BONYAN REIT FUND
(A Closed-Ended Fund Real Estate Investments Traded Fund)
(Managed by Saudi Fransi Capital Company)

FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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Independent auditor's report to the Unitholders and Fund Manager of Bonyan REIT Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bonyan REIT Fund (the "Fund") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity attributable to the Unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Fund and Fund Manager in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key Audit Matter	Valuation of investment properties

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where Fund Manager made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of investment properties As at 31 December 2024, the carrying value of the Fund's investment properties, net were SR 1,734.9 million. The investment properties are stated at cost less accumulated depreciation and accumulated impairment, if any. The fair value of the investment properties is provided as a disclosure. For assessing the impairment of investment properties and to provide fair values for the required disclosure, Fund manager engages two independent external certified property valuers to perform a valuation of the Fund's investment properties on a semi-annual basis. We considered this as a key audit matter as the external valuation used for the impairment assessment and disclosure requires significant assumptions and judgments and the potential impact of impairment, if any, could be material to the financial statements. Refer to Note 4 and Note 5 to the accompanying financial statements for accounting policy of investment properties and accounting judgments, and Note 12 and Note 22 for related disclosure of investment properties.	We have carried out the following audit procedures: • We obtained the valuation reports prepared by the two external valuers as at 31 December 2024 and assessed the recoverable amount of investment properties; • We assessed the qualification and expertise of external valuers appointed by the Fund for the valuation of the investment properties; • 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; • We carried out procedures to consider the accuracy of information supplied to the external valuers by Fund Manager; • We involved our experts to assist us in assessing the reasonableness of the valuation methodology, assumptions and estimates used in deriving the valuation, on a sample basis; • We reconciled the average fair value of the investment properties as appearing in Note 22 of the accompanying financial statements to the external valuers' report; and • We assessed the adequacy of disclosures included in the financial statements.

Other information

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the 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.

Independent auditor's report to the Unitholders and Fund Manager of Bonyan REIT Fund (continued)

Other information (continued)

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the Unitholders and Fund Manager of Bonyan REIT Fund (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. 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.

PricewaterhouseCoopers

Waleed A. Alhidiri
License Number 559

18 March 2025

STATEMENT OF FINANCIAL POSITION

	Notes	***As at 31 December 2024***	*As at 31 December 2023*
ASSETS			
Cash and cash equivalents	6	**70,383,023**	55,801,228
Murabaha deposits		**37,795,683**	30,683,679
Investments measured at fair value through profit or loss ("FVTPL")	7	**81,223**	78,485
Rental income receivable, net	8	**75,512,652**	64,089,785
Prepayment and other assets	9	**10,302,509**	16,929,154
Intangible assets, net	10	**2,256,419**	4,116,153
Property and equipment, net	11	**211,727,093**	213,828,521
Investment properties, net	12	**1,734,905,178**	1,359,834,124
TOTAL ASSETS		**2,142,963,780**	1,745,361,129
LIABILITIES			
Bank borrowings	13	**638,317,883**	240,442,650
Deferred rental income		**78,230,844**	66,888,203
Management fee payable	14	**6,960,718**	3,541,269
Accrued expenses and other liabilities	15	**55,807,699**	50,148,906
TOTAL LIABILITIES		**779,317,144**	361,021,028
Equity attributable to the Unitholders		**1,363,646,636**	1,384,340,101
Units in issue		**162,881,100**	162,881,100
Equity value per unit in Saudi Riyals – Book value	22	**8.3720**	8.4991

The accompanying notes from 1 to 27 form an integral part of these financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	***For the year ended 31 December 2024***	*For the year ended 31 December 2023*
Income:			
Income from properties	16	**248,490,790**	269,178,527
Net gain on investments measured at FVTPL	7	**2,738**	3,321
Other income		**9,362,002**	585,563
		257,855,530	269,767,411
Expenses:			
Property management expenses	17	**(84,232,854)**	(99,405,933)
Management fee	14	**(6,960,802)**	(6,968,444)
Allowance for Expected Credit Losses (“ECL”)	8	**(4,391,160)**	(3,871,504)
Other expenses	18	**(1,902,237)**	(1,816,301)
Depreciation of property and equipment	11	**(7,542,850)**	(4,804,312)
Amortisation of intangibles	10	**(1,963,159)**	(1,270,205)
Depreciation of investment properties	12	**(41,071,821)**	(39,824,248)
Reversal of impairment loss on investment properties	12	**4,753,220**	12,689,278
Reversal of impairment loss on property and equipment	11	**5,440,033**	8,380,574
		(137,871,630)	(136,891,095)
PROFIT BEFORE FINANCE COST		**119,983,900**	132,876,316
Profit on murabaha deposits		**2,244,130**	971,718
Finance cost	13	**(33,791,158)**	(22,923,849)
Net finance cost		**(31,547,028)**	(21,952,131)
NET INCOME BEFORE ZAKAT FOR THE YEAR		**88,436,872**	110,924,185
Zakat charge during the year		**-**	(22,810)
NET INCOME AFTER ZAKAT FOR THE YEAR		**88,436,872**	110,901,375
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**88,436,872**	110,901,375
EARNINGS PER UNIT			
Weighted average number of units in issue		**162,881,100**	162,881,100
Earnings per unit (basic and diluted)		**0.5430**	0.6809

The accompanying notes from 1 to 27 form an integral part of these financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE YEAR	**1,384,340,101**	1,380,940,252
CHANGES FROM OPERATIONS		
Total comprehensive income for the year	**88,436,872**	110,901,375
Income distributions during the year (Note 20)	**(109,130,337)**	(107,501,526)
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE YEAR	**1,363,646,636**	1,384,340,101

UNIT TRANSACTIONS

Transactions in units during the year are summarised as follows:

	For the year ended 31 December 2024 Units	*For the year ended 31 December 2023 Units*
UNITS AT THE START AND END OF THE YEAR	**162,881,100**	162,881,100

