



Contents

- Investment Fund Information
- Fund Performance
- Fund Manager
- Custodian
- Fund Operator
- Auditor
- Financial Statements

المحتويات

- معلومات صندوق الاستثمار
- أداء الصندوق
- مدير الصندوق
- أمين الحفظ
- مشغل الصندوق
- مراجع الحسابات
- القوائم المالية

A) Investment Fund Information

أ) معلومات صندوق الاستثمار

1) Name of the Investment Fund SNB Capital China Equity Fund	1) اسم صندوق الاستثمار صندوق الأهلي للأسهم الصينية
2) Investment Objectives and Policies <ul style="list-style-type: none"> Fund's Objectives: The Fund aims to provide long term capital growth through investment in Chinese shares through the investment in Chinese Fund (Class I), which in turn primarily invests in shares of Chinese listed companies of different sectors. The Fund may also invest in bonds and Money Market Instruments. Investment Policies and Practices: The Chinese Fund applies the following policies: <ul style="list-style-type: none"> - The Chinese Fund (Class I) invests up to 90% of its assets in shares of Chinese listed companies of different sectors. - Investment is made in certain shares through progressive analysis which depends on the long-term value and the expected growth. The Foreign Manager assesses companies and study the profits, the assets value and cash flows of the relevant company and also the earnings multiples and profit margins and liquidation value of the company. - The Chinese Fund invests the remaining 10% of its assets on bond and Money Market Instruments. 	2) أهداف وسياسات الاستثمار وممارساته <ul style="list-style-type: none"> أهداف الصندوق: يهدف الصندوق إلى تنمية رأس المال على المدى الطويل من خلال الاستثمار في الأسهم الصينية عن طريق الاستثمار الصندوق الصيني (Class I) المدار من قبل شركة نمورا والذي بدوره يستثمر بشكل أساسي في أسهم الشركات الصينية المدرجة بمختلف القطاعات. كما يمكنه الاستثمار في السندات وأدوات أسواق النقد. سياسات الاستثمار وممارساته: يطبق الصندوق الصيني ممارسات وسياسات الاستثمار التالية: <ul style="list-style-type: none"> - يستثمر الصندوق الصيني (Class I) على الأقل 90% من أصوله في أسهم الشركات الصينية بمختلف القطاعات. - يتم اختيار الاستثمار في أسهم معينة عن طريق التحليل التصاعدي المرتكز على القيمة طويلة الأجل وعلى النمو المتوقع، ويقوم المدير الأجنبي بتقييم الشركات ودراسة الأرباح وقيمة الأصول والتدفقات النقدية للشركة المعنية، وكذلك مكرر السعر للربح والهوامش الربحية وقيمة التصفية للشركة. - يستثمر الصندوق الصيني الـ 10% المتبقية من أصوله في السندات وفي أسواق النقد.
3) Distribution of Income & Gain Policy The Fund will not distribute any dividends on the Units to the Unitholders, whereby any income or dividends received will be reinvested in the Fund and not distributed as dividends on the Units. Reinvestment of income and dividends will be reflected in and improve the value and price of the Units.	3) سياسة توزيع الدخل والأرباح لن يقوم الصندوق بأي توزيعات على مالكي الوحدات. وبدلاً من ذلك سيتم إعادة استثمار الأرباح الرأسمالية والأرباح النقدية الموزعة في الصندوق. وسينعكس ذلك بارتفاع صافي قيمة الأصول وسعر وحدة الصندوق.
4) The fund's reports are available upon request free of charge.	4) متاح تقارير الصندوق عند الطلب وبدون مقابل.
5) The fund's benchmark and the service provider's website (if any) MSCI China Index (The price return is in USD). The benchmark service and its data are provided by (MSCI Inc.).	5) المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة (إن وجد) مؤشر أم أس سي إي الصيني (العائد السعري، بالدولار الأمريكي). ويتم تزويد خدمة المؤشر وبياناته عن طريق (MSCI Inc.).

B) Fund Performance

ب) أداء الصندوق

- 1) A comparative table covering the last three financial years/or since inception, highlighting: (1) جدول مقارنة يغطي السنوات المالية الثلاث الأخيرة/ أو منذ التأسيس، يوضح:

Year	2021	2020	2019	السنة
NAV*	10,687,103	20,205,971	18,642,560	صافي قيمة أصول الصندوق*
NAV per Unit*	28.74	36.46	28.76	صافي قيمة أصول الصندوق لكل وحدة*
Highest Price per Unit*	43.04	36.21	28.88	أعلى سعر وحدة*
Lowest Price per Unit *	28.10	22.99	22.86	أقل سعر وحدة*
Number of Units	371,893	554,203	648,155	عدد الوحدات
Income Distribution Per Unit	N/A	N/A	N/A	قيمة الأرباح الموزعة لكل وحدة
Fees & Expense Ratio	1.89%	0.28%	0.16%	نسبة الرسوم والمصروفات
Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any)	N/A	N/A	N/A	نسبة الأصول المقرضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت)

*In USD

*بالدولار الأمريكي

- 2) A performance record that covers the following: (2) سجل أداء يغطي ما يلي:

- a. The total return for the fund compared to the benchmark for 1 year, 3 years, 5 years and since inception: أ. العائد الإجمالي للصندوق مقارنة بالمؤشر لسنة واحدة، ثلاث سنوات، خمس سنوات ومنذ التأسيس:

Period	Since Inception منذ التأسيس	5 Years 5 سنوات	3 Years 3 سنوات	1 Year سنة	الفترة
Return %	187.37	36.46	22.65	-20.65	عائد الصندوق %
Benchmark %	228.70	41.07	14.86	-24.28	عائد المؤشر %

- b. The annual total return for the fund compared to the benchmark for the last 10 years/ or since inception: ب. العائد الإجمالي السنوي للصندوق مقارنة بالمؤشر للعشر سنوات الماضية/ أو منذ التأسيس:

Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	السنة
Return %	-20.65	25.43	23.24	-20.53	40.01	-5.98	-7.85	5.14	3.12	15.47	عائد الصندوق %
Benchmark %	-24.28	25.57	20.80	-19.77	53.10	-2.28	-10.33	5.10	0.02	18.25	عائد المؤشر %

c. Actual fees and fund expenses paid by the investment fund during the year as a percentage of average Net Asset Value:

