

**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**AND INDEPENDENT AUDITOR'S REPORT**

Alinma Retail REIT Fund  
(Managed by Alinma Capital Company)

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FINANCIAL STATEMENTS  
31 December 2024

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**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND  
(Managed by Alinma Capital Company)**

**Opinion**

We have audited the accompanying financial statements of Alinma Retail REIT Fund (the "Fund") managed by Alinma Capital Company (formerly known as Alinma Investment Company) (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, and the related statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a material accounting policy information.

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

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund's financial statements and we have fulfilled our ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND**  
**(Managed by Alinma Capital Company)**

**Key Audit Matters (continued)**

Key Audit Matter	How our audit addressed the key audit matter
<p><b><u>Assessing impairment of investment properties</u></b></p> <p>The Fund owns a portfolio of investment properties comprising of hotels located in the Kingdom of Saudi Arabia.</p> <p>Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses.</p> <p>As at 31 December 2024, the carrying value of investment properties was SR 1.075 billion (31 December 2023: SR 892 million) which was net of accumulated depreciation of SR 186 million (31 December 2023: SR 192 million).</p> <p>For assessing the impairment of investment properties, the Fund Manager monitors volatility of fair value of properties by engaging two independent certified property valuers to perform a formal valuation of the Fund's investment properties on semi-annual basis.</p> <p>The valuations are carried out using common methodologies and approaches, and this is considered a key audit matter as these methodologies and approaches involve significant judgement and estimates including discount rates, growth rate, capitalization rate and others, including economic fluctuations impact on the Fund's business.</p> <p><i>The Fund's accounting policy for investment properties is disclosed in note 5.6, the significant accounting estimates, judgement and assumptions relating to investment properties are disclosed in note 4, related disclosures about investment properties are included in notes 6 and 7 of the accompanying financial statements.</i></p>	<p>Our audit procedures related to assessing impairment of investment properties included:</p> <ul style="list-style-type: none"> <li>- We have obtained an understanding of the process and controls surrounding assessment of impairment of investment properties by performing walkthrough procedures.</li> <li>- We agreed the fair values of the investment properties as appearing in note 7 of the accompanying financial statements to the independent management valuers' report.</li> <li>- We evaluated the valuers' credentials, their independence, professional qualifications, competence, experience and ensured that they are certified from Saudi Authority for Accredited Valuers (TAQEEM).</li> <li>- On sample basis, with the assistance of our independent expert, we performed the following:             <ul style="list-style-type: none"> <li>o We assessed the appropriateness of valuation methods, assumptions, and estimates used by management in the process of assessment of valuation of investment properties;</li> <li>o We engaged in discussions with management and assessed the relevant assumptions used based on market data where possible;</li> <li>o We assessed the key assumptions and estimates, such as discount rates, growth rate and capitalization rate used by the independent valuers in determining the fair values of the investment properties for the purpose of assessment of impairment.</li> </ul> </li> <li>- We compared the recoverable amounts of the investment properties with their carrying values to determine whether recognition of any impairment loss is required.</li> <li>- We have assessed the adequacy of the disclosures included in the financial statements.</li> </ul>



**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND**  
**(Managed by Alinma Capital Company)**

**Other Information included in the Fund's 2024 Annual Report**

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2024 annual report other than the financial statements and our auditor's report thereon. The Fund's 2024 annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 2024 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 the Fund Manager and Those Charged with Governance for the Financial Statements**

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

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

The Board of Directors are 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 ISA that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND**  
**(Managed by Alinma Capital Company)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with ISAs 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the 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, related safeguards.



**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE UNITHOLDERS OF ALINMA RETAIL REIT FUND**  
**(Managed by Alinma Capital Company)**

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya  
Certified Public Accountant  
Registration No. 473

Riyadh: 27 Ramadan 1446H  
(27 March 2025)



Alinma Retail REIT Fund  
(Managed by Alinma Capital Company)  
STATEMENT OF FINANCIAL POSITION  
31 December 2024

	Notes	2024 SR	2023 SR
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment properties	6	1,074,503,338	892,137,982
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,074,503,338</b>	<b>892,137,982</b>
<b>CURRENT ASSETS</b>			
Rental income receivable	8	1,781,131	4,808,912
Prepayment and other receivables	9	3,984,435	4,468,210
Amounts due from a related party	10	-	1,219,338
Financial assets at fair value through profit or loss ("FVTPL")	11	54,613,743	1,953,427
Financial assets at amortised cost	12	16,107,691	25,618,215
Cash and bank balance		3,738,566	14,172,383
<b>TOTAL CURRENT ASSETS</b>		<b>80,225,566</b>	<b>52,240,485</b>
<b>TOTAL ASSETS</b>		<b>1,154,728,904</b>	<b>944,378,467</b>
<b>LIABILITIES AND EQUITY</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of lease liabilities	13	5,955,052	6,323,457
Long-term borrowings	14	257,349,291	55,100,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>263,304,343</b>	<b>61,423,457</b>
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	13	650,000	650,000
Contract liabilities	15	42,157,846	8,185,737
Accrued expenses and other payables	16	11,816,456	7,671,363
Zakat payable	17	997,084	997,084
Dividend payable	26	82,558	100,086
<b>TOTAL CURRENT LIABILITIES</b>		<b>55,703,944</b>	<b>17,604,270</b>
<b>TOTAL LIABILITIES</b>		<b>319,008,287</b>	<b>79,027,727</b>
<b>EQUITY</b>			
Net assets attributable to unitholders		835,720,617	865,350,740
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,154,728,904</b>	<b>944,378,467</b>
Units in issue (number)		118,000,000	118,000,000
Net asset value per unit (SR)	7	7.08	7.33
Per unit fair value (SR)	7	7.37	7.95

The accompanying notes from 1 to 30 form an integral part of these financial statements.