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF CASH FLOWS

	Notes	***For the year ended 31 December 2024***	*For the year ended 31 December 2023*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before Zakat for the year		**88,436,872**	110,924,185
Adjustment for:			
Depreciation expense on property and equipment	11	**7,542,850**	4,804,312
Amortisation expense on intangibles	10	**1,963,159**	1,270,205
Depreciation expense on investment properties	12	**41,071,821**	39,824,248
Reversal of impairment loss on investment properties	12	**(4,753,220)**	(12,689,278)
Reversal of impairment loss on property and equipment	11	**(5,440,033)**	(8,380,574)
Net gain on sale of property and equipment		**(161,032)**	-
Net gain on disposal of investment properties		**(7,870,923)**	(26,100,204)
Net gain on investment at FVTPL, net	7	**(2,738)**	(3,321)
Allowance for ECL	8	**4,391,160**	3,871,504
Finance cost	13	**33,791,158**	22,923,849
Operating cash flows before working capital changes		**158,969,074**	136,444,926
Changes in operating assets			
Rental income receivable		**(15,814,027)**	47,527,734
Prepayment and other assets		**6,626,645**	1,426,309
Changes in operating liabilities			
Deferred rental income		**11,342,641**	(2,938,627)
Management fee payable		**3,419,449**	(31,258)
Accrued expenses and other liabilities		**5,658,793**	(14,721,710)
Zakat paid		**-**	(3,115,438)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**170,202,575**	164,591,936
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of intangible assets	10	**(103,425)**	(2,800,455)
Payments for acquisition of property and equipment	11	**(14,508,339)**	(24,150,412)
Payments for acquisition of investment properties	12	**(455,436,636)**	(16,808,231)
Proceeds from sale of property and equipment		**2,956,653**	-
Proceeds from sale of investment properties		**63,629,233**	212,840,368
Murabaha deposit placements		**(7,112,004)**	(30,683,679)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(410,574,518)**	138,397,591
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	13	**850,001,303**	-
Bank borrowings repaid	13	**(453,260,000)**	(145,500,000)
Finance cost paid	13	**(32,657,228)**	(22,936,162)
Dividend paid, net of unclaimed dividend	20	**(109,130,337)**	(107,501,526)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES		**254,953,738**	(275,937,688)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**14,581,795**	27,051,839
Cash and cash equivalents at the beginning of the year		**55,801,228**	28,749,389
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**70,383,023**	55,801,228

The accompanying notes from 1 to 27 form an integral part of these financial statements.

All amounts are presented in Saudi Riyals unless otherwise stated

1. THE FUND AND ITS ACTIVITIES

Bonyan REIT Fund (the "REIT" or the "Fund") is a closed-ended Shariah compliant real estate investment traded fund. The Fund commenced its operations on 3 July 2018. The listing date of the Fund is 25 July 2018.

The REIT is managed by Saudi Fransi Capital Company (the "Fund Manager" or "BSF Capital"), a Saudi Closed Joint Stock company with Commercial Registration No.1010231217, and a Capital Market Institution licensed by the Capital Market Authority ("CMA") under license no. 11153-37 dated 30 January 2011.

The REIT is listed on the Saudi Exchange ("Tadawul") and the units of the REIT are traded on Tadawul in accordance with its rules and regulations. The REIT has a term of 99 years, which is extendable with the approval of Fund Board and CMA.

The primary investment objective of the REIT is to provide its investors with regular income by investing in income generating real estate assets in and out of Saudi Arabia provided that the Fund's investments outside Saudi Arabia do not exceed 25% of Fund's assets. In addition to this, the Fund may also opportunistically invest in real estate development projects, provided that the Fund invests at least 75% of the assets of the Fund in income generating real estate assets and that the Fund does not invest in white lands.

AlBilad Investment Company is the Custodian of the Fund.

As the Fund is not legally permitted to own real estate properties in the Kingdom of Saudi Arabia, accordingly, the Custodian has established following special purpose vehicles ("SPV") and branches to hold the titles of the properties for the benefit of the Fund without any controlling interest in the assets.

Name	**Commercial registration number / Unified Identification Number**	**Date**	**Location**
Bonyan Real Estate Fund Company	1010901003/ 7010921786	15 November 2017	Riyadh, Saudi Arbia
Hotel Courtyard by Marriot – Jazan (Branch of Bonyan Real Estate Fund Company)	7013468744/ 5900023484	25 June 2013	Jazan, Saudi Arabia
Residence Inn Apartments by Marriot – Jazan (Branch of Bonyan Real Estate Fund Company)	7014498807/ 5900033503	27 November 2016	Jazan Saudi Arabia
BSIF Investment (wholly owned subsidiary of Bonyan Real Estate Fund Company)	797051	26 December 2017	Dubai, United Arab Emirates

2. REGULATORY AUTHORITY

The Fund is governed by the Real Estate Investment Fund Regulations (REIFR) (the "Regulations") issued by the Board of CMA dated 19 Jamada Al-Akhirah 1427 (corresponding to 15 July 2006) amended by the Board of CMA dated 12 Rajab 1442H (corresponding to 24 February 2021).

3. BASIS OF PREPARATION

3.1 Statement of compliance

These 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 that are issued by Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). Assets and liabilities in the statement of financial position are presented in the of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 19.

3.2 Basis of measurement

These financial statements have been prepared on a historical cost basis, using the accruals basis of accounting, except for investments held at fair value through profit or loss ("FVTPL") that are measured at fair value.

3.3 Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyal ("SR"), which is also the functional currency of the Fund. All financial information presented has been rounded to the nearest SR.

4. MATERIAL ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents for the statement of financial position comprise cash in hand and bank balances and are available for use by the Fund unless otherwise stated.

Cash and cash equivalents for the statement of cash flows comprise cash in hand and bank balances and Murabaha deposits with original maturities less than 90 days.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

The Fund records financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair value. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount. In case of financial assets and financial liabilities at FVTPL, the transactions cost is expensed in statement of comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification

The Fund classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Fund for managing the financial assets, and contractual cash flow characteristics.

The Fund measures financial assets at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any income generated from these financial assets is recognized using effective interest method.

For assets measured at fair value, gains and losses will either be recorded in either profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Fund classifies all financial liabilities as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss.

The undiscounted amount of the financial liabilities appearing in statement of financial position approximates their carrying values at the reporting date due to short duration except for borrowings from bank, which have been measured at amortised cost.

Currently cash and cash equivalent, Murabaha deposits, rental income receivable, other assets, management fee payable, accrued expenses and other liabilities and bank borrowings are carried at amortised cost.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of the Fund’s continuing involvement. In that case, the Fund also recognises 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition of financial instruments *(continued)*

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 liabilities 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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position 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 assets and settle the liabilities simultaneously.

Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets, carried at amortised cost and FVOCI, the ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Fair value measurement

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

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 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; and

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement *(continued)*

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

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.

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 in Note 21.

