

MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
Interim-condensed financial statements
For the six-month period ended 30 June 2025
Together with the
Independent Auditor's Report to the Unitholders

MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
Financial Statements
For the six-month period ended 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL
STATEMENTS

(1 /1)

TO THE UNITHOLDERS OF MEFIC SAUDI RIYAL MURABAHA FUND

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of MEFIC SAUDI RIYAL MURABAHA FUND (the "Fund") as at 30 June 2025 and the related interim statement of comprehensive income for the six-month periods then ended, and the interim statements of changes in net assets (equity) and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For PKF Al Bassam
Chartered Accountants



Abdullah Al Bassam
Certified Public Accountant
License No. 703
Riyadh: 16 Safar 1447H
Corresponding to: 10 August 2025



MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2025
(Amounts in Saudi Arabian Riyal)

	<u>Note</u>	<u>30 June 2025</u> <u>(Un-audited)</u>	<u>31 December 2024</u> <u>(Audited)</u>
ASSETS			
Cash and cash equivalents	7	65,662,540	149,197,706
Financial asset at fair value through profit or loss (FVTPL)	6	20,421,549	4,994,572
Financial asset measured at amortised cost	9	53,482,646	9,000,000
Total assets		139,566,735	163,192,278
LIABILITIES			
Management fee	8	58,008	76,068
VAT management fee	8	8,702	11,410
Total liabilities		66,710	87,478
Net assets (equity) attributable to the Unit Holders		139,500,025	163,104,800
Units in issue (number)		1,286,377	1,541,210
Net assets (equity) attributable to each unit		108.4441	105.8291

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements

MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2025
(Amounts in Saudi Arabian Riyal)

	<u>Note</u>	<u>30 June 2025</u> <u>(Un-audited)</u>	<u>30 June 2024</u> <u>(Un-audited)</u>
<u>Investment income</u>			
Special commission income		3,743,003	2,294,548
Unrealized gains on investments at FVTPL	6	236,964	14,997
		<u>3,979,967</u>	<u>2,309,545</u>
<u>Expenses</u>			
Management fees	8	366,434	175,139
VAT on management fees		54,966	26,271
		<u>421,400</u>	<u>201,410</u>
Net income for the period		3,558,567	2,108,135
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,558,567</u>	<u>2,108,135</u>

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements

MEFIC SAUDI RIYAL MURABAHA FUND**Open-Ended Mutual Fund****(Managed by Middle East Financial Investment Company)****INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS****For the six-month period ended 30 June 2025****(Amounts in Saudi Arabian Riyal)**

	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Net assets (equity) attributable to the unit holders at the beginning of the period	163,104,800	95,183,653
Total comprehensive income for the period	3,558,567	2,108,135
Subscriptions and redemptions by the unit holders		
Issuance of units	17,220,028	65,661,000
Redemption of units	(44,383,370)	(96,569,093)
Net changes from unit transactions	(27,163,342)	(30,908,093)
Net assets (equity) attributable to the unit holders at the end of the period	139,500,025	66,383,095
Unit transactions	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
	Units	
As at the beginning of the period	1,541,210	949,735
Issuance of units	162,037	641,257
Redemption of units	(416,870)	(946,660)
Net changes in number of units	(254,833)	(305,403)
Net number of units (equity) attributable to the unit holders at the end of the period	1,286,377	644,332

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MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF CASH FLOWS
For the period ended 30 June 2025
(Amounts in Saudi Arabian Riyal)

	<u>Note</u>	<u>30 June 2025</u> <u>(Un-audited)</u>	<u>30 June 2024</u> <u>(Un-audited)</u>
Cash flows from operating activities:			
Net income for the period		3,558,567	2,108,135
Adjustments for:			
Unrealized gain on financial assets at (Fair value through profit & loss)		(236,964)	(14,997)
Net changes in operating assets and liabilities:			
Financial asset measured at (Fair value through profit & loss)		(15,190,013)	(1,000,000)
Investments measured at amortised cost		(44,482,646)	(14,059)
Management fee payable		(20,768)	28,975
Net cash (used in) / from operating activities		(56,371,824)	1,108,054
Cash flows from financing activities:			
Proceeds from issuance of units		17,220,028	65,661,000
Redemptions of the units		(44,383,370)	(96,569,093)
Net cash used in financing activities		(27,163,342)	(30,908,093)
Net changes in cash and cash equivalents		(83,535,166)	(29,800,039)
Cash and cash equivalents at beginning of the period	7	149,197,706	95,015,915
Cash and cash equivalents at end of the period	7	65,662,540	65,215,876

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements

MEFIC SAUDI RIYAL MURABAHA FUND
Open-Ended Mutual Fund
(Managed by Middle East Financial Investment Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2025
(Amounts in Saudi Arabian Riyal)

1- GENERAL

The MEFIC Saudi Riyal Murabaha Fund (the “Fund”) is an Open-Ended Mutual Fund managed through an agreement between Middle East Financial Investment Company (the “Fund Manager”) and the Fund investors (the “Unitholders”).

