Semi Annual Report to Unitholders 2026

Albilad CSOP MSCI Hong Kong China Equity ETF

C) Fund Manager

1) Name and address of the fund manager

Al-Bilad Investment Company "Al-Bilad Capital".

8068 King Khalid Road Um Al Hamam Al Gharbi- Riyadh 12329 - 2442.

Kingdom of Saudi Arabia.

Phone: 8001160002

Fax: (966+) 112906299

Al-Bilad Investment Company website: www.albilad-capital.com

2) Names and addresses of sub-manager and/or investment advisor (if any)

Not applicable

3) Review of the investment activities during the period

Not applicable

4) A report of investment fund performance during the period

The benchmark's performance during the period was better than the fund's performance by 0.91% Where the fund achieved -12.16% in comparison with the benchmark's performance which achieved -11.26%.

5) Details of any material changes to the Fund's Terms and Conditions

Not applicable

6 Any other information that would enable unitholders to make an informed judgement about the fund's activities during the period

Not applicable

For more information contact us at:

Asset Management
Telephone: +966 11 2039888
Fax: +966 11 2039899
Website: http://www.albilad-capital.com/En/AssetManagement

Albilad Capital Headquarters:

Telephone: +966 920003636
Fax: +966 11 2906299
PO Box: Riyadh 12313 - 3701, Saudi Arabia

7) Where an investment fund invests substantially in other investment funds, a statement must disclose on the proportion of the management fees charged to the fund itself and to funds in which the funds invests:

Not applicable

8) A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized

Not applicable

9) Any other data and other information required by these Regulations to be included in this report.

Not applicable

10) Period for the management of the person registered as fund manager

Since October - 2024

11) A disclosure of the expense ratio of each underlying fund at the end of year and the weighted average ratio of all underlying funds that invested in

Not applicable

E) Auditor

1) Name and address of auditor

PricewaterhouseCoopers

Kingdom of Saudi Arabia P.O. B. 8282 Riyadh 11482

Phone: +966112110400

Website: www.pwc.com

F) Financial Statements

Financial statements for the annual accounting period of the investment fund has been prepared in accordance with SOCPA standards. (Financial Statements attached)

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)

CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
AND INDEPENDENT AUDITOR’S REVIEW REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

Report on review of condensed interim financial information

To the Unitholders and the Fund Manager of
Albilad CSOP MSCI Hong Kong China Equity ETF

Introduction
We have reviewed the accompanying condensed interim statement of financial position of Albilad CSOP MSCI Hong Kong China Equity ETF (the "Fund") as of 30 June 2026 and the related condensed interim statements of income and other comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and explanatory notes. The Fund Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

10 August 2026
(27 Safar 1448H)

PricewaterhouseCoopers Public Accountants
(Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
T: +966 (11) 211 0400, F: +966 (11) 211 0401

CR No. 1010371622, UN No. 7000928734, Capital of 500,000 SAR National address: 2537 Mohammad Ibn Fuhayd St secondary no. 7912, West Umm Al Hamam Dist, postal code 12329 Riyadh, Kingdom of Saudi Arabia

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Assets			
Cash and cash equivalents		**2,366**	1,734
Investments held at fair value through statement of income (FVSI)	5	**4,165,852**	4,907,413
Total assets		**4,168,218**	4,909,147
Liabilities			
Accrued management fee	6	**1,180**	581
Accruals and other liabilities		**1,133**	1,004
Total liabilities		**2,313**	1,585
Equity attributable to the Unitholders		**4,165,905**	4,907,562
Units in issue in thousands		**414,600**	429,000
Equity per unit in Saudi Riyals		**10.0480**	11.4395

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
(All amounts in Saudi Riyals ‘000’ unless otherwise stated)

	Note	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Income			
Net (loss) / gain from investments held at fair value through statement of income (“FVSI”)	5	**(596,699)**	834,082
Total income		**(596,699)**	834,082
Expenses			
Management fee	6	**(599)**	(261)
Other expenses		**(771)**	(1,024)
Total expenses		**(1,370)**	(1,285)
Net (loss) / income for the period		**(598,069)**	832,797
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		**(598,069)**	832,797
(Loss) / earnings per unit			
Weighted average number of units in issue in thousands		**428,533**	449,002
(Loss) / earnings per unit in Saudi Riyals (basic and diluted)		**(1.3956)**	1.8548