**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024 SR</b>	<b>2023 SR</b>
<b>Revenue</b>			
Rental income from investment properties	18	79,840,216	51,633,469
Gain on disposal of investment property	6	107,894,985	-
		<u>187,735,201</u>	<u>51,633,469</u>
<b>Expenses</b>			
Depreciation on investment properties	6	(35,170,205)	(38,194,642)
Property manager fee and related expenses	20	(20,751,618)	(20,280,974)
Management fees	10	(3,261,116)	(5,132,497)
Settlement discounts		-	(2,139,910)
General and administrative expenses	19	(3,271,439)	(2,983,069)
Charge (for) reversal of expected credit losses	8	(14,372,196)	22,510,670
<b>Total expenses</b>		<u>(76,826,574)</u>	<u>(46,220,422)</u>
<b>Operating profit for the year</b>		<b>110,908,627</b>	<b>5,413,047</b>
Finance charges	21	(17,590,282)	(4,468,269)
Special commission income		328,680	182,381
Gain from financial asset at FVTPL		2,501,965	114,281
Other income		596,659	9,750
<b>Profit for the year before impairment</b>		<b>96,745,649</b>	<b>1,251,190</b>
Charge for impairment on investment properties	6	(88,615,772)	(11,471,600)
<b>Profit (loss) for the year</b>		<b>8,129,877</b>	<b>(10,220,410)</b>
<b>Net profit (loss) for the year</b>		<b>8,129,877</b>	<b>(10,220,410)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit (loss) for the year</b>		<b>8,129,877</b>	<b>(10,220,410)</b>

The accompanying notes from 1 to 30 form an integral part of these financial statements.

**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2024

	2024 SR	2023 SR
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the year before zakat	8,129,877	(10,220,410)
Adjustments for:		
Depreciation on investment properties	34,690,838	37,716,585
Charge for impairment on investment properties	88,615,772	11,471,600
Charge for/ (reversal of) expected credit loss allowance	14,372,197	(22,510,670)
Finance charges	16,579,032	4,468,270
Depreciation on right-of-use assets	479,367	478,059
Special commission income	(328,680)	(182,381)
Gain from financial asset at FVTPL	(2,501,965)	(114,281)
Gain on disposal of investment property	(107,894,985)	-
	<b>52,141,453</b>	<b>21,106,772</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease in prepayment and other receivables	483,771	7,198,178
(Decrease) dIncrease in rental income receivable	(11,503,088)	21,481,013
Increase contract liabilities	33,972,107	7,261,914
Increase (decrease) in accrued expenses and other payables	4,303,771	(595,059)
Decrease in amounts due from a related party	1,219,338	-
<b>Cash flows from operating activities</b>	<b>80,617,352</b>	<b>56,452,818</b>
Zakat paid	-	(181,777)
<b>Net cash flows from operating activities</b>	<b>80,617,352</b>	<b>56,271,041</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment properties	(223,256,348)	(56,976,897)
Proceeds from disposal of investment property	25,000,000	-
Purchase of financial assets at amortised cost	-	(10,500,000)
Proceeds from maturity of financial assets at amortised cost	9,669,000	-
Purchase of financial assets at FVTPL	(50,158,351)	(15,111,831)
Proceeds from disposal of financial asset at FVTPL	-	13,272,688
Special commission income received	170,204	111,828
<b>Net cash flows used in investing activities</b>	<b>(238,575,495)</b>	<b>(69,204,212)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds against drawdown of long term borrowings	202,249,291	55,100,000
Payment of principal portion of lease liabilities	(650,000)	(650,000)
Finance cost paid	(16,297,437)	(4,171,561)
Distributions	(37,777,528)	(30,090,000)
<b>Net cash flows from financing activities</b>	<b>147,524,326</b>	<b>20,188,439</b>
<b>Net (decrease)/ increase in cash and bank balance</b>	<b>(10,433,817)</b>	<b>7,255,268</b>
Cash and cash equivalents at the beginning of the year	14,172,383	6,917,115
<b>Cash and cash equivalents at end of the year</b>	<b>3,738,566</b>	<b>14,172,383</b>
<b>NON-CASH TRANSACTIONS</b>		
Purchase of investment property	368,000,000	-

The accompanying notes from 1 to 30 form an integral part of these financial statements.

**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2024**

	<b>2024</b> <b>SR</b>	<b>2023</b> <b>SR</b>
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>	<b>865,350,740</b>	<b>905,661,150</b>
<b>Comprehensive profit/(loss):</b>		
Net profit/(loss) for the year	<b>8,129,877</b>	<b>(10,220,410)</b>
Other comprehensive income for the year	<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>	<b>8,129,877</b>	<b>(10,220,410)</b>
Distribution (note 26)	<b>(37,760,000)</b>	<b>(30,090,000)</b>
<b>EQUITY AT THE END OF THE YEAR</b>	<b>835,720,617</b>	<b>865,350,740</b>

**REDEEMABLE UNIT TRANSACTIONS**

Transactions in units for the year ended are summarised as follows:

	<b>2024</b> <b>Units</b>	<b>2023</b> <b>Units</b>
<b>UNITS AT THE BEGINNING AND END OF THE YEAR</b>	<b>118,000,000</b>	<b>118,000,000</b>



**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**1 INCORPORATION AND ACTIVITIES**

Alinma Retail REIT Fund (the “Fund”) is a closed-ended real estate investment traded fund established on 24 Dhul Qa’dah 1439H (corresponding to 6 August 2018). The Fund is listed on the Saudi Stock Exchange (“Tadawul”). The Capital of the Fund is SR 1,180,000,000 divided into 118,000,000 units of SR 10 each. The Fund has a term of 99 years, which is extendable on the discretion of the Fund Manager following the approval of the Capital Market Authority (“CMA”).

The Fund is managed by Alinma Capital Company - formerly known as Alinma Investment Company (the “Fund Manager”), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia (“CMA”) under license number 09134-37.

While the Fund will primarily invest in developed real estate assets which are ready for use, it may also opportunistically invest in real estate development projects in a value not exceeding 25% of the Fund’s total asset value with the aim of achieving an increase in value per unit; provided that:

- (i) at least 75% of the Fund’s total assets are invested in developed real estate assets which generate periodic income and;
- (ii) the Fund shall not invest in white land.