ج. مقابل الخدمات والعمولات والأتعاب التي تحملها الصندوق على مدار العام كنسبة مئوية من متوسط صافي قيمة أصول الصندوق:

Fees and Expenses	ألف دولار USD '000	النسبة المئوية %	الرسوم والمصروفات
Management Fees	181	1.00%	أتعاب الإدارة
VAT on Management Fees	27	0.15%	ضريبة القيمة المضافة على أتعاب الإدارة
Custodian Fees	49	0.46%	رسوم الحفظ
Auditor Fees	26	0.24%	أتعاب مراجع الحسابات
Fund Admin Expenses	0	0.00%	مصاريف العمليات الإدارية
CMA Fees	2	0.02%	رسوم هيئة السوق المالية
Tadawul Fees	1	0.01%	رسوم نشر معلومات الصندوق على موقع تداول
Shariah Committee Fees	0	0.00%	أتعاب خدمات اللجنة الشرعية
Independent Fund Board Remunerations	1	0.01%	مكافآت أعضاء مجلس إدارة الصندوق المستقلين
Total Fees and Expenses	287	1.89%	مجموع الرسوم والمصاريف

3) Material Changes

- The Capital Market Authority has approved the merger of Samba Capital & Investment Management Company ("Samba Capital") into NCB Capital by way of a statutory merger, which will result in all of the rights and obligations of Samba Capital being transferred to NCB Capital (the "Merger"), the Merger has been effective on 29/11/1442H, corresponding to 09/07/2021G. As a result, NCB Capital replaced Samba Capital as the manager of the Fund. Therefore, the new entity's identity is changed to SNB Capital.

3) تغيرات جوهرية حدثت خلال الفترة

- تم الحصول على موافقة هيئة السوق المالية بدمج شركة سامبا للأصول وإدارة الاستثمار في شركة الأهلي المالية بموجب نظام الشركات، والذي سينتج عنه نقل جميع حقوق والتزامات شركة سامبا للأصول وإدارة الاستثمار إلى شركة الأهلي المالية ("الاندماج")، تم نفاذ الاندماج بتاريخ 1442/11/29هـ الموافق 2021/07/09م. وعليه، ترتب على ذلك حلول شركة الأهلي المالية محل شركة سامبا للأصول وإدارة الاستثمار كمدير للصندوق. ونتيجة لذلك تم تغيير هوية الكيان الجديد إلى SNB Capital.

4) Exercising of Voting Rights

No voting rights were exercised during the year.

4) ممارسات التصويت السنوية

لم تتم أي ممارسات تصويت خلال العام.

5) Fund Board Annual Report

5) تقرير مجلس إدارة الصندوق السنوي

a. Names of Fund Board Members

- Ali Abdulaziz Al Hawas - Chairman - Dependent Member
- Feras Abdulrazaq Houhou - Dependent Member
- Ammar Hasan Yasin Bakheet - Independent member
- Abdulaziz Mohammed Al-Khorayef - Independent member

أ. أسماء أعضاء مجلس إدارة الصندوق

- علي عبدالعزيز الحواس رئيس مجلس إدارة الصندوق - عضو غير مستقل
- فراس عبدالرزاق حوحو - عضو غير مستقل
- عمار حسن ياسين بخيت - عضو مستقل
- عبدالعزيز محمد الخريف - عضو مستقل

b. A brief about of the fund board members' qualifications

Ali Al Hawas: Executive Vice President, and Head of Global Markets at Saudi National Bank. He joined Samba in 2008 and has over 24 years of Treasury business experience. He is member of Bank's Asset Liability Management Committee and responsible of managing the business under Samba Global Markets Ltd platform. He holds a diploma certificate from ACI University.

Feras Houhou: Heads SNB Capital's Legal and Governance Division and the Sectary of the Board. In March 2015, Feras joined the Legal Division besides his role as a Board Secretary. His expertise covers a wide range of tasks such as working on various Equity Capital Market and Debt Capital Market transactions and handling all litigations in which the Company is involved. He also has worked extensively in Merger & Acquisition and all sorts of investment funds locally and internationally. His role in these transactions included negotiations, drafting and execution of its relevant agreements, documents and structure. Prior to joining SNB Capital, Feras worked at the Legal Division in the Capital Market Authority where he participated in drafting many of the Capital Market Regulations and advised in many policy matters. Mr. Feras holds an LLM specialized in Securities and Financial Regulations from Georgetown Law School and a law degree from King Abdulaziz University. He was appointed in July 2021 as member of the Middle East & North Africa (MENA) advisory Board at Georgetown Law Centre.

Ammar Bakheet: He has more than 27 years of experience in the financial sector. Specialized in business establishment in the financial sector, strategy development, securing regulatory and legislative approvals, building of the operational infrastructure, and building the administrative teams to run such businesses. The founding partner and CEO of Mnasah Digital Platform a technical financial company specialized in operating and running of a digital platform specialized in financing of small and Medium-sized enterprises (SMEs) Kingdome of Saudi Arabia (2017-Present). Head of asset management & product development - Audi capital 2007-2017. Establishment of the Investment Division at RAKBank (Dubai) (2003 - 2006). Working at Samba Capital as Saudi Equity Funds manager (1998-2002). Co-founding Bakheet Investment Company (1993- 1998).

Abdulaziz Al-Khorayef: The CEO of Al-Khorayef Group, lawyers and consultants. Also, A lawyer and legal consultant. A consultant at His Highness, the Minister of Defence office, and at various Banks in Saudi Arabia.

ب. نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

علي الحواس: نائب الرئيس التنفيذي، رئيس الأسواق العالمية في البنك الأهلي السعودي. انضم إلى مجموعة سامبا المالية في عام 2008 ولديه أكثر من 24 عاماً من الخبرة في مجال الخزينة. مسؤول عن الناحية التشغيلية من إدارة أعمال في منصة شركة الأسواق العالمية المحدودة لدى سامبا. عضو في لجنة إدارة الموجودات والمطلوبات في البنك. بالإضافة إلى ذلك، حاصل على شهادة دبلوم من جامعة ACI.