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS
(All amounts in Saudi Riyals ‘000’ unless otherwise stated)

	For the six-month period ended 30 June	
	2026	**2025**
Equity at the beginning of the period (Audited)	**4,907,562**	4,219,186
Total comprehensive (loss) / income for the period	**(598,069)**	832,797
Changes from unit transactions		
Proceeds from issuance of units	**1,193**	1,025
Payment against redemptions of units	**(144,781)**	(11,328)
Net change from unit transactions	**(143,588)**	(10,303)
Equity at the end of the period (Unaudited)	**4,165,905**	5,041,680

	For the six-month period ended 30 June	
	2026 Units ‘000’	**2025 Units ‘000’**
Units at beginning of the period (Audited)	**429,000**	449,600
Units issued	**100**	100
Units redeemed	**(14,500)**	(1,100)
Net change in units	**(14,400)**	(1,000)
Units at the end of the period (Unaudited)	**414,600**	448,600

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals '000' unless otherwise stated)

	For the six-month period ended 30 June	
	2026 (Unaudited)	**2025 (Unaudited)**
Cash flows from operating activities		
Net (loss) / income for the period	**(598,069)**	832,797
Adjustment for:		
- Unrealised loss/(gain) on re-measurement of investments held at FVSI, net	**596,740**	(833,763)
	(1,329)	(966)
Net changes in operating assets and liabilities		
Investments held at FVSI	**144,821**	11,159
Receivable against sale of investments held at FVSI	**-**	183
Accrued management fee	**599**	261
Accruals and other liabilities	**129**	844
Net cash generated from operating activities	**144,220**	11,481
Cash flows from financing activities		
Proceeds from issuance of units	**1,193**	1,025
Payment against redemptions of units	**(144,781)**	(11,328)
Net cash used in financing activities	**(143,588)**	(10,303)
Net change in cash and cash equivalents	**632**	1,178
Cash and cash equivalents at the beginning of the period	**1,734**	383
Cash and cash equivalents at the end of the period	**2,366**	1,561
Supplemental information		
Purchase of investments	**1,193**	1,024
Sale of investments	**146,014**	12,183

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad CSOP MSCI Hong Kong China Equity ETF (the “Fund”) is an open-ended exchange traded fund established and managed by Albilad Investment Company (the “Fund Manager”), a subsidiary of Bank Albilad (the "Bank") for the benefit of the Fund's Unitholders (the “Unitholders”). The objective of the Fund is to provide investment results that closely correspond to the performance of the “MSCI HK China Connect Select Index” through CSOP MSCI HK China Connect Select ETF (“Foreign Fund”) that is compliant with the standards of the Fund Manager’s Shariah Committee of Albilad Capital and managed by CSOP, before calculating any fees or expenses.

The activities of the Fund conform to the rules and controls set by the Shariah Board.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. The management of the Fund is the responsibility of the Fund Manager.

Riyad Capital is the “Custodian” of the Fund.

In September 2024, the Capital Market Authority (CMA) approved Albilad Investment Company’s request to offer and register “Albilad CSOP MSCI Hong Kong China Equity ETF” units on Tadawul as Exchange Traded Fund (ETF). The Fund started trading on Tadawul as an ETF on 21 Rabi‘ II 1446H (corresponding to 24 October 2024, with the symbol 9410).

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Board of the Capital Market Authority (the "CMA") pursuant to Resolution Number 1-219-2006 dated 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were subsequently amended by Resolution Number 2-22-2021 of the Board of the CMA dated 12 Rajab 1442H (corresponding to 24 February 2021), effective from 19 Ramadan 1442H (corresponding to 1 May 2021), and published as the amended Investment Fund Regulations (the "Amended Regulations") by the CMA on 17 Rajab 1442H (corresponding to 1 March 2021), detailing the requirements for all funds operating within the Kingdom of Saudi Arabia. The Regulations were further amended by Resolution Number 1-54-2025 dated 23 Dhul Qi'dah 1446H (corresponding to 21 May 2025), effective from 14 Muharram 1447H (corresponding to 9 July 2025), and most recently by Resolution Number 1-135-2025 dated 3 Jumada Al-Akhirah 1447H (corresponding to 24 November 2025). The latter represents the latest amendment to the Regulations up to the date of this condensed interim financial information, and the Fund complies with the Regulations and the directives applicable to public funds issued by the CMA.