In addition, the Fund can also invest up to 25% of the total value of the Fund according to the latest audited financial statements in each of the following, provided that all these investments are Shariah compliant:

- (i) Units of Real Estate Traded Funds publicly offered in the Saudi Stock Exchange and licensed by CMA,
- (ii) Units of private real estate funds licensed by CMA,
- (iii) Real estate investments outside the Kingdom of Saudi Arabia,
- (iv) Cash liquidity / holding of cash,
- (v) Money market funds publicly offered and licensed by CMA,
- (vi) Shares of real estate companies listed on the Saudi Stock Exchange and licensed by CMA, and;
- (vii) Usufruct rights.

Wabel Fund Company, a limited liability company with commercial registration number 101929653, has been established and approved by CMA as a special purpose vehicle (“SPV”) for the beneficial interests of the Fund. The SPV owns all the properties of the Fund and is liable for its contractual liabilities on behalf of the Fund.

The Fund has appointed AlBilad Investment Company (the “Custodian”) to act as its custodian. The fees of the custodian are paid by the Fund.

**2 REGULATING AUTHORITY**

The Fund operates in accordance with Real Estate Investment Fund Regulations (“REIFR”) and Real Estate Investment Traded Funds (“REITF”) instructions issued by CMA. The regulations detail the requirements for real estate funds and traded real estate funds within the Kingdom of Saudi Arabia.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These financial statements have been prepared in accordance IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organisation for Chartered and Professional Accountants (collectively hereafter referred to as IFRS Accounting Standards as endorsed in Kingdom of Saudi Arabia”).

**3.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for financial assets at FVTPL that have been measured at fair value. The financial statement has been prepared on the basis that the Fund will continue to operate as a going concern.

The preparation of these financial statements required the use of certain accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements which are disclosed in note 4 to these financial statements.

**3.3 Functional and presentation currency**

These financial statements are presented in Saudi Riyals (“SR”), which is the functional currency of the Fund. All financial information has been rounded off to the nearest SR.

#### 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the ordinary course of business, the preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are reviewed and in any future period affected. The significant accounting judgments and estimates applied in the preparation of these financial statements are as follows:

##### 4.1 *Useful lives of investment properties*

The management determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods. The estimated useful lives of the investment properties are disclosed in note 6.1.

##### 4.2 *Impairment of investment properties*

Impairment exists when the carrying value of an asset or cash generating units exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the fund is not yet committed to or significant future investments that will enhance the performance of the investment properties being tested. The recoverable amount for the different investment properties, are disclosed and further explained in note 22.

##### 4.3 *Impairment of financial assets held at amortised cost*

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As at the year end, the Fund has rents receivable. For rental income receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The information about the ECLs on the Fund's rental income receivables is disclosed in note 8 and note 24.1 in these financial statements.

##### 4.4 *Leases - Estimating the incremental borrowing rate*

The Fund cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Fund 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Fund estimates the IBR using observable inputs such as market interest rates, as and when available.

#### 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

##### 4.5 *Determining the lease term*

The Fund as a lessee determines the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and;
- (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

For contracts that include extension and termination options, the Fund uses judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. In doing so, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. Those factors include current and expected retail unit performance, availability, cost and other terms of substitutes, magnitude of leasehold improvements, length of extension or renewal, and cost of extension or renewal. Following the commencement date, the Fund reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Fund and affects its assessment on whether or not to exercise an option previously included in its determination of the lease term.

##### 4.6 *Going concern*

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

#### 5 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies used in the preparation of these financial statements are as follows:

##### 5.1 *Financial instruments*

###### 5.1.1 *Financial Instruments - Initial recognition and subsequent measurement*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

###### i) *Financial assets*

###### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

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

###### **Subsequent measurement**

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

- Financial assets at amortised cost
- Financial assets measured at fair value through profit or loss ("FVTPL")

###### ***Financial assets measured at amortised cost***

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes bank balance, Murabaha and accrued special commission.



**5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**

**5.1 Financial instruments (continued)**

**5.1.1 Financial Instruments - Initial recognition and subsequent measurement (continued)**

**i) Financial assets (continued)**

***Financial assets measured at fair value through profit or loss ("FVTPL")***

Financial asset at fair through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes investment in mutual funds. Dividends are recognized in the statement of profit or loss when the right of payment has been established.

***Derecognition***

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.

**ii) Financial liabilities**

***Initial recognition and measurement***

The Fund's financial liabilities include dividend payable, amounts due to related parties and other liabilities. Financial liabilities are measured at amortised cost.

***Subsequent measurement***

***Financial liabilities at amortised cost***

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

***Derecognition***

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

**iii) Offsetting financial instruments**

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

**5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**

**5.1 Financial instruments (continued)**

**5.1.2 Current versus non-current classification**

The Fund presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
  - All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
  - It is held primarily for the purpose of trading
  - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Fund classifies all other liabilities as non-current.

**5.2 Fair value measurement**

The Fund measures financial instruments such as equity instruments at fair value at each statement of financial position.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

**5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**

**5.2 Fair value measurement (continued)**

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in note 22.

**5.3 Impairment of non-financial assets**

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

**5.4 Right-of-use assets**

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Fund is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**5.5 Lease liabilities**

At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating a lease, if the lease term reflects the Fund exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

**5.6 Investment properties**

Investment properties comprise completed freehold or leasehold properties that are held to earn rentals or for capital appreciation or both. Investment properties under freehold are stated at cost including transaction costs net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items. Whereas investment properties under leasehold are accounted for in accordance with IFRS 16. The cost less estimated residual value, if any, of investment property under freehold is depreciated on a straight-line basis over the estimated useful lives of the assets. Land, on the other hand, is reported at cost.



**5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**

**5.6 Investment properties (continued)**

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Fund considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

The fair value of investment properties is disclosed in note 7 and 22 in these financial statements.

**5.7 Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Fund has received consideration from the customer. Contract liabilities are recognised as revenue when the Fund performs under the contract.

**5.8 Management fees, custodian fees and other expenses**

Management fees, custodian fees, administration fees and other expenses are charged at rates / amounts within limits mentioned in the terms and conditions of the Fund.

**5.9 Rental income**

Rental income from operating lease of property is recognised on a straight-line basis over the term of the operating lease. In addition, the Fund subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Fund's subleases are classified as operating leases.