Investment properties

Investment properties are real estate that are held for capital appreciation and/or rental yields are recorded as investment properties. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method. The cost less residual value of investment property is depreciated over its estimated useful life. Any capital expenditure incurred post-acquisition on investment properties is depreciated on straight line basis over its estimated useful life.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in a manner intended by the Fund. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Acquisition cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment arc required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4. MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Property and equipment include land and buildings, furniture and equipment comprising air conditioners, computers and printers, electrical tools, furniture and fixtures, office, and electrical equipment. Hotels are considered owner occupied and therefore classified as property and equipment.

Intangible assets

Intangible assets include computer software and licenses. Intangibles assets are initially capitalised at cost and subsequently at cost less accumulated amortisation and accumulated impairment if any. Amortisation is computed using the straight-line method. The cost less residual value of intangible assets is amortised over its estimated useful life.

Estimated useful life

The estimated useful life for investment properties, property and equipment and intangible assets is as below:

- Building – 20 to 50 years
- Furniture and equipment – 3 to 10 years
- Intangible assets – 5 to 20 years

Impairment of non-financial asset

The Fund assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A reversal of an impairment loss for an asset is only recognized if there's been a change in the estimates used to calculate the asset's recoverable amount since the last impairment. The asset's carrying amount should be adjusted up to its recoverable amount, essentially undoing the previous impairment loss. However, this adjustment should not exceed what the asset's carrying amount would have been, considering depreciation or amortization, had the impairment not been recognized in the past.

Accrued expenses and other liabilities

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

Provision

Provisions are recognised when the Fund has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

4. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Rental income

Rental income from operating lease of property is recognised on a straight-line basis over the term of the lease.

Revenue from hotel services

Revenue from hotel services comprises revenue from rooms, food and beverages and other associated services provided. The revenue is recognised net of discount, applicable taxes, and municipality fees on an accrual basis when the services are rendered.

Revenue is measured based on the consideration specified in a contract with customer and excludes amount collected on behalf of third parties such as taxes. The Fund recognises revenue when it transfers control over a product or service to a customer. The principles in IFRS 15 are applied in recognising the revenue from hotel services.

Management fee and other expenses

Management fee and other expenses are charged at rates/amounts within limits mentioned in terms and conditions of the REIT. Management fee is calculated and payable quarterly in arrears.

Custody fees

As per the terms and conditions of the Fund, the custodian charges 0.025% per annum of the Fund's total assets. The custody fees are calculated on the net asset value of the Fund and are payable on a quarterly basis.

Foreign exchange transactions

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to SR at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on retranslation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of profit or loss and other comprehensive income.

Zakat

Zakat and income tax at the Fund level is the obligation of the Unitholders and is not provided for in these financial statements.

Equity value per unit

The equity value per unit as disclosed in the statement of financial position is calculated by dividing the total net asset value of the Fund by the number of units in issue at year-end.

Dividend distribution

As per the regulations, the distributed profits to Unitholders must not be less than (90%) of the Fund's annual net profits except for unrealized capital gains that may come from the appreciation of real estate.

Capital gains from the sale of real estate assets will be invested money market instruments until suitable real estate assets are identified for acquisition by the Fund. If no new investment opportunities are identified within one year of receipt of proceeds from the sale of an asset, Fund Manager will distribute such amounts with the upcoming dividend.

Unclaimed dividends are disclosed under other liabilities in the statement of financial position.

4. MATERIAL ACCOUNTING POLICIES (continued)

Capital

Units in the Fund are classified as equity instruments when a contractual obligation for the Fund is to deliver to another entity a pro rata share of its net assets only on liquidation. The obligation arises because liquidation either is certain to occur and outside the control of the Fund or is uncertain to occur but is at the option of the instrument holder. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

(a) It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation. The Fund's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:

(i) dividing the net assets of the Fund on liquidation into units of equal amount; and

(ii) multiplying that amount by the number of the units held by the financial instrument holder.

(b) The instrument is in the class of instruments that is subordinate to all other classes of instruments and has no priority over other claims to the assets of the Fund on liquidation, and

(c) does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.

All financial instruments in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing entity to deliver a pro rata share of its net assets on liquidation.

For an instrument to be classified as an equity instrument, in addition to the instrument having all the above features, the issuer must have no other financial instrument or contract that has total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract) and the effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund continuously assesses the classification of the units. If the units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of the Fund's units are accounted for as equity transactions.

Upon the issuance of units, the consideration received is included in equity. Transaction costs incurred by the Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted by the Fund

The following new and revised International Financial Reporting Standards have been adopted, which became effective for annual periods beginning on or after 1 January 2024. The adoption of these new and revised International Financial Reporting Standards has not had any material effect on the reported amounts for current and prior years.

Standard, interpretation, amendments	**Description**	**Effective from annual periods beginning on or after**
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

4. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments not yet effective and not early adopted by the Fund

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the financial statements of the Fund.

Standard, interpretation, amendments	**Description**	**Effective from annual periods beginning on or after**
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027

4. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments not yet effective and not early adopted by the Fund (continued)

Standard, interpretation, amendments	**Description**	**Effective from annual periods beginning on or after**
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS. An eligible subsidiary applies the requirements in other IFRS except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

5. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Fund's financial statements in conformity with the IFRS that are endorsed in the Kingdom of Saudi Arabia and other statements and pronouncements issued by SOCPA, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

<u>Judgments</u>

Going concern

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

Classification of investments as investment property or owner-occupied property
The Fund categorizes its investments in hotel properties under the designation of owner-occupied property. This classification is predicated on the consideration that the ancillary services furnished to the hotel significantly contribute to the income derived from these properties. Furthermore, the variability in cash flow and the operational risks associated with the hotels are borne by the Fund. Conversely, the Fund's investments in malls are designated as investment property. This is attributed to the fact that the ancillary services provided to the mall tenants constitute an insubstantial portion of the lease rentals accrued from these entities.

Classification of units as equity vs liability (Refer to Note 4 for accounting policy and measurement basis)

<u>Estimates</u>

Residual value and useful lives of investment properties and property and equipment

Fund Manager determines the estimated residual value and useful lives of its investment properties and property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Fund Manager will review the residual value and useful lives annually and future depreciation charge would be adjusted where Fund Manager believes the useful lives differ from previous estimates. (Refer to Note 4 for accounting policy and measurement basis)

Impairment of financial assets (expected credit loss)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

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 group of similar financial assets for the purposes of measuring ECL.

Impairment of non-financial assets *(Refer to Note 4 for accounting policy and measurement basis)*

All amounts are presented in Saudi Riyals unless otherwise stated

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalent comprises the following:

	As at 31 December 2024	*As at 31 December 2023*
Bank balance	**70,346,523**	55,801,228
Cash in hand	**36,500**	-
	70,383,023	55,801,228

Fund Manager has conducted a review as required under IFRS 9 and based on such an assessment, the effect of expected credit loss allowance against the carrying value of cash and cash equivalents is insignificant as the balances are held with investment grade credit rated financial institutions and therefore has not been recognised in these financial statements.

7. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments as at the reporting date comprises investments in mutual funds.

	As at 31 December 2024	*As at 31 December 2023*
Financial assets measured at fair value through profit or loss (FVTPL)		
Al Badr Murabaha Fund SAR (Note 14)	**3,301**	3,125
Riyadh SAR Trade Fund	**77,922**	75,360
	81,223	78,485

The following is the movement in investments during the year:

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Carrying amount:		
Balance at beginning of the year	**78,485**	75,164
Unrealised gain on FVTPL investments for the year	**2,738**	3,321
Balance at the end of the year	**81,223**	78,485

As at 31 December 2024, the Fund has an investment of 184 units (2023: 184 units) in Al Badr Murabaha Fund SAR and 32 units (2023: 32 units) in Riyadh SAR Trade Fund.

The Fund and Al Badr Murabaha Fund SAR are managed by the same Fund Manager.

All amounts are presented in Saudi Riyals unless otherwise stated

8. RENTAL INCOME RECEIVABLE, NET

Rental income receivable comprised of the following:

	As at 31 December 2024	*As at 31 December 2023*
Rental income receivable	**96,465,726**	81,213,011
Less: Allowance for expected credit losses	**(20,953,074)**	(17,123,226)
	75,512,652	64,089,785

The movement in allowance for expected credit losses is as follows:

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Opening balance	**17,123,226**	14,169,695
Charged during the year	**4,391,160**	3,871,504
Written off	**(561,312)**	(917,973)
Closing balance	**20,953,074**	17,123,226

Below is the aging analysis of gross rental income receivables:

	As at 31 December 2024	*As at 31 December 2023*
0-3 months	**26,187,747**	27,091,000
3-12 months	**20,064,580**	24,541,819
Over 365 days	**50,213,399**	29,580,192
Balance at the end of the year	**96,465,726**	81,213,011

9. PREPAYMENT AND OTHER ASSETS

	As at 31 December 2024	*As at 31 December 2023*
Prepaid expenses and other assets	**3,741,383**	5,225,445
Advance payment to suppliers	**5,889,257**	6,939,808
VAT input tax	**671,869**	4,763,901
	10,302,509	16,929,154

All amounts are presented in Saudi Riyals unless otherwise stated

10. INTANGIBLE ASSETS, NET

	31 December 2024	*31 December 2023*
Cost		
Balance at the beginning of the year	**6,850,225**	4,049,770
Additions during the year	**103,425**	2,800,455
Balance at the end of the year	**6,953,650**	6,850,225
Accumulated amortisation		
Balance at the beginning of the year	**(2,734,072)**	(1,463,867)
Charged during the year	**(1,963,159)**	(1,270,205)
Balance at the end of the year	**(4,697,231)**	(2,734,072)
Net book value at the end of the year	**2,256,419**	4,116,153

11. PROPERTY AND EQUIPMENT, NET

	31 December 2024				
	Land	***Building***	***Furniture and equipment***	***Capital work in progress***	***Total***
Cost					
Balance at the beginning of the year	**24,422,702**	**209,492,478**	**20,637,399**	**19,530,863**	**274,083,442**
Additions during the year	**-**	**278,193**	**2,297,390**	**11,932,756**	**14,508,339**
Disposal during the year	**-**	**-**	**(2,360,873)**	**(595,780)**	**(2,956,653)**
Transfer to investment properties (note 12)	**-**	**-**	**-**	**(11,711,329)**	**(11,711,329)**
Balance at the end of the year	**24,422,702**	**209,770,671**	**20,573,916**	**19,156,510**	**273,923,799**
Accumulated depreciation					
Balance at the beginning of the year	**-**	**(21,337,016)**	**(12,731,205)**	**-**	**(34,068,221)**
Charged during the year	**-**	**(5,706,038)**	**(1,836,812)**	**-**	**(7,542,850)**
Disposal during the year	**-**	**-**	**161,032**	**-**	**161,032**
Balance at the end of the year	**-**	**(27,043,054)**	**(14,406,985)**	**-**	**(41,450,039)**
Accumulated impairment					
Balance at the beginning of the year	**-**	**(26,186,700)**	**-**	**-**	**(26,186,700)**
Reversal of impairment during the year	**-**	**5,440,033**	**-**	**-**	**5,440,033**
	-	**(20,746,667)**	**-**	**-**	**(20,746,667)**
Net book value at the end of the year	**24,422,702**	**161,980,950**	**6,166,931**	**19,156,510**	**211,727,093**

*Impairment reversal on property valuation has occurred due to significant improvement in market conditions and demand, leading to an increase in the property's fair value.

All amounts are presented in Saudi Riyals unless otherwise stated

11. PROPERTY AND EQUIPMENT, NET (continued)

	31 December 2023				
	Land	*Building*	*Furniture and equipment*	*Capital work in progress*	*Total*
Cost					
Balance at the beginning of the year	24,422,702	209,492,478	15,065,045	-	248,980,225
Additions during the year	-	-	5,572,354	19,530,863	25,103,217
Balance at the end of the year	24,422,702	209,492,478	20,637,399	19,530,863	274,083,442
Accumulated depreciation					
Balance at the beginning of the year	-	(17,455,829)	(10,855,277)	-	(28,311,106)
Charged during the year	-	(3,881,187)	(923,125)	-	(4,804,312)
Depreciation adjustment for the year	-	-	(952,803)	-	(952,803)
Balance at the end of the year	-	(21,337,016)	(12,731,205)	-	(34,068,221)
Accumulated impairment					
Balance at the beginning of the year	-	(34,567,274)	-	-	(34,567,274)
Reversal of impairment during the year	-	8,380,574	-	-	8,380,574
	-	(26,186,700)	-	-	(26,186,700)
Net book value at the end of the year	24,422,702	161,968,762	7,906,194	19,530,863	213,828,521

The land and building under property and equipment represent following three (2023: three) properties namely:

- The Courtyard Marriott Hotel investment, a freehold property acquired by the Fund, is located in Jazan and is classified in the Four-Star Hotel sector.

- The Residence Inn by Marriott investment, a freehold property acquired by the Fund, is located in Jazan and is classified in the Four-Star Apartment Hotel sector.

- Marriott Executive Apartments investment, a freehold property acquired by the Fund, is located in Madinah and is classified in the Five Star Apartment Hotel sector.

