

SAB Invest China and India Equity Freestyle Fund (Managed by SAB Invest)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST CHINA AND INDIA EQUITY FREESTYLE FUND (MANAGED BY SAB INVEST)

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest China and India Equity Freestyle Fund (the "Fund") managed by SAB Invest (the "Fund Manager") as at 30 June 2024, and the related interim condensed statement of comprehensive income for the six-month period ended 30 June 2024, and the related interim condensed statement of changes in equity attributable to the unitholders and cash flows for the period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed financial statements 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 statement 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 7 Safar 1446H
(11 August 2024)



SAB Invest China and India Equity Freestyle Fund

Interim condensed statement of financial position

As at 30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) USD	<i>31 December 2023 (Audited) USD</i>
ASSETS			
Cash and cash equivalents		1,738,373	1,772,756
Financial assets at fair value through profit or loss (FVTPL)	4	13,645,708	14,496,119
Receivable and advances		193,484	182,827
Dividend receivable		120,593	18,864
TOTAL ASSETS		15,698,158	16,470,566
LIABILITIES			
Management fees payable	5	84,594	93,589
Redemption payable		127,058	-
Accrued expenses and other payables		58,407	44,462
TOTAL LIABILITIES		270,059	138,051
EQUITY			
Net assets attributable to unitholders of redeemable units		15,428,099	16,332,515
TOTAL LIABILITIES AND EQUITY		15,698,158	16,470,566
Redeemable units in issue		600,484	624,148
Net asset value attributable to each per unit		25.69	26.17

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest China and India Equity Freestyle Fund

Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2024

	<i>Note</i>	30 June 2024 USD	30 June 2023 USD
INCOME			
Net movement in unrealised gain / (loss) on financial assets at FVTPL		893,679	(2,302,818)
Net realised (loss) / gain on disposal of financial assets at FVTPL		(1,096,133)	1,058,441
Dividend income		165,817	100,406
Net exchange losses		(694)	(1,038)
Other income		-	6,445
TOTAL LOSS		(37,331)	(1,138,564)
EXPENSES			
Management fees	5	208,767	242,599
Other expenses		53,261	211,383
TOTAL EXPENSES		262,028	453,982
NET LOSS FOR THE PERIOD		(299,359)	(1,592,546)
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(299,359)	(1,592,546)

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest China and India Equity Freestyle Fund

Interim condensed statement of changes in equity attributable to the unitholders (unaudited)

For the six-month period ended 30 June 2024

	2024 <i>USD</i>	2023 <i>USD</i>
EQUITY AT THE BEGINNING OF THE PERIOD	16,332,515	19,275,449
Net loss for the period	(299,359)	(1,592,546)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(299,359)	(1,592,546)
Issue of units during the period	-	4,000
Redemption of units during the period	(605,057)	(642,096)
Net changes from unit transactions	(605,057)	(638,096)
EQUITY AT THE END OF THE PERIOD	15,428,099	17,044,807
	<i>Units</i>	<i>Units</i>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	624,148	669,099
Issue of units during the period	-	146
Redemption of units during the period	(23,664)	(22,947)
Net changes in units	(23,664)	(22,801)
UNITS AT THE END OF THE PERIOD	600,484	646,298

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest China and India Equity Freestyle Fund

Interim condensed statement of cash flows (unaudited)

At 30 June 2023

	2024 USD	2023 USD
OPERATING ACTIVITIES		
Net loss for the period	(299,359)	(1,592,546)
<i>Adjustments to reconcile net (loss) to net cash flows from operating activities:</i>		
Net movement in unrealised (gain) / loss on financial assets at FVTPL	(893,679)	2,302,818
Dividend income	(165,817)	(100,406)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	1,744,090	1,232,136
Receivables and advances	(10,657)	18,409
Management fees payable	(8,995)	(99,463)
Accrued expenses and other payables	13,945	(58,118)
Cash flows generated from operations	379,528	1,702,830
Dividends received	64,088	100,406
Net cash flows from operating activities	443,616	1,803,236
FINANCING ACTIVITIES		
Proceeds from issuance of units	-	4,000
Payment on redemption of units	(477,999)	(642,096)
Net cash flows used in financing activities	(477,999)	(638,096)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(34,383)	1,165,140
Cash and cash equivalents at the beginning of the period	1,772,756	1,012,598
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,738,373	2,177,738

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements

At 30 June 2024

1. INCORPORATION AND ACTIVITIES

SAB Invest China and India Equity Freestyle Fund (the “Fund”) is an investment fund established through an agreement between SAB Invest (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

SAB Invest, Head Office
SAB Tower 7383
King Fahad Branch Rd (Al-Yasmeen District)
Riyadh 13325
Kingdom of Saudi Arabia

The objective of the Fund is to seek long term capital appreciation, through investing in Shariah-compliant China and India equities.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund.

