

Al-Khair Capital Sukuk Plus Fund

(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Al-Khair Capital Sukuk Plus Fund
(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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**INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL
INFORMATION**

**TO: The Unitholders of
Al-Khair Capital Sukuk Plus Fund
(Managed by Al-Khair Capital Saudi Arabia Company)**

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **Al-Khair Capital Sukuk Plus Fund** – (“the fund”) managed by Al-Khair Capital Saudi Arabia Company (the “Fund Manager”), as at 30 June 2024 and the related condensed interim statements of comprehensive income, changes in net assets and cash flows for the six months’ period then ended and notes to the condensed interim financial information, including a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements (2410), “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial information 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 condensed interim financial information does not present fairly, in all material respects the financial position of the fund as of 30 June 2024 and its condensed interim statement of comprehensive income and its cash flows for the six month’s period then ended, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).



03 Safar 1446H (Corresponding 07 August 2024)
Riyadh, Saudi Arabia

**Crowe Solutions
For Professional Consulting**



**Abdullah M. AlAzem
License No. (335)**

Al-Khair Capital Sukuk Plus Fund

(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

	<i>Note</i>	<i>30 June 2024 (Unaudited) USD</i>	<i>31 December 2023 (Audited) USD</i>
<u>ASSETS</u>			
Cash and cash equivalents		333,529	99,813
Prepayment and other receivables		30,512	30,760
Financial assets at fair value through other comprehensive income	7	2,287,980	2,458,146
TOTAL ASSETS		2,652,021	2,588,719
<u>LIABILITIES</u>			
Management fees payable		10,401	4,970
Accrued expenses and other liabilities	8	11,040	9,451
TOTAL LIABILITIES		21,441	14,421
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		2,630,580	2,574,298
Units in issue		21,271	21,271
Net assets value attributable to each unit		123.6698	121.0238

The accompanying notes 1 to 14 form part of these condensed interim financial statements.

Al-Khair Capital Sukuk Plus Fund
(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the six month period ended 30 June 2024

		<i>For the six-month period ended 30 June</i>	
		2024	2023
	<i>Note</i>	<i>USD</i>	<i>USD</i>
<u>INVESTMENT INCOME</u>			
Profit on sukuk		54,831	55,624
Other income		3,805	203
TOTAL INCOME		58,636	55,827
<u>EXPENSES</u>			
Management fees	9	(11,489)	(9,033)
Other expenses	10	(17,758)	(13,290)
TOTAL EXPENSES		(29,247)	(22,323)
NET INCOME FOR THE PERIOD		29,389	33,504
OTHER COMPREHENSIVE INCOME			
Unrealised gain on financial assets at fair value through other comprehensive income		26,893	17,026
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		56,282	50,530

The accompanying notes 1 to 14 form part of these condensed interim financial statements.

Al-Khair Capital Sukuk Plus Fund
(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS

ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)

For the six month period ended 30 June 2024

	<i>For the six-month period ended 30 June</i>	
	2024	2023
	USD	USD
NET ASSETS AT THE BEGINNING OF THE PERIOD	2,574,298	2,462,929
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	56,282	50,530
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	-	-
Value of units redeemed	-	-
Net change from unit transactions	-	-
NET ASSET AT THE END OF THE PERIOD	2,630,580	2,513,459

UNIT TRANSACTIONS

Transactions in units for the six-month period ended 30 June are summarised as follows:

	2024	2023
	Units	Units
UNITS AT THE BEGINNING OF THE PERIOD	21,271	21,271
Units sold	-	-
Units redeemed	-	-
Net changes in units	-	-
UNITS AT THE END OF THE PERIOD	21,271	21,271

The accompanying notes 1 to 14 form part of these condensed interim financial statements.

Al-Khair Capital Sukuk Plus Fund

(Managed by Al-Khair Capital Saudi Arabia Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the six month period ended 30 June 2024

	<i>For the six-month period ended 30 June</i>	
	2024	2023
	USD	USD
OPERATING ACTIVITIES		
Net income for the period	56,282	50,530
Adjustments to reconcile net loss to net cash from operating activities:		
Unrealised gain on financial assets at fair value through other comprehensive income	(26,893)	(17,026)
	29,389	33,504
Changes in operating assets and liabilities:		
Prepayment and other receivable	248	(10,150)
Financial assets at fair value through other comprehensive income, net	197,059	1,234
Management fee payable	5,431	(404)
Accrued expenses and other liabilities	1,589	(7,692)
Net cash flow proceeds from operating activities	233,716	16,492
NET CHANGE IN CASH AND CASH EQUIVALENTS	233,716	16,492
Cash and cash equivalents at the beginning of the period	99,813	38,184
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	333,529	54,676

The accompanying notes 1 to 14 form part of these condensed interim financial statements.