The objective of the Fund is to achieve capital growth and provide liquidity through investment in low-risk financial instruments not contradict the principles of Islamic Sharia, as well as achieving a higher return than the standard return, which represents the one-month SAIBOR.

The Fund commenced its operations on 26 Rabi’ Al-Awwal, 1432 H) corresponding to 01 March, 2011). Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter number 5/7481 dated 21 Ramadan 1431 H (corresponding to 31 August 2010).

In dealing with the Unitholders, the Fund Management considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

2- REGULATING FRAMEWORK

The Fund operates in accordance with Real Estate Investment Fund Regulations issued by the CMA. The regulations detail requirements for real estate funds and publicly traded real estate funds within the Kingdom of Saudi Arabia.

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Awwal 1444 (corresponding to 03 December 2022), approved the zakat rules for the investment fund permitted by the Capital Market Authority.

The rules apply from 01 January 2023 and require investment funds to register with the Zakat, Tax and Customs Authority (ZATCA). The rules also require investment funds to submit a zakat information declaration to the Authority within 120 days of the end of their financial year, including audited financial statements, records of transactions with related parties, and any other data required by the Authority. Under the rules, investment funds are not subject to zakat provided that they do not engage in unconditional economic or investment activities in accordance with the terms and conditions approved by the Capital Market Authority. Zakat will be collected from the fund’s unit holders.

During the current year, the Fund Manager has completed the Fund’s registration with Zakat and will submit the Zakat information declaration in due course.

3- BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 – “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Fund’s last annual financial statement for the year ended 31 December 2024. The results for the six-months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

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3- BASIS OF PREPARATION (CONTINUED)

3.3 Functional and Presentation Currency

These interim condensed financial statements are presented in Saudi Riyal (SAR), which is also the functional currency of the Fund. All financial information presented have been rounded off to nearest SAR unless otherwise stated.

3.3.1 Foreign currency transaction and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

3.4 Critical accounting judgements, estimates and assumptions

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

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

Going concern

The Fund Manager has 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, the Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

4- MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2024. Certain new standards, amendments and interpretations apply for the first time in 2025, but do not have an impact on the interim condensed financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Fund's Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations when they become applicable.

4.1 New standards, interpretations and amendments adopted by the Fund:

During the period, the Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments, given below, apply for the first time in 2025, but do not have a material impact on the interim condensed financial statements of the Fund.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments adopted by the Fund: (Continued)

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund is currently assessing the impact of these standards and interpretations and intends to adopt these when they become effective.

Standard/ interpretation	Description	Effective from periods beginning on or after
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
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

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5- MANAGEMENT FEE, CUSTODY AND OTHER CHARGES

On each valuation day, the Fund Manager charges the Fund, a management fee at the rate of 0.5% of the Fund's net assets value. The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit and legal fees, board fees and other similar charges. In addition, on a daily basis the Fund Manager charges the Fund, custody fees of 0.03% per annum of the Fund's.

6- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	30 June 2025			31 December 2024		
	(Un-audited)			(Audited)		
	Cost	Market value	Unrealized gain	Cost	Market value	Unrealized gain
Investment in fund						
Aljazira Murabaha Fund	4,694,502	4,802,784	108,282	4,900,000	4,994,572	94,572
Alpha Murabaha Fund	15,490,083	15,618,765	128,682	-	-	-
Total	20,184,585	20,421,549	236,964	4,900,000	4,994,572	94,572

7- CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
	(Un-audited)	(Audited)
Murabaha deposits*	64,946,882	148,086,719
Accrued profits on murabaha deposits	715,658	1,110,987
	65,662,540	149,197,706

* This item represents Murabaha deposits with financial companies, which have dates with an original maturity period of 3 months or less. The effective rate of return on these deposits ranges from 5.50% to 5.80%. During the year, the Fund participated in Murabaha with a total of SAR 64,946,882. The actual return on these deposits as of 30 June 2025 amounted to SAR 10,069,491, and the revenues due on Murabaha deposits as of 30 June 2025 amounted to SAR 715,658.

