



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".

8162 King Fahad Branch Road - Olaya, Riyadh 12313-3701

Saudi Arabia.

Phone: 8001160002 Fax: (966+) 112906299

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 1.61% Where the fund achieved 19.76% in comparison with the benchmark's performance which achieved 21.37%.

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



Disclaimer: Past performance of the fund is no guide to future performance and the value of investments and income from them can fall as well as rise. Where included, benchmark and index data included in this document are provided for illustrative purposes only To ensure proper understanding of the product and its suitability to the investor's risk profile, it is strongly recommend that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2025©. (Commercial Registration No. 1010240489) dated 10/07/2017 G, 10/16/1438 H, and is regulated by Saudi Arabia's Capital Market Authority (license No. 08100-37) dated 01/08/1428H 14/08/2007



Albilad CSOP MSCI Hong Kong China Equity ETF

7) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period

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)

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



Disclaimer: Past performance of the fund is no guide to future performance and the value of investments and income from them can fall as well as rise. Where included, benchmark and index data included in this document are provided for illustrative purposes only To ensure proper understanding of the product and its suitability to the investor's risk profile, it is strongly recommend that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2025©. (Commercial Registration No. 1010240489) dated 10/07/2017 G, 10/16/1438 H, and is regulated by Saudi Arabia's Capital Market Authority (license No. 08100-37) dated 01/08/1428H 14/08/2007

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

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND FUND MANAGER**

**ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

Index	Page
Report on review of interim condensed financial information	1
Interim condensed statement of financial position	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity attributable to the Unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial information	6 - 14



Report on review of interim condensed financial information

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Albilad CSOP MSCI Hong Kong China Equity ETF (the "Fund") as of 30 June 2025 and the related interim condensed statements of comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and explanatory notes. Fund Manager is responsible for the preparation and presentation of this interim condensed 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 interim condensed 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 interim condensed 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 2025
(16 Safar 1447H)

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

	Note	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Assets			
Cash and cash equivalents		1,561	383
Investments held at fair value through statement of income (FVSI)		5,041,642	4,219,038
Receivable against sale of investments held at FVSI		-	183
Total assets		5,043,203	4,219,604
Liabilities			
Accrued management fee	5	384	123
Accruals and other liabilities		1,139	295
Total liabilities		1,523	418
Equity attributable to the Unitholders		5,041,680	4,219,186
Units in issue in thousands		448,600	449,600
Equity per unit in Saudi Riyals		11.2387	9.3843

The accompanying notes from 1 to 13 form an integral part of this interim condensed financial information.

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

	Note	For the six-month period ended 30 June 2025
Income		
Net gains from investments held at fair value through statement of income ("FVSI")		<u>834,082</u>
Total income		<u>834,082</u>
Expenses		
Management fee	5	(261)
Other expenses		<u>(1,024)</u>
Total expenses		<u>(1,285)</u>
Net income for the period		832,797
Other comprehensive income for the period		<u>-</u>
Total comprehensive income for the period		<u>832,797</u>
Earnings per unit		
Weighted average number of units in issue in thousands		<u>449,002</u>
Earnings per unit in Saudi Riyals (basic and diluted)		<u>1.8548</u>

The accompanying notes from 1 to 13 form an integral part of this interim condensed financial information.

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

	For the six-month period ended 30 June 2025
Equity at the beginning of the period (Audited)	4,219,186
Total comprehensive income for the period	832,797
Changes from unit transactions	
Proceeds from issuance of units	1,025
Payment against redemptions of units	(11,328)
Net change from unit transactions	(10,303)
Equity at the end of the period (Unaudited)	5,041,680
	For the six-month period ended 30 June 2025
	Units '000'
Units at beginning of the period (Audited)	449,600
Units issued	100
Units redeemed	(1,100)
Net change in units	(1,000)
Units at the end of the period (Unaudited)	448,600

The accompanying notes from 1 to 13 form an integral part of this interim condensed financial information.

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

	For the six-month period ended 30 June 2025
Cash flows from operating activities	
Net income for the period	832,797
Adjustment for:	
- Unrealised gain on re-measurement of investments held at FVSI, net	<u>(833,763)</u>
	(966)
Net changes in operating assets and liabilities	
Investments held at FVSI	11,159
Receivable against sale of investments held at FVSI	183
Accrued management fee	261
Accruals and other liabilities	<u>844</u>
Net cash generated from operating activities	<u>11,481</u>
Cash flows from financing activities	
Proceeds from issuances of units	1,025
Payment against redemptions of the units	<u>(11,328)</u>
Net cash used in financing activities	<u>(10,303)</u>
Net change in cash and cash equivalents	1,178
Cash and cash equivalents at the beginning of the period	<u>383</u>
Cash and cash equivalents at the end of the period	<u>1,561</u>
<u>Supplemental information</u>	
Purchase of investments	<u>1,024</u>
Sale of investments (carrying value)	<u>12,183</u>

The accompanying notes from 1 to 13 form an integral part of this interim condensed financial information.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)

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 ("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 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 Sharia Board.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate interim condensed financial information for the Fund. Furthermore, Unitholders are considered to be the beneficial owners of the assets of the Fund. The management of the Fund is the responsibility of 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).