The registered office of the Fund is West Umm Alhamam Street – 8068 Muhammad Ibn Fuhayd – Riyadh 12329-2442 Kingdom of Saudi Arabia.

1.1 PRIMARY MARKET OPERATIONS (ISSUANCE AND REDEMPTION OF UNITS)

The primary market operations are carried out only by the Fund Manager, Albilad Investment Company, which also acts as the authorised Market Maker. Issuance and Redemption activities are undertaken in blocks of exchange traded fund (ETF) units (for the Fund, one block equals 50,000 ETF units), referred to as Issuance and Redemption of units respectively. The issuance and redemption of ETF units is carried out on an in-kind basis, whereby the Market Maker exchanges ETF units of the Fund for the corresponding basket of assets, through the Custodian. The issued units are then freely floated on Tadawul for public trading.

2 BASIS OF PREPARATION

This condensed interim financial information of the Fund has been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (IAS 34) as endorsed in the Kingdom of Saudi Arabia. This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the actual results for the full year ending on 31 December 2026 and final results may differ.

2 BASIS OF PREPARATION (continued)

The condensed interim financial information has been prepared under the historical cost convention using the accrual basis of accounting, except for the fair valuation of investments held at fair value through statement of income (FVSI).

The principal accounting policies, estimates and assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the annual financial statements for the year ended 31 December 2025, except as described in note 3 below.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no areas of significant judgment or significant assumptions used in the preparation of this condensed interim financial information.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standards Board (IASB) has issued the following new accounting standards and amendments, which were effective for periods on or after 1 January 2026. The Fund Manager has assessed that the new standards and amendments have had no material impact on the Fund’s financial information.

Standard / Interpretation	**Description**	**Effective from periods beginning on or after**
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

New standards, interpretations and amendments adopted by the Fund (continued)

Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows	1 January 2026

Standards issued but not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. The Fund Manager is in the process of assessing the impact of these new and amended standards and interpretations on the Fund's financial statements.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements*	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

(All amounts in Saudi Riyals '000' unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted (continued)

Standard/ Interpretation	**Description**	**Effective from periods beginning on or after**
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS.	1 January 2027

*The Fund Manager is currently assessing the impact of IFRS 18 on the Fund's financial statements. Based on the assessment performed to date, the principal impact is expected to relate to the presentation and structure of the statement of income, including the introduction of the newly required subtotals of 'operating profit' and 'profit before financing', together with the potential revised classification of income and expenses into the categories introduced by IFRS 18. The adoption of IFRS 18 is not expected to have an impact on the Fund's reported net income or net asset value.

The related consequential amendments to IAS 7 are also expected to result in presentational changes to the statement of cash flows, principally the change in the starting point of the indirect reconciliation from net income to operating profit.

The Fund Manager does not currently expect any subtotals of income and expenses presented in its public communications to meet the definition of management-defined performance measures under IFRS 18. This assessment will be reviewed prior to the effective date.

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). This condensed interim financial information is presented in Saudi Riyals ("SR") which is the Fund's functional and presentation currency. All financial information presented in SR has been rounded to the nearest thousand.

The Fund's functional and presentation currency is the Saudi Riyal. Although the Fund did not enter into any direct foreign currency transactions during the six-month period ended 30 June 2026, it is indirectly exposed to foreign currency risk to the extent that its underlying investment in the Foreign Fund is denominated in Hong Kong dollars. Refer to Note 8.1(a)(i) for details of the Fund's foreign currency risk exposure and related sensitivity analysis.

(All amounts in Saudi Riyals ‘000’ unless otherwise stated)

5. INVESTMENTS HELD AT FAIR VALUE THROUGH STATEMENT OF INCOME (FVSI)

Investments held at fair value through statement of income (FVSI) represent the Fund's investment in CSOP MSCI HK China Connect Select ETF (the "Foreign Fund"), which tracks the MSCI HK China Connect Select Index. This is the Fund's sole underlying investment.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Opening balance	**4,907,413**	4,219,038
Purchases during the period / year	1,193	—
Disposals during the period / year (carrying value)	(146,014)	(12,183)
Unrealised (loss)/gain on remeasurement	(596,740)	700,558
Closing balance	**4,165,852**	4,907,413