This item represents Murabaha deposits with financial companies, which have dates with an original maturity period of 3 months or less. The effective rate of return on these deposits ranges from 4.90% to 6.10%. During the year, the Fund participated in Murabaha with a total of SAR 148,086,719. The actual return on these deposits as of 31 December 2024 amounted to SAR 6,326,488, and the revenues due on Murabaha deposits as of 31 December 2024 amounted to SAR 1,110,987.

8- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Fund include Unitholders, the Fund Manager and Custodian of the Fund. Related party transactions are in accordance with the terms and conditions of the Fund. All transactions with related parties are carried out based on mutually agreed terms under formal agreement and are approved by the Fund Board.

The transactions resulted in following balances with related parties at reporting date:

Transactions with related parties

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the terms and conditions of the Fund. All the related party transactions are approved by the Fund's Board.

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8- TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

Related party	Nature of transactions	Amount of transactions		Balance	
		2025	2024	2025	2024
		SAR	SAR	SAR	SAR
Middle East Financial Investment Co (Fund Manager)	Fund management fee (including VAT)	366,434	611,733	66,710	87,478

9- FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Investment measured at amortised cost	53,482,646	9,000,000
Total	53,482,646	9,000,000

The average profit rate on money market placements as at the year-end is 5.6% p.a. (31 December 2024: 6.4%).

10- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchies. This grouping is determined based on the lowest level of significant inputs used in the fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of on-balance sheet financial instruments at the reporting date are not significantly different from the carrying values included in the financial statements. The fair values of cash and cash equivalent, trade receivables, borrowings accrual and other liabilities and due to related party which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the contracted rates and/or on account of the short duration of these financial instruments.

11- UNIT VALUE RECONCILIATION

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi Al-Thani 1439H (corresponding to 31 December 2017G), the CMA Board decided on 10 Rabi Al-Thani 1439H (corresponding to 28 December 2017G) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of the financial reporting.

All financial assets held at amortized cost were considered for ECL as on 30 June 2025. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank having sound credit rating. Accordingly, the financial statements do not contain any ECL adjustment and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

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12- FINANCIAL RISK MANAGEMENT

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

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Cash and cash equivalent	65,662,540	149,197,706
Financial asset measured at amortised cost	53,482,646	9,000,000
	119,145,186	158,197,706

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its commitments associated with financial liabilities. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities.

30 June 2025	Up to 1 year	Over 1 year	Total
Management fees payable	66,710	-	66,710
Total liabilities	66,710	-	66,710
31 December 2024	Up to 1 year	Over 1 year	Total
Management fees	87,478	-	87,478
Total liabilities	87,478	-	87,478

Maturity profile

The table below shows an analysis of financial assets and financial liabilities according to when they are expected to be recovered or settled respectively. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not significant.

	Up to one year	More than one year	Total
31 December 2025			
Financial Assets			
Cash and cash equivalent	65,662,540	-	65,662,540
Financial asset at fair value through profit or loss ("FVTPL")	20,421,549	-	20,421,549
Financial asset measured at amortised cost	53,482,646	-	53,482,646
	139,566,735	-	139,566,735
Management fees	66,710	-	66,710
	66,710	-	66,710

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12- FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity profile (Continued)

	Up to one year	More than one year	Total
31 December 2024			
Financial Assets			
Cash and cash equivalent	149,197,706	-	149,197,706
Financial asset at fair value through profit or loss ("FVTPL")	4,994,572	-	4,994,572
Financial asset measured at amortised cost	9,000,000	-	9,000,000
	<u>163,192,278</u>	<u>-</u>	<u>163,192,278</u>
 Management fees	 87,478	 -	 87,478
	<u>87,478</u>	<u>-</u>	<u>87,478</u>

Market risk

Market risk is the risk that fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to a change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future profitability or the fair value of the financial instruments.

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 functional currency of the Fund is Saudi Riyals. As the Fund's financial assets and financial liabilities are denominated in its functional currency, the Fund is not subject to currency risk.

Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. The Fund is not subject to price risk.

13- CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize unitholder's value.

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

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14- 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.

15- LAST VALUATION DATE

The last valuation day for the purpose of the preparation of these financial statements is 30 June 2025 (2024: 31 December 2024).

16- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 16 Safar1447H (corresponding to 10 August 2025).