According to the Terms and Conditions of the Fund, its first annual financial period starts from the commencement date of its operations i.e. 21 Rabi' II 1446H (corresponding to 24 October 2024). The Fund prepared its first set of financial statements for the period from 24 October 2024 (date of commencement of operations) to 31 December 2024 and no interim condensed financial information were produced for the period ended 30 June 2024, accordingly comparative balances / transactions for the six-month period ended 30 June 2024 have not been presented in this interim condensed financial information.

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Board of the Capital Market Authority (CMA) pursuant to its Resolution Number 1 - 219 - 2006 on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and new amendment number 2-22-2021 by resolution of the Board of the CMA on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding to 1 May 2021) by the New Investment Fund Regulations ("Amended Regulations") published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. During the period ended 30 June 2025, CMA has issued another amendment to the regulation via amendment number 1-54-2025 issued on 23 Dhul Qidah 1446H (corresponding to 21 May 2025) which is effective subsequent to the period ended 30 June 2025, from 14 Muharram 1442H (corresponding to 9 July 2025).

The registered office of the Fund is Albilad Investment Company, P.O. Box 8162, Riyadh 12313 – 3701, Kingdom of Saudi Arabia.

1.1 PRIMARY MARKET OPERATION (ISSUANCE AND REDEMPTION OF UNITS)

The primary market operations are only carried out by Fund Manager who is also the authorised Market Maker Albilad Investment Company. The Issuance and Redemption activities are done on the basis of blocks of exchange traded fund (ETF) units (for the Fund, one block equals 100,000 ETF Units), referred to Issuance and Redemption of Units respectively. The process of issuance and redemption of ETF units is on an in-kind basis whereby Fund Manager Market Maker interexchange ETF Units of the Fund and the basket of assets, through the Custodian, for the purpose of issuance and redemption of ETF units. The issued units are then freely floated on Tadawul for public trading.

2 BASIS OF PREPARATION

This interim condensed 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 interim condensed financial information should be read in conjunction with the annual financial statements for the period ended 31 December 2024. In addition, results for the six-month period ended 30 June 2025, are not necessarily indicative of the actual results for the full year ending on 31 December 2025 and final results may differ.

The interim condensed financial information has been prepared on a 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 interim condensed financial information are consistent with those of the previous financial period, i.e. 31 December 2024, except as described in note 3 below.

**ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)**

2 BASIS OF PREPARATION (continued)

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 interim condensed statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The preparation of this interim condensed 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 assumption used in the preparation of this interim condensed financial information.

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

In preparing this interim condensed financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the period ended 31 December 2024.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on this interim condensed financial information of the Fund.

Standard / Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

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. These amendments and standards are not expected to have any impact on this interim condensed financial information of the Fund.

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 recognized in full.	Effective date deferred indefinitely

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(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
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 recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
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: <ul style="list-style-type: none"> • 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
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
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

**ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)**

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this interim condensed financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). This interim condensed financial information are 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 did not have any foreign currency transactions during the six-month period ended 30 June 2025.

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise Fund Manager, Directors, Fund Board, key management personnel and any businesses which are controlled, either directly or indirectly, by the unitholders or over which they exercise significant influence. The Fund enters into transactions in the normal course of business with these parties at prices and terms agreed between the parties.

Transactions with related parties

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the Terms and Conditions of the Fund.

On each valuation day, Fund Manager charges the Fund, a management fee at the rate of 0.75% (2024: 0.75%) per annum of the Fund's net assets value which includes custody fees 0.035% (2024: 0.035%) of the Fund's Net Asset Value of the listed and unlisted financial securities and Investment Fund Units and 0.03% (2024: 0.03%) of the Fund's Net Asset Value of the Money Markets, to be calculated on each Valuation Day and deducted on a monthly basis.