فراس حوحو: رئيس الشؤون القانونية والحوكمة بشركة الأهلي المالية في مارس 2015 م إلى جانب دوره كأمين لمجلس الإدارة. تغطي خبرة الأستاذ فراس مجموعة واسعة من المهام مثل الصفقات المتعلقة بالأسهم (ECM) و صفقات الإقراض (DCM) في السوق المالية، ومتابعة الدعاوى القضائية التي تخص الشركة. كما تمتد خبرته إلى العمل في صفقات الاندماج والاستحواذ والصناديق الاستثمارية محلياً ودولياً حيث عمل على المفاوضات وإعداد ومراجعة الاتفاقيات والوثائق ذات العلاقة بعدد من الصفقات في السوق المالية السعودية وعدد من الدول الأجنبية. قبل انضمامه إلى شركة الأهلي المالية، عمل الأستاذ فراس في الإدارة القانونية بهيئة السوق المالية حيث شارك في صياغة العديد من لوائح السوق المالية وقدم المشورة بخصوص العديد من المسائل المتعلقة بسياسات السوق. يحمل الأستاذ فراس شهادة ماجستير في القانون من جامعة جورج تاون في تخصص الأوراق المالية والتشريعات المالية وشهادة في القانون من جامعة الملك عبد العزيز. كما عين في يوليو 2021م المجلس الاستشاري لشؤون الشرف.

عمار بخيت: يمتلك أكثر من 27 عاماً من الخبرة في القطاع المالي. متخصص في تأسيس الأعمال في القطاع المالي، ووضع الاستراتيجيات، وتأمين الموافقات التنظيمية والتشريعية، وبناء البنية التحتية التشغيلية، وبناء الفرق الإدارية لإدارة تلك الأعمال. أسس شركة منصة رقمية وهي شركة تقنية مالية متخصصة بتشغيل منصة تعمل على تمويل الشركات الصغيرة والمتوسطة المملكة العربية السعودية (2017 - حتى الآن). عمل في عوده كابيتال كرئيس إدارة الأصول وتطوير المنتجات (2007-2017). أسس إدارة الاستثمار في بنك رأس الخيمة (دي) (2003-2006). عمل في سامبا المالية كمدير صناديق الأسهم السعودية (1998-2002). شارك في تأسيس شركة بخيت للاستشارات المالية (1993-1998).

عبد العزيز الخريف: هو الرئيس التنفيذي لـ"الخريف محامون ومستشارون" وكذلك محامي ومحكم وموثق وحارس قضائي ومصفي معتمد. والأستاذ عبد العزيز مستشار قانوني كذلك للعديد من البنوك والجهات الحكومية والشركات والصناديق

Also, he is a board member in many real-estate funds of several Capital Market Institutions. He holds a Bachelor's degree in Sharia, Imam Muhammed Bin Saud Islamic University, Master's degree in International Business, Hull University, the United Kingdom and Legal Leadership in Corporate Counsel (LCC), Harvard University. In addition to the Law Firm Partner as Leader Programme, Cambridge University, the United Kingdom.

c. Roles and responsibilities of the Fund Board

The responsibilities of the members of the fund board shall include the following:

1. Approving material contracts, decisions and reports involving the fund.
2. Approve a written policy in regards to the voting rights related to the fund assets.
3. Overseeing and, where appropriate, approving or ratifying any conflicts of interest the fund manager has identified.
4. Meeting at least twice annually with the fund manager's compliance committee or its compliance officer to review the fund manager's compliance with all applicable rules, laws and regulations.
5. Approving all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations "IFRs" before the fund manager obtains the approval or notification of the unitholders and the Authority (as applicable).
6. Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with the IFRs, of the Terms and Conditions and of any other document, contractual or otherwise.
7. Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with the IFRs and the Fund's Terms and Conditions.
8. Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund referred to in Paragraph (I) of Article (9) of IFRs, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the Fund's Terms and Conditions and the provisions stipulated in IFRs.
9. Assessing the mechanism of the fund manager's handling of the risks related to the fund's assets in accordance with the fund manager's policies and procedures that detect the fund's risks and how to treat such risks.

العقارية بالمملكة وعضو مجلس إدارة صناديق استثمارية أخرى. الأستاذ عبد العزيز حاصل على بكالوريوس الشريعة - مع مرتبة الشرف الأولى - من جامعة الإمام محمد بن سعود الإسلامية بالمملكة وماجستير التجارة الدولية من جامعة هل بالمملكة المتحدة والإدارة القانونية في المنظمات التجارية من جامعة هارفرد بالمملكة المتحدة وبرنامج الشركاء في مكاتب المحاماة من جامعة كامبريدج بالمملكة المتحدة. ولأستاذ عبد العزيز أيضا العديد من الأبحاث والأوراق العلمية.

ج. أدوار مجلس إدارة الصندوق ومسؤولياته

- تشمل مسؤوليات أعضاء مجلس إدارة الصندوق، على سبيل المثال لا الحصر، الآتي:
1. الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها.
 2. اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
 3. الإشراف، ومتى كان ذلك مناسباً، الموافقة أو المصادقة على أي تعارض مصالح يفصح عنه مدير الصندوق وفقاً لللائحة صناديق الاستثمار.
 4. الاجتماع مرتين سنوياً على الأقل مع لجنة المطابقة والالتزام لدى مدير الصندوق أو مسؤول المطابقة والالتزام لديه، للتأكد من التزام مدير الصندوق بجميع اللوائح والأنظمة المتبعة.
 5. الموافقة على جميع التغييرات المنصوص عليها في المادتين (62) و(63) من لائحة صناديق الاستثمار وذلك قبل حصول مدير الصندوق على موافقة مالكي الوحدات والهيئة أو إشعارهم (حيثما ينطبق).
 6. التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أم غيره) يتضمن إفصاحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، إضافةً إلى التأكد من توافق ما سبق مع أحكام لائحة صناديق الاستثمار.
 7. التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق، وأحكام لائحة صناديق الاستثمار.
 8. الاطلاع على التقرير المتضمن تقييم أداء وجودة الخدمات المقدمة من الأطراف المعنية بتقديم الخدمات الجوهرية للصندوق المشار إليه في الفقرة (ل) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالك الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.
 9. تقييم آلية تعامل مدير الصندوق مع المخاطر المتعلقة بأصول الصندوق وفقاً لسياسات وإجراءات مدير الصندوق حيال رصد المخاطر المتعلقة بالصندوق وكيفية التعامل معها.
 10. العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص وبما يحقق مصلحة مالكي الوحدات.
 11. الموافقة على تعيين مراجع الحسابات بعد ترشيحه من قبل مدير الصندوق.

