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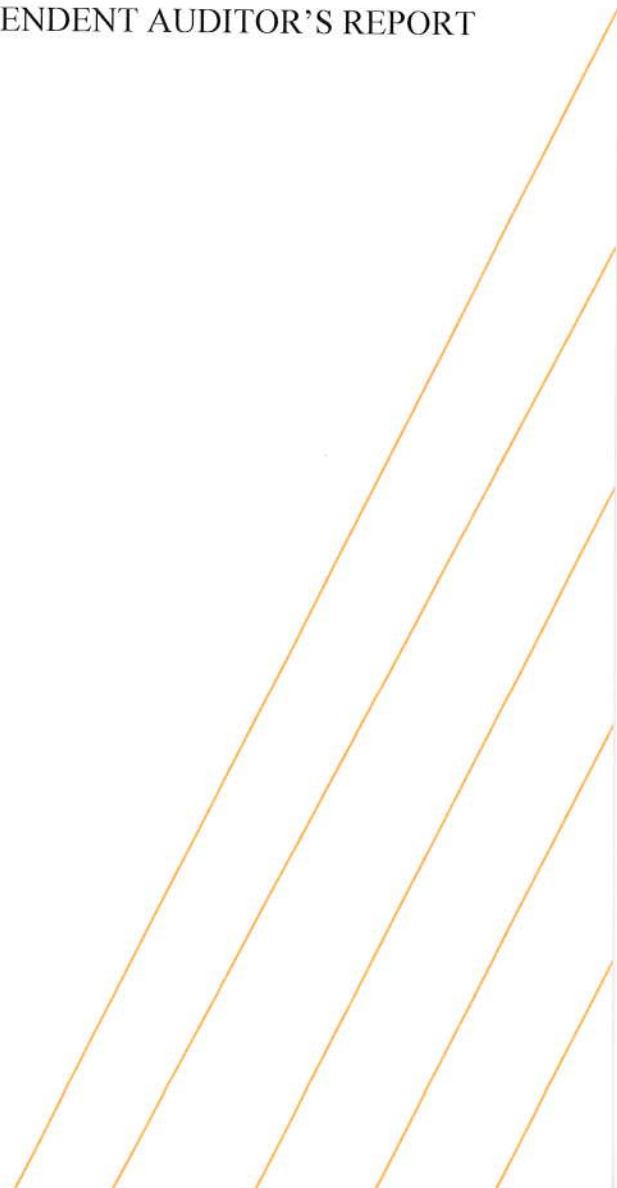
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**Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)**

FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025



**Al-Khair Capital Sukuk Plus Fund**  
**(Managed by Al-Khair Capital Saudi Arabia Company)**  
FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025

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## **INDEPENDENT AUDITOR'S REPORT**

**TO: THE UNITHOLDERS OF  
Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)**

### **Opinion**

We have audited the financial statements of **Al-Khair Capital Sukuk Plus Fund** ("the Fund") managed by Al-Khair Capital Saudi Arabia Company (the "Fund Manager"), which comprises the statement of financial position as at 31 December 2025 and the statements of profit or loss and other comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), ("IFRSs as endorsed in KSA").

### **Basis of Opinion**

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

### **Other information contained in the Fund's annual report for the year 2025**

Other information consists of information contained in the Fund's 2025 Annual Report, other than the financial statements and our report thereon.

The Fund Manager is responsible for the other information. It is expected that the Fund's 2025 Annual Report will 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 and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available to us, and in doing so consider whether 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 annual report when it is made available to us, and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as endorsed in KSA and the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority, the Fund's terms and conditions and Information Memorandum, and for such internal control as management 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, management 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**Al-Khair Capital Sukuk Plus Fund**  
**(Managed by Al-Khair Capital Saudi Arabia Company)**

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

As part of an audit in accordance with 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the audit.

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



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**Musab A. AlShaikh