The Fund Manager has appointed HSBC Global Asset Management (Hong Kong) Limited as the sub-investment advisor of the Fund and Riyad Capital as a custodian of the Fund in accordance with the Terms and Conditions of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab1442H. Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

These unaudited interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

3.2 Basis of preparation

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2023. In addition, result for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL and financial assets held at FVOCI that are measured at fair value. These unaudited interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SR.

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)

3.3.1 *New standards and amendments adopted by the Fund*

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2024.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)

3.3.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendment 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.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
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.
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	Annual periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries' 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 Accounting Standards.	Annual periods beginning on or after 1 January 2027

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

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

The composition of the investment's portfolio on the last valuation day of the period/year end is summarised below:

<i>30 June 2024 (Unaudited)</i>				
	<i>% of Market value</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealised gain, net USD</i>
<i>Investments in equities (by countries)</i>				
India	32.57	3,280,350	4,444,032	1,163,682
China	17.44	2,310,233	2,379,585	69,352
Cayman Island	47.58	7,693,370	6,492,962	(1,200,408)
Hong Kong	2.41	428,538	329,129	(99,409)
Total	100.00	13,712,491	13,645,708	(66,783)
<i>31 December 2023 (Audited)</i>				
	<i>% of Market value</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealised gain, net USD</i>
<i>Investments in equities (by countries / regions / territories)</i>				
India	27.62	3,100,647	4,003,004	902,357
China	9.56	1,529,134	1,386,102	(143,032)
Cayman Island	56.80	9,757,097	8,233,721	(1,523,376)
Hong Kong	6.02	1,069,703	873,292	(196,411)
Total	100.00	15,456,581	14,496,119	(960,462)

5. TRANSACTIONS WITH RELATED PARTIES

A. *Transactions and balances with Fund Manager*

In the ordinary course of its activities, the Fund transacts business with Fund Manager and related parties. The following are the details of significant related party transactions during the period:

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	
		<i>2024 USD</i>	<i>2023 USD</i>	<i>2024 USD</i>	<i>2023 USD</i>
SAB Invest (Fund Manager)	Fund management fee (including VAT)	208,767	242,599	84,594	93,589
Fund Administrator	Administration fee	8,638	-	1,480	(1,453)
Board Members	Board member fee	2,210	-	4,073	1,863
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			21	69

The Fund pays the Fund Manager a management fee calculated at an annual rate of 2.30% per annum, administrator fee of 0.15% and custody fee of 0.075% calculated on the net asset value at each valuation date.

The units in issue at 30 June 2024 include Zero units held by the employees of the Fund Manager (31 December 2023: NIL units).

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

7. 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>As at 30 June 2024 (Unaudited)</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>No Fixed Maturity USD</i>	<i>Total USD</i>
ASSETS				
Cash and cash equivalents	1,738,373	-	-	1,738,373
Financial assets at fair value through profit or loss (FVTPL)	-	-	13,645,708	13,645,708
Receivable and advances	193,484	-	-	193,484
Dividend receivable	120,593	-	-	120,593
TOTAL ASSETS	2,052,450	-	13,645,708	15,698,158
LIABILITY				
Management fee payable	84,594	-	-	84,594
Redemption payable	127,058	-	-	127,058
Accrued expenses and other payables	58,407	-	-	58,407
TOTAL LIABILITY	270,059	-	-	270,059
<i>As at 31 December 2023 (Audited)</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>No Fixed maturity USD</i>	<i>Total USD</i>
ASSETS				
Cash and cash equivalents	1,772,756	-	-	1,772,756
Financial assets at fair value through profit or loss (FVTPL)	-	-	14,496,119	14,496,119
Receivable and advances	182,827	-	-	182,827
Dividend receivable	18,864	-	-	18,864
TOTAL ASSETS	1,974,447	-	14,496,119	16,470,566
LIABILITY				
Management fee payable	93,589	-	-	93,589
Accrued expenses and other payables	44,462	-	-	44,462
TOTAL LIABILITY	138,051	-	-	138,051

SAB Invest China and India Equity Freestyle Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

8. LAST VALUATION DAY

The last valuation day of the period/year was 30 June 2024 (year ended 31 December 2023: 31 December 2023).

9. EVENTS AFTER THE REPORTING DATE

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

10. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 7 Safar 1446H (corresponding to 11 August 2024).