

**YAQEEN PETROCHEMICAL ETF**  
**(Managed by Yaqeen Capital)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
For the six-month period ended 30 June 2024  
Together with the  
**Independent Auditor's Review Report**



**YAQEEN PETROCHEMICAL ETF**  
**(Managed by Yaqeen Capital)**  
**CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)**  
For the six-month period ended 30 June 2024

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Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

والجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

## To the Unitholders of Yaqeen Petrochemical ETF

### Introduction

We have reviewed the accompanying condensed interim financial statements of **Yaqeen Petrochemical ETF** (the "Fund"), managed by Yaqeen Capital (the "Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2024;
- the condensed interim statement of comprehensive income for the six-month period ended 30 June 2024;
- the condensed interim statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2024;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority and the Fund's Terms and Conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is 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 that are 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 30 June 2024 condensed interim financial statements of **Yaqeen Petrochemical ETF** (the "Fund") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

Hani Hamzah A. Bedairi  
License No. 460



Riyadh on 8 August 2024  
Corresponding to: 4 Safar 1446H

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها ٤٠,٠٠٠,٠٠٠ ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

**YAQEEN PETROCHEMICAL ETF**

(Managed By Yaqeen Capital)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2024**

(All amounts are in Saudi Riyals unless stated otherwise)

	<b><u>Notes</u></b>	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>ASSETS</b>			
Cash and cash equivalents	6	<b>50,589</b>	98,207
Financial assets at fair value through profit or loss (FVTPL)	7	<b>7,346,419</b>	5,694,489
Dividend receivable		<b>15,500</b>	9,223
<b>Total assets</b>		<b>7,412,508</b>	5,801,919
<b>LIABILITIES</b>			
Management fee payable	9	<b>11,132</b>	8,162
Other liabilities	9	<b>11,132</b>	8,162
<b>Total liabilities</b>		<b>22,264</b>	16,324
<b>Net assets (equity) attributable to the Unitholders</b>		<b>7,390,244</b>	5,785,595
<b>Units in issue (number)</b>		<b>250,000</b>	175,000
<b>Net asset value per unit</b>	10	<b>29.56</b>	33.06

The accompanying notes from 1 to 14 form an integral part of these condensed interim financial statements.

**YAQEEEN PETROCHEMICAL ETF**  
(Managed By Yaqeen Capital)  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
(All amounts are in Saudi Riyals unless stated otherwise)

		<b>30 June 2024</b>	<b>30 June 2023</b>
	<b><u>Notes</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Unaudited)</u></b>
<b>Income</b>			
Dividend income		<b>117,880</b>	122,754
Fair value (loss) / gain on financial assets at FVTPL, net		<b><u>(980,479)</u></b>	<u>122,156</u>
<b>Total (loss) / income</b>		<b><u>(862,599)</u></b>	<u>244,910</u>
<b>Expenses</b>			
Management fees	9	<b>(22,338)</b>	(17,370)
Other expenses	9	<b><u>(22,338)</u></b>	<u>(17,370)</u>
<b>Total expenses</b>		<b><u>(44,676)</u></b>	<u>(34,740)</u>
<b>(Loss) / profit for the period</b>		<b><u>(907,275)</u></b>	210,170
Other comprehensive income for the period		<u>-</u>	<u>-</u>
<b>Total comprehensive (loss) / income for the period</b>		<b><u>(907,275)</u></b>	<u>210,170</u>

The accompanying notes from 1 to 14 form an integral part of  
these condensed interim financial statements.