10. Have a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill.
11. Approving the appointment of the external Auditor nominated by the Fund Manager.
12. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
13. Review the report containing all complaints and the measures taken regarding them referred to in Paragraph (m) of Article (9) of IFRs, in order to ensure that the fund manager carries out his responsibilities in a way that serves the interest of unitholders in accordance with the Fund's Terms and Conditions and what contained in this Regulation.

d. Remuneration of fund board members

Independent Board members shall be remunerated for attending at least two Board meetings per annum (which is the minimum number of Board meetings to attend each year), which shall be paid from the Fund's assets. The remuneration for the Independent Board Members shall be provisioned from the total expenses paid to ten conventional funds managed by the Fund Manager with a total SAR 80,000 per annum, whereby the ratio of such provision shall be calculated based on the Fund's NAV against the total net asset value of the aforesaid funds. Independent Board Members shall also be entitled to travel allowances of a maximum of SAR 7,500 paid from the Fund's assets. Non-independent Board Members shall not be entitled to any remuneration from the Fund Manager in consideration for their roles as Board members of the Fund.

e. A statement of any conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund

The Fund Board is composed of certain employees of the Fund Manager. However, the Fund Board members have fiduciary duties to Unitholders and will use their best efforts to resolve all conflicts by exercising their good faith judgement. Furthermore, Board members may hold Unit in the Fund, have a banking relationship with companies in which their shares are acquired, sold or maintained by the Fund or on its behalf, or with which the Fund has murabaha deals. However, if any conflict of interests arises, such conflict shall be communicated to the Fund Board for approval in which case the conflicted Board member shall not be entitled to vote on any resolution taken by the Fund Board in

12. تدوين محاضر الاجتماعات التي تشتمل على جميع وقائع الاجتماعات والقرارات التي اتخذها مجلس إدارة الصندوق.

13. الاطلاع على التقرير المتضمن جميع الشكاوى والإجراءات المتخذة حيالها المشار إليه في الفقرة (م) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالي الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.

د. مكافآت أعضاء مجلس إدارة الصندوق

يتقاضى أعضاء المجلس المستقلين مكافأة من مدير الصندوق في حال حضور اجتماعين بالسنة وهو الحد الأدنى لعدد اجتماعات مجلس إدارة حيث يتقاضى كل عضو مستقل مكافأة تدفع من أصول الصندوق. وتجدر الإشارة إلى أن هذه المكافأة يتم تخصيصها من إجمالي المصاريف المدفوعة لعشرة صناديق تقليدية يديرها مدير الصندوق بمبلغ إجمالي 80,000 ريال سعودي وسيتم تخصيص الرسوم بناء على نسبة قيمة صافي الأصول بالصندوق إلى إجمالي قيمة صافي الأصول في هذه الصناديق التقليدية. كما تدفع لأعضاء المجلس المستقلين مخصصات سفر بحد أقصى 7,500 ريال سعودي تدفع من أصول الصندوق ولا يتقاضى أعضاء مجلس الإدارة غير المستقلين أي مكافأة من مدير الصندوق مقابل دورهم كأعضاء مجلس إدارة الصندوق.

هـ. تعارض المصالح بين مصالح عضو مجلس إدارة الصندوق ومصالح الصندوق

يتألف مجلس إدارة الصندوق من بعض موظفي مدير الصندوق. ومع ذلك، فإن أعضاء المجلس لديهم واجبات أمانة لمالكي الوحدات، وسوف يبذلون قصارى جهدهم لحل جميع حالات تعارض المصالح من خلال ممارسة الاجتهاد بنية حسنة. كما يمكن لأعضاء المجلس تملك وحدات في الصندوق أو أن يكون لديهم علاقات مصرفية مع الشركات التي يتم شراء أسهمها أو بيعها أو حفظها من قبل الصندوق أو نيابة عنه، أو التي يكون لدى الصندوق صفقات مربحة معها. ومع ذلك، في حالة نشوء أي تعارض في المصالح، يتم إبلاغ مجلس الصندوق بهذا التعارض للموافقة عليه وفي هذه الحالة لا يجوز للعضو الذي لديه تعارض في المصالح التصويت على أي قرار يتخذه مجلس إدارة الصندوق ويكون للعضو أي مصلحة مباشرة أو غير مباشرة فيه.

respect of which the conflicted Board member has any direct or indirect interest.

f. A statement showing all the funds boards that the relevant board member is participating in

و. جدول يوضح جميع مجالس إدارة الصناديق التي يشارك

فيها عضو مجلس الصندوق

Fund's/ Member's Name	عبدالعزیز الخريف Abdulaziz AlKhorayef	عمار بخيت Ammar Bakheet	فراس حوحو Feras Houhou	علي الحواس Ali Al Hawas	اسم الصندوق / العضو
International Trade Finance Fund (Sunbullah USD)	✓	✓	✓	✓	صندوق تمويل التجارة الدولية بالدولار (سنبله دولار)
International Trade Finance Fund (Sunbullah SAR)	✓	✓	✓	✓	صندوق تمويل التجارة الدولية بالريال (سنبله ريال)
Al-Raed GCC Fund	✓	✓	✓	✓	صندوق الرائد الخليجي
Al Ataa Saudi Equity Fund	✓	✓	✓	✓	صندوق العطاء للأسهم السعودية
Al Ataa GCC Equity Fund	✓	✓	✓	✓	صندوق العطاء للأسهم الخليجية
Al Jood GCC Equity Fund	✓	✓	✓	✓	صندوق الجود للأسهم الخليجية
Al Raed Saudi Equity Fund	✓	✓	✓	✓	صندوق الرائد للأسهم السعودية
Al Razeen USD Liquidity Fund	✓	✓	✓	✓	صندوق السيولة بالدولار الأمريكي (الرزين دولار)
Al Razeen SAR Liquidity Fund	✓	✓	✓	✓	صندوق السيولة بالريال السعودي (الرزين ريال)
Al Musahem GCC Fund	✓	✓	✓	✓	صندوق المساهم الخليجي
SNB Capital China Equity Fund	✓	✓	✓	✓	صندوق الأهلي للأسهم الصينية
SNB Capital Global Equity Fund	✓	✓	✓	✓	صندوق الأهلي للأسهم العالمية
Al Musahem Saudi Equity Fund	✓	✓	✓	✓	صندوق المساهم للأسهم السعودية
Al-Fareed Saudi Equity Fund	✓	✓	✓	✓	صندوق الفريد للأسهم السعودية
SNB Capital Sovereign Sukuk Fund	✓	✓		✓	صندوق الأهلي للصكوك السيادية
SNB Capital Corporates Sukuk Fund	✓	✓	✓	✓	صندوق الأهلي لصكوك الشركات
SNB Capital Real Estate Fund		✓			صندوق الأهلي العقاري

g. Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives

ز. الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها

بما في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

The Fund's Board of Directors held two meetings during 2021. The following is a summary of the key decisions approved and the matters discussed by the Fund's Board of Directors:

- Fund's objectives achievement and performance review.
- Risks related to the funds; including: liquidity, market, and operational risks.

- عقد مجلس إدارة الصندوق اجتماعين خلال العام 2021م، وفيما يلي ملخصاً لأهم القرارات التي تم إقرارها والمواضيع التي تمت مناقشتها من قبل مجلس إدارة الصندوق:
- مناقشة تحقيق الصندوق لأهدافه وأدائه خلال العام.
 - المخاطر المتعلقة بالصندوق بما في ذلك مخاطر السيولة، السوق، والتشغيل.
 - التزام الصناديق بلوائح هيئة السوق المالية مع مسؤول المطابقة والالتزام.

- Ensuring fund's compliance to all applicable rules and regulations.

C) Fund Manager

ج) مدير الصندوق

1) Name and address of the Fund Manager SNB Capital Company King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia Tel: +966 920000232 Website: www.alahlicapital.com	1) اسم مدير الصندوق، وعنوانه شركة الأهلي المالية طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية هاتف: +966 920000232 الموقع الإلكتروني: www.alahlicapital.com
2) Names and addresses of Sub-Manager / Investment Adviser Nomura Asset Management UK Limited Nomura House, 1St. Martin's-le-Grand, London, EC1A 4NT.	2) اسم وعنوان مدير الصندوق من الباطن و/أو مستشارين الاستثمار (إن وجد) Nomura Asset Management UK Limited Nomura House, 1St. Martin's-le-Grand, London, EC1A 4NT.
3) Investment Activities during the period The Fund's activities were carried out as per the Fund's investment objectives, Fund's terms and conditions guidelines, and applicable rules and regulations. Moreover, the Fund continued to maintain an adequate levels of diversification while endeavoring to achieve its investment objectives and complying with internal limits as well as regulatory guidelines.	3) أنشطة الاستثمار خلال الفترة جميع أنشطة الصندوق الاستثمارية متوافقة مع أهداف الصندوق الاستثمارية وشروط وأحكام الصندوق ومع القوانين التي يخضع لها. حافظ الصندوق على مستوى كافي من التنوع الاستثماري الذي مكن الصندوق من تحقيق أهدافه الاستثمارية مع الالتزام بالإجراءات الداخلية والأنظمة التشريعية.
4) Performance Fund Performance -20.65% Benchmark Performance -24.28% The fund outperformed the benchmark by 362 bps.	4) تقرير الأداء خلال الفترة أداء الصندوق -20.65% أداء المؤشر -24.28% تفوق أداء الصندوق عن أداء المؤشر بفارق 362 نقطة أساس.
5) Terms & Conditions Material Changes 1. Change in the membership of the Fund's Board of Directors in appointing of Mr. Feras Houhou. 2. Non-fundamental Changes: Change the fund's English and Arabic name, Update Fund Manager Information, Update the info of Fund Manager Board of Directors – the members' bio and their memberships, Update Fund Manager's Financial Result, Delete the point regarding Saving Program, and Amend the point regarding Management Fees and its calculation (1/365 days).	5) تغييرات حدثت في شروط وأحكام الصندوق 1. تغيير في عضوية مجلس إدارة الصندوق بتعيين الأستاذ/ فراس حوحو. 2. تغييرات غير أساسية: تغيير اسم الصندوق باللغة العربية والإنجليزية، تحديث معلومات مدير الصندوق، تحديث معلومات مجلس إدارة مدير الصندوق؛ نبذة عن الأعضاء وعضوياتهم، تحديث ملخص المعلومات المالية لمدير الصندوق، حذف فقرة برنامج الادخار، تعديل الفقرة المتعلقة بطريقة حساب رسوم الإدارة (1/365 يوم).
6) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period None.	6) أي معلومة أخرى من شأنها أن تُمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافية بشأن أنشطة الصندوق خلال الفترة لا يوجد.
7) Investments in other Investment Funds The Fund is a specialized (feeder) public investment fund, the fund management fee is 2% of NAV and invests 90% - 100% of its assets in the Chinese Fund (Class I), and the management fees is: 1%.	7) الاستثمار في صناديق استثمارية أخرى الصندوق هو صندوق عام متخصص (مغذي)، نسبة رسوم الإدارة المحسبة على الصندوق هي 2% سنوياً من صافي قيمة أصول الصندوق، يستثمر 90%-100% من أصوله في الصندوق الصيني (Class I). وكانت رسوم الإدارة: 1%.

8) Special commission received by the fund manager during the period None.	8) العمولات الخاصة التي حصل عليها مدير الصندوق خلال الفترة لا يوجد.
9) Any other data and other information required by Investment Fund Regulations to be included in this report	9) أي بيانات ومعلومات أخرى أوجبت لائحة صناديق الاستثمار تضمينها بهذا التقرير
a. Conflict of Interests There is no conflict of interests.	أ. تعارض في المصالح لا يوجد تعارض مصالح.
b. Fund Distribution During The Year No income or dividends will be distributed to Unitholders.	ب. توزيعات الصندوق خلال العام لا يتم توزيع أي دخل وأرباح على مالكي الوحدات.
c. Incorrect Valuation or Pricing None.	ج. خطأ في التقويم والتسعير لا يوجد.
d. Investment Limitation Breaches None.	د. مخالفة قيود الاستثمار لا يوجد.
10) Period for the management of the person registered as fund manager Since August 2021.	10) مدة إدارة الشخص المسجل كمدير للصندوق منذ أغسطس – 2021م.
11) A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in (where applicable) As shown in the sub-paragraph (7) of paragraph (C) in this Annual Report.	11) الإفصاح عن نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها (حيثما ينطبق) كما هو موضح في الفقرة الفرعية (7) من الفقرة (ج) من هذا التقرير السنوي.

