

AL DANAH GCC EQUITY TRADING FUND
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

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(Managed by Saudi Fransi Capital)

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

**TO: THE UNITHOLDERS OF
AL DANAH GCC EQUITY TRADING FUND
(Managed by Saudi Fransi Capital)**

Introduction:

We have reviewed the accompanying condensed interim financial statements of **Al Danah GCC Equity Trading Fund ("the Fund")** managed by Saudi Fransi Capital (the "Fund Manager"), which comprises the condensed interim statement of financial position as at 30 June 2021 and the related condensed interim statements of comprehensive income, changes in net assets and cash flows for the six month period then ended and notes to the condensed interim financial information, including a summary of significant accounting policies and other explanatory notes. Management 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 and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). 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 condensed 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 condensed interim financial information does not present fairly, in all material respects, the financial position of the fund as at 30 June 2021, and its financial performance and its cash flows for the six months period then ended, in accordance with International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").



**Al Azem, Al Sudairy, Al Shaikh & Partners
Certified Public Accountants**



**Abdullah M. Al Azem
License No. 335**

09 Muharram 1443H (17 August 2021)
Riyadh, Saudi Arabia

AL DANAH GCC EQUITY TRADING FUND
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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
	<i>Notes</i>		
<u>ASSETS</u>			
Cash and cash equivalents	7	857,411	976,483
Investments measured at fair value through profit or loss	8	14,262,193	11,979,148
Dividend receivable		-	17,944
Prepaid expenses and other receivables		2,899	--
TOTAL ASSETS		15,122,503	12,973,575
<u>LIABILITIES</u>			
Management fee	10	24,442	21,761
Accrual and other liabilities		26,112	38,764
Payable against units redeemed		363,855	210,302
TOTAL LIABILITIES		414,409	270,827
Net assets attributable to the Unit Holders		14,708,094	12,702,748
Units in issue		732,323	786,927
Net assets value attributable to each unit		20.0842	16.1422

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

AL DANAH GCC EQUITY TRADING FUND
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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the six-months period ended 30 June 2021

		<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
	<i>Notes</i>		
<u>INVESTMENT INCOME</u>			
Net gain / (loss) on investments measured at fair value through profit or loss	9	2,908,422	(2,394,602)
Dividend income		267,170	142,562
Other income		3,236	--
		3,178,828	(2,252,040)
<u>EXPENSES</u>			
Management fees	10	(135,144)	(123,299)
Other expenses		(60,953)	(47,102)
		(196,097)	(170,401)
NET INCOME / (LOSS) FOR THE PERIOD		2,982,731	(2,422,441)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		2,982,731	(2,422,441)

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

AL DANAH GCC EQUITY TRADING FUND
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CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (UN-AUDITED)

For the six-months period ended 30 June 2021

	<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	12,702,748	15,315,839
CHANGES FROM OPERATIONS		
Net income / (loss) for the period	2,982,731	(2,422,441)
Total comprehensive income / (loss)	2,982,731	(2,422,441)
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	1,059,422	726,986
Value of units redeemed	(2,036,807)	(171,798)
Net change from unit transactions	(977,385)	555,188
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	14,708,094	13,448,586

UNIT TRANSACTIONS

Transactions in units during the periods are summarised as follows:

	<i>For the six- months period ended 30 June 2021 Units</i>	<i>For the six- months period ended 30 June 2020 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	786,927	991,172
Units sold	58,613	52,435
Units redeemed	(113,217)	(13,474)
Net change in units	(54,604)	38,961
UNITS AT THE END OF THE PERIOD	732,323	1,030,133

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

AL DANAH GCC EQUITY TRADING FUND
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six-months period ended 30 June 2021