For the year ended 31 December 2024
All amounts are presented in Saudi Riyals unless otherwise stated

12. INVESTMENT PROPERTIES, NET

	31 December 2024		
	Land	***Building***	***Total***
Cost			
Balance at the beginning of the year	**284,866,118**	**1,277,126,247**	**1,561,992,365**
Additions during the year	**114,893,608**	**340,543,028**	**455,436,636**
Disposal during the year	**-**	**(62,801,816)**	**(62,801,816)**
Transfer from property and equipment (note 11)	**-**	**11,711,329**	**11,711,329**
Balance at the end of the year	**399,759,726**	**1,566,578,788**	**1,966,338,514**
Accumulated depreciation			
Balance at the beginning of the year	**-**	**(192,923,239)**	**(192,923,239)**
Charge for the year	**-**	**(41,071,821)**	**(41,071,821)**
Disposal during the year	**-**	**7,043,506**	**7,043,506**
Balance at the end of the year	**-**	**(226,951,554)**	**(226,951,554)**
Accumulated impairment			
Balance at the beginning of the year	**-**	**(9,235,002)**	**(9,235,002)**
Reversal of impairment during the year	**-**	**4,753,220**	**4,753,220**
Balance at the end of the year	**-**	**(4,481,782)**	**(4,481,782)**
Net book value at the end of the year	**399,759,726**	**1,335,145,452**	**1,734,905,178**

	31 December 2023		
	Land	*Building*	*Total*
Cost			
Balance at the beginning of the year	284,866,118	1,467,524,494	1,752,390,612
Additions during the year	-	16,808,231	16,808,231
Disposal during the year	-	(207,206,478)	(207,206,478)
Balance at the end of the year	284,866,118	1,277,126,247	1,561,992,365
Accumulated depreciation			
Balance at the beginning of the year	-	(173,565,305)	(173,565,305)
Charge for the year	-	(39,824,248)	(39,824,248)
Disposal during the year	-	20,466,314	20,466,314
Balance at the end of the year	-	(192,923,239)	(192,923,239)
Accumulated impairment			
Balance at the beginning of the year	-	(21,924,280)	(21,924,280)
Reversal of impairment during the year	-	12,689,278	12,689,278
Balance at the end of the year	-	(9,235,002)	(9,235,002)
Net book value at the end of the year	284,866,118	1,074,968,006	1,359,834,124

*Impairment reversal on property valuation has occurred due to significant improvement in market conditions and demand, leading to an increase in the property's fair value.

12. INVESTMENT PROPERTIES, NET (continued)

The investment properties represent following properties namely:

- The Al Rashid Mega Mall investment, a freehold property acquired by the Fund, is located in Madinah and is classified in the Commercial sector.

- The Al Rashid Mall - Abha investment, a leasehold property acquired by the Fund under a 20-year usufruct agreement, is located in Abha and is classified in the Commercial sector. The Fund had the right to purchase this property outright within 5 years from the signing date of the usufruct agreement for a consideration of SR 110 million. The Fund exercised this right during 2023. The amount will be paid upon transfer of tittle deed which is underway and accordingly the asset and liability has not been recorded in these financial statements. The right of use under the usufruct agreement meets the definition of investment property and therefore the right of use is classified as investment property.

- The Al Rashid Mall - Jazan, a freehold property acquired by the Fund, investment is located in Jazan and is classified in the Commercial sector.

- The Al Rashid Strip Mall investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Commercial sector.

- The Citywalk Residential Building investment, a freehold property acquired by the Fund, is located in Dubai and is classified in the Residential sector. This property has been fully disposed off during the year ended 31 December 2024.

- The Al Rafiah Village investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Residential sector.

- The Al Maather Villas Complex investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Residential sector.

- The Al Sahafa Office Tower, a freehold property acquired by the Fund in April 2021 and is located in Sahafa District on al-Olaya Street in Riyadh and is classified in the Office sector.

- The Al Ghadeer Office Tower, a freehold property acquired by the Fund in January 2022 is located in Al-Ghadeer District on Al Sail Al Kabeer Road in Riyadh and is classified in the Office sector.

- The 1991 Centre, a freehold property acquired by the Fund in May 2024 located in Hittin District in Riyadh and the building will be used for commercial usage.

- The Al Olaya Tower, a freehold property acquired by the Fund in August 2024 located in Al-Sahafa District on Olaya Street in Riyadh and is classified in the Office sector.

All amounts are presented in Saudi Riyals unless otherwise stated

13. BANK BORROWINGS

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Borrowings		
Balance at the beginning of the year	**240,260,000**	385,760,000
Addition during the year	**850,001,303**	-
Paid during the year	**(453,260,000)**	(145,500,000)
Balance at the end of the year	**637,001,303**	240,260,000
Accrued finance cost		
Balance at the beginning of the year	**182,650**	194,963
Charge for the year	**33,791,158**	22,923,849
Paid during the year	**(32,657,228)**	(22,936,162)
	1,316,580	182,650
Net book value	**638,317,883**	240,442,650

The borrowings from bank represents Islamic financing obtained from local banks. The Fund obtained financing at Saudi Interbank Offer Rate ("SIBOR") plus agreed margin. The profit mark - up / bank commission is payable on monthly / quarterly basis and the principal is due for payment from April 2025 to March 2031.

The title deed of following properties has been mortgaged and is being held as a collateral against the bank borrowing:

- Al Rashid Mall - Jazan,
- The Courtyard Marriott Hotel - Jazan,
- The Residence Inn by Marriott - Jazan,
- Al Rashid Mega Mall – Madinah,
- Marriott Executive Apartments – Madinah,
- Al Rafiah Village – Riyadh,
- Al Sahafa Tower– Riyadh,
- Al Ghadeer Tower– Riyadh,
- Al Olaya Tower - Riyadh

All amounts are presented in Saudi Riyals unless otherwise stated

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Fund Manager, Banque Saudi Fransi (the "Bank" and a shareholder of Fund Manager), Saudi Bonyan Company (being the property manager of the investment properties and property and equipment), the Fund Board Directors and affiliates of Fund Manager. The Fund is managed by Fund Manager and the Unitholders of the Fund, including Abdul Rahman Saad Al Rashid & Sons Company (being a substantial unitholder).

