MULKIA GULF REAL ESTATE REIT FUND
Closed Public Traded Listed Real Estate Investment Fund
Takes the Form of a Special Purpose Entity
(Managed by Mulkia Investment Company)

The Consolidated Financial Statements and Independent Auditor's Report

for the Year Ended 31 December 2023

MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND
TAKES THE FORM OF A SPECIAL PURPOSE ENTITY
(MANAGED BY MULKIA INVESTMENT COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the MULKIA GULF REAL ESTATE REIT FUND (the "FUND") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated 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 Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the group, which comprise of the following:

- The consolidated statement of financial position as at 31 December 2023;
- The consolidated statement of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in Net assets attributable to unitholders for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, comprising material accounting policies / other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with Intenational 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 Consolidated Financial Statements* section of our report. We are independent from the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS

Key Audit Matters	How our audit addressed the key audit matter
Impairment of investment properties	
MULKIA GULF REAL ESTATE REIT Fund owns a portfolio of investment properties comprising of commercial buildings located in the Kingdom of Saudi Arabia. Investment properties are held for capital appreciation and or rental yields, are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are re-measured for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. For assessing the impairment of investment properties, the Fund manager monitors volatility of fair value of properties by engaging independent certified property valuers to perform a formal valuation of the Fund's investment properties on semiannual basis. We considered this as a key audit matter since the assessment of impairment requires significant judgment by the Fund manager and the potential impact of impairment if any, could be material to the financial statements.	For impairment of investment properties, we have carried out the following audit procedures: - We obtained two valuation reports from independent real estate evaluators Taqeem certified for each investment properties as at 31 December 2023 and confirmed that the valuation approaches are suitable for use in determining the carrying values as at the reporting date; - We assessed the independence of the external valuers and read their terms of engagement with the Fund to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work; - Involved our specialist to assess the key assumptions and estimates, such as discount rate, capitalization rate, occupancy rate and growth rate, used by the real estate valuation experts in determining the fair values of the investment properties. - Assessed the recoverable amount, which is higher of fair value or value in use of the related investment properties as per the above-mentioned valuation reports. We have determined that the recoverable amount of the investment properties to be higher than the carrying amount of the same except for certain properties, which had a material impairment impact and thus recorded by the Fund`s management; and - We reconciled the average fair value of the investment properties as per note 20 to the external valuers' reports.

PKF
Ibrahim Ahmed Al-Bassam & Co. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the concolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSILDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated 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 the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management'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 Group'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 consolidated 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 Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Al-Bassam & Co.

Ahmad Mohandis
Certified Public Accountant
License No. 477
Riyadh: 18 Ramadan 1445
Corresponding to: 28 March 2024

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MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND
TAKES THE FORM OF A SPECIAL PURPOSE ENTITY
(MANAGED BY MULKIA INVESTMENT COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	**31 December 2023 SAR**	31 December 2022 SAR
Assets			
Cash and cash equivalent	6	**14,649,213**	20,030,730
Rent receivable, net	7	**36,958,875**	34,333,108
Accrued revenue		**7,403,058**	12,166,001
Inventory		**263,626**	239,711
Prepaid expenses and other assets		**1,323,727**	5,062,303
Derivative financial instruments	8	**3,914,886**	306,713
Investment properties, net	9	**1,246,064,263**	1,273,294,136
Total assets		**1,310,577,648**	1,345,432,702
Liabilities			
Unearned lease revenue	10	**13,250,305**	15,541,668
Due to a related party	11	**18,851,067**	10,632,786
Accounts payable	13	**2,479,135**	122,774,108
Accrued expenses and other credit balances	12	**6,540,110**	6,629,486
Defined benefits obligation		**153,000**	188,150
Provision for the renovation of hotel assets		**1,141,518**	415,656
Zakat provision	14	**353,573**	1,041,539
Long-term bank financing	15	**476,968,250**	587,979,951
Total liabilities		**519,736,958**	745,203,344
Net assets attributable to Unitholders		**790,840,690**	600,229,358
Issued units (numbers)		**103,765,995**	68,108,652
assets value per unit – book value		**7.621**	8.813
assets value per unit – fair value		**8.305**	9.608

Mohamed Abdullatif Nawas	Omar bin Abdulkarim Alothaim	Sultan Mohammed Alhudaithi
Operations Manager	CEO	Chairman of the Fund board

The accompanying notes (1) to (31) form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**For the year ended 31 December 2023 SAR**	For the year ended 31 December 2022 SAR
Revenues			
Rental and operating revenue	16	**113,469,987**	95,848,042
Murabaha commission revenue		**1,223,316**	-
Other revenue		**70,510**	166,921
Total revenues		**114,763,813**	96,014,963
Expenses			
Financing charges	17	**(37,498,756)**	(22,266,304)
Depreciation of investment properties	9	**(18,698,317)**	(17,973,629)
Hotel operating costs	19	**(18,801,295)**	(15,659,528)
Fund management fees	11	**(13,892,353)**	(11,946,602)
Provision for expected credit losses	7	**(15,318,819)**	(8,411,030)
Impairment of investment properties	9	**(9,135,331)**	(7,173,670)
Other administrative expenses	18	**(6,767,033)**	(4,500,872)
Real estate operating costs		**(5,721,166)**	(2,352,009)
Finance structure fees		**-**	(2,290,895)
Dealing fees		**-**	(2,131,065)
Custodial fees		**(328,787)**	(307,080)
Total expenses		**(126,161,857)**	(95,012,684)
Net (loss) / profit for the year before Zakat		**(11,398,044)**	1,002,279
Zakat expense	14	**(408,562)**	(1,108,321)
Net loss for the year		**(11,806,606)**	(106,042)
Items that are not subsequently reclassified to profit or loss			
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedge	8	**2,688,336**	306,713
Total other comprehensive income for the year		**2,688,336**	306,713
Total comprehensive (Loss)/ income for the year		**(9,118,270)**	200,671

Mohamed Abdullatif Nawas Operations Manager	Omar bin Abdulkarim Alothaim CEO	Sultan Mohammed Alhudaithi Chairman of the Fund board

The accompanying notes (1) to (31) form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**For the year ended 31 December 2023 SAR**	For the year ended 31 December 2022 SAR
Net assets value, at the beginning of the year		**600,229,358**	638,850,619
Net loss for the year		**(11,806,606)**	(106,042)
Derivative contracts profit	8	**2,688,336**	306,713
Total comprehensive (Loss) / income for the year		**(9,118,270)**	200,671
Dividends during the year	21	**(38,461,449)**	(38,821,932)
Proceeds from units issued during the year	28	**238,191,051**	-
Net assets value, at the end of the year		**790,840,690**	600,229,358

Unit transactions

Below is a summary of unit transactions for the year:

	Note	**For the year ended 31 December 2023 Units**	For the year ended 31 December 2022 Units
Units at the beginning of the year		**68,108,652**	68,108,652
Issued units during the year	28	**35,657,343**	-
Units at the end of the year		**103,765,995**	68,108,652

Mohamed Abdullatif Nawas	Omar bin Abdulkarim Alothaim	Sultan Mohammed Alhudaithi
Operations Manager	CEO	Chairman of the Fund board

The accompanying notes (1) to (31) form an integral part of these consolidated financial statements.

MULKIA GULF REAL ESTATE REIT FUND
CLOSED PUBLIC TRADED LISTED REAL ESTATE INVESTMENT FUND
TAKES THE FORM OF A SPECIAL PURPOSE ENTITY
(MANAGED BY MULKIA INVESTMENT COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	For the year ended 31 December 2023 SAR	For the year ended 31 December 2022 SAR
Cash flows from operating activities			
Net (loss) / profit for the year before Zakat		**(11,398,044)**	1,002,279
Adjustments to reconcile net profit for the year before zakat:			
Depreciation of investment properties	9	**18,698,317**	17,973,629
Financing charges	15	**37,254,755**	22,042,855
Provision for expected credit losses	7	**15,318,819**	8,411,030
Write off of rent receivable	7	**(3,387,831)**	(7,982,065)
Impairment of investment properties	9	**9,135,331**	7,173,670
Murabaha Commission Income		**(1,223,316)**	-
Derivative contracts profit		**(919,836)**	-
Provision for end of service benefits employees		**65,691**	188,150
Amortization of financing costs	15	**244,001**	223,449
		63,787,887	49,032,997
Change in operating assets and liabilities			
Inventory		**(23,915)**	(239,711)
Rent receivable	7	**(14,556,756)**	(1,679,541)
Accrued revenue		**4,762,943**	(2,295,605)
Prepaid expenses and other assets		**3,738,576**	(4,123,581)
Unearned lease revenue	10	**(2,291,363)**	(2,091,342)
Due to a related party	11	**8,218,281**	4,702,620
Accounts payable	13	**(96,534,808)**	880,601
Accrued expenses and other credit balances		**(89,376)**	3,382,443
Provision for the renovation of hotel assets		**725,862**	415,656
Cash flows (used in) / generated from operating activities		**(32,262,669)**	47,984,537
Zakat paid	14	**(1,096,528)**	(2,210,475)
Employee benefits paid		**(100,841)**	-
Net cash (used in) / generated from operating activities		**(33,460,038)**	45,774,062
Cash flows from investing activities			
investment properties settlements	9	**(603,775)**	-
Paid purchase/development of investment properties	9	**-**	(227,461,547)
Murabaha commission income proceeds		**1,192,533**	-
Murabaha commission income payable	6	**30,783**	-
Net cash generated from / (used in) investing activities		**619,541**	(227,461,547)