D) Custodian

د) أمين الحفظ

1) Name and address of custodian HSBC Saudi Arabia. Olaya, P.O. Box 2255, Riyadh 12283, Saudi Arabia Tel: 966920005920+ Website: www.hsbcSaudi.com	1) اسم أمين الحفظ، وعنوانه شركة اتش اس بي سي العربية السعودية (HSBC) العليا، ص.ب. 2255، الرياض 12283، المملكة العربية السعودية هاتف: + 966920005920 الموقع الإلكتروني: www.hsbcSaudi.com
2) Custodian's duties and responsibilities - Notwithstanding the delegation by a custodian to one or more third parties under the provisions of Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain fully responsible for compliance with its responsibilities in accordance to the provisions of Investment Funds Regulations. - The custodian shall be held responsible to the fund manager and unitholders for any losses caused to the	2) واجبات ومسؤوليات أمين الحفظ - يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء قام بتأدية مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار أو لائحة مؤسسات السوق المالية. - يعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه المتعمد أو تقصيره المتعمد.

- investment fund due to the custodian fraud, negligence, misconduct or willful default.
- The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets.
- يعد أمين الحفظ مسؤولاً عن حفظ أصول الصندوق وحمايتها لصالح مالكي الوحدات، وهو مسؤول كذلك عن اتخاذ جميع الإجراءات الإدارية اللازمة فيما يتعلق بحفظ أصول الصندوق.

E) Fund Operator

د) مشغل الصندوق

1) Name and address of fund operator	1) اسم مشغل الصندوق، وعنوانه
SNB Capital Company King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia Tel: +966 920000232 Website: www.alahlicapital.com	شركة الأهلي المالية طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية هاتف: +966 920000232 الموقع الإلكتروني: www.alahlicapital.com
2) Operator's duties and responsibilities	2) واجبات ومسؤوليات مشغل الصندوق
<ul style="list-style-type: none"> - In relation to investment funds, the fund operator shall be responsible for operating the investment fund. - The fund operator must maintain the books and records related to the operation of the fund it operates. - The fund operator must establish a register of unitholders and must maintain it in the Kingdom in accordance to the Investment Funds Regulations. - The fund operator shall be responsible for the process of dividends distribution (if available) to unitholders. - The fund operator must process requests for subscriptions or redemption according to the fund's Terms & Conditions. - The fund operator shall be responsible for calculating the price of the units and valuing the assets of the fund. In so doing, the fund operator shall conduct a full and fair valuation according to the fund's Terms & Conditions. 	<ul style="list-style-type: none"> - يكون مشغل الصندوق مسؤولاً عن تشغيل الصندوق. - يقوم مشغل الصندوق بالاحتفاظ بالدفاتر والسجلات ذات الصلة بتشغيل الصندوق. - يقوم مشغل الصندوق بإعداد وتحديث سجل بالكي الوحدات وحفظه في المملكة وفقاً لمتطلبات لائحة صناديق الاستثمار. - يُعدّ مشغل الصندوق مسؤولاً عن عملية توزيع الأرباح (إن وجدت) حسب سياسة التوزيع المنصوص عليها في شروط وأحكام الصندوق. - يقوم مشغل الصندوق بإجراءات الاشتراك حسب المنصوص عليها في شروط وأحكام الصندوق. - يُعدّ مشغل الصندوق مسؤولاً عن تقييم أصول الصندوق تقييماً كاملاً وعادلاً وحساب سعر وحدات الصندوق حسب ما ورد في شروط وأحكام الصندوق.

F) Auditor

و) مراجع الحسابات

Name and Address of Auditor	اسم مراجع الحسابات، عنوانه
PricewaterhouseCoopers (PWC) Kingdom Tower – 21st Floor, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia Tel: +966112110400 Website: www.pwc.com	برايس ووتر هاوس كوبرز (PWC) برج المملكة – الدور 21، ص.ب. 8282، الرياض 11482، المملكة العربية السعودية هاتف: +966112110400 الموقع الإلكتروني: www.pwc.com

G) Financial Statements

ز) القوائم المالية

As shown below in the financial statements section.

كما هو موضح أدناه في قسم القوائم المالية.

**SNB CAPITAL CHINA EQUITY FUND
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

SNB Capital China Equity Fund

FINANCIAL STATEMENTS

For the year ended December 31, 2021

INDEX	PAGE
Independent auditor's report	1–2
Statement of financial position	3
Statement of comprehensive income	4
Statement of changes in equity attributable to unitholders	5
Statement of cash flows	6
Notes to the financial statements	7-13



Independent auditor's report to the unitholders and the Fund Manager of SNB Capital China Equity Equity Fund

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SNB Capital China Equity Fund (the "Fund") as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the code of professional conduct and ethics, endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Fund Manager and those charged with governance for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority, and the Fund's terms and conditions and the Information Memorandum, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance, i.e the Fund Board is responsible for overseeing the Fund's financial reporting process.

Independent auditor's report to the unitholders and the Fund Manager of SNB Capital China Equity Fund (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers



Bader I. Benmohareb
License Number 471



March 31, 2022
(Sha'aban 28, 1443H)

SNB Capital China Equity Fund

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021 and 2020

	<i>Notes</i>	2021 USD	2020 USD
ASSETS			
Cash and cash equivalents		500,033	68,075
Investments at fair value through income statement (FVIS)	4	10,345,859	20,312,484
Other receivables		-	75,000
TOTAL ASSETS		10,845,892	20,455,559
LIABILITIES			
Redemptions payable		-	86,838
Management fee payable	5	32,708	56,117
Other liabilities		126,081	106,633
TOTAL LIABILITIES		158,789	249,588
EQUITY ATTRIBUTABLE TO UNITHOLDERS		10,687,103	20,205,971
Units in issue		371,894	554,203
Per unit value		USD 28.74	USD 36.46

The accompanying notes 1 to 12 from an integral part of these financial statements.