**5.10 Net assets value**

The net assets value per unit disclosed in the financial statements is calculated by dividing the net assets of the Fund by the number of units in issue at the year-end.

**5.11 Distribution**

The Fund has a policy of distributing and paying at least 90% percent of the Fund's net profits on semi-annual basis, the fund manager can make additional distributions during the year.

**5.12 Finance Cost**

Finance cost is recognised in statement of comprehensive income in the period in which they are incurred.

**5.14 Zakat and income tax**

Fund is not liable to pay any zakat or income tax which are considered to be the obligation of the unitholders and are as such not provided in the accompanying financial statements.

**5.15 New standards, amendments and interpretations issued and effective from 1 January 2024**

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Fund has not early adopted any other standards, interpretations or amendment that has been issued but not yet effective.

**Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the International Accounting Standards Board ("IASB") issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The transition rules clarify that an entity is not required to provide the disclosures in any of the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
31 December 2024

**5 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**

**5.15 New standards, amendments and interpretations issued and effective from 1 January 2024 (continued)**

***Amendments to IAS 7 and IFRS 7 on Supplier finance agreements***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

Thus, the amendments had no impact on the Fund's financial statements.

***Amendments to IAS 1 - Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's financial statements.

**5.16 Standards issued but not yet effective**

The following standards, amendments to standards and interpretations are not yet effective:

<b><u>Standards / amendments to standards / interpretations</u></b>	<b><u>Effective date</u></b>
<i>Amendments to IAS 21: Lack of exchangeability</i>	1 January 2025
<i>Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>IFRS 18: Presentation and disclosure in Financial Statements</i>	1 January 2027
<i>IFRS 19: Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

In the opinion of the Fund Manager, these standards, amendments to standards and interpretations are not expected to impact the Fund. The Fund intends to adopt these standards, if applicable, when they become effective and endorsed by SOCPA.

**6 INVESTMENT PROPERTIES**

The composition of the investment properties as of the reporting date is summarised below:

**31 December 2024**

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Impairment (note 6.4) SR</i>	<i>Net book value SR</i>
Hafar Al-Batin Mall	476,348,250	(89,527,819)	(129,342,431)	257,478,000
Tabuk Mall	221,873,667	(37,461,281)	(85,921,386)	98,491,000
Dawadmi Mall	177,313,210	(52,804,728)	(36,984,483)	87,523,999
Signature Building	55,103,000	(2,169,994)	-	52,933,006
Sfir Office Building	84,000,000	(1,441,482)	-	82,558,518
Jawhara Hittin Building	118,250,000	(2,010,185)	-	116,239,815
Jazl Office Building	386,400,000	(1,061,401)	(6,059,599)	379,279,000
	<b>1,519,288,127</b>	<b>(186,476,890)</b>	<b>(258,307,899)</b>	<b>1,074,503,338</b>

Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)  
31 December 2024

**6 INVESTMENT PROPERTIES (continued)**

31 December 2023

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Impairment (note 6.4) SR</i>	<i>Net book value SR</i>
Hafar Al-Batin Mall	473,741,902	(77,887,644)	(82,674,258)	313,180,000
AlKhair Mall	325,365,563	(34,781,699)	-	290,583,864
Tabuk Mall	221,873,668	(33,765,797)	(87,017,869)	101,090,002
Dawadmi Mall	177,313,210	(44,053,178)	-	133,260,032
Signature Building	55,103,000	(1,078,916)	-	54,024,084
	<u>1,253,397,343</u>	<u>(191,567,234)</u>	<u>(169,692,127)</u>	<u>892,137,982</u>

6.1 The movement in the investment properties during the year is as follows:

	<i>Land and buildings SR</i>	<i>Right-of-use asset SR</i>	<i>Total SR</i>
<b>Cost</b>			
Balance as at 1 January 2023	1,187,825,887	8,594,560	1,196,420,447
Additions during the year 2023	56,976,896	-	56,976,896
	<u>1,244,802,783</u>	<u>8,594,560</u>	<u>1,253,397,343</u>
Balance as at 31 December 2023	1,244,802,783	8,594,560	1,253,397,343
Additions during the year (note 6.6)	591,256,349	-	591,256,349
Disposals during the year (note 6.7)	(325,365,565)	-	(325,365,565)
	<u>1,510,693,567</u>	<u>8,594,560</u>	<u>1,519,288,127</u>
Balance as at 31 December 2024	1,510,693,567	8,594,560	1,519,288,127
<b>Accumulated depreciation</b>			
Balance as at 1 January 2023	151,460,360	1,912,233	153,372,593
Depreciation charge during the year	37,716,585	478,057	38,194,642
	<u>189,176,945</u>	<u>2,390,290</u>	<u>191,567,235</u>
Balance as at 31 December 2023	189,176,945	2,390,290	191,567,235
Depreciation charge during the year	34,690,838	479,367	35,170,205
Disposal during the year (note 6.7)	(40,260,550)	-	(40,260,550)
	<u>183,607,233</u>	<u>2,869,657</u>	<u>186,476,890</u>
Balance as at 31 December 2024	183,607,233	2,869,657	186,476,890
<b>Accumulated impairment</b>			
Balance as at 1 January 2023	158,220,527	-	158,220,527
Impairment during the year	11,471,600	-	11,471,600
	<u>169,692,127</u>	<u>-</u>	<u>169,692,127</u>
Balance as at 31 December 2023	169,692,127	-	169,692,127
Impairment during the year	88,615,772	-	88,615,772
	<u>258,307,899</u>	<u>-</u>	<u>258,307,899</u>
Balance as at 31 December 2024	258,307,899	-	258,307,899
<b>Net book amount as at 31 December 2024</b>	<u>1,068,778,435</u>	<u>5,724,903</u>	<u>1,074,503,338</u>
<b>Net book amount as at 31 December 2023</b>	<u>885,933,712</u>	<u>6,204,270</u>	<u>892,137,982</u>



Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)  
31 December 2024

**6 INVESTMENT PROPERTIES (continued)**

6.1 The movement in the investment properties during the year is as follows: (continued)

Included above within land and buildings is land amounted to SR 371,936,912 (2023: SR 340,187,260).