The accompanying notes (1) to (31) form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**For the year ended 31 December 2023 SAR**	For the year ended 31 December 2022 SAR
Cash flows from financing activities			
Proceeds from long-term financing	15	**-**	234,790,079
Repayment of long-term financing	15	**(148,510,457)**	(10,263,877)
Dividends	21	**(38,461,449)**	(38,821,932)
Proceeds from units issued	28	**214,430,886**	-
Paid financing cost	15	**-**	(821,765)
Net cash generated from financing activities		**27,458,980**	184,882,505
Net change in cash and cash equivalent		**(5,381,517)**	3,195,020
Cash and cash equivalent at the beginning of the year	6	**20,030,730**	16,835,710
Cash and cash equivalent at end of the year	6	**14,649,213**	20,030,730

		For the year ended 31 December 2023 SAR	For the year ended 31 December 2022 SAR
Non-cash transactions			
Derivative contracts profit	8	**2,688,336**	306,713
In-kind subscription through investment properties	28,13	**23,760,165**	121,893,507

Mohamed Abdullatif Nawas
Operations Manager

Omar bin Abdulkarim Alothaim
CEO

Sultan Mohammed Alhudaithi
Chairman of the Fund board

The accompanying notes (1) to (31) form an integral part of these consolidated financial statements.

1- THE FUND AND ITS ACTIVITIES

Mulkia Gulf Real Estate REIT Fund ("the Fund") is a Sharia-compliant closed publicly-traded real estate investment fund. The main objective of the Fund is to acquire pre-developed real estate properties to obtain regular rental income, or under construction no more than 25% of the total value of the fund's assets, and distribute a minimum of 90% of the Fund's net income to unitholders during the lifetime of the Fund at least once annually within 90 days after the financial year-end which ends on December 31.

The Fund started its operations on 16 Safar 1439 H (corresponding to 5 November 2017).

During 2020, additional units were issued for in-kind subscriptions, as the number of issued units reached 8,108,652 units, and the price per unit was 9.94 Saudi riyals, as the total proceeds from issuing units amounted to 80,600,000 Saudi riyals.

During 2021, the Fund's Board of Directors and the Capital Market Authority issued approval for a non-fundamental change in the Fund, which is (completing the procedures for converting the Mulkia Gulf Real Estate REIT Fund into a Closed Public Traded Listed Real Estate Investment Fund that takes the form of a special purpose entity (SPE)).

During 2023, additional units were issued for in-kind and cash subscriptions, as the number of issued units reached 35,657,343 units, and the price per unit was 6.68 Saudi riyals, as the total proceeds from issuing units amounted to 238,191,051 Saudi riyals.

The Fund is managed by Mulkia Investment Company. The books and records of the Fund shall be maintained in Saudi Riyals.

The address of the Fund Management is:
Mulkia Investment Company, Prince Muhammad Bin Abdulaziz Road - Al-Olaya area, P.O. Box 52775 - Riyadh 11573, KSA.
These consolidated financial statements include the information of MULKIA GULF REAL ESTATE REIT FUND and its following subsidiaries (The Group) as at 31 December 2023

Name of subsidiary	Principal Activity	Country	Percentage of Ownership Interest and Voting Power Held
Aljada Hotel Company	Hotel management	KSA	100%

During the month of February 2022, the Fund acquired Aljada Hotel Company (a limited liability company registered in the city of Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010595498 (dated 17/01/1441 H corresponding to 16/09/2019). The main activity of the company is represented in activities and services of providing accommodation and restaurants for short-term living.

1- THE FUND AND ITS ACTIVITIES (CONTINUED)

The resulting accounts from the acquisition process are as follows:

	Book value
Inventory	**257,471**
Trade receivables	**1,594,213**
Other debit balances	**4,419,015**
Cash and cash equivalents	**815,741**
Provision for End of services benefits	**(167,738)**
Provision for assets renovation	**(157,984)**
Trade creditors and other debit balances	**(2,986,932)**
Accrued expenses	**(1,861,230)**
Total identifiable assets and liabilities acquired	**1,912,556**
Goodwill	**-**
Total	**1,912,556**
Net cash used generated from acquisition	
Accrued amounts	**1,912,556**
Cash and cash equivalents	**(815,741)**
Total	**1,096,815**

2- REGULATING AUTHORITY

The Fund is governed by the Real Estate Investment Funds Regulation (the “Regulation”) published by CMA on 12 Rajab 1442H (corresponding to 24 February 2021), detailing requirements for all real estate funds and all traded funds within the Kingdom of Saudi Arabia.

3- BASIS OF PREPARATION

3-1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (Collectively referred to as “International Financial Reporting Standards that are endorsed in Kingdom of Saudi Arabia”).

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

3-2 Basis of Measurement, Functional Currency, And Presentation Currency

These consolidated financial statements have been prepared on a historical cost principle and on the accrual and going concern basis. Another basis is used if the International Financial Reporting Standards require the use of another measurement, as indicated in the fundamental policies below **.**The consolidated financial statements are presented in Saudi Riyals being the functional and presentation currency for the fund.

3-3 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and contingencies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. REIT based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of REIT. Such changes are reflected in the assumptions when they occur.

3- BASIS OF PREPARATION (CONTINUED)

3-3 Significant accounting judgments, estimates and assumptions(continued)

Judgments

Going Concern

The fund's management conducted an assessment of the group's ability to continue carrying out its business according to the going concern principle. The Fund's management is convinced that it has the necessary resources to continue its business in the foreseeable future. Also, the Fund's management does not have any material uncertainties that may affect the Fund's ability to continue its business. Accordingly, these consolidated financial statements have been prepared according to the going concern principle.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities controlled by the Fund. Although the fund is an investment entity, the financial statements have been consolidated with the subsidiaries, as the main purpose of establishing these companies is to provide services related to the investment activities of the REIT. Control is achieved when the Fund has rights to the returns, from its involvement in the investee and has the ability to affect those returns through its control over the investee. Specifically, the Fund controls an investee if, and only if, the Fund has all the following:

- the control in the investee (i.e., the existing rights granting the ability to direct the activities of the investee);
- Exposure to or entitlement to variable returns from its investment in the investee;
- The ability to exert influence on its returns through its control in the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Fund has less than the majority of the voting rights in an investee, the Fund considers all relevant facts and circumstances in assessing whether it has control over the investee, including:

- the contractual arrangements with the other voting rights holders in the investee.
- rights arising from other contractual arrangements; and
- the Fund’s voting rights and potential voting rights.

The Fund re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control. Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when the Fund loses control over the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund and de-consolidated from the date that control ceases.

3- BASIS OF PREPARATION (CONTINUED)

3-3 Significant accounting judgments, estimates and assumptions(continued)

Judgments (Continued)

Basis of consolidation (Continued)

Accounting for business combinations involving entities or businesses under joint control
Accounting for business combinations involving entities or businesses under joint control is outside the scope of IFRS 3 "Business Combinations". In the case of an absence of specific guidance in IFRS, management uses its judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement, the management may also consider the most recent pronouncements by other standard-setters that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or Interpretations. Several such entities have issued guidance, and some allow the pooling of interests method in accounting for business combinations involving entities under joint control.

The management has adopted the pooling of interests method to account for the business combinations of entities under joint control. This method involves the following:

- The assets and liabilities of the combined entities are reported at their carrying values (not fair value).
- No new goodwill is recognized as a result of combination. And if there is goodwill arising from the difference between the consideration paid and the equity acquired it is reported directly in the equity.
- The consolidated statement of profit or loss of the combined entities presents the results of the full year irrespective of when the combination took place.

Transactions eliminated on consolidation
Intercompany transactions, balances and unrealized profits or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed, if necessary, to ensure consistency with the policies adopted by the Group.

Estimates

Valuation of investment property
Impairment occurs when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value. The fair value less cost to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The present value calculation is based on a discounted cash flows model. The cash flows are derived from the budget for the assets' useful lives and do not include restructuring activities that the Fund is not yet committed to or significant future investments that will enhance each assets performance of the cash-generating unit being reviewed. The recoverable amount is sensitive to the discount rate used for the discounted cash flows model as well as the discounted future cash inflows and the growth rate used for cash flows expectations purposes.