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 2025 (Unaudited)
Albilad Investment Company	Fund Manager	Management fee	261
Fund Board	Members of the Fund Board	Fund Board fee	1

Following table summarises the details of balances with related parties:

Nature of Balance	Related Party	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Accrued management fee	Albilad Investment Company – Fund Manager	384	123
Fund Board fee payable	Members of the Fund Board	1	-
Investment in units	Hong Kong Monetary Authority	4,094,258	3,418,700

6 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.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)

6 FAIR VALUE ESTIMATION (continued)

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 2025 and 31 December 2024:

As at 30 June 2025 (Unaudited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial asset not measured at fair value					
Cash and cash equivalents	1,561	-	-	1,561	1,561
Financial asset measured at fair value					
Investments held at FVSI	5,041,642	5,041,642	-	-	5,041,642
	5,043,203	5,041,642	-	1,561	5,043,203
Financial liabilities not measured at fair value					
Accruals and other liabilities	384	-	-	384	384
Accrued management fee	1,139	-	-	1,139	1,139
	1,523	-	-	1,523	1,523

As at 31 December 2024 (Audited)	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	383	-	-	383	383
Receivable against sale of investments held at FVSI	183	-	-	183	183
Financial asset measured at fair value					
Investments held at FVSI	4,219,038	4,219,038	-	-	4,219,038
	4,219,604	4,219,038	-	566	4,219,604
Financial liabilities not measured at fair value					
Accruals and other liabilities	295	-	-	295	295
Accrued management fee	123	-	-	123	123
	418	-	-	418	418

**ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)**

7 FINANCIAL RISK MANAGEMENT

7.1 Financial risk factors

The financial risk management policies are consistent with those disclosed in the Fund's financial statements as at and for year ended 31 December 2024.

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

Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises 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, commission rate risk and price risk.

The Fund is exposed to market risk due to its investment held at FVSI. 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 Market. 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. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors.

(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.

The Fund trades in Saudi Riyal, while most of the Fund's investments will be denominated in HK Dollar. 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 252,082 (31 December 2023: SR 210,961).

(ii) 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. Fund Manager closely monitors the price movement of its mutual fund financial instruments listed at Hong Kong Stock Exchange. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)

7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(a) Market Risk (continued)

(iii) Price risk (continued)

The Fund invests primarily in Hong Kong market and local market that comply with the Shariah Supervisory Committee Standards. The sector-wise portfolio of investments carried at FVTPL is summarized as follows:

Industry sector	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	% of total market value	Market value	% of total market value	Market value
Financial	100.00%	5,041,642	100.00%	4,219,038
	100.00%	5,041,642	100.00%	4,219,038

The effect on the equity value (as a result of change in fair value of investments as at 30 June 2025 and 31 December 2024) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constant is as follows:

Industry sector	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Financial	+/-5	<u>252,082</u>	+/-5	<u>210,952</u>
		<u>252,082</u>		<u>210,952</u>

(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 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cash and cash equivalents	1,561	383
Receivable against sale of investments held at FVSI	-	183
	<u>1,561</u>	<u>566</u>

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, 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 of 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.

ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)

7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Interest rate and liquidity risk management

The Fund is not exposed to interest rate risk as it does not have any interest-bearing financial assets. Ultimate responsibility for liquidity risk management rests with Fund Manager, which has established an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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

As at 30 June 2025 (Unaudited)	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	1,561	-	-	-	1,561
Investments held at FVSI	5,041,642	-	-	-	5,041,642
	5,043,203	-	-	-	5,043,203
Financial liabilities					
Accrued management fee	384	-	-	-	384
Accruals and other liabilities	1,139	-	-	-	1,139
	1,523	-	-	-	1,523
Liquidity gap	5,041,680	-	-	-	5,041,680
As at 31 December 2024 (Audited)	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	383	-	-	-	383
Investments held at FVSI	4,219,038	-	-	-	4,219,038
Receivable against sale of investments held at FVSI	183	-	-	-	183
	4,219,604	-	-	-	4,219,604
Financial liabilities					
Accrued management fee	123	-	-	-	123
Accruals and other liabilities	295	-	-	-	295
	418	-	-	-	418
Liquidity gap	4,219,186	-	-	-	4,219,186

(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 of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

**ALBILAD CSOP MSCI HONG KONG CHINA EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000' unless otherwise stated)**

7 FINANCIAL RISK MANAGEMENT (continued)

7.2 Capital risk management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of Unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of dividend distributions the Fund pays to redeemable units.

The Fund Board and Fund Manager monitor capital on the basis of the value of equity attributable to redeemable Unitholders.

8 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2025 and 31 December 2024 are classified under amortized cost category except for investments held at FVSI which are classified and measured at fair value.

9 SEGMENT REPORTING

The Fund carries a portfolio of equity instruments of entities listed at Hong Kong Stock Exchange. Fund Manager periodically assesses the performance and allocates resources to the business as one unit and, as such, no separate operating segments were identified for financial reporting purposes. Consequently, segment reporting as required by IFRS 8 'Operating Segments' has not been disclosed.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2025.

11 SUBSEQUENT EVENTS

There are no subsequent events / transactions that require adjustment to or disclosure in this interim condensed financial information.

12 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 interim condensed financial information was 30 June 2025 (31 December 2024).

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information was approved and authorized for issuance by the Fund Board on 4 August 2025.