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

Transactions with related parties during the years and balances are as follows:

		Amount of transactions income / (expense)		***Balances receivables/(payables)***	
Related party	***Nature of transaction***	***For the year ended 31 December 2024***	*For the year ended 31 December 2023*	***As at 31 December 2024***	*As at 31 December 2023*
Saudi Fransi Capital Company (Fund Manager)	Asset management fee (Refer Note "a" below)	**(6,960,802)**	(6,968,444)	**(6,960,718)**	(3,541,269)
Banque Saudi Fransi	Cash and cash equivalents	**-**	-	**43,234,530**	22,036,864
Board of Directors	Board fees to independent board members	**(100,000)**	(200,000)	**-**	(355,000)
Al Badr Murabaha Fund (Managed by Fund Manager)	Investments (Refer Note "b" below)	**-**	-	**3,301**	3,125
	Unrealised gain on investments measured at FVTPL	**176**	153	**-**	-
Saudi Bonyan Company (Property Manager and a subsidiary of major unitholder ARTAR)	Property management fee	**(10,436,385)**	(10,415,305)	**(1,862,373)**	(101,975)
	Property operating expenses	**(70,502,153)**	(78,984,881)	**(4,183,050)**	(1,516,524)

(a) As per the terms and conditions of the Fund, the Fund is liable to pay Fund Manager a management fee being 0.5% plus applicable taxes of the net asset value of the Fund. The fee is payable on a quarterly basis.

(b) As at 31 December 2024, the Fund has an investment of 184 (2023: 184 units) in Al Badr Murabaha Fund SAR. The Fund and Al Badr Murabaha Fund SAR are managed by Saudi Fransi Capital Company.

For the year ended 31 December 2024
All amounts are presented in Saudi Riyals unless otherwise stated

15. ACCRUED EXPENSES AND OTHER LIABILITIES

	As at 31 December 2024	*As at 31 December 2023*
Trade and other payable	**29,945,480**	24,889,538
Maintenance payable	**7,050,941**	8,117,180
Advance from customers	**5,714,669**	5,712,293
Property operating expenses (Note 14)	**4,183,050**	1,516,524
Property management fee (Note 14)	**1,862,373**	101,975
VAT output	**1,858,315**	2,843,812
Property valuation fee	**268,152**	301,283
Custody fees	**93,751**	103,751
Audit fees	**25,197**	84,000
Board and committee fees	**-**	355,000
Other payable	**4,805,771**	6,123,550
	55,807,699	50,148,906

16. INCOME FROM PROPERTIES

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Income from investment properties		
Lease rental income on investment properties excluding hotels	**191,401,896**	191,414,918
Other income – ancillary services	**15,554,586**	12,731,919
Capital gain on disposal of investment properties	**7,870,923**	26,100,204
Revenue from hotel operations		
Rooms revenue	**27,820,197**	31,014,635
Food and beverage revenue	**5,180,446**	6,934,291
Others	**662,742**	982,560
Net income from real estate properties	**248,490,790**	269,178,527

Other income (ancillary services) comprises of service charges and recovery of utility charges from the tenants of commercial properties (malls).

Future rental commitments in respect of investment properties (to be received) at year end, under the operating leases is as follows:

	As at 31 December 2024	*As at 31 December 2023*
Not later than one year	**312,205,414**	167,568,762
Later than one year and less than five years	**801,215,531**	106,882,580
Later than five years	**442,439,195**	280,114,570
	1,555,860,140	554,565,912

All amounts are presented in Saudi Riyals unless otherwise stated

17. PROPERTY MANAGEMENT EXPENSES

The analysis of property management expenses charged by the property manager is as follows:

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Staff costs	**33,974,906**	5,009,617
Utilities expense	**15,400,093**	62,917,547
Property management fee	**10,436,385**	10,415,305
Repair and maintenance expense	**6,320,128**	4,202,989
Sales commission	**3,294,316**	10,005,747
Insurance expense	**3,017,482**	3,791,580
Others	**11,789,544**	3,063,148
	84,232,854	99,405,933

18. OTHER EXPENSES

The analysis of other expenses is as follows:

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
Custody fees	**416,095**	388,519
Registration fee	**400,000**	400,000
Listing fees	**300,000**	300,000
Property valuation fees	**320,823**	234,000
Audit fees	**151,000**	147,000
Board and committee fee (Note 14)	**100,000**	200,000
Publishing fee	**10,000**	15,000
Regulatory fee	**7,500**	7,500
Bank charges	**2,759**	71,282
Legal fee	**435**	-
Others	**193,625**	53,000
	1,902,237	1,816,301

19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management

Fund Manager is primarily responsible for identifying and controlling risks. The Fund's activities expose it to a variety of financial risks: market risk (including cash flow commission rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. Monitoring and controlling risks are primarily set up to be performed based on limits as specified in the terms and conditions and regulations. In addition, the compliance department at BSF Capital monitors the exposures against the investment guidelines as specified in the terms and conditions and regulations.

All amounts are presented in Saudi Riyals unless otherwise stated

19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is at a risk when tenants are in breach of their obligations. In the event of a failure of a tenant to pay the payments due for one or more real estate assets, this may limit the ability of Fund Manager to re-lease or lease the property on satisfactory terms resultantly reducing the rental income from the properties.

The Fund is exposed to credit risk on its cash and cash equivalents, Murabha deposits, investments at FVPL and rental income receivable. Cash flows from the lessees are being received in accordance with the lease and any expected defaults are recognised in the financial statement in accordance with the expected credit loss model. The maximum exposure to the credit risk for the financial assets is their carrying value. The impact of expected credit losses on financial assets of the Fund is considered to be immaterial by the Fund Manager unless otherwise disclosed in these financial statements.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	As at 31 December 2024	*As at 31 December 2023*
Bank balances	**70,346,523**	55,801,228
Murabaha deposits*	**37,795,683**	30,683,679
Investments measured at FVTPL	**81,223**	78,485
Rental income receivable, net	**75,512,652**	64,089,785
	183,736,081	150,653,177

* These deposits carry profit ranging from 3.8% to 3.9% and will mature in January 2025.

Concentration risk

The Fund on its inception date and during its life, acquires real estate assets which are sometimes leased to a single tenant depending on the nature of the asset. Such real estate assets are either equipped or remodeled by the lessee in a manner that serves the tenants interests. Therefore, if the tenant decides not to renew or terminate the relevant lease, Fund Manager may find it difficult to re-lease the property to a new tenant who rents the entire real estate asset or Fund Manager may be required to make modifications to the property.

