>	<u>479</u>	<u>100.00</u>

Details of transactions with the brokers/dealers for the six months financial period ended 31 December 2023 were as follows:

Brokers/Dealers	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Limited (Hong Kong)	349,641	51.15	494	43.75
CIMB Securities (Singapore) Pte Ltd.#	333,959	48.85	636	56.25
	<u>683,600</u>	<u>100.00</u>	<u>1,130</u>	<u>100.00</u>

Included in the transactions are trades conducted with CIMB Securities (Singapore) Pte Ltd, fellow related party to the Manager amounting to RM456,372 (31.12.2023: RM333,959). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related party.

17. SEGMENT INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance. In managing the Fund, the Manager attempts to achieve a high positive correlation and a low tracking error between the NAV of the Fund's portfolio and the Benchmark Index. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from investments and gains on the appreciation in the value of investments, which is derived from the 50 largest and most liquid Chinese stocks (Red Chips, H shares and P Chips) listed and trading on the HKEX, Hong Kong.

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

DIRECTORY

TRUST DIRECTORY

Manager

Registered Address

Principal Asset Management Berhad (Company No.: 199401018399 (304078-K))
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange, Kuala Lumpur
MALAYSIA.
Tel: (03) 8680 8000

Business address

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Level 32, Exchange 106,
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Website

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CORPORATE DIRECTORY

Previous Fund Administration and Fund Accounting Service Provider (Before 18 November 2024)

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Business Address

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50250 Kuala Lumpur

Tel: (03) 2053 6788

Previous Trustee (Before 18 November 2024)

Deutsche Trustees Malaysia Berhad (Company No. 200701005591 (763590-H))

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50250 Kuala Lumpur

Previous Custodian (Before 18 November 2024)

(Trustee's Delegate)

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Tel: (03) 2053 6788 Fax: (03) 2031 9822

CORPORATE DIRECTORY

Fund Administration and Fund Accounting Service Provider (On and after 18 November 2024)

HSBC (Malaysia) Trustee Berhad (Company No.: 193701000084 (1281-T))

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Trustee (On and after 18 November 2024)

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