**YAQEEEN PETROCHEMICAL ETF**  
(Managed By Yaqeen Capital)  
**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)**  
**ATTRIBUTABLE TO THE UNITHOLDERS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
(All amounts are in Saudi Riyals unless stated otherwise)

	<u><b>30 June 2024</b></u>	<u>30 June 2023</u>
<b>Net assets (equity) attributable to the Unitholders at the beginning of the period (Audited)</b>	<b>5,785,595</b>	5,944,346
Total comprehensive (loss) / income for the period	<b>(907,275)</b>	210,170
<b>Unitholders subscriptions and redemptions:</b>		
Issuance of redeemable units during the period	<u><b>2,511,924</b></u>	<u>-</u>
<b>Net assets (equity) attributable to the Unitholders at the end of the period (Unaudited)</b>	<u><b>7,390,244</b></u>	<u>6,154,516</u>

**Movement in number of units**

The movement in number of units for the six-month period ended 30 June is as follows:

	<u><b>30 June 2024</b></u>	<u>30 June 2023</u>
<b>Number of units at the beginning of the period (Audited)</b>	<b>175,000</b>	175,000
Issuance of redeemable units during the period	<u><b>75,000</b></u>	<u>-</u>
<b>Number of units at the end of the period (Unaudited)</b>	<u><b>250,000</b></u>	<u>175,000</u>

The accompanying notes from 1 to 14 form an integral part of these condensed interim financial statements.

**YAQEEN PETROCHEMICAL ETF**  
(Managed By Yaqeen Capital)  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
(All amounts are in Saudi Riyals unless stated otherwise)

	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
<b>Cash flows from operating activities:</b>		
(Loss) / profit for the period	<b>(907,275)</b>	210,170
<i>Adjustments to reconcile profit for the period to net cash flows used in operating activities:</i>		
Fair value loss / (gain) on financial assets at FVTPL, net	<b>980,479</b>	(122,156)
<b>Net (increase) / decrease in operating assets and liabilities:</b>		
Purchase of financial assets at FVTPL	<b>(2,632,409)</b>	(135,176)
Dividend receivable	<b>(6,277)</b>	-
Management fee payable	<b>2,970</b>	1,132
Other liabilities	<b>2,970</b>	1,132
<b>Net cash used in operating activities</b>	<b>(2,559,542)</b>	(44,898)
<b>Cash flows from financing activities:</b>		
Issuance of redeemable units during the period	<b>2,511,924</b>	-
<b>Net cash generated from financing activities</b>	<b>2,511,924</b>	-
<b>Net decrease in cash and cash equivalents</b>	<b>(47,618)</b>	(44,898)
Cash and cash equivalents at the beginning of the period	<b>98,207</b>	138,710
<b>Cash and cash equivalents at the end of the period</b>	<b>50,589</b>	93,812

The accompanying notes from 1 to 14 form an integral part of these condensed interim financial statements.

# **Yaqeen Petrochemical ETF**

(Managed By Yaqeen Capital)

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(All amounts are in Saudi Riyals unless stated otherwise)

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### **1. GENERAL**

Yaqeen Petrochemical ETF (the "Fund") is a fund established under contractual agreement between Yaqeen Capital (the "Fund Manager") and investors in the Fund (the "Unitholders"). The Fund aims to achieve capital growth and gains in the long term through inactive management of a basket of shares of companies in the petrochemical industry listed on the Saudi stock exchange (i.e. Tadawul) for the purpose of achieving performance level similar to index performance before fees and expenses. The Fund is "open-ended" and does not normally distribute any dividends to the Unitholders. Instead, all profits collected in the Fund are reinvested and reflected in the price of the Fund's unit. The Fund may, at the discretion and approval of its Board of Directors, distribute excess liquidity in the form of distributions to the Unitholders.

The address of the Fund manager is as follows:

Yaqeen Capital  
Olaya Street, P.O. 884  
Riyadh 11421  
Kingdom of Saudi Arabia

Yaqeen Capital is the administrator of the Fund. Further, Yaqeen Capital is assigned as the custodian of the Fund.

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. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license was granted to the Fund on 11 Rajab 1431H (corresponding to 23 June 2010). The Fund commenced its activities on 23 Rajab 1431H (corresponding to 5 July 2010).

The Fund is governed by the Investment Fund Regulations (the "Regulations").