Based on the Fund's strategy, most of the Fund's portfolio is located within Saudi Arabia and is therefore affected by the conditions and economic cycles that affect the region in general, which could impact the Fund's investments and unit price. The regions / cities with positive investment characteristics, growth in business activities, positive investment flow, growth in supply and demand, and good infrastructure, are targeted after conducting a comprehensive feasibility study for these real estate assets internally by either Fund Manager or using an external consultant to carry out the necessary studies. Fund Manager use at least two independent appraisers, to be accredited by the Saudi Authority for Accredited Valuers.

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, equity prices and interest rates, will affect the Fund's income or cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund's functional and presentation currency is Saudi Riyal, with some transactions in UAE Dirham, which is mainly related to Investment property located in the United Arab Emirates. UAE Dirham has a stable exchange rate to Saudi Riyal. The Fund is not consequently exposed to any significant currency risk.

19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Special commission rate risk

Special commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market special commission rates. The Fund is subject to special commission rate risk on its special commission bearing assets. The Fund does not account for any fixed rate special commission bearing financial assets at fair value and therefore, a change in special commission rates at the reporting date would not have any effect on the financial statements. The Fund is exposed to cashflow special commission rate risk on the floating rate borrowings. A hundred basis points change in commission rate keeping all other factors constant will increase/decrease the special commission expense by SR 4,717,820 (2023: SR 3,421,850).

Property valuation risk

The valuations carried out by two independent valuators will only be an estimate of the worthiness of a property and are not a precise measure of the value that may be obtained in connection with a sale of that property which is based on negotiations between a buyer and seller. The final verification of the property market value depends to a great extent on economic and other conditions beyond the control of the Fund. If the Fund were to liquidate its assets, the realized value may be more or less than the estimated valuation of such assets. In periods of economic volatility, in which there is a perceived greater uncertainty as to value estimates and fewer comparable transactions against which value can be measured, the difference between the estimated value for a real estate asset and the ultimate value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of property value estimates and the negotiations between a buyer and seller and hence final returns to Unitholders. Fund Manager use two valuers that are licensed by TAQEEM and take the average of those valuations to have a reasonable estimate of fair value for the purpose of disclosing the fair value of the properties in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As an asset class, real estate assets are relatively illiquid and, as such, it may be difficult or impossible for the Fund to sell a certain real estate asset for a particular price at any particular time. The Fund's assets consist of real estate assets. It may be difficult for the Fund to sell its real estate assets (particularly at times of market downturn and specifically those assets that are categorized as larger real estate assets), and the proposed price may be at a significant discount, especially if the Fund is forced to dispose of any of its assets in a short period.

Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through use of available cash balance, liquidation of the investment portfolio or by taking short to medium term loans from Fund Manager and / or banks. The Fund remains sufficiently liquid from a cash perspective with the lowest leverage levels. The Fund have multiple facilities which can be used to drawdown loans and payoff its debt.

All amounts are presented in Saudi Riyals unless otherwise stated

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The table presented below provides an analysis of assets and liabilities, categorized by their expected timelines for recovery or settlement. Additionally, the maturity dates listed correspond with the contractual maturities of these assets and liabilities.

	31 December 2024		
	Less than one year	***More than one year***	***Total***
Cash and cash equivalents	**70,383,023**	**-**	**70,383,023**
Murabaha deposits	**37,795,683**	**-**	**37,795,683**
Investments measured at FVTPL	**81,223**	**-**	**81,223**
Rental income receivable, net	**75,512,652**	**-**	**75,512,652**
Prepayment and other assets	**-**	**10,302,509**	**10,302,509**
Intangible assets, net	**-**	**2,256,419**	**2,256,419**
Property and equipment, net	**-**	**211,727,093**	**211,727,093**
Investment properties, net	**-**	**1,734,905,178**	**1,734,905,178**
Total assets	**183,772,581**	**1,959,191,199**	**2,142,963,780**
Bank borrowings	**1,316,580**	**637,001,303**	**638,317,883**
Deferred rental income	**78,230,844**	**-**	**78,230,844**
Management fee payable	**6,960,718**	**-**	**6,960,718**
Accrued expenses and other liabilities	**55,807,699**	**-**	**55,807,699**
Total liabilities	**142,315,841**	**637,001,303**	**779,317,144**
Equity	**41,456,740**	**1,322,189,896**	**1,363,646,636**

	31 December 2023		
	Less than one year	***More than one year***	***Total***
Cash and cash equivalents	55,801,228	-	55,801,228
Murabaha deposits	30,683,679	-	30,683,679
Investments measured at FVTPL	78,485	-	78,485
Rental income receivable, net	64,089,785	-	64,089,785
Prepayment and other assets	-	16,929,154	16,929,154
Intangible assets, net	-	4,116,153	4,116,153
Property and equipment, net	-	213,828,521	213,828,521
Investment properties, net	-	1,359,834,124	1,359,834,124
Total assets	150,653,177	1,594,707,952	1,745,361,129
Bank borrowings	182,650	240,260,000	240,442,650
Deferred rental income	66,888,203	-	66,888,203
Management fee payable	3,541,269	-	3,541,269
Accrued expenses and other liabilities	50,148,906	-	50,148,906
Total liabilities	120,761,028	240,260,000	361,021,028
Equity	29,892,149	1,354,447,952	1,384,340,101

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency, and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

20. DIVIDEND DISTRIBUTION

In accordance with the approved terms and conditions of the Fund, the Fund distributed dividends with regards to period from 1 November 2023 till 30 April 2024 amounting to SR 0.33 per unit which amounted to SR 53.75 million (2023: 0.33 per unit amounting to SR 53.75 million).

Moreover, the Fund distributed dividends, with regards to period from 1 May 2024 till 31 October 2024 amounting to SR 0.34 per unit amounted to SR 55.38 million (2023: 0.33 per unit amounting to SR 53.75 million).

21. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of investment properties and property and equipment is SR 2,745.3 billion (2023: SR 2,252.9 billion) carried at level 3. The investment in mutual funds carried at FVTPL is SR 81,223 (2023: SR 78,485) and is carried at level 1. The Fund believes that the fair value of all other financial assets and liabilities approximately equal their carrying value.

22. EFFECT OF EQUITY VALUE IF INVESTMENT PROPERTIES AND PROPERTY AND EQUIPMENT ARE FAIR VALUED

The Fund opted to use the cost method for its investment properties and property and equipment (hotel investments) in these financial statements. In accordance with Article 36 of the Real Estate Investment Funds Regulations issued by CMA in the Kingdom of Saudi Arabia, Fund Manager evaluates the Fund's assets based on an average of two evaluations prepared by independent valuers. Accordingly, the fair value below is disclosed for information purposes and has not been accounted for in the Fund's books unless in case of impairment.