1 GENERAL

Al-Khair Capital Sukuk Plus Fund (the “Fund”) is an open ended investment fund established and managed by Al-Khair Capital Saudi Arabia Company (the “Fund Manager”) for the benefit of the Fund’s Unitholders (the “Unitholders”). The Fund commenced its operations on 3 Sha’ban 1435H (corresponding to 1 June 2014).

The address of the Fund Manager is as follows:

Al Khair Capital
P.O. Box. 69410
Riyadh 11547
Kingdom of Saudi Arabia

The objective of the Fund is to generate capital growth and income distribution returns over the medium to long term, by investing in a portfolio of Shariah compliant income producing investments and securities. The Fund will invest mainly in Sukuk issued by sovereign, quasi sovereign corporate issuers and in convertible Sukuk. The Fund will also invest in other credit instruments such as Islamic syndication facilities Murabaha, Shariah compliant deposits and Shariah compliant cash equivalents allowing a more balanced portfolio risk and return profile.

The Fund Manager is Al-Khair Capital Saudi Arabia Company. In 2017, the Custodian of the Fund was Al-Khair Capital Saudi Arabia Company and on 16 Sha’ban 1439 (corresponding to 2 May 2018) the Fund Manager appointed Alinma Investment Company as the Custodian of the Fund. The terms and conditions of the Fund has been approved by the Capital Market Authority (“CMA”) on 29 Jamad Al Thani 1435H (corresponding to 29 April 2014) subsequently revised and approved on 09 Rajab 1445H (corresponding to 21 January 2024).

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and is effective from 6 Safar 1438H (corresponding to 6 November 2016) and amended by resolution of the board of the CMA on 12 Rajab 1442H (corresponding to 24 February 2021). Under the new Investment Fund Regulations (the “Amendment Regulations”) which stipulate the matters that all investment funds operating in the Kingdom of Saudi Arabia (“KSA”) are required to follow.

3 BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2023.

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

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

3 BASIS OF PREPARATION (CONTINUED)

3.2 BASIS OF MEASUREMENT

The interim condensed financial statements are prepared under the historical cost convention except for financial assets at fair value through OCI that are measured at fair value at the reporting date.

3.3 FUNCTIONAL CURRENCY

The condensed interim financial statements are presented in United States Dollar (USD) which is the fund's functional currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2023.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim condensed financial statements in conformity with International Financial Reporting Standards ("IFRS") as endorsed in the KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Actual results may differ from those estimates. Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Going concern

The Fund's management 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 management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the interim condensed financial statements continue to be prepared on the going concern basis.

Fair value measurement

The Fund measures its investments in financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

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 fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The Fund measures financial instruments at fair value at each reporting date. Fair values of those financial instruments are disclosed in note 11.

6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are several standards 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 Board, these standards will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt these standards, if applicable.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise of sukuk and are measured at fair value. The fair value is determined by reference to the closing price from the Bloomberg.

The composition of financial assets at fair value through other comprehensive income on last valuation day of the period is summarised below:

<i>30 June 2024 (Unaudited)</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealised gains (losses) USD</i>
Sukuk Investment	2,173,731	2,056,488	(117,243)
Mutual Fund Investments	208,131	231,492	23,361
Financial assets at fair value through other comprehensive income	<u>2,381,862</u>	<u>2,287,980</u>	<u>(93,882)</u>

<i>31 December 2023 (Audited)</i>	<i>Cost USD</i>	<i>Market value USD</i>	<i>Unrealised gains (losses) USD</i>
Sukuk investment	2,370,790	2,232,935	(137,855)
Mutual fund investments	208,131	225,211	17,080
Financial assets at fair value through other comprehensive income	<u>2,578,921</u>	<u>2,458,146</u>	<u>(120,775)</u>