5.1 The following table presents the breakdown of net gain / loss from investments held at fair value through the statement of income (“FVSI”) for the six-month period ended:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Realised gain on sale of investments held at FVSI	41	319
Unrealised (loss)/gain on remeasurement of investments held at FVSI	(596,740)	833,763
Net (loss)/gain from investments held at FVSI	**(596,699)**	834,082

6 RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties

The following table contains the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Albilad Investment Company	The Fund Manager	Management fee	**599**	261
Fund Board	Members of the Fund Board	Fund Board fee	**1**	1

The following table summarises the details of balances with related parties:

Nature of Balance	Related Party	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Accrued management fee	Albilad Investment Company – the Fund Manager	**1,180**	581
Fund Board fee payable	Members of the Fund Board	**1**	-

(All amounts in Saudi Riyals '000' unless otherwise stated)

7 FAIR VALUE ESTIMATION

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

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 hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The estimated fair value of the Fund's financial assets and liabilities not carried at fair value, is not considered to be significantly different from their carrying values. The fair value of investments held at FVSI are based on quoted prices in active markets and are therefore classified within Level 1.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) at 30 June 2026 and 31 December 2025:

		Fair value			
As at 30 June 2026 (Unaudited)	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Cash and cash equivalents	**2,366**	-	-	**2,366**	**2,366**
Financial assets measured at fair value					
Investments held at FVSI	**4,165,852**	**4,165,852**	-	-	**4,165,852**
	4,168,218	**4,165,852**	-	**2,366**	**4,168,218**
Financial liabilities not measured at fair value					
Accrued management fee	**1,180**	-	-	**1,180**	**1,180**
Accruals and other liabilities	**1,133**	-	-	**1,133**	**1,133**
	2,313	-	-	**2,313**	**2,313**

(All amounts in Saudi Riyals '000' unless otherwise stated)

7 FAIR VALUE ESTIMATION (continued)

As at 31 December 2025 (Audited)	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	1,734	-	-	1,734	1,734
Financial assets measured at fair value					
Investments held at FVSI	4,907,413	4,907,413	-	-	4,907,413
	4,909,147	4,907,413	-	1,734	4,909,147
Financial liabilities not measured at fair value					
Accrued management fee	581	-	-	581	581
Accruals and other liabilities	1,004	-	-	1,004	1,004
	1,585	-	-	1,585	1,585

8 FINANCIAL RISK MANAGEMENT

8.1 Financial risk factors

The financial risk management policies are consistent with those disclosed in the Fund's financial statements as at and for the year ended 31 December 2025.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, special commission rate risk and price risk.

The Fund is exposed to market risk due to its investment held at FVSI. The Fund Manager closely monitors the price movement of its financial instruments in Hong Kong markets. The Fund's Portfolio Constituents are evaluated according to the latest closing of the Hong Kong Markets. Accordingly, the indicative unit price announced in the Market will reflect the closing price of the Market on the preceding day, which may be different from the unit trading price.

(i) Foreign currency risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

(All amounts in Saudi Riyals '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(a) Market Risk (continued)

(i) Foreign currency risk (continued)

The Fund trades in Saudi Riyal, while most of the Fund's investments will be denominated in Hong Kong dollars. A change of 5% in the exchange rate to SR, with all other variables held constant, as at the reporting date would increase/decrease Fund's net equity by SR 208,293 (31 December 2025: SR 245,371).

(ii) Special commission rate risk

Special commission rate risk arises from the possibility that changes in the market's special commission rates will affect future profitability or the fair value of financial instruments. The Fund is not subject to special commission rate risks, as it does not have any financial instruments that carry special commission.

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund Manager closely monitors the price movement of its financial instruments listed at Hong Kong Stock Exchange.

The Fund invests primarily in Hong Kong Markets that comply with the Shariah Supervisory Committee Standards. The sector-wise portfolio of investments carried at FVSI is summarised as follows:

	As at 30 June 2026 (Unaudited)		As at 31 December 2025 (Audited)	
Industry sector	**% of total market value**	**Market value**	**% of total market value**	**Market value**
Financial	**100.00%**	**4,165,852**	100.00%	4,907,413
	100.00%	**4,165,852**	100.00%	4,907,413

The effect on the equity value (as a result of change in fair value of investments as at 30 June 2026 and 31 December 2025) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constant is as follows:

	As at 30 June 2026 (Unaudited)		As at 31 December 2025 (Audited)	
Industry sector	**Potential reasonable change %**	**Effect on NAV**	**Potential reasonable change %**	**Effect on NAV**
Financial	**+/-5**	**208,293**	+/-5	245,371
		208,293		245,371

(All amounts in Saudi Riyals ‘000’ unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund is exposed to significant credit risk on the following:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Cash and cash equivalents	**2,366**	1,734
	2,366	1,734

Cash and cash equivalents are held with the financial institutions with investment grade credit rating, therefore the impact of expected credit losses on these balances is insignificant.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund’s Terms and Conditions provide for subscription and redemption of units on every Valuation Day and it is, therefore, exposed to the liquidity risk of meeting redemptions at any time. The Fund’s securities are considered to be readily realisable and they can be liquidated at any time. However, the Fund Manager has established certain liquidity guidelines for the Fund and monitors liquidity requirements on a regular basis to ensure sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by obtaining financing from the related parties. The Fund settles its financial liabilities relating to accrued management fee and other expenses on annual basis.

The Fund manager allows the redemption at the same business day after the request for redemption, if the day is not a business day then redemption will be executed on next business day.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

The maturity profile of financial assets and liabilities is as follows:

As at 30 June 2026 (Unaudited)	**Less than 7 days**	**7 days to 1 month**	**1-12 months**	**More than 12 months**	**Total**
Financial assets					
Cash and cash equivalents	**2,366**	**-**	**-**	**-**	**2,366**
Investments held at FVSI	**4,165,852**	**-**	**-**	**-**	**4,165,852**
	4,168,218	**-**	**-**	**-**	**4,168,218**
Financial liabilities					
Accrued management fee	**1,180**	**-**	**-**	**-**	**1,180**
Accruals and other liabilities	**1,133**	**-**	**-**	**-**	**1,133**
	2,313	**-**	**-**	**-**	**2,313**
Liquidity gap	**4,165,905**	**-**	**-**	**-**	**4,165,905**

(All amounts in Saudi Riyals '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

As at 31 December 2025 (Audited)	**Less than 7 days**	**7 days to 1 month**	**1-12 months**	**More than 12 months**	**Total**
Financial assets					
Cash and cash equivalents	1,734	-	-	-	1,734
Investments held at FVSI	4,907,413	-	-	-	4,907,413
	4,909,147	-	-	-	4,909,147
Financial liabilities					
Accrued management fee	581	-	-	-	581
Accruals and other liabilities	1,004	-	-	-	1,004
	1,585	-	-	-	1,585
Liquidity gap	4,907,562	-	-	-	4,907,562

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders. Operational risks are managed through a structured internal control and governance framework established by the Fund Manager and the Fund's service providers. The Fund Manager's risk management and compliance functions perform regular monitoring and reporting of operational risk incidents and control deficiencies, and remedial actions are taken as necessary to mitigate identified risks and strengthen the control environment.

8.2 Capital risk management

The Fund's equity may vary from one Valuation Day to another as a result of issuances and redemptions of units, as well as changes in the Fund's performance. The Fund's objective when managing capital is to safeguard its ability to continue as a going concern, provide returns to Unitholders and maintain a strong capital base to support the development of the Fund's investment activities.

In order to maintain its capital structure, the Fund monitors the level of issuances and redemptions relative to the liquidity of its underlying assets and the Fund's obligations.

9 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2026 and 31 December 2025 are classified under amortised cost category except for investments held at FVSI which are classified and measured at fair value.

10 SEGMENT REPORTING

The Fund holds a portfolio of equity instruments of entities listed at Hong Kong Stock Exchange. The Fund Manager reviews the Fund's performance and allocates its resources on an aggregated basis as a single operating segment. Accordingly, the Fund comprises one operating segment for the purposes of IFRS 8 'Operating Segments', and no separate segment information is presented.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2026 (31 December 2025: Nil).

12 SUBSEQUENT EVENTS

There have been no events subsequent to the reporting date, and up to the date of authorisation of this condensed interim financial information for issue, that require adjustment to, or disclosure in, this condensed interim financial information.

13 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purposes of the preparation of this condensed interim financial information was 30 June 2026 (2025: 31 December 2025).

14 DIVIDENDS

No dividends were declared or paid during the period ended 30 June 2026 (30 June 2025: Nil).

15 APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was approved and authorised for issuance by the Fund Board on 10 August 2026.