SNB Capital China Equity Fund

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2021 and 2020

		2021 USD	2020 USD
	<i>Notes</i>		
INVESTMENT (LOSS) / INCOME			
(Loss) / gain on investment at FVIS, net	6	(3,666,625)	4,362,165
Special commission income		67	84
TOTAL (LOSS) / INCOME		(3,666,558)	4,362,249
EXPENSES			
Management fee	5	208,070	197,644
Others		27,363	56,075
TOTAL EXPENSES		235,433	253,719
NET (LOSS) / INCOME FOR THE YEAR		(3,901,991)	4,108,530
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(3,901,991)	4,108,530

The accompanying notes 1 to 12 from an integral part of these financial statements.

SNB Capital China Equity Fund

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS

For the Year Ended December 31, 2021 and 2020

	2021 USD	2020 USD
EQUITY AT THE BEGINNING OF THE YEAR	20,205,971	18,642,560
CHANGES FROM OPERATIONS		
Total comprehensive (loss) / income for the year	(3,901,991)	4,108,530
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	2,743,198	1,714,966
Value of units redeemed	(8,360,075)	(4,260,085)
Net change from unit transactions	(5,616,877)	(2,545,119)
EQUITY AT THE END OF THE YEAR	10,687,103	20,205,971

UNIT TRANSACTIONS

Transactions in units for the year are summarised as follows:

	2021 Units	2020 Units
UNITS AT THE BEGINNING OF THE YEAR	554,203	648,155
Units sold	71,900	57,997
Units redeemed	(254,209)	(151,949)
Net change in units	(182,309)	(93,952)
UNITS AT THE END OF THE YEAR	371,894	554,203

The accompanying notes 1 to 12 form an integral part of these financial statements.

SNB Capital China Equity Fund

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021 and 2020

	<i>Note</i>	2021 USD	2020 USD
OPERATING ACTIVITIES			
Net income for the year		(3,901,991)	4,108,530
Adjustment for:			
Unrealised (loss) / gain on investment at FVIS	6	4,312,376	(4,500,566)
		410,385	(392,036)
Changes in operating assets and liabilities:			
Investment at FVIS, net		5,654,249	2,946,400
Other receivables		75,000	(75,000)
Management fee payable		(23,409)	5,602
Other liabilities		19,448	16,295
Net cash generated from operating activities		6,135,673	2,501,261
FINANCING ACTIVITIES			
Proceeds from units sold		2,743,198	1,714,966
Value of units redeemed, net		(8,446,913)	(4,179,022)
Net cash used in financing activities		(5,703,715)	(2,464,056)
NET CHANGES IN CASH AND CASH EQUIVALENTS		431,958	37,205
Cash and cash equivalents at the beginning of the year		68,075	30,870
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		500,033	68,075

The accompanying notes 1 to 12 from an integral part of these financial statements.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

1 GENERAL

SNB Capital China Equity Fund (the "Fund") is an open-ended investment fund designed for investors seeking long term capital growth. The assets of the Fund are invested primarily in Chinese Equities through investment in Nomura China Opportunities Fund. All income is reinvested in the Fund and reflected in the unit price.

The Capital Market Authority (the "CMA") on May 31, 2021 has approved the merger of Samba Capital and Investment Management Company ("Samba Capital") into NCB Capital by way of a statutory merger, which will result in all of the rights and obligations of Samba Capital being transferred to NCB Capital. On July 9, 2021, upon the completion of the merger, Samba Capital ceased to exist as a legal entity and NCB Capital continued to exist as the successor legal entity. As a result, NCB Capital replaced Samba Capital as the manager of the Fund and the Fund's terms and conditions were amended accordingly. English name of NCB Capital is amended to become SNB Capital (the "Fund Manager" or "Manager").

The Fund is managed by Fund Manager, a wholly owned subsidiary of Saudi National Bank (the "Bank"). The books and records of the Fund are maintained in US Dollars (USD).

Nomura Funds – China Opportunities Fund charges a management fee calculated at an annual rate of 1% (2020: 1%) which is reflected in the unit price.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by the CMA in the Kingdom of Saudi Arabia on 3 Dhul Hijja 1427H (corresponding to December 24, 2006) as amended by the resolution of the CMA Board on 12 Rajab 1442H (corresponding to February 24, 2021).

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in US Dollar ("USD") which is the Fund's functional and presentation currency.

Accounting convention

These financial statements have been prepared on a historical cost convention method, except for the re-measurement of investments held at fair value through statement of income (FVIS). Assets and liabilities are presented in order of liquidity.

3.2 Use of estimates in the preparation of the financial statements

A number of significant judgments are also required in applying the accounting requirements for measuring (ECL), such as:

Determining criteria for significant increase in credit risk;
Choosing appropriate models and assumptions for the measurement of ECL;
Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
Establishing a group of similar financial assets for the purposes of measuring ECL.

The impact of ECL on the equity of the Fund is insignificant as the substantial exposure of the Fund is held at FVIS as at the reporting date.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise current accounts with Bank.

3.4 Financial instruments

3.4.1 Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. The Fund records its investments on a 'trade date' basis.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVIS, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVIS are expensed in the statement of comprehensive income. Immediately after initial recognition, an ECL allowance is recognised for financial assets measured at amortised cost, as described in Note 3.5, which results in an accounting loss being recognised in the statement of comprehensive income when an asset is newly originated. The financial liabilities are subsequently measured at amortised cost unless it has been designated at FVIS.

3.4.2 Classification and measurement of financial assets at FVIS

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Fund classifies its financial assets at FVIS. The Fund subsequently measures all equity investments at FVIS, except where the Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income (FVOCI). The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in other comprehensive income (OCI) and are not subsequently reclassified to the statement of comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the statement of comprehensive income when the Fund's right to receive payments is established.

3.5 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund does not have significant assets carried at amortised cost and the impact of ECL on the net assets in respect of these assets is not significant at the reporting date.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *De-recognition of financial instruments*

A financial asset is derecognized, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances where the Fund is assessed to have transferred a financial asset, the asset is derecognized if the Fund has transferred substantially all the risks and rewards of ownership. Where the Fund has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Fund has not retained control of the financial asset. The Fund recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expires.

3.7 *Foreign currencies*

Transactions in foreign currencies are translated into Saudi Riyals, which is the functional and presentation currency of the Fund, at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the rates of exchange ruling at that date. Resulting exchange gains and losses, if any, are taken to the statement of comprehensive income.