3- BASIS OF PREPARATION (CONTINUED)

3-3 Significant accounting judgments, estimates and assumptions (Continued)

Impairment of non-financial assets

The carrying amounts of the non-financial assets are reviewed at the end of each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using the pre-tax discount rate that reflects the current market assessments of present value of money and the asset's risks. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flows accountings.

Residual and useful lives of investment property

The REIT's management determines the estimated useful lives of investment properties for calculating depreciation. These estimates are determined after considering the expected usage of the assets or the depreciation to which these assets are exposed. Management reviews the salvage value and useful lives annually and annual depreciation charge would be adjusted where the management believes the useful lives differed from previous estimates.

Expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior. A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (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 Fund of similar financial assets for the purposes of measuring ECL.

Asset renovation provision

The provision is formed according to hotel management standards, whereby a percentage of the hotel's total revenue is reserved as follows:

1% until the end of the second full year
2% from the third to the fourth full year
3% from the fifth year until the sixth full year
4% from the seventh to the ninth full year
5% from the full tenth year onwards

Employee defined benefits plan obligations

Post-employment defined benefits and the current value of those benefits are determined actuarial valuations. Actuarial valuation include further assumptions regarding variables are required such as discount rates, rate of salary increase and return on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every statement of financial position.

4- NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS

New and revised IFRSs issued and effective in 2023

The following amendments to the Group's relevant standards are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has adopted these standards and/or amendments, but they do not have a material impact on the consolidated financial statements:

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of amendment
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
IAS 12	International tax reform (pillar two model rules)	January 1, 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

4- NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS (CONTINUED)

New standards, amendments and revised IFRS issued but not yet effective

The Group has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective:

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	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.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the company's consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the company in the period of initial application.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION

Cash and cash equivalent
Cash and cash equivalent comprise cash at bank, time deposits, and highly-liquid investments with an original maturity of three months or less from the acquisition date.

Projects in progress
Projects in progress are stated at the cost representing construction works on the Fund's lands, including consultancy, demolition, site leveling, rock cutting, supervision, construction work and other costs related to the movable assets of the site and its readiness to work for its specified purpose. Which will be transferred to investment properties when ready for use.

Investment properties
Investment properties are non-current assets held either to earn rental income or for capital raise or for both, but not for sale in the ordinary course of operations, and are used in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost model on initial recognition and at cost less accumulated depreciation and impairment losses if any.

Investment properties are derecognized when they are sold, owned- occupied or in case of not holding it for an increase in its value.

Any gain or loss on disposal of the investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in consolidated profit or loss and other comprehensive income. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self - constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

Depreciation of buildings is calculated according to the straight-line method based on their useful life, adopting the following ages:

Statement	Years
Buildings	40 years

The fair value of investment properties is disclosed in the notes to the consolidated financial statements.

Financial instruments

Financial Instruments - Initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SSPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

(i) Financial assets (Continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories.

Financial assets measured at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Fund’s financial assets at amortized cost includes cash and cash equivalents and receivables.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes equity instruments.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognized (i.e., removed from the Fund’s statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognize the transferred asset to the extent of the Fund’s continuing involvement. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Impairment in the value of financial assets

Recognition of credit losses is no longer dependent on the Fund first identifying a credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, reasonable and supportable forecasts that affect the actual collectability of the future cash flows of the instrument.

Expected credit losses assessment:
The Fund applies IFRS 9 simplified approach for measuring expected credit losses, which uses a lifetime ECL allowance. The method is applied for assessing an allowance against:

- financial assets measured at amortized cost

The expected loss rates are based on the payment profiles of receivables over a period of 12 months before each reported period and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Fund has identified GDP of the Kingdom of Saudi Arabia (the country in which it renders the services), inflation rate to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors.

The expected loss approach divides the total loss amount modelling into the following parts: Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD). These are briefly described below:

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

(i) Financial assets (Continued)

Loss Given Default (LGD): This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD.

Probability of Default (PD): the likelihood of a default over a particular time horizon.

Exposure at Default (EAD): This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on commitment facilities.

Model and Framework
The Fund uses a point in time (PIT) probability of default model to measure its impairment of financial assets. Point-in-time PD models incorporate information from a current credit cycle and assess risk at a point-in-time. The point-in-time PD term structure can be used to measure credit deterioration and starting PD when performing the allowance calculations. Also, when calculating lifetime ECL, after the inputs are correctly converted, cash flows can be projected and gross carrying amount, loss allowance, and amortized cost for the financial instrument are then calculated.

Macroeconomic weighted average scenarios
The Fund includes a macroeconomic factor of GDP, inflation rate and government spending to develop multiple scenarios, the purpose is towards the realization of most likely outcome using worst- and best-case scenarios. The scenario-based analysis incorporates forward-looking information into the impairment estimation using multiple forward-looking macroeconomic scenarios. The estimate of ECL reflects an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes.

After the inputs to the model are adjusted for the above-mentioned macroeconomic scenarios, PD of each scenario is calculated and then weighted average PD based on the likelihood of scenarios is calculated. In the last step, a weighted average lifetime ECL based on the likelihood of the scenarios is determined.

Portfolio segmentation
The fund assesses its financial assets based on credit risk characteristics using segmentations such as geographical region, type of customer, customer rating etc. The different segments reflect differences in PDs and in recovery rates in the event of "default".

Definition of default
In the above context, the Group considers default when:

- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Fund to actions such as realizing collateral (if any is held by the Group); or
- the customer is more than 360 days past due on any material credit obligation to the Group. As the industry norm suggests that such a period fairly represents the default scenario for the Group, this rebuts the presumption of 90 days mentioned in IFRS 9.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

(i) Financial assets (Continued)

Definition of default (Continued)
The carrying amount of the asset is reduced using the above model and the loss is recognized in the consolidated statement of comprehensive income. Receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realized or has been transferred to the Group. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced. If a write-off is later recovered, the recovery is recognized under other income in the consolidated statement of profit or loss.

Derivative financial instruments and hedge accounting
The Fund uses derivative financial instruments, such as interest rate swaps, to hedge interest rate risk. These derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Interest rate swaps are classified as cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income within the cash flow risk hedge reserve, while any ineffective portion is recognized directly in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Defined provision
Defined provision is recognized on customer-to-customer basis at every reporting date. The Group recognizes specific provision against receivables from certain customers. Provisions are reversed only when the outstanding amounts are recovered from the customers.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

ii) Financial liabilities

Initial recognition and measurement
The Fund’s financial liabilities include amounts due to related parties, accrued expenses and other liabilities. Financial liabilities are measured at amortized cost.

Subsequent measurement

Financial liabilities at amortized cost
This is the category most relevant to the Fund. After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

ii) Financial liabilities (Continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Loans
Loans are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as a finance cost over the period of the borrowings using the EIR method.
Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.
Loans are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.
Loans are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Accounts payable and accruals
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed or not by suppliers.

Zakat and Income tax
During the year 2021, Zakat, Tax and Customs Authority approved the optional registration of real estate investment traded funds, and ZATCA required the presence of a legal personality (special purpose entity) for investment funds wishing to register with it to submit their declarations and receive zakat. Capital Market Authority announced the adoption of the amendment of both the Investment Funds Regulations and the Real Estate Investment Funds Regulations, so that fund managers wishing to obtain a special purpose entity license can apply to the Authority from the effective date of these regulations on May 1, 2021.

Provisions
Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, the Fund will probably be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Net Assets Value
Net assets value per unit, as disclosed in the statement of net assets is calculated by dividing the net assets of the Fund by the numbers of units in issue as at the year-end.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Managing company fees

Radisson Blu Hotels Company, Denmark is a limited company established in Denmark, commercial registration No. 73337712, and its headquarters is Radisson Blu Company - Radisson Blu Accounting Company, Bamajerg Stradvig 46-60, Copenhagen, Denmark. It was agreed that Radisson Blu Denmark Company will operate a hotel leased by Aljada Hotel Company, based in Riyadh, in the name of Radisson Blu Cordoba, in exchange for fees pursuant to the operating contract concluded in the international management agreement for the Radisson Blu Hotel Riyadh Cordoba between Mr. Abdul Aziz Muhammad Abdul Aziz Al Qasim, Mr. Ahmed Abdullah Othman Al Salama as the first party and Radisson Blu Hotels Denmark.

<u>The management fees were as follows:</u>

A- The basic fee is 1.75% of total revenues.
B- Managment fees: Calculated as a specific percentage of the total operational account results out of total revenues.

The percentage of applicable Management fees that will be applied to the total gross operating profit from the beginning of the year to date according to the calendar quarter and the total fiscal year and will be settled by the end of the fiscal year.	Total operating profit as a percentage of total revenue for the same period.
N/A	less than 20%
4% of total operating profit	Greater than 20% up to 30%
5% of total operating profit	Greater than 30% up to 40%
6% of total operating profit	Greater than 40% up to 50%
8% of total operating profit	Greater than 50%

C- Marketing and sales fees are 2.5% of the total room revenues.