	<i>Note</i>	<i>For the six-months period ended 30 June 2021 SR</i>	<i>For the six-months period ended 30 June 2020 SR</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period		2,982,731	(2,422,441)
<i>Adjustments to reconcile net (income) / loss to net cash generated from operating activities:</i>			
Unrealised (gain) / loss on investments measured at fair value through profit or loss	9	(1,386,762)	1,619,185
		1,595,969	(803,256)
Changes in operating assets and liabilities:			
Investments measured at fair value through profit or loss		(896,283)	1,411,600
Prepaid expenses and other receivables		(2,899)	(2,640)
Dividend receivable		17,944	--
Management fee		2,681	(3,735)
Accruals and other liabilities		(12,652)	(11,735)
Net cash flow from operating activities		704,760	590,234
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold		1,059,422	726,986
Value of units redeemed, net off redemption payable		(1,883,254)	(150,956)
Net cash flow (used in) / from financing activities		(823,832)	576,030
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(119,072)	1,166,264
Cash and cash equivalents at the beginning of the period		976,483	1,469,698
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		857,411	2,635,962

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

AL DANAH GCC EQUITY TRADING FUND
(Managed by Saudi Fransi Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-months period ended 30 June 2021

1. GENERAL

Al-Danah GCC Trading Equity Fund (the “Fund”) is an open ended Shariah compliant investment fund based on an agreement between Saudi Fransi Capital (the “Fund Manager”) and the investors (the “Unitholders”). The Fund commenced its operations on 17 April 2006.

The objective of the Fund is to provide medium to long-term capital growth primarily by investing in publicly listed Companies that are Shar’iah compliant in the Kingdom of Saudi Arabia, United Arab Emirates, State of Kuwait, State of Qatar, Sultanate of Oman and the Kingdom of Bahrain. The Fund may also invest up to 20% of its total investments in other Arab countries in the Middle East and North Africa.

During the period, the Fund updated its terms and conditions, which have been approved by the Capital Market Authority “CMA” on 20 Rajab 1442H (corresponding to 04 March 2021).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital. The Custodian of the fund is HSBC Saudi Arabia.

2. REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by resolution of the Board of the Capital Market Authority 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.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (“SOCPA”).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2020.

Assets and liabilities in these condensed interim statement of financial position are presented in the order of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 12.

3.2 BASIS OF MEASUREMENT

The condensed interim financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for investment measured at fair value through profit or loss.

3.3 FUNCTIONAL CURRENCY

These condensed interim financial statements are presented in Saudi Riyal (“SR”), which is the Fund’s functional currency.

AL DANAH GCC EQUITY TRADING FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES

The significant accounting and risk management policies used in the preparation of these condensed interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2020.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements 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.

Going concern

The Fund Manager made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the condensed interim financial statements continue to be prepared on the going concern basis.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New IFRS, amendments and interpretations issued not yet effective and not early adopted

Significant standards issued but not yet effective

There are several standards and interpretations that are issued, but not yet effective, up to the date of the Fund's condensed interim financial statements. In the opinion of the Board, these standards will have no significant impact on the condensed interim financial statements of the Fund. The Fund intends to adopt these standards, if applicable.

7. CASH AND CASH EQUIVALENTS

	30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
Cash at bank	367,518	216,475
Cash with the custodian	489,893	760,008
	857,411	976,483

This cash is deposited in current account maintained with Banque Saudi Fransi (Note 10).

The management has conducted a review as required under IFRS 9 and based on such an assessment, the management believes that there is no need for any significant expected credit loss against the carrying value of bank balances.

AL DANAH GCC EQUITY TRADING FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-months period ended 30 June 2021

8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The geographical composition of the investments measured at fair value through profit or loss in equity investments on the last valuation day of the period / year is summarized below:

<i>30 June 2021 (Un-Audited)</i>			
<i>Description by geographical segment</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	8,901,309	11,535,717	80.88
United Arab Emirates	2,553,907	2,052,364	14.39
Kuwait	539,795	674,112	4.73
	11,995,011	14,262,193	100.00

<i>31 December 2020 (Audited)</i>			
<i>Description by geographical segment</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	8,122,864	9,588,011	80.04
United Arab Emirates	2,124,679	1,344,093	11.22
Kuwait	851,179	1,047,044	8.74
	11,098,722	11,979,148	100.00