3.8 *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 *Accrued expenses and other payables*

Accrued expenses and other payables are recognised initially at fair value and subsequently measured at amortised cost.

3.10 *Redeemable units*

The net asset value (equity) of the Fund's portfolio is determined on Monday and Wednesday (Valuation Day) of each week's closing prices. The unit price is calculated by subtracting the liabilities from the total assets value, then dividing the equity by the number of units outstanding on a Valuation Day.

The Fund classifies its redeemable units as an equity instrument, if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that are subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the income statement, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's redeemable units meet the definition of puttable instruments classified as equity instruments under IFRS and accordingly, are classified as equity instruments.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Revenue recognition

Realised gains and losses on sale of investments are determined on a weighted average cost basis. Dividend income is recognised when the right to receive dividends is established. Special commission income, if any, is recognised on an effective yield basis.

3.12 Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.13 Zakat and income tax

Zakat and income tax is the obligation of the unitholders and is not provided for in these financial statements.

3.14 Accounting standards effective during the year

The International Accounting Standard Board (IASB) has issued the following amendments to accounting standards, which were effective from January 1, 2021, but do not have any significant impact on the financial statements of the Fund.

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9

3.15 Accounting standards issued but not yet effective

The IASB has issued following accounting standards and amendments which are effective from periods on or after January 1, 2022. The Fund has opted not to early adopt these pronouncements and they are not expected to have a significant impact on the financial statements of the Fund.

- Reference to the Conceptual Framework (Amendments to IFRS 3).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts.

4 INVESTMENTS AT FAIR VALUE THROUGH INCOME STATEMENT (FVIS)

	December 31, 2021		December 31, 2020	
	Holding Units	Market value USD	Holding Units	Market value USD
Conventional investments:				
Nomura Funds Ireland PLC – China Fund - Class I	102,314	10,345,859	159,427	20,312,484

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

5 TRANSACTIONS AND BALANCES 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 the ordinary course of business, the Fund transacts with the related parties. The principal related parties of the Fund are the Fund Manager, the Bank and the Fund Board.

The Fund pays a management fee calculated at an annual rate of 2% (2020: 1%) on the net asset value at the end of each valuation day. The Bank acts as one of the Fund's bankers. Other expenses for the year include USD 1,272 (2020: USD 829) towards the Fund Board remuneration.

6 (LOSS) / GAIN ON INVESTMENTS AT FVIS, NET

	2021 USD	2020 USD
Realised gain / (loss)	645,751	(138,401)
Unrealised loss / (gain)	(4,312,376)	4,500,566
	(3,666,625)	4,362,165

7 RISK MANAGEMENT

The Manager has in place policies and procedures to identify risks affecting the Fund's investments and to ensure that such risks are addressed as soon as possible, which include conducting a risk assessment at least once a year. The Manager also applies a prudent spread of risk while taking into consideration the Fund's investment policies, the Term and Conditions, and the Information Memorandum. Furthermore, the Manager makes every effort to ensure that sufficient liquidity is available to meet any anticipated redemption request. The Board of the Fund plays a role in ensuring that the Manager fulfils its responsibilities to the benefit of the Unitholders in accordance with the provisions of the Investment Funds Regulations, the Terms and Conditions and the Information Memorandum.

7.1 Financial risk factors

The Fund's activities are primarily exposed to market risk in addition to the other risks like liquidity and credit risk.

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

(i) Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices. The Fund is exposed to market price risk arising from its investment in an international fund as the underlying investments comprise quoted securities.

The effect on the statement of comprehensive income (as a result of the change in the fair value of equity instruments held at FVIS as at December 31, 2021) due to a 10% change in the Saudi Stock Exchange equity index, keeping all other variables held constant is USD 1,034,586 (2020: USD 2,031,248).

(ii) Special commission rate risk

Special commission rate risk arises from the possibility that changes in market special commission rates will affect future profitability or the fair value of the financial instruments. As the Fund is not carrying any significant special commission bearing investments, the Fund is not subject to significant special commission rate risk.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

7 RISK MANAGEMENT (Continued)

7.1 Financial risk factors (Continued)

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund's financial assets and liabilities are denominated in US Dollars and the Fund is not exposed to any currency risks.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in realising funds to meet commitments associated with financial liabilities.

The Fund arranges for the subscriptions and redemptions of units on a scheduled basis and is therefore exposed to the liquidity risk of meeting unitholder redemptions. The Manager monitors liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet commitments as they arise. The Fund's financial liabilities are payable within 3 months.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Currently, the Fund is not exposed to any significant credit risk. The bank balances are held with banks which have investment grade credit ratings.

7.2 Capital risk management

The capital of the Fund is represented by the equity attributable to unitholders. The amount of equity attributable to unitholders 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 to unitholders, provide benefits to other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

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

7.3 Fair value estimation

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

- 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 is not considered to be significantly different from their carrying values. The fair value of investments held at FVIS are based on quoted prices in active markets, and are therefore classified within Level 1.

8 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at December 31, 2021 and 2020 were classified under amortised cost category except for investments at FVIS which are classified as and measured at fair value.

SNB Capital China Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2021 and 2020

9 LAST VALUATION DAY

The last Valuation Date for the purpose of the preparation of these financial statements was on December 31, 2021 (2020: December 31, 2020).

10 IMPACTS OF COVID-19

The Coronavirus ("COVID-19") pandemic continues to disrupt global markets as many geographies are experiencing multiple waves of infections despite having previously controlled the outbreak through aggressive precautionary measures. The Government of the Kingdom of Saudi Arabia, however, managed to successfully control the outbreak to date.

The Fund Manager continues to evaluate the current situation through conducting stress-testing scenarios of expected movements in key macroeconomic indicators (e.g. oil prices, GDP etc.) and its impact on key credit, liquidity, operational and solvency ratios and performance indicators in addition to other risk management practices. The management will continue to follow the Government policies and advice and, in parallel, will do its utmost to continue the Fund's operations in the best and safest way possible without jeopardising the health of its employees.

11 EVENTS AFTER THE DATE OF REPORTING PERIOD

There were no subsequent events to the reporting date which require adjustments of or disclosure in the financial statements or notes thereto.

12 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Fund Board on March 31, 2022 (corresponding to 28 Sha'aban 1443H).