During the year, depreciation charged to the statement of profit or loss and other comprehensive income amounted to SR 35,170,205 (2023: SR 38,194,642).

a- The useful life of Tabuk Mall , Hafer Al-Batin Mall, Signature Building are assessed at 25 years from date of acquisition .

b- The useful life of Dawadmi Mall (leasehold) is assessed at 19 years from the date of acquisition.

c- The useful life of Siafar Office Building, Jawhara Hittin Building and Jazl Office Building is assessed at 40 years from the date of acquisition.

**6.2 Freehold and leasehold properties**

Free hold and leasehold properties comprises of the lands acquired or leased on which the buildings are built. The Fund acquired freehold properties in Riyadh, Hafar Al-Batin, Dawadmi and Tabuk with an aggregate area of 173,615 square meter (2023: 190,596 square meter). The Fund leased land in Dawadmi with an area of 72,678 square meter (2023: 72,678 square meter).

**6.3 Listed below are the details of the investment properties:**

*Description*

***Dawadmi Mall***

This property is a fully constructed commercial facility on a leasehold land, located in Dawadmi, Kingdom of Saudi Arabia ("KSA").

***Hafar Al-Batin Mall***

This property is a fully constructed commercial facility on a freehold land, located in Al Rayan District, Hafar Al-Batin, KSA.

***Tabuk Mall***

This property is a fully constructed commercial facility on a freehold land, located in Al Rajhi District, Tabuk, KSA.

***Signature Building***

This property is a fully constructed commercial facility on a freehold land, located in Al Suhada District, Riyadh, KSA.

***Safir Office Building***

This property is a fully constructed commercial facility on a freehold land, located in Al Qairwan District, Riyadh, KSA.

***Jawhara Hittin Building***

This property is a fully constructed commercial facility on a freehold land, located in Al Hitin District, Riyadh, KSA.

***Jazl Office Building***

This property is a fully constructed commercial facility on a freehold land, located in Yasmeen District, Riyadh, KSA.

**6.4 Impairment of investment properties**

During the year, the investment properties were tested for impairment and the management recognized a net charge of SR 88,615,772 (2023: SR 11,471,600) to adjust the value of its investment properties to its recoverable amount based on the average value as at the reporting period determined by the independent evaluators as shown in note 7. The key assumptions used for valuation as at 31 December for these investment properties are disclosed in note 22.

**6 INVESTMENT PROPERTIES (continued)**

**6.5 Ownership of investment properties**

The title deeds of the investment properties (except for Tabuk Mall) is pledged against the financing, except for Dawadmi Mall, which is a leased property. The SPV is holding these properties for the beneficial ownership of the Fund and does not possess any controlling interest or any stake in the properties.

**6.6 Additions during the year**

During the year, the Fund Manager acquired three new office buildings as follows:

Siafar Office Building - a fully constructed commercial facility on a freehold land, located in Al Qairwan District, Riyadh, KSA. The Fund Manager acquired this building for an amount of SR 80 million (excluding real estate transaction tax) having an area of 3,780 Square meter.

Jawhara Hittin Building – a fully constructed commercial facility on a freehold land, located in Al Hitin District, Riyadh, KSA. The Fund Manager acquired this building for an amount of SR 110 million (excluding real estate transaction tax & broker fees) having an area of 5,180 Square meter.

Jazl Office Building - a fully constructed commercial facility on a freehold land, located in Yasmeen District, Riyadh, KSA. The Fund Manager acquired this building for an amount of SR 368 million (excluding real estate transaction tax) having an area of 11,353 square meter in exchange for the sale of Al Khair Mall (please refer note 6.7).

**6.7 Disposal of AlKhair Mall and acquisition of Jazl Office Building**

On 13 June 2024, the Board of Directors approved to sell Al Khair Mall property in exchange for the acquisition of Jazl Office Building. The exchange agreement and the transfer of real estate ownership was completed on 28 October 2024. Al Khair Mall with a total net carrying amount of SR 285 million was disposed off, resulting in SR 108 million net gains on disposal, representing the difference between the price of AlKhair Mall (SR 393 million) and the price of the Jazl Office Building (SAR 368 million) with a cash amount owed to the Fund of SAR 25 million.

**Alinma Retail REIT Fund**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 December 2024**

**7 EFFECTS ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED**

In accordance with Article 36 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, investment properties are carried at cost less depreciation and impairment, if any, in these financial statements.

The fair value measurement of the investment properties was determined by two selected independent valuers, accredited by the Saudi Authority for Accredited Valuers ("Taqeem"), i.e., Abaad Real Estate Valuation Company (Appraiser 1), and Esnad Real Estate Valuation Company (Appraiser 2) (31 December 2023: Abaad real estate valuation company (Appraiser 1) and Value expert real estate company (Appraiser 2). The valuers are independent, not related to the Fund, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued.

The discounted cash flow ("DCF") and income capitalisation valuation model (refer note 21) has been applied in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards, International Valuation Standards issued by International Valuation Standards Council ("IVSC") and applied by Saudi Authority for Accredited Valuers ("TAQEEM").

**7.1** As at 31 December 2024, the valuation of the investment properties, excluding the right of use of assets for Dawadmi mall, are as follows:

	<i>Appraiser 1</i>	<i>Appraiser 2</i>	<i>Average</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>31 December 2024</b>			
Hafar Al-Batin Mall	269,300,000	245,656,000	257,478,000
Tabuk Mall	96,000,000	100,982,000	98,491,000
Dawadmi Mall	86,700,000	88,348,000	87,524,000
Signature Building	68,300,000	70,087,000	69,193,500
Safir Office Building	91,300,000	91,250,000	91,275,000
Jawhara Hittin Building	127,200,000	123,278,000	125,239,000
Jazl Office Building	389,300,000	369,258,000	379,279,000
	<b>1,128,100,000</b>	<b>1,088,859,000</b>	<b>1,108,479,500</b>
	<i>Appraiser 1</i>	<i>Appraiser 2</i>	<i>Average</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>31 December 2023</b>			
Hafar Al-Batin Mall	299,100,000	327,260,000	313,180,000
AlKhair Mall	329,200,000	376,080,000	352,640,000
Tabuk Mall	100,200,000	101,980,000	101,090,000
Dawadmi Mall	125,300,000	135,530,000	130,415,000
Signature Mall	66,700,000	69,340,000	68,020,000
	<b>920,500,000</b>	<b>1,010,190,000</b>	<b>965,345,000</b>

Management has used the average of the two valuations for the purpose of disclosing the fair value of the investment properties. The investment properties were valued taking into consideration a number of factors, including the area and type of property and rent amount. The inputs used in the above level 3 fair valuation are disclosed in note 22.