Fair value measurement

The Fund measures financial instruments such as equity instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability or,
• In the absence of a principal market, in the most advantageous market for the asset or liability
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Fair value measurement (continued)

For assets and liabilities that are recognised in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed above

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately in the statement of comprehensive income.

Revenue recognition

Rental revenue from lease of investment properties "As a lessor"

When the Fund acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Fund makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Fund considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Fund has assessed that all of its leases are operating leases.

Properties leased out under operating leases are included in investment property in the statement of financial position. Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Fund provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income.

For performance obligations, where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. When the Fund satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Fund will fulfill the performance obligation and recognize revenues over time, if one of the following conditions is met:

- That the client receives the benefits provided by the fund's performance and consumes them at the same time while the fund is performing, or
- The Fund's performance creates or improves an asset that the client controls when the asset is created or improved,or
- The Fund's performance does not create an asset with an alternative use to the Fund, and the Fund has an enforceable right to receive the value of performance completed to date.

5- SIGNIFICANT ACCOUNTING POLICIES / POLICY INFORMATION (CONTINUED)

Revenue recognition(continued)
For performance obligations where one of the above conditions is not met, revenue is recognized at the time the performance obligation is satisfied. When the Fund satisfies a performance obligation by providing the promised services, it creates a contract-based asset in the value of the consideration earned from the performance. If the amount billed to the customer exceeds the amount of revenue recognized, this creates contract liabilities. Revenue is measured at the fair value of the consideration received or receivable after considering the specific contractual payment terms.

The specific recognition criteria described below must also be met before revenue is recognised:

- Sale of investment properties
Revenue from the sale of investment properties is recognized when the significant risks and benefits have been transferred under a legal title deed or under a legal declaration binding on the ownership of the buyer, and when there is a possibility of collecting the consideration and the possibility of measuring the amount of revenue reliably.

- Rental income
Rental income arising from operating lease contracts for investment properties is recognized, net after discount, according to the terms of the lease contracts over the lease term using the straight-line method, except if the alternative basis is more representative of the pattern under which the benefits derived from the leased asset are curtailed.

- Hotel operating revenues
Revenue from hotel services consists of revenue from rooms, food and beverages and other related services provided. Revenue is recognized net of discounts, applicable taxes and municipality fees on an accrual basis when those services are provided in accordance with IFRS.

- Services
Revenue from services (food and beverages) is recognized when the hotel satisfies performance obligations. The hotel recognizes revenue when services are rendered.

- Other income
It is confirmed when it is verified.

Expenses
Expenses are recognized on an accrual basis and the Fund Manager fees are charged at an agreed rate with the Fund Manager. These expenses are calculated on a Semi-annual basis and these expenses are charged to the statement of profit or loss.

Borrowing costs
Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until the assets are substantially ready for their intended use. Otherwise, these costs are charged to the statement of profit or loss.

Foreign Currencies
Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of profit or loss.

6- CASH AND CASH EQUIVALENT

	31 December 2023 SAR	31 December 2022 SAR
Bank balances	**6,818,430**	20,030,730
Term Murabaha deposits*	**7,800,000**	-
Accrued Murabaha interest *	**30,783**	-
	14,649,213	20,030,730

Term Murabaha deposits are deposited with a local bank with a good credit rating. The book value disclosed above approximates the fair value at the date of the consolidated statement of financial position. All deposits have a duration of less than three months and are as follows:

On November 23, 2023, the Fund entered into a short-term Murabaha agreement with Al Rajhi Bank in the amount of 3,300,000 Saudi riyals, with a profit rate of 5.50%, due on February 5, 2024, with a profit of 37,308 Saudi riyals due at the end of the deposit period. The accrued profit as of December 31, 2023 amounted to 19,158 Saudi riyals.

On November 30, 2023, the Fund entered into a short-term Murabaha agreement with Al Rajhi Bank in the amount of 2,500,000 Saudi riyals, with a profit rate of 5.40%, due on February 5, 2024, with a profit of 25,125 Saudi riyals, due at the end of the deposit period. The accrued profit as of December 31, 2023 amounted to 11,625 Saudi riyals.

7- RENT RECEIVABLE, NET

	31 December 2023 SAR	31 December 2022 SAR
Rent receivable	**65,484,219**	50,927,464
Less:		
Provision for expected credit losses	**(28,525,344)**	(16,594,356)
	36,958,875	34,333,108

The movement in the expected credit losses is as of 31 December as follows:

	31 December 2023 SAR	31 December 2022 SAR
Balance at beginning of the year	**16,594,356**	16,165,391
Provided during the year	**15,318,819**	8,411,030
Write off during the year	**(3,387,831)**	(7,982,065)
Balance at end of the year	**28,525,344**	16,594,356

7- RENT RECEIVABLE, NET(CONTINUED)

The aging analysis of receivables at the reporting dated is presented as follow:

	31 December 2023 SAR	31 December 2022 SAR
Not due yet	**5,398,728**	2,727,909
Less than 90 days	**12,309,327**	14,869,029
From 91 – 180 days	**12,674,808**	6,389,090
From 181 – 270 days	**7,250,669**	4,742,748
From 271 – 360 days	**2,098,091**	123,405
More than 360 days	**25,752,596**	22,075,283
Total	**65,484,219**	50,927,464

8- DERIVATIVE FINANCIAL INSTRUMENTS

On 5 April 2022, the fund entered into a commission rate ceiling agreement (Shariah compliant) with Al Rajhi Bank regarding Al Rajhi Bank's facility (100,000,000 Saudi Riyals). The commission rate ceiling agreement requires payment of a variable commission rate and SIBOR up to 3.71%. Thereafter, the group will only pay a commission rate of 3.71%. The maturity date of the agreement is until 9 January 2028, as shown in the table:

Maturity date	**Effective date**	**Hedging interest rate**	**Book value**	**Type**	**Loan (bank hedged for it)**
9 Jan 2028	3 Aug 2022	Variable (SAIBOR for 6 months)	100,000,000	Bank facilities	Al Rajhi Bank facility

For hedging purposes, the profit rate ceiling is classified as a cash flow hedge. The fair value of derivative financial instruments is determined using valuation techniques based on observable market data. The fair values of derivative financial instruments are as follows:

	31 December 2023 SAR	31 December 2022 SAR
Commission rate derivative contracts - assets	**3,914,886**	306,713

The hedge effectiveness was assessed to be effective, and during the year ended 31December 2023, the unrealized net gain was 2,688,336 Saudi Riyals, which was included in the other comprehensive income statement (31 December 2022: 306,713 Saudi Riyals).

The amount of 2,995,049 Saudi Riyals indicated as a cash flow hedge reserve is expected to impact the profit or loss in future years, as of 31 December 2023, in the financial position statement.

9- INVESTMENT PROPERTIES, NET

	Lands	**Buildings**	**Work in progress**	**Total**
	SAR	**SAR**	**SAR**	**SAR**
Cost				
As at 1 January 2023	**594,630,650**	**747,893,598**	**15,857,123**	**1,358,381,371**
Additions during the year	**-**	**10,443,031**	**1,400,579**	**11,843,610**
Adjustments during the year (Disclosure 13)	**-**	**(11,239,835)**	**-**	**(11,239,835)**
As at 31 December 2023	**594,630,650**	**747,096,794**	**17,257,702**	**1,358,985,146**
Accumulated depreciation				
As at 1 January 2023	**-**	**(58,787,105)**	**-**	**(58,787,105)**
Charged to the year	**-**	**(18,698,317)**	**-**	**(18,698,317)**
As at 31 December 2023	**-**	**(77,485,422)**	**-**	**(77,485,422)**
Impairment of investment properties				
As at 1 January 2023	**(13,874,152)**	**(8,491,852)**	**(3,934,126)**	**(26,300,130)**
Change during the year	**(4,486,176)**	**(3,079,579)**	**(1,569,576)**	**(9,135,331)**
As at 31 December 2023	**(18,360,328)**	**(11,571,431)**	**(5,503,702)**	**(35,435,461)**
Net carrying amount as at 31 December 2023	**576,270,322**	**658,039,941**	**11,754,000**	**1,246,064,263**

	Lands	Buildings	Work in progress	Total
	SAR	SAR	SAR	SAR
Cost				
As at 1 January 2022	504,179,900	489,273,917	15,572,500	1,009,026,317
Additions during the year	90,450,750	258,619,681	284,623	349,355,054
As at 31 December 2022	594,630,650	747,893,598	15,857,123	1,358,381,371
Accumulated depreciation				
As at 1 January 2022	-	(40,813,476)	-	(40,813,476)
Charged to the year	-	(17,973,629)	-	(17,973,629)
As at 31 December 2022	-	(58,787,105)	-	(58,787,105)
Impairment of investment properties				
As at 1 January 2022	(11,678,769)	(3,608,031)	(3,839,660)	(19,126,460)
Change during the year	(2,195,383)	(4,883,821)	(94,466)	(7,173,670)
As at 31 December 2022	(13,874,152)	(8,491,852)	(3,934,126)	(26,300,130)
Net carrying amount as at 31 December 2022	580,756,498	680,614,641	11,922,997	1,273,294,136

All investment properties are properties held for the purpose of earning rental income and not for capital development.