	<i>30 June 2024 USD</i>	<i>30 June 2023 USD</i>
Unrealized gain for the period	<u>26,893</u>	<u>17,026</u>

The sukuk carry a fixed profit rate between 2.250% to 9.875% per annum (31 December 2023: 2.250% to 9.875% per annum) and have maturity periods of year to twenty-five years.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>30 June 2024 (Unaudited) USD</i>	<i>31 December 2023 (Audited) USD</i>
Audit fees	4,243	4,267
Board of management fees	2,649	2,660
Custodian fees	983	994
Other	3,165	1,530
Total	<u>11,040</u>	<u>9,451</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

9 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include the Unitholders, the Fund Manager, the Shareholders of the Fund Manager (Al-Khair Capital), the Fund's Board members and other funds managed by the Fund Manager.

The fund manager calculates management fees at an annual rate of 0.75% of the fund's net asset value. This is accrued on each trade date and paid on a monthly basis.

According to the terms and conditions, the Fund Manager shall recover from the Fund any other expenses incurred on behalf of the Fund such as audit fees, regulatory and legal services, brokerage services, consulting and other similar fees. The fund charged an early redemption commission of 1% on redemption during the first year of subscription, 0.75% for the second year, and 0.5% for the third year to prevent early redemption.

In the ordinary course of its activities, the Fund transacts business with its related parties. All the related party transactions are carried out based on mutually agreed prices under formal agreement, which is approved by the Fund Board.

Related party transactions for the period are as follows:

Name of Related party	Nature of transaction	Amount of transactions		Balance Receivable / (Payable)	
		For the six-month period ended 30 June 2024 (Unaudited) USD	For the six-month period ended 30 June 2023 (Unaudited) USD	30 June 2024 (Unaudited) USD	31 December 2023 (Audited) USD
The Fund Manager	Fund management fee	(11,489)	(9,033)	(10,401)	(4,970)
The Fund's Board members	Board members' fee	(1,326)	(1,322)	(2,649)	(2,660)

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

10 OTHER EXPENSES

	For the six-month period ended 30 June	
	2024 (Unaudited) USD	2023 (Unaudited) USD
Professional fee	4,243	4,232
Custodian fees	1,989	1,984
Board member fees	1,326	1,322
Regulator fees	995	992
Tadawul fees	663	661
Bank charges	23	239
Others	8,519	3,860
	17,758	13,290

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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 principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

The fair values of financial instruments are not significantly different from the carrying values included in the interim condensed financial statements due to the short duration of such financial instruments.

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

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

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value. During the period ended 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

USD	Carrying value	Level 1	Level 2	Level 3	Total
30 June 2024 (Unaudited)					
<u>Financial assets measured at fair value</u>					
Financial assets at fair value through other comprehensive income	2,287,980	2,287,980	-	-	2,287,980
Total	2,287,980	2,287,980	-	-	2,287,980

USD					
31 December 2023 (Audited)					
<u>Financial assets measured at fair value</u>					
Financial assets at fair value through other comprehensive income	2,458,146	2,458,146	-	-	2,458,146
Total	2,458,146	2,458,146	-	-	2,458,146

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2024 (Unaudited)</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>Total USD</i>
ASSETS			
Cash and cash equivalents	333,529	-	333,529
Prepayment and other receivables	30,512	-	30,512
Financial assets at fair value through other comprehensive income	249,053	2,038,927	2,287,980
TOTAL ASSETS	613,094	2,038,927	2,652,021
LIABILITIES			
Management fees payable	10,401	-	10,401
Accrued expenses and other liabilities	11,040	-	11,040
TOTAL LIABILITIES	21,441	-	21,441
 <i>As at 31 December 2023 (Audited)</i>	 <i>Within 12 months USD</i>	 <i>After 12 months USD</i>	 <i>Total USD</i>
ASSETS			
Cash and cash equivalents	99,813	-	99,813
Prepayment and other receivables	30,760	-	30,760
Financial assets at fair value through other comprehensive income	444,220	2,013,926	2,458,146
TOTAL ASSETS	574,793	2,013,926	2,588,719
LIABILITIES			
Management fees payable	4,970	-	4,970
Accrued expenses and other liabilities	9,451	-	9,451
TOTAL LIABILITIES	14,421	-	14,421

13 LAST VALUATION DAY

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

14 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 03 Safar 1446H (Corresponding 07 August 2024).