**7.2** The unrealised gain on investment properties based on fair value evaluation is set out below:

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Average fair value of investments properties (note 7.1)	1,108,479,500	965,345,000
Less: Carrying value of investments properties (note 6.1)	(1,074,503,338)	(892,137,982)
Net impact based on the fair valuation	33,976,162	73,207,018
Units in issue (numbers)	118,000,000	118,000,000
Impact per unit share based on fair value evaluation (SR)	0.29	0.62

**Alinma Retail REIT Fund**  
**(Managed by Alinma Capital Company)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

31 December 2024

**7 EFFECT ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED (continued)**

**7.3** The net asset value using the fair values of the investment properties is set out below:

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Net asset value at cost	<b>835,720,617</b>	865,350,740
Net impact based on evaluations	<b>33,976,162</b>	73,207,018
Net asset based on fair value	<b>869,696,779</b>	938,557,758

**7.4** The net asset value per unit, using the fair values of the investment properties is set out below:

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Net asset value per unit at cost	<b>7.08</b>	7.33
Impact on net asset value per unit on account of unrealised profit based on fair value	<b>0.29</b>	0.62
Net asset value per unit based on fair value	<b>7.37</b>	7.95

**8 RENTAL INCOME RECEIVABLE**

This represents the rental income receivable from the investment properties in accordance with the terms of the corresponding tenancy agreements. Rental income receivables are current in nature

As at 31 December 2024, the Fund had an allowance for expected credit losses amounting to SR 32,072,896 (2023: SR 27,278,124). Information about the Fund's exposure to expected credit loss are shown in note 21.1.

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Rental income receivable	<b>43,431,451</b>	32,087,036
Less: Allowance for expected credit losses	<b>(41,650,320)</b>	(27,278,124)
	<b>1,781,131</b>	4,808,912

Alinma Retail REIT Fund  
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

8 RENTAL INCOME RECEIVABLE (continued)

The following is the aging analysis of the rental income receivables as at the reporting date:

	2024 SR	2023 SR
Less than 90 days	4,798,787	921,845
Between 91 to 180 days	9,625,486	3,033,022
Between 181 to 360 days	3,722,653	5,307,749
More than 360 days	25,284,525	22,824,420
	<u>43,431,452</u>	<u>32,087,036</u>

The following is the movement of allowance for expected credit losses as at the reporting date:

	2024 SR	2023 SR
At the beginning of the year	27,278,124	49,788,794
Charge (Reversal) for the year	14,372,196	(22,510,670)
At the end of the year	<u>41,650,320</u>	<u>27,278,124</u>

9 PREPAYMENT AND OTHER RECEIVABLES

	2024 SR	2023 SR
Trade receivable	2,516,750	2,932,168
Receivable from ZATCA *	1,467,685	1,467,685
Prepaid expenses	-	68,357
	<u>3,984,435</u>	<u>4,468,210</u>

\*During 2021, the Fund has received value added tax ("VAT") assessment from the ZATCA for the period ended 31 December 2018 and year ended 31 December 2021 amounting to SR 18,276,974 for non-submission and payment of its VAT returns. The Fund filed an appeal during the financial year 2021 with ZATCA and the General Secretariate of Tax Committees ('GSTC') stating that the Fund has submitted and paid the due amounts of VAT through one of its related parties and believes that as the VAT was calculated and submitted based on the regulations of ZATCA accordingly, the demand is not justified. The amount of SR 1.5 million represents the payments made to ZATCA as for the eligibility to file an appeal. During the year ended 31 December 2023 the GSTC has issued the final appeal decision in favour of the Fund. ,the management still in processing this matter with ZATCA in 31 December 2024.



Alinma Retail REIT Fund  
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

**10 RELATED PARTY TRANSACTIONS AND BALANCES**

Related 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. The Fund Manager and entities / persons related to Fund Manager are considered as related parties of the Fund. In the ordinary course of its activities, the Fund transacts business with its related parties. All the related party transactions are approved by the Fund's Board of Directors.

**a) Management fee**

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the terms and conditions of the Fund charges the Fund a management fee equal to 0.75% (2023:0.75%) of the net asset value of the Fund given that it does not exceed 12% of the Fund's operating cash flow. Management fees are calculated quarterly in arrears and payable quarterly.

**b) Board of Directors remuneration**

Each independent member of the Board of Directors is allowed a remuneration of SR 5,000 (2023: SR 5,000) per board meeting.

**10.1 Related party transactions**

The following are the details of the transactions with related parties during the year:

<i>Name of Related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<b>2024 SR</b>	<b>2023 SR</b>
Alinma Capital Company	Fund Manager	Management fees	<b>(3,261,116)</b>	(5,132,497)
Fund Board	Board Manager	Fund Board fee	<b>(52,500)</b>	(57,500)
Alinma Bank	Parent Company of Fund Manager	Drawdown of long term borrowings	<b>202,249,291</b>	55,100,000

**10.2 Related party balances**

Following are the details of the related party balances at the year-end:

**(a) Amounts due from a related party**

	<b>2024 SR</b>	<b>2023 SR</b>
SWICORP	-	<b>1,219,338</b>

As at 31 December 2024, board members of the Fund held 1,594,744 units (2023: 340,000 units).

**11 FINANCIAL ASSETS AT FVTPL**

Financial assets at FVTPL represents investment of 1,359,453 units (31 December 2023: 156,621 units) in Alinma Saudi Riyal Liquidity Fund and also 2,128,616 units in Alinma Hospitality REIT Fund, an open-ended fund managed by the Fund Manager. The primary objective of the Fund is to invest in Shariah compliant Murabaha contracts.