Mulkia Real Estate's sukuk are registered in the name of Tamdeen First For Real Estate Trading Company, which is a company established for the purpose of preserving and registering the fund's assets based on Capital Market Authority Resolution ("CMA") No. 1/6/4902/17 dated 28 September 2017, as the sukuk of all properties invested in the fund have been mortgaged in favor of Al Rajhi Development Limited Company (a subsidiary of Al Rajhi Bank), with the exception of some instruments related to Aljada Complex, which are No. 781912000112 and 381912000111, with a coverage rate of no less than 200% of the total facilities as a guarantee for the financing granted to the Fund, provided that the mortgage on these instruments is released after paying the full value of the loan from Al Rajhi Bank. (Note 22).

9- INVESTMENT PROPERTIES, NET (CONTINUED)

Investment properties are as follows:

- **West Avenue Building:** It is a commercial building (Mall) in Al-Faisaliah district, Dammam.
- **The Elite "Elite Mall":** A complex of restaurants, cafes and offices on Prince Abdulaziz Bin Musaed bin Jiluwi Road in Sulaymaniyah district in Riyadh.
- **Vivienda Complex** It is a hotel villas complex located in Prince Faisal bin Fahd bin Abdulaziz Road in, Al-Hada district, Riyadh.
- **Dinar Commercial Building:** It is a commercial building on Prince Sultan Road in the Al-Zahra District, Jeddah.
- **Teqnia Industrial Commercial Complex**: It is an industrial and commercial complex consisting of five auto maintenance centers, two auto showrooms, and a spare parts center located in the southeast of Riyadh.
- **Furnished apartments building in the Namudhajiya district**: It is a building licensed as a furnished "3-star" accommodation facility in A Namudhajiya District in Riyadh.
- **Al-Yasmeen Building**: It is a residential building on Al-Qadisiya Street in the Al-Yasmeen district, north of Riyadh.
- **Al-Sheraa district project**: It is a commercial two buildings project dedicated to restaurants and cafes in Al-Sheraa district, Jeddah. It is included in under-construction projects. Work is still ongoing to deliver public facilities to the property and complete necessary licenses.
- **Khamis Mushait Building**: It is two buildings dedicated to restaurants and cafes in Khamis Mushait city.
- **Obhur Building**: It is a restaurant in the city of Jeddah in the northern Obhur district.
- **Aljada Complex**: It is a commercial hotel property that includes a hotel operated by (RHG) under the five-star brand Radisson Blu, consisting of 104 rooms, 16 hotel villas, 24 commercial showrooms and 5 offices, with a total built-up area of 33,105.89 square meters.

Investment properties are stated at historical cost. The fair value of investment properties was determined on the basis of the average of two market value valuations conducted by two appraisers: Valie and its partner for real estate appraisal and evaluation (an independent valuer approved by the Saudi Authority for Certified Valuers), license holder No. 11000191, and the Barcode Company Office - Asset Valuation (independent appraiser). Approved by the Saudi Authority for Certified Valuers (license holder no. 1210000001). These values based on the estimates of independent valuers are subject to uncertainty in the estimates.

The fair valuable value as a whole is classified within the third level based on the evaluation methods used in the appreciation of the fair value and the relevant inputs. The fair value of the completed real estate is determined based on the cash flows and the direct capital method - the income style, where market trains are estimated to real estate in light Similar properties in the market. Operating expenses are estimated based on market averages and the valuer's knowledge. The capitalization rate used is applied by reference to the rates of return normally used for similar properties and locations, and is adjusted on the basis of the valuer's knowledge of the factors specific to the relevant properties.

10- UNEARNED LEASE REVENUE

Unearned Lease Revenue represents billed amounts on investment properties lease revenue and does not relate to the year ended 31 December 2023 and the balance of unearned lease revenue amounted to13,250,305 Saudi riyals as at 31 December 2023 (31 December 2022: 15,541,668 Saudi riyals).

11- RELATED-PARTY TRANSACTIONS

Related parties to the Fund comprise Unitholders, Fund Manager, members of the board of directors, and other funds managed by the Fund Manager. In the ordinary course of business, the Fund transacts with related parties. The related parties' transactions are governed by the regulations issued by CMA. All transactions with the related parties are approved by the Fund's Board of Directors. The Fund pays the Fund Manager a management fee of 1 % per annum calculated on the net assets of the Fund after deducting expenses, to be calculated and paid half-yearly for the purpose of calculating management fees is based on the fair value of the investment properties. (Note 15). The Fund pays the following fees as well

- Capital structuring fees: The Fund Manager or any other party who arranges the capital structure charges the Fund a fee up to 1% of the total of any subscription amounts collected during future offering periods or upon collecting any other subscription amounts, whether in cash (by issuing priority rights) or in kind. The capital structuring fee is paid once, immediately after closing any capital-raising process.

- Finance structuring fees: The Fund Manager or any other party charges the Fund a financing structuring fee up to 1% of the total amount withdrawn under any bank facilities.

- Dealing fee: The Fund pays the Fund Manager a maximum of 1% of the sale or acquisition value of any real estate asset throughout the term of the Fund.

A) significant transactions with the related party during the year:

			amount of the transaction during the year ended	
Related party	**Relationship**	**Nature of transaction**	**31 December 2023 SAR**	31 December 2022 SAR
Mulkia Investment Company	Fund manager	Management fees	**(13,892,353)**	(11,946,602)
		Services provided fees	**(748,962)**	-
		Expenses paid on behalf	**94,279**	3,586,011
		Dividends	**(980,398)**	(20,218)
		Dealing fees	**-**	(2,131,065)
		Finance structure fees	**-**	(2,290,895)
Board of Directors members	Board of Directors	Attendance allowance	**30,000**	30,000

B) The following are the balances due to the related party as follows:

Related party	**Nature of transaction**	**31 December 2023 SAR**	31 December 2022 SAR
Mulkia Investment Company	Management fees	**18,429,520**	10,591,126
	Expenses paid on behalf	**421,547**	41,660
		18,851,067	10,632,786

The unitholders who own more than 5% of the fund's units as on 31 December 2023 are:
Gulf Real Estate Company
Mr. Khalid Abdulaziz Mohammad bin Nafjan

The unitholders' account as of 31December 2023 includes 3,647,087 units (31December 2022: 155,523 units) owned by Mulkia Investment Company (fund manager).

12- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2023 SAR	31 December 2022 SAR
Accrued Tax	**2,167,653**	1,327,726
Accrued Employee Benefits and outside employment	**1,028,807**	749,755
Accrued expenses	**2,932,213**	2,099,765
Accrued professional and advisory fees	**157,500**	1,627,500
Prepayments for rooms	**-**	598,477
Other credit balances	**253,937**	226,263
	6,540,110	6,629,486

13- ACCOUNTS PAYABLE

	31 December 2023 SAR	31 December 2022 SAR
Payables to purchase investment properties*	**-**	121,893,507
Trade payables	**2,479,135**	880,601
	2,479,135	122,774,108

*Payables to purchase investment properties are as follows:

13-1 As at 31 December 2022, payables to purchase investment properties are in the second phase of acquiring the remaining percentage of Aljada real estate, and it will be done by increasing the fund's capital through in-kind subscription by the property owners at a value of 35,000,000 Saudi riyals and collecting the remaining amount at a value of 86,983507 Saudi riyals through a cash offering to the public or Bank financing available to the Fund.

13-2 During the year 2023, the second phase of the acquisition of Aljada complex was paid, and this was done by increasing the fund's capital and allocating 3,556,911 units in kind at a price of 6.68 Saudi riyals, with a value of 23,760,166 Saudi riyals instead of 35,000,000 Saudi riyals (Note 13-1), and the difference of 11,239,835 was settled through investment properties (Note 9), and the remaining amount was paid and settled in cash from the total proceeds from the issuance of cash units from the capital increase.