The valuation of the investment properties and property and equipment (the "properties") is carried out by Barcode and Abaad (2023: Barcode, Abaad and Sinchro). These two valuers (2023: three valuers) are licensed by the Saudi Authority for Accredited Valuers ("TAQEEM").

Fund Manager has used the average of the two valuations for the purposes of disclosing the fair value of the investment properties and property and equipment. The properties were valued taking into consideration of a number of factors, including the area and type of properties, and valuation techniques using significant unobservable inputs, including the land plus cost method, residual value method and the discounted cash flow method.

All amounts are presented in Saudi Riyals unless otherwise stated

22. EFFECT OF EQUITY VALUE IF INVESTMENT PROPERTIES AND PROPERTY AND EQUIPMENT ARE FAIR VALUED (continued)

Below is an analysis of the properties fair value versus cost:

	Note	***As at 31 December 2024***	*As at 31 December 2023*
Estimated fair value of investment properties		**2,515,736,296**	2,025,695,448
Book value of investment properties	12	**(1,734,905,178)**	(1,359,834,124)
Estimated fair value of property and equipment		**229,642,363**	227,254,361
Book value of property and equipment	11	**(211,727,093)**	(213,828,521)
Estimated fair value surplus relative to book value		**798,746,388**	679,287,164
Units in issue (numbers)		**162,881,100**	162,881,100
Per unit value impact from excess of investment properties and property and equipment's estimated fair value over book value		**4.9039**	4.1704

Equity value	***As at 31 December 2024***	*As at 31 December 2023*
Equity value as per the statement of financial position	**1,363,646,636**	1,384,340,101
Estimated fair value surplus relative to book value	**798,746,388**	679,287,164
Equity based on fair valuation of investment properties and property and equipment	**2,162,393,024**	2,063,627,265
Equity value per unit		
Equity per unit as per the statement of financial position	**8.3720**	8.4991
Per unit value impact from excess of investment properties and property and equipment's estimated fair value over book value	**4.9039**	4.1704
Equity value per unit based on fair valuation of investment properties and property and equipment	**13.2759**	12.6695

All amounts are presented in Saudi Riyals unless otherwise stated

23. SEGMENT REPORTING

The Fund's primary business is conducted in Saudi Arabia and the United Arab Emirates. The Fund's reportable segment are as follows:

Commercial centres: This includes unit of investment properties such as malls.

Residential: This includes units of private houses such as individual apartments.

Hospitality: This includes hospitality service providing entity, which is related to Marriot properties.

Office: This includes rental of office space, which is related to Al Ghadeer, Al Sahafa, 1991 Centre & Al Olaya office buildings

The Fund's total assets, investment properties, properties and equipment and liabilities as at 31 December 2024 and 2023, its total operating income and expense, and the results for the years then ended, by operating segment, are as follows:

	31 December 2024					
	Commercial Centres	*Residential*	*Hospitality*	*Office*	*Others*	*Total*
Total assets	1,012,419,054	185,466,468	209,426,994	629,208,099	106,443,165	2,142,963,780
Investment properties, net	932,965,906	176,873,600	-	624,778,681	286,991	1,734,905,178
Property and equipment, net	21,295,116	3,327,489	187,104,488	-	-	211,727,093
Total liabilities	174,701,788	5,289,015	21,741,695	37,085,244	540,499,402	779,317,144
Total income	171,494,774	35,670,588	36,354,141	15,660,618	2,275,877	261,455,998
Inter-segment income	1,356,338	-	-	-	-	1,356,338
Net income from external customers	170,138,436	35,670,588	36,354,141	15,660,618	2,275,877	260,099,660
Total expenses	87,993,698	7,477,324	26,383,655	8,780,698	42,383,752	173,019,127
Inter-segment operating expense	-	-	(1,356,339)	-	-	(1,356,339)
Expenses excluding depreciation and impairment	56,945,060	10,131,305	22,924,501	856,752	42,383,752	133,241,370
Depreciation of investment properties	31,048,637	3,531,864	-	6,491,320	-	41,071,821
Depreciation of property and equipment	-	-	7,542,850	-	-	7,542,850
Impairments charge /(reversal) of investment properties	-	(6,185,845)	-	1,432,625	-	(4,753,220)
Impairments charge /(reversal) for property and equipment	-	-	(5,440,033)	-	-	(5,440,033)
Net income/(loss) for the year	82,144,738	28,193,264	11,326,825	6,879,920	(40,107,875)	88,436,872

All amounts are presented in Saudi Riyals unless otherwise stated

23. SEGMENT REPORTING (continued)

	31 December 2023					
	Commercial Centres	*Residential*	*Hospitality*	*Office*	*Others*	*Total*
Total assets	1,032,358,409	261,479,402	207,232,880	184,870,196	59,420,242	1,745,361,129
Investment properties, net	952,966,539	228,752,966	-	177,827,627	286,992	1,359,834,124
Property and equipment, net	22,772,683	3,552,837	187,100,286	402,715	-	213,828,521
Total liabilities	83,347,264	12,718,084	11,318,328	6,601,845	247,035,507	361,021,028
Total income	168,863,612	50,870,538	38,931,700	12,103,126	1,603,831	272,372,807
Inter-segment income	1,633,678	-	-	-	-	1,633,678
Net income from external customers	167,229,934	50,870,538	38,931,700	12,103,126	1,603,831	270,739,129
Total expenses	81,068,704	17,346,735	25,088,440	5,495,329	32,472,224	161,471,432
Inter-segment operating expense	-	-	(1,633,678)	-	-	(1,633,678)
Expenses excluding depreciation and impairment	58,302,135	17,924,978	27,031,024	548,685	32,472,224	136,279,046
Depreciation of investment properties	30,681,084	6,293,272	-	2,849,892	-	39,824,248
Depreciation of property and equipment	-	-	4,804,312	-	-	4,804,312
Impairments charge /(reversal) of investment properties	(7,914,515)	(6,871,515)	-	2,096,752	-	(12,689,278)
Impairments charge /(reversal) for property and equipment	-	-	(8,380,574)	-	-	(8,380,574)
Net income/(loss) for the year	86,161,230	33,523,803	15,476,938	6,607,796	(30,868,392)	110,901,375

24. SUBSEQUENT EVENTS

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

25. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2024 against the Fund or the Fund Manager which could have an impact on the financial statements of the Fund.

26. LAST VALUATION DAY

The last valuation day for the purpose of preparation of financial statements for the year was 31 December 2024 (31 December 2023).

27. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Fund's Board of Directors on 16 March 2025 (corresponding to 16 Ramadan 1446H).