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>Cost SR</b>	<b>Market value SR</b>	<b>Cost SR</b>	<b>Market value SR</b>
Alinma Saudi Riyal Liquidity Fund	<b>36,423,660</b>	<b>36,733,369</b>	1,886,160	1,953,427
Alinma Hospitality REIT Fund	<b>15,888,147</b>	<b>17,880,374</b>	-	-
		<b>54,613,734</b>		<b>1,953,427</b>

The income from financial assets at FVTPL during the year amounted to SR 2,501,965 (31 December 2024: SR 114,281).

Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

**12 FINANCIAL ASSETS AT AMMORTISED COST**

	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Wakala investment (i)	15,831,000	25,500,000
Accrued Special commission income	276,691	118,215
	<u>16,107,691</u>	<u>25,618,215</u>

- (i) This represents investments placed with an investment company operating in Kingdom of Saudi Arabia maturity within 1 year and carries an average special commission income rate of 5.75% per annum (31 December 2023: 5.75%).

**13 LEASE LIABILITIES**

	<i>31 December</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Balance at the beginning of the year	6,973,457	7,326,748
Add: finance charges	281,595	296,709
Less: payments made during the year	(650,000)	(650,000)
Balance at the end of the year	6,605,052	6,973,457
Less: Current portion of lease liabilities	(650,000)	(650,000)
<b>Non-current portion of lease liabilities</b>	<u>5,955,052</u>	<u>6,323,457</u>

**14 LONG-TERM BORROWINGS**

On 7 November 2022, the SPV Of the Fund, on behalf of the Fund, entered into a financing agreement ("agreement") with Alinma Bank (the "Bank") amounting to SR 750 million to finance acquisition of properties. During the year, the Fund had made a drawdown of SR 257 million and 493 million represents the unused portion of the facility (2023:SR 55.1 million and SR 694.9 million).

The agreement bears a commission rate of three-month SAIBOR + 1.3% per annum, payable annually. The principal amount is scheduled to be paid in full at the end of the term of agreement on 30 November 2030.

The agreement is secured against the pledge of title deed of the investment properties (except Tabuk Mall) (note 6).

The agreement is subjected to covenant clauses, whereby the Fund is required to meet certain requirements.

The Fund Manager aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. During the current year, the Fund did not breach any of its loan covenant and is in compliance with these requirements.

	<i>31 December</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
<b>Principal:</b>		
Balance at the beginning of the year	55,100,000	-
Additions during the year	202,249,291	55,100,000
<b>Balance at the end of the year</b>	<u>257,349,291</u>	<u>55,100,000</u>

During the year ended 31 December 2024, the Fund incurred financial charges amounted to SR 17,308,687 (2023:SR 4,171,560).

**Alinma Retail REIT Fund**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

31 December 2024

**15 CONTRACT LIABILITIES**

Contact liabilities represents rental income received during the year but not yet recognised as revenue. The movement in contract liabilities for the year is as follows:

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
At the beginning of the year	<b>8,185,737</b>	409,381
Received during the year	<b>107,523,525</b>	59,409,825
Recognized during the year	<b>(73,551,416)</b>	(51,633,469)
At the end of the year	<b>42,157,846</b>	8,185,737

**16 ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Value added tax payable	<b>5,034,217</b>	1,049,896
Management fees (note 10)	<b>4,340,741</b>	6,371,166
Custody fees	<b>90,958</b>	83,913
Other expenses	<b>2,350,540</b>	166,388
	<b>11,816,456</b>	7,671,363

**17 ZAKAT**

**17.1 Status of assessment**

The Ministry of Finance has issued a resolution ("MR") numbered 29791, dated 9 Jumada Al-Awwal 144 H (corresponding to 3 December 2022) publishing certain zakat filing rules to be complied by investments funds in the Kingdom of Saudi Arabia. According to the MR the Fund is not subject to zakat or tax, however, will be required to file certain financial information with Zakat, Tax and Customs Authority ("ZATCA"). The filing with ZATCA is due by 30 April 2025.

**18 RENTAL INCOME FROM INVESTMENT PROPERTIES**

	<b>2024</b>	<b>2023</b>
	<b>SR</b>	<b>SR</b>
Rental income	<b>79,840,216</b>	51,633,469

- (i) The Fund's rental income from investment properties is concentrated within one operating segment and geographical region of the Kingdom of Saudi Arabia, comprising of 7 (2023: 5) investment properties.

Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)  
31 December 2024

**19 GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>2024</i> <i>SR</i>	<i>2023</i> <i>SR</i>
Administration fees	610,792	458,515
Professional fees	567,810	928,100
Property insurance	444,232	486,614
Regulator fees	400,000	400,000
Legal fees	325,378	195,685
Custodian fees	215,258	181,024
Listing fees	181,140	190,679
Board oversight fees	52,500	57,500
Others	474,329	84,952
	<u>3,271,439</u>	<u>2,983,069</u>

**20 PROPERTY MANAGER FEE AND RELATED EXPENSES**

	<i>2024</i> <i>SR</i>	<i>2023</i> <i>SR</i>
Operating expenses	18,189,946	17,186,882
Property manager fees	2,561,672	3,094,092
	<u>20,751,618</u>	<u>20,280,974</u>

**21 FINANCIAL CHARGES**

	<i>2024</i> <i>SR</i>	<i>2023</i> <i>SR</i>
Long-term borrowings finance charge	17,308,687	4,171,560
Lease liability finance charge	281,595	296,709
	<u>17,590,282</u>	<u>4,468,269</u>

Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

**22 FAIR VALUE MEASUREMENT**

**22.1 Financial instruments**

Financial assets consist of cash and bank balance, rental income receivables, financial assets at amortised cost and other receivables. Financial liabilities consist of dividend payable, due to related parties, management fee payable, and borrowings. The fair values of financial assets and financial liabilities are not materially different from their carrying value due to short term nature and are classified as level 2.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>As at 31 December 2024</b>				
Financial assets at FVTPL (note 11)	<u>17,880,374</u>	<u>36,733,369</u>	<u>-</u>	<u>54,613,743</u>
<b>As at 31 December 2023</b>				
Financial assets at FVTPL (note 11)	<u>-</u>	<u>1,953,427</u>	<u>-</u>	<u>1,953,427</u>