14- ZAKAT PROVISION

During the year 2021, the Zakat, Tax and Customs Authority approved the voluntary registration of real estate investment traded funds. The Capital Market Authority announced the approval of a legal personality (special purpose entity) for investment funds wishing to register with it to submit their declarations and receive zakat. The Capital Market Authority announced the adoption of an amendment to both the Investment Funds Regulations and the Real Estate Investment Funds Regulations, so that fund managers wishing to obtain a special purposes facility license can apply to the Authority from the effective date of these regulations, 1 May 2021.

a) The principal elements of Zakat base are the following:

	31 December 2023 SAR	31 December 2022 SAR
Equity	**790,840,690**	600,229,358
Non -current liabilities	**476,968,250**	587,979,951
Non-current Assets	**1,249,979,149**	1,273,600,849
Net gain	**(11,806,606)**	(106,042)

14- ZAKAT PROVISION (CONTINUED)

b) Below is the movement in Zakat provision:

	31 December 2023 SAR	31 December 2022 SAR
Balance at the beginning of the year	**1,041,539**	2,143,693
Provided during the year*	**408,562**	1,108,321
Zakat for previous years	**-**	-
Paid during the year	**(1,096,528)**	(2,210,475)
Balance at the end of the year	**353,573**	1,041,539

*During the year 2023, the Fund stopped calculating Zakat, provided that Zakat is due from investors in accordance with Ministerial Resolution No. (29791) dated 05/09/1444 regarding the rules for collecting Zakat from investors in investment funds. The amount generated during the year is represented in the Zakat of the subsidiary company "ALJADAH Hotels Company"

c) Zakat Position

Zakat return is submitted on date, and Zakat returns for the years from 2019 to 2022 was submitted.
There is no zakat Inspection during the year.

15- BANKING FACILITIES

On 29 December 2021, a credit facility (Shariah compliant) was obtained from Al Rajhi Bank in the amount of 600,000,000 Saudi riyals to finance the fund's activities by guaranteeing the mortgage of most of the real estate Sukuk invested in the fund with a coverage rate of no less than 200% of the value of the total facilities (note 9), provided that all Amounts due after seven years from the date of the first withdrawal.

On 5 April 2022, the fund entered into a commission rate ceiling agreement (Shariah compliant) with Al Rajhi Bank regarding Al Rajhi Bank's facility (100,000,000 Saudi Riyals) (Disclosure 8).

*The movement in the Bank financing is as follows:

	31 December 2023 SAR	31 December 2022 SAR
Balance at the beginning of the year	**589,169,052**	342,599,995
withdrawal during the year	**-**	234,790,079
Paid during the year	**(148,510,457)**	(10,263,877)
Financing burdens for the year* (note17)	**37,254,755**	22,042,855
	477,913,350	589,169,052
Less:		
Deferred financing costs	**(945,100)**	(1,189,101)
	476,968,250	587,979,951

15- BANKING FACILITIES (CONTINUED)

*The movement in the Accrued Financing burdens is as follows:

	31 December 2023 SAR	31 December 2022 SAR
Balance at the beginning of the year	**11,778,978**	2,959,328
charged during the year(note 17)	**37,254,755**	22,042,855
Paid during the year	**(35,473,606)**	(13,223,205)
Balance at the end of the year	**13,560,127**	11,778,978

16- RENTAL AND OPERATING REVENUE

	For year ended 31 December 2023 SAR	For year ended 31 December 2022 SAR
Investment property rental income	**77,177,266**	70,072,132
hotel operation Revenues	**36,292,721**	25,775,910
	113,469,987	95,848,042
Revenue is recognized:		
Point in time	**36,292,721**	25,775,910
On time basis.	**77,177,266**	70,072,132
	113,469,987	95,848,042

17- FINANCING CHARGES

	For year ended 31 December 2023 SAR	For year ended 31 December 2022 SAR
Commission on long-term bank financing (Note 15)	**37,254,755**	22,042,855
Amortization of deferred financing expenses	**244,001**	223,449
	37,498,756	22,266,304

18- OTHER ADMINISTRATIVE EXPENSES

	For year ended 31 December 2023 SAR	For year ended 31 December 2022 SAR
Securities Depository Center Fees (Edaa)	**400,000**	401,000
Professional fees	**150,700**	866,228
Investment properties valuation expenses	**192,000**	169,000
Insurance expenses	**366,355**	133,256
Tadawul fees	**199,344**	199,749
Provision for the renovation of hotel assets	**725,862**	292,247
Marketing expenses	**966,449**	732,762
Capital increase expenses	**1,465,324**	-
Other	**2,300,999**	1,706,630
	6,767,033	4,500,872

19- OPERATING COST FOR THE HOTEL

	For year ended 31 December 2023 SAR	For year ended 31 December 2022 SAR
Salaries and other equivalents	**4,166,334**	3,149,499
Allowances and incentives	**866,197**	868,098
Commissions	**3,804,737**	2,434,301
Food and beverage costs	**2,706,446**	2,439,179
Electricity and water	**807,691**	859,268
Tasks and consumables	**1,523,873**	925,154
Cleaning costs and other salaries	**639,495**	194,151
Operating leases	**411,541**	360,619
Maintenance contract costs	**1,606,905**	1,160,512
End of service expense	**65,691**	123,605
Medical insurance	**143,229**	124,829
Temporary employment	**1,243,748**	1,488,247
Governmental expenses	**512,885**	522,323
Chemicals	**-**	142,722
Other costs	**302,523**	867,021
	18,801,295	15,659,528

20- THE IMPACT ON NET ASSETS IF INVESTMENT PROPERTIES EVALUATED AT FAIR VALUE

According to the Real Estate Investment Funds Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia, the fund manager must value the fund's assets based on the average of two valuations prepared by independent valuation experts. As indicated in the Fund's terms and conditions, the declared net asset value and management fees have been calculated based on the market value obtained. In accordance with International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses (if any).

The fair value of investment properties is determined by two appraisers: Valie & Partner Real Estate Appraisal and Evaluation Company (an independent valuer approved by the Saudi Authority for Accredited Valuers) License holder No. 1210001114 and Estnad Real Estate Valuation office (an independent valuer approved by the Saudi Authority for Accredited Valuers) License holder No. 1210000037.

20- THE IMPACT ON NET ASSETS IF INVESTMENT PROPERTIES EVALUATED AT FAIR VALUE (CONTINUED)

The evaluation of the appraisers of the investment properties was as follows:

	Valie Company SAR	**barcode Office SAR**	**Average SAR**
Fair value of investment properties as at 31 December 2023	**1,300,823,316**	**1,333,235,000**	**1,317,029,158**
Fair value of investment properties as at 31 December 2022	1,326,218,316	1,328,720,000	1,327,469,158

1- Below is a statement of the unrealized gains from properties that were identified based on real estate valuation processes (fair value) as follows:

	31 December 2023 SAR	31 December 2022 SAR
Fair value of investment properties	**1,317,029,158**	1,327,469,158
The net carrying amount of investment properties (Note 9)	**(1,246,064,263)**	(1,273,294,136)
Unrealized gains determined based on real estate valuation	**70,964,895**	54,175,022
Issued units	**103,765,995**	68,108,652
Unit share in unrealized gains based on real estate valuation	**0.684**	0.795

2- Below is the properties analysis of net assets using fair value:

	31 December 2023 SAR	31 December 2022 SAR
Net assets value at cost presented in these consolidated financial statements	**790,840,690**	600,229,358
Unrealized gains determined based on real estate valuation (Note 20-1)	**70,964,895**	54,175,022
Net assets value at fair value	**861,805,585**	654,404,380

3- Below is the analysis of net assets per unit using the fair value of properties:

	31 December 2022 SAR	31 December 2021 SAR
Net assets value per unit at cost presented in these consolidated financial statements	**7.621**	8.813
Impact on net assets value per unit as a result of unrealized gains determined based on real estate valuation (Note 20-1)	**0.684**	0.795
Net assets value per unit at fair value	**8.305**	9.608

21- DIVIDEND

On 18 January 2023, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 31 December 2022, in the amount of 8,854,125 Saudi riyals.

On 11 April 2023, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 31March 2023, in the amount of 8,854,125 Saudi riyals.

On 17 July 2023, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on30 June 2023, in the amount of 10,376,599 Saudi riyals.

On 16 October 2023, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 30 September 2023, in the amount of 10,376,600 Saudi riyals.

On 17 January 2022, the fund manager announced the distribution of dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 31 December 2021, in the amount of 12,259,557 Saudi riyals.

On 17 April 2022, the fund manager announced the distribution of dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 31 March 2022, in the amount of 8,854,125 Saudi riyals.

On 18 July 2022, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 30 June 2022, in the amount of 8,854,125 Saudi riyals.

On the date of 17 October 2022, the fund manager announced the distribution of cash dividends to unitholders of the Mulkia Gulf Real Estate REIT Fund for the period ending on 30 September 2022, in the amount of 8,854,125 Saudi riyals.

22- FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Financial instruments consist of financial assets and financial liabilities.

The Fund follows the following hierarchy to determine the fair value of investment properties and to disclose them:

Level 1: Quoted prices in active markets for the identical property (without adjustment or addition).
Level 2: Quoted prices in an active market for similar assets and liabilities or other valuation techniques, which are all significant inputs based on observable market data.