#### **1.1 Primary market operation (creation and redemption of units)**

The primary market operations are only carried out by the Fund Manager who is the authorized Market Maker. The creation and redemption activities are done on the basis of blocks of exchange traded fund (ETF) units, referred to as "creation unit and redemption unit" respectively. The process of creation and redemption of ETF units is on an in-kind basis whereby the Fund Manager and the Market Maker i.e Yaqeen Capital interexchange ETF units with the Fund and the basket of assets, through the custodian, for the purpose of creation and redemption of ETF units. The created units are then freely floated on Tadawul for public trading.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS-34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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.



## YAQEEEN PETROCHEMICAL ETF

(Managed By Yaqeen Capital)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(All amounts are in Saudi Riyals unless stated otherwise)

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## 2. BASIS OF PREPARATION (CONTINUED)

### 2.1 Statement of compliance (continued)

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date. The Fund has also complied with Investment Funds Regulations published by CMA and the Fund's terms and conditions (collectively hereinafter referred to as "Terms and Conditions").

The disclosures made in these condensed interim financial statements have been limited in accordance with the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 31 December 2023.

### 2.2 Basis of measurement

These condensed interim financial statements have been prepared on a historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Furthermore, these condensed interim financial statements are prepared using going concern basis.

### 2.3 Functional and presentation currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These condensed interim financial statements are presented in Saudi Riyals which is the Fund's functional and presentation currency.

### 2.4 Use of judgements and estimates

In the ordinary course of business, the preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. There are no areas of significant judgment or critical assumption used in the preparation of these condensed interim financial statements.

## 3. NEW AND AMENDED STANDARDS

Following are the amendments to standards which are effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards did not have a significant impact on the condensed interim financial statements of the Fund.

- a. Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors
- b. Amendment to IAS 1 and IFRS Practice Statement 2 relating to disclosure of Accounting Policies
- c. Deferred Tax related to Assets and liabilities arising from a Single Transaction – Amendment to IAS 12

### Standards issued but not yet effective

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2024 and earlier application is permitted however, the Fund has not early adopted them in preparing these interim financial statements. The following standards are not expected to have a significant impact on the condensed interim financial statements of the Fund upon adoption:

- d. Lack of exchangeability (Amendments to IAS 21). [Effective date: 1 January 2025]
- e. Presentation and disclosure in financial statements (Amendments to IFRS 18). [Effective date: 1 January 2027]
- f. Reducing disclosures for subsidiaries (Amendment to IFRS 19). [Effective date: 1 January 2027]
- g. Sale or contribution of assets between investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28). [Available for optional adoption / effective date deferred indefinitely]

**YAQEEEN PETROCHEMICAL ETF**

(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(All amounts are in Saudi Riyals unless stated otherwise)

**4. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the last annual audited financial statements of the Fund for the year ended 31 December 2023.

**5. MANAGEMENT FEE, CUSTODY FEE AND OTHER EXPENSES**

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on an accrual basis. Management and custody fee are based on predetermined rates specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

**Management fee**

The Fund pays 0.5% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

**Custody fee**

The Fund accrues custody fee at an annual rate of 0.03% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

**Administrative fee**

The Fund accrues administrative fee at an annual rate of 0.22% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

**Index fee**

The Fund accrues index fee at an annual rate of 0.10% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

**Listing and recording fee**

The Fund accrues index fee at an annual rate of 0.08% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

**6. CASH AND CASH EQUIVALENTS**

	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Cash at bank	<b>50,589</b>	<b>98,207</b>

Cash and cash equivalent comprise balances held with Banque Saudi Fransi which has a A2 long term credit rating as per Moody's.

**YAQEEN PETROCHEMICAL ETF**

(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(All amounts are in Saudi Riyals unless stated otherwise)

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

The Fund's financial assets at FVTPL comprise of investments in the shares of petrochemical sector companies listed on the Saudi Stock Exchange, Tadawul. The Fund invests in the shares of Saudi petrochemical sector companies (FSBI), considering the relative weights of assets distribution, while sufficient cash is kept in the Fund continuously, to meet the expenses and any other obligations of the Fund.