**22.2 Non-financial assets**

The following table shows the fair value of investment properties disclosed as at year end:

<b>31 December 2024</b>	<i>Level 3</i>
	<i>SR</i>
<u>Investment properties</u>	
Hafar Al-Batin Mall	257,478,000
Tabuk Mall	98,491,000
Dawadmi Mall	87,524,000
Signature Mall	69,193,500
Safar Building	91,275,000
Jawhara Hittin Building	125,239,000
Jazl Office building	379,279,000
	<u>1,108,479,500</u>
<b>31 December 2023</b>	<i>Level 3</i>
	<i>SR</i>
<u>Investment properties</u>	
Hafar Al-Batin Mall	313,180,000
AlKhair Mall	352,640,000
Tabuk Mall	101,090,000
Dawadmi Mall	130,415,000
Signature Mall	68,020,000
	<u>965,345,000</u>

When the fair value of items disclosed in these financial statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The key assumptions are listed below.

Changes in assumptions about these factors could affect the fair value of items disclosed in these financial statements and the level where the items are disclosed in the fair value hierarchy.



Alinma Retail REIT Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

**22 FAIR VALUE MEASUREMENT (continued)**

**22.2 Non-financial assets**

The fair values of investment properties were assessed by Abaad Company and Esnad Company as disclosed in note 7. They are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

The valuation models have been applied in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards, in addition to recently published International Valuation Standards issued by International Valuation Standards Council ("IVSC") and applied by Saudi Authority for Accredited Valuers ("TAQEEM").

Valuation approach	Key assumptions	Range	
		2024	2023
Discounted cash flow	Discount rate (%)	10.20%-11.45%	10.30% - 11.55%
	Growth rate (%)	2.70%	2.8% - 2.01%
	Capitalisation rate (%)	7.5%-8.5%	7.5% - 9%

**23 LEASE COMMITMENTS**

Future rental commitments under the leases are as follows:

	2024 SR	2023 SR
No later than one year	72,613,203	43,590,249
Later than one year and not later than five years	153,567,804	93,688,679
Later than five years	23,554,253	42,418,663
	<u>249,735,260</u>	<u>179,697,591</u>

**24 FINANCIAL RISK MANAGEMENT**

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

The Fund has its terms and conditions document that sets out its overall business strategies, its tolerance of risks and its general risk management philosophy.

**24.1 Credit risk**

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risks on the following financial instruments:

	2024 SR	2023 SR
Financial assets at amortised cost	16,107,691	25,618,215
Cash and cash equivalents	3,738,566	14,172,383
Rental income receivables (note 8)	1,781,131	4,808,912
Trade receivable	2,516,750	2,932,168
Amount due from a related party (note 10)	-	1,219,338
	<u>24,144,138</u>	<u>48,751,016</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

31 December 2024

**24 FINANCIAL RISK MANAGEMENT (continued)**

**24.1 Credit risk (continued)**

The carrying amount of financial assets represents the maximum credit exposure. The Fund seeks to limit its credit risk with respect to rental income receivables by charging rent in advance, and by monitoring outstanding balances on an ongoing basis with the actual results for the Fund. As at the year-end, the related parties have sound financial position and have the ability to repay their debts towards the Fund. For banks and financial institutions, the Fund only deals with reputable banks with sound credit ratings.

**24.2 Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments:

	<i>On demand SR</i>	<i>Less than 12 months SR</i>	<i>More than 12 months SR</i>	<i>Total SR</i>
<b>31 December 2024</b>				
Lease liabilities	-	650,000	5,955,052	6,605,052
Contract liabilities	-	42,157,846	-	42,157,846
Long-term borrowing	-	-	257,349,291	257,349,291
Dividend payable	82,558	-	-	82,558
	<u>82,558</u>	<u>42,807,846</u>	<u>263,304,343</u>	<u>306,194,747</u>
	<i>On demand SR</i>	<i>Less than 12 months SR</i>	<i>More than 12 months SR</i>	<i>Total SR</i>
<b>31 December 2023</b>				
Lease liabilities	-	650,000	8,450,000	9,100,000
Contract liabilities	-	8,185,737	-	8,185,737
Dividend payable	100,086	-	-	100,086
Long-term borrowing	-	-	55,100,000	55,100,000
	<u>100,086</u>	<u>8,835,737</u>	<u>63,550,000</u>	<u>72,485,823</u>

**24.3 Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Fund does not have any significant exposure to currency risk as all its monetary assets and monetary liabilities are denominated in Saudi Riyals.

**25 OPERATING SEGMENT**

The Fund is organised into one operating segment. All of the Fund's activities are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the fund as one segment.

## **26 DISTRIBUTIONS**

In accordance with the approved terms and conditions of the Fund, the Fund's Board announced profit distribution of SR 37,760,000 as following.

- On 1 April 2024 the Fund board approved distribution of SR 0.17 per unit totalling to SR 20,060,000
- On 11 July 2024 the Fund board approved distribution of SR 0.15 per unit totalling to SR 17,700,000

An amount of SR 37,760,000 (2023:SR 30,090,000) was paid during the year ended 31 December 2024. Furthermore, As of 31 December 2024, an amount of SR 82,558 (2023: SR 100,086) is still payable in relation to Fund's distribution.

## **27 LAST VALUATION DAY**

The last valuation day for the year was 31 December 2024 (2023: 31 December 2023).

## **28 EVENTS AFTER THE REPORTING DATE**

Subsequent to the reporting date the Board of the Fund announced profit distribution of SR 0.17 per unit totalling to SR 20,060,000 which is payable on 9 January 2025.

Further, the Fund Manager has signed an agreement to purchase an office property located in AlQirawan district, in Riyadh, Kingdom of Saudi Arabia for a price of SR 380 million (excluding real estate transaction tax) which will be acquired during the first quarter of 2025.

There were no other events subsequent to the reporting date which requires adjustments or disclosures in the financial statements or notes thereto.

## **29 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Fund's Board of Directors on [27 March 2025 ] (corresponding to [27 Ramadan 1446 H]).