Level 3: Valuation techniques where significant inputs are not based on observable market data

Assessing the fair value of investment properties within Level 3.

The table below presents the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments. It does not include fair value information for financial assets that are not measured at fair value if the carrying amount reasonably approximates fair value.

22- FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	book value	**Fair value**		
31 December 2023		**Level 1**	**Level 2**	**Level 3**
Investment properties	**1,246,064,263**	**-**	**-**	**1,317,029,158**
Assets of derivative contracts	**3,914,886**	**-**	**3,914,886**	**-**
	1,249,979,149	**-**	**3,914,886**	**1,317,029,158**

	book value	Fair value		
31 December 2022		Level 1	Level 2	Level 3
Investment properties	1,273,294,136	-	-	1,327,469,158
Assets of derivative contracts	306,713	-	306,713	-
	1,273,600,849	-	306,713	1,327,469,158

The valuation of investment properties using discounted cash flow method and income capitalization method was performed based on significant unobservable inputs and is therefore included under Level 3 of the fair value hierarchy. The main inputs include:

Discount rates that reflect current market assessments of uncertainty in the amount and timing of cash flows (the rate used by valuers is 9.5% - 11%)

Capitalization rates based on the physical location, size and quality of the properties and taking into account market data at the date of the valuation (the rate used by valuers is 6.75% - 8%)

Future rental cash flows based on the actual location, type and quality of the properties and supported by the terms of any existing lease or other contracts or external evidence such as current market rents for similar properties.

Estimated vacancy rates based on current and projected future market conditions after the expiration of the term of any existing lease.

Maintenance costs, including the investments required to maintain the functional performance of the property over its estimated useful life.

Terminal value given assumptions about maintenance costs, vacancy rates and market rents.

There were no changes in the evaluation methods during the year.

23- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Fund's financial performance.

The financial instruments included in these consolidated financial statements primarily include cash and cash equivalents, rental income receivable, management fees payable, expenses payable and borrowings. The specific methods of proof used are disclosed in the individual policy statements associated with each item.

23- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to the risk of losses. The fund is exposed to risks related to credit, which may occur as a result of the inability or unwillingness of the counterparty or issuer to fulfill its obligations. Credit on his bank balances and receivables.

An allowance for credit losses is maintained which is sufficient at management's discretion to cover potential losses on overdue receivables. At the date of each financial report, the bank balances are evaluated as to whether they have low credit risks as they are kept with reputable and reputable financial institutions with a high local bank credit rating, and there is no default history for any of the bank balances. Therefore, the probability of default is based on future factors Any losses resulting from failure are negligible. As at the reporting date, there are no past due payment dates.

When calculating the expected credit loss allowance for receivables, an allowance matrix is used based on historical loss rates over the expected life of the receivable adjusted for forward-looking estimates.

The Fund's maximum undiscounted exposure to credit risk for the respective components of the statement of financial position and expected credit loss is as follows:

	31 December 2023 SAR	31 December 2022 SAR
Cash and cash equivalents	**14,649,213**	20,030,730
Rent receivable	**36,958,875**	34,333,108
Accrued Revenue	**7,403,058**	12,166,001

The following table provides information about exposure to credit risk and expected credit losses for Rent receivables as of:

31 December 2023	**Weighted average loss rate (%)**	**Exposure to default risk (SAR)**	**allowance for impairment (SAR)**
Not due yet	**0.0%**	**5,398,728**	**-**
From 1 to 90 days	**5.0%**	**12,309,327**	**616,497**
From 91 to 180 days	**11.3%**	**12,674,808**	**1,426,572**
From 181 to 270 days	**26.5%**	**7,250,669**	**1,923,318**
From 271 to 360 days	**72.3%**	**2,098,091**	**1,517,279**
More than 360 days	**89.5%**	**25,752,596**	**23,041,678**
Total		**65,484,219**	**28,525,344**

23- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (Continued)

31 December 2022	Weighted average loss rate(%)	Exposure to default risk (SAR)	allowance for impairment (SAR)
Not due yet	0.0%	2,727,909	-
From 1 to 90 days	0.3%	14,869,029	48,464
From 91 to 180 days	7.2%	6,266,982	453,030
From 181 to 270 days	18.9%	122,108	23,021
From 271 to 360 days	39.4%	4,742,748	1,866,352
More than 360 days	64.0%	22,198,688	14,203,489
Total		50,927,464	16,594,356

As for cash and cash equivalents, the credit risks are low as they are held with financial institutions with good credit ratings and there is no history of default for any of these balances.

The accrued revenues represent the difference between recording revenues using the straight-line method and the amounts that were invoiced according to the lease contracts, and after considering the nature of these balances, whose due date has not yet arrived, and therefore there is no default in payment for these balances.

Liquidity risks

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Fund commits to in the interest of others.

To reduce the liquidity risk and associated losses which may affect the business of the fund, the fund maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The fund avoids financing long-term capital requirements and its activities related to current accounts with related parties through short-term borrowings. The fund has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

Below are the maturities of financial liabilities as of 31 December 2023:

31 December 2023	**less than one year SAR**	**More than one year SAR**	**Indefinite term SAR**	**Total SAR**
Long-term Bank financing	**13,560,127**	**463,408,123**	**-**	**476,968,250**
Due to a related party	**18,851,067**	**-**	**-**	**18,851,067**
Accounts payable	**2,479,135**	**-**	**-**	**2,479,135**
Accrued expenses and other credit balances	**6,540,110**	**-**	**-**	**6,540,110**
Provision for end of service benefits for hotel employees	**-**	**-**	**153,000**	**153,000**
Provision for the renovation of hotel assets	**-**	**-**	**1,141,518**	**1,141,518**

23- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risks (Continued)

Below are the maturities of financial liabilities as of 31 December 2022:

31 December 2022	less than one year SAR	More than one year SAR	Indefinite term SAR	Total SAR
Long-term Bank financing	-	587,979,951	-	587,979,951
Due to a related party	10,632,786	-	-	10,632,786
Accounts payable	122,774,108	-	-	122,774,108
Accrued expenses and other credit balances	6,629,486	-	-	6,629,486
Provision for end of service benefits for hotel employees	-	-	188,150	188,150
Provision for the renovation of hotel assets	-	-	415,656	415,656

Currency risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Fund is not exposed to significant currency risks because all of its monetary financial assets and liabilities are stated in Saudi Riyals.

Commission rate risk

Commission rate risk is exposure to various risks associated with the impact of fluctuations in prevailing commission rates on the Fund's financial positions and cash flows.

The Fund's commission rate risk arises mainly from its borrowings, which are at variable interest rates and are not subject to re-pricing on a regular basis.

The Fund's interest rate risk arises mainly from its borrowings, which are at variable commission rates and the sensitivity analysis is as follows:

	Income Statement		**Statement Of Owners´ Net Assets (Equity)**	
	+ 100 points	**- 100 points**	**+ 100 points**	**- 100 points**
	SAR	**SAR**	**SAR**	**SAR**
Cost of financing facilities	**(4,769,683)**	**4,769,683**	**(4,769,683)**	**4,769,683**
Cash-flow sensitivity(net)	**(78,308)**	**78,308**	**(78,308)**	**78,308**
Derivative financial instruments	**1,000,000**	**(1,000,000)**	**1,000,000**	**(1,000,000)**
Cash flow sensitivity (net)	**1,000,000**	**(1,000,000)**	**1,000,000**	**(1,000,000)**

23- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES (CONTINUED)

Commission rate risk (continued)

	Income Statement		Statement Of Owners´ Net Assets (Equity)	
	+ 100 points	- 100 points	+ 100 points	- 100 points
	SAR	SAR	SAR	SAR
Cost of Islamic financing facilities	(5,879,800)	5,879,800	(5,879,800)	5,879,800
Cash-flow sensitivity (net)	(5,879,800)	5,879,800	(5,879,800)	5,879,800
Derivative financial instruments	1,000,000	(1,000,000)	1,000,000	(1,000,000)
Cash flow sensitivity (net)	1,000,000	(1,000,000)	1,000,000	(1,000,000)

Fair value and cash flow interest rate risk

The risks of fair value and cash flows at the interest rate are exposures to various risks related to the impact of fluctuations in market interest rates on the financial position and cash flows of the Fund. A “hedging agreement” has been implemented with Al Rajhi Bank, in order to fix the profit margin of credit facilities amounting to 100 million Saudi riyals at a fixed rate of 3.71%, in order to protect the fund from profit margin fluctuations during the maturity period of these facilities, which begins on 7 August 2022, and ends on 9January2028.

Market risk

Market risk is the risk of changes in market prices such as foreign exchange rates, profit rates and share prices that will affect the fund's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

24- COMMITMENTS AND CONTINGENCIES

The fund manager believes that there are no potential commitments as of the reporting date.