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
<b>Opening balance</b>	<b>5,694,489</b>	5,821,082
Purchased during the period / year	<b>2,632,409</b>	224,353
	<b>8,326,898</b>	6,045,435
<b>Net changes in investment at FVTPL</b>		
Unrealized fair value (loss) / gain, net for the period / year	<b>(980,479)</b>	(350,946)
<b>Closing balance</b>	<b>7,346,419</b>	5,694,489

**8. FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

The fair value hierarchy consists of the following levels:

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

Investments are based on prices quoted in active markets classified as level 1 and include quoted equity instruments. The Fund does not adjust the quoted price for these instruments.

The Fund has classified investments measured at fair value through profit or loss (FVTPL) as level 1 as per the fair value hierarchy. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities, such as cash and cash equivalents, accrued management fees and other liabilities, the carrying values were determined to be a reasonable approximation of fair value due to their nature.

# Yaqeen Petrochemical ETF

(Managed By Yaqeen Capital)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(All amounts are in Saudi Riyals unless stated otherwise)

### 9. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The related parties of the Fund include Fund Manager, the Fund's Board, other Funds managed by the Fund Manager, and the key management personnel of the Fund Manager.

In the ordinary course of business, the Fund transacts with its related parties that are in turn subject to the Fund's terms and conditions approved by the CMA. The Fund entered into the following transactions with its related parties during the period and the balances arising from these transactions are also mentioned below.

Related party	Relationship	Nature of transaction	Transactions for the period		Balance as at	
			30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Yaqeen Capital	Fund Manager	Management fees	(22,338)	(17,370)	11,132	8,162
		Custody fee and other expenses	(22,338)	(17,370)	11,132	8,162
		Net (disposal of) / Investment in units held by Fund Manager – 91,036 units (31 December 2023: 61,501 units)	1,089,562	-	2,691,113	2,033,256
Yaqeen IPO Fund	Fund managed by the Fund Manager	Net investment in units held by another fund managed by the Fund Manager, net – 34,200 units (31 December 2023: 29,200)	158,457	-	1,018,476	876,000

The Fund pays management fees, custody fees and other expenses calculated on each valuation day in the percentages shown below of the Fund's net assets value.

	Percentage
Management fees	0.5%
Other fees and expenses, comprising of:	
- Administrative fees	0.22%
- Custody fees	0.03%
- Index fees	0.10%
- Listing and recording fees	0.08%
- Other fees	0.07%

In accordance with the terms and conditions of the Fund, the annual rate of the Fund's expenses shall not exceed 1% of the net assets value. In addition, the Fund Manager bears any other expenses paid on behalf of the Fund including auditors' remuneration for the review of Fund's condensed interim financial statements for the period ended 30 June 2024 amounting to SR 8,500 (2023: SR 8,500).

**Yaqeen Petrochemical ETF**

(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

(All amounts are in Saudi Riyals unless stated otherwise)

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**10. UNIT VALUE RECONCILIATION**

Financial assets held at amortized cost were considered for ECL as on 30 June 2024. However, the impact of ECL on these assets was immaterial as cash and cash equivalent is held with bank having sound credit rating and there is no history of default or recovery of these balances. Accordingly, these condensed interim financial statements do not contain any ECL adjustments and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

**11. CONTINGENCIES AND COMMITMENTS**

There were no commitments and contingencies as of 30 June 2024.

**12. LAST VALUATION DAY**

The Fund's units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 30 June 2024.

**13. SUBSEQUENT EVENTS**

There are no events subsequent to the reporting period which require adjustment or disclosure to these condensed interim financial statements.

**14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The condensed interim financial statements were approved by the Fund's Board on 8 August 2024.