9. NET GAIN / (LOSS) ON INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
Realised gain / (loss), net	1,521,660	(775,417)
Movement in unrealised gain / (loss), net	1,386,762	(1,619,185)
	2,908,422	(2,394,602)

AL DANAH GCC EQUITY TRADING FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2021

10. TRANSACTIONS WITH RELATED PARTIES

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. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Saudi Fransi Capital ("the Fund Manager"), Banque Saudi Fransi (the Bank and the shareholder of the Fund Manager), the Funds' Board of Directors (BOD), affiliates of the Fund Manager, the Funds managed by the Fund Manager and the Unit holders of the Fund.

In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.75% per annum calculated on the total net assets value on a daily basis. The fee is intended to compensate the Fund Manager for administration and management of the Fund.

Subscription fee up to 3% of the invested amount is adjusted by deduction from the gross subscription, hence, it does not affect or reflect in the financial statements of the fund.

Related party transactions for the periods ended and balances are as follows:

Name of related party	Nature of transactions	Amount of Transactions		Balance Receivable / (Payable)	
		For the period ended 30 June 2021 SR	For the period ended 30 June 2020 SR	30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
Saudi Fransi Capital	Fund management fee	(135,144)	(123,299)	(24,442)	(21,761)
	Brokerage Fee	(2,002)	(652)	--	--
Board of Directors	Annual remuneration	(116)	(157)	--	--

The units in issue as at 30 June 2021 include 3,842 units held by the employees of Banque Saudi Fransi and Saudi Fransi Capital (31 December 2020: 3,842 units).

The units in issue as at 30 June 2021 include 301,780 units held by Allianz Saudi Fransi (31 December 2020: 317,213 units).

At the end of the period, cash balance with the Banque Saudi Fransi is SR 367,518 (31 December 2020: SR 216,475).

During the period, the Fund has obtained funding from Saudi Fransi Capital amounting to SR 0.298 million (30 June 2020: SR Nil) in order to invest in Initial Public Offering (IPO). The funding amount was re-paid to Saudi Fransi Capital during the period. The funding was received with zero markup.

AL DANAH GCC EQUITY TRADING FUND

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For the six-months period ended 30 June 2021

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of bank balance and investments at fair value through profit or loss (FVTPL). The Fund's financial liabilities consist of management fee payable and accruals and other liabilities.

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	<i>Carrying value SR</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
30 June 2021 (Un-Audited)					
Investments measured at FVTPL	<u>14,262,193</u>	<u>14,262,193</u>	<u>-</u>	<u>-</u>	<u>14,262,193</u>
31 December 2020 (Audited)					
Investments measured at FVTPL	<u>11,979,148</u>	<u>11,979,148</u>	<u>-</u>	<u>-</u>	<u>11,979,148</u>

During the six months period ended 30 June 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

AL DANAH GCC EQUITY TRADING FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-months period ended 30 June 2021

12. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>30 June 2021 (Un-Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	857,411	--	857,411
Investments measured at FVTPL	14,262,193	--	14,262,193
Prepaid expenses and other receivables	2,899	--	2,899
TOTAL ASSETS	15,122,503	--	15,122,503
LIABILITIES			
Management fee payable	24,442	--	24,442
Accruals and other liabilities	26,112	--	26,112
Payable against units redeemed	363,855	--	363,855
TOTAL LIABILITIES	414,409	--	414,409

<i>31 December 2020 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	976,483	-	976,483
Investments measured at FVTPL	11,979,148	-	11,979,148
Dividend receivable	17,944	-	17,944
TOTAL ASSETS	12,973,575	-	12,973,575
LIABILITIES			
Management fee payable	21,761	-	21,761
Accruals and other liabilities	38,764	-	38,764
Payable against units redeemed	210,302	-	210,302
TOTAL LIABILITIES	270,827	-	270,827

13. LAST VALUATION DAY

The last valuation day of the period was 30 June 2021 (31 December 2020: 31 December 2020).

14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 09 Muharram 1443H (corresponding to 17 August 2021).