25- LAST VALUATION DAY

The last valuation day of the year was 31 December 2023 (For the year ended at 31 December 2022 is 31 December 2022).

26- GENERAL

The figures included in the accompanying consolidated financial statements have been rounded to the nearest Saudi Riyal.

27- SEGMENT INFORMATION

The Fund's principal business is conducted in the Kingdom of Saudi Arabia. Transactions between the operating segments are on normal commercial terms and conditions. The following are the fund's total assets and liabilities as of 31December 2023 and 2022, its total operating income and expenses, and the results for the years ending on that date, by operating sector:

Consolidated Comprehensive Income	**For the year ended in 31 December 2023**		
	Rent	**Hotel**	**Total**
	SAR	**SAR**	**SAR**
Revenues			
Rental and operating income	**77,177,266**	**36,292,721**	**113,469,987**
Murabaha interest income	**1,223,316**	**-**	**1,223,316**
Other income	**70,510**	**-**	**70,510**
Total revenues	**78,471,092**	**36,292,721**	**114,763,813**
Expenses			
Fund management fees	**(13,892,353)**	**-**	**(13,892,353)**
Hotel operating costs	**-**	**(18,801,295)**	**(18,801,295)**
Custody fees	**(328,787)**	**-**	**(328,787)**
Provision for expected credit losses	**(15,274,067)**	**(44,752)**	**(15,318,819)**
Depreciation of Properties investments	**(18,698,317)**	**-**	**(18,698,317)**
Financing charges	**(37,498,756)**	**-**	**(37,498,756)**
Dealing fees	**-**	**-**	**-**
Financing structuring fees	**-**	**-**	**-**
Other administrative expenses	**(3,250,929)**	**(3,516,104)**	**(6,767,033)**
Real estate operating costs	**(5,721,166)**	**-**	**(5,721,166)**
Impairment of Properties investments	**(9,135,331)**	**-**	**(9,135,331)**
Total Expenses	**(103,799,706)**	**(22,362,151)**	**(126,161,857)**
Net gain for the year before zakat	**(25,328,614)**	**13,930,570**	**(11,398,044)**
Zakat expense	**-**	**(408,562)**	**(408,562)**
Net gain / (loss) for the year	**(25,328,614)**	**13,522,008**	**(11,806,606)**
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedge	**2,688,336**	**-**	**2,688,336**
Total other comprehensive income for the year	**2,688,336**	**-**	**2,688,336**
Total comprehensive income for the year	**(22,640,278)**	**13,522,008**	**(9,118,270)**

27- SEGMENT INFORMATION (CONTINUED)

Consolidated Comprehensive Income	For fiscal year ended in 31 December 2022		
	Rent	Hotel	Total
	SAR	SAR	SAR
Revenues			
Rental and operating Revenue	70,072,132	25,775,910	95,848,042
Other income	-	166,921	166,921
Total revenues	70,072,132	25,942,831	96,014,963
Expenses			
Fund management fees	(11,946,602)	-	(11,946,602)
Hotel operating costs	-	(15,659,528)	(15,659,528)
Custody fees	(307,080)	-	(307,080)
Provision for expected credit losses	(8,344,466)	(66,564)	(8,411,030)
Depreciation of Properties investments	(17,973,629)	-	(17,973,629)
Financing burdens	(22,266,304)	-	(22,266,304)
Dealing fees	(2,131,065)	-	(2,131,065)
Financing structuring fees	(2,290,895)	-	(2,290,895)
Other administrative expenses	(2,158,215)	(2,342,657)	(4,500,872)
Real estate operating costs	(2,352,009)	-	(2,352,009)
Total expenses	(69,770,265)	(18,068,749)	(87,839,014)
Net operating profit for the year	301,867	7,874,082	8,175,949
Impairment of investment properties	(7,173,670)	-	(7,173,670)
Net gain for the year before zakat	(6,871,803)	7,874,082	1,002,279
Zakat expense	(833,338)	(274,983)	(1,108,321)
Net (loss) / gain for the year	(7,705,141)	7,599,099	(106,042)
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedge	306,713	-	306,713
Other comprehensive income for the year	306,713	-	306,713
Total comprehensive income for the year	(7,398,428)	7,599,099	200,671

27- SEGMENT INFORMATION (CONTINUED)

Consolidated Financial position	**At 31 December 2023**		
	Rent	**Hotels**	**Total**
	SAR	**SAR**	**SAR**
ASSETS			
Cash and cash equivalents	**12,703,808**	**1,945,405**	**14,649,213**
Inventory	**-**	**263,626**	**263,626**
Properties investments, net	**1,246,064,263**	**-**	**1,246,064,263**
Rent receivable, net	**33,323,864**	**3,635,011**	**36,958,875**
Accrued revenues	**7,403,058**	**-**	**7,403,058**
Assets of derivative contracts	**3,914,886**	**-**	**3,914,886**
Prepayments and other debit balances	**330,440**	**993,287**	**1,323,727**
TOTAL ASSETS	**1,303,740,319**	**6,837,329**	**1,310,577,648**
LIABILITIES			
Unearned rental income	**13,250,305**	**-**	**13,250,305**
Due to related parties	**18,851,067**	**-**	**18,851,067**
Account payable	**-**	**2,479,135**	**2,479,135**
Accrued expenses and other credit balances	**2,543,669**	**3,996,441**	**6,540,110**
Defined benefits obligation	**-**	**153,000**	**153,000**
Provision for the renovation of hotel assets	**-**	**1,141,518**	**1,141,518**
Zakat provision	**-**	**353,573**	**353,573**
Long term bank financing	**476,968,250**	**-**	**476,968,250**
TOTAL LIABILITIES	**511,613,291**	**8,123,667**	**519,736,958**
NET ASSETS ATTRIBUTE TO UNITHODLERS	**792,127,028**	**(1,286,338)**	**790,840,690**

Consolidated Financial position	At 31 December 2022		
	Rent	Hotels	Total
ASSETS	SAR	SAR	SAR
Cash and cash equivalents	10,997,376	9,033,354	20,030,730
Inventory	-	239,711	239,711
Properties investments, net	1,273,294,136	-	1,273,294,136
Rent receivable, net	32,341,976	1,991,132	34,333,108
Accrued revenues	12,166,001	-	12,166,001
Assets of derivative contracts	306,713	-	306,713
Prepayments and other debit balances	825,101	4,237,202	5,062,303
TOTAL ASSETS	1,329,931,303	15,501,399	1,345,432,702
LIABILITIES			
Unearned rental income	15,541,668	-	15,541,668
Due to related parties	10,632,786	-	10,632,786
Account payable	121,893,507	880,601	122,774,108
Accrued expenses and other credit balances	2,332,351	4,297,135	6,629,486
Defined benefits obligation	-	188,150	188,150
Provision for the renovation of hotel assets	-	415,656	415,656
Zakat provision	833,338	208,201	1,041,539
Long term bank financing	587,979,951	-	587,979,951
TOTAL LIABILITIES	739,213,601	5,989,743	745,203,344
NET ASSETS ATTRIBUTE TO UNITHODLERS	590,717,702	9,511,656	600,229,358

28- IMPORTANT ISSUES DURING THE YEAR

During the year 2023, additional units were issued in exchange for in-kind and cash subscriptions, where the total number of units issued amounted to 35,657,343 units, with an offering price of 6.68 Saudi Riyals per unit. The total proceeds from the issuance of units amounted to 238,191,051 Saudi Riyals.

29- SUBSEQUENT EVENTS

1- On 16 January 2024, the fund manager announced the distribution of cash dividends to the unit holders of the Gulf Real Estate REIT Fund for the period from 1 October 2023 to 31 December 2023, in the amount of 10,376,600 Saudi riyals.

2- On 31January 2024, the manager of Mulkia Gulf Real Estate REIT Fund announced the update of terms and conditions of the fund, effective 31 January 2024, and the update represents the following:

- Updating real estate evaluators' data after appointing Barcode Evaluation Company.
- Updating the data of the West Avenue property manager after appointing retail real estate company.

3- On 19 March 2024,the Fund manger announces that a facility agreement has been signed with Al-Rajhi Bank ('' The Bank'') for the purpose of reducing the bank's profit rate and an increasing the limit of bank facilities to finance capital expenditures and acquiring new real estate assets in the interest of the unitholders

The most important terms of the financing agreement:
- Raising the limit of bank facilities to 750 million Saudi riyals instead of 600 million Saudi riyals.
- Reducing the fixed part of the interest rate by 22.22%.

Except for the above, in the opinion of the management, there were no other significant subsequent events after 31 December 2023 and until the date of approval of the consolidated financial statements that could have a material impact on the consolidated financial statements as of 31 December 2023.

30- COMPARATIVE FIGURES

Some comparative year numbers have been reclassified to be consistent with the current year's classification in the consolidated financial statements.

31- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Fund Board of Directors on 16 Ramadan 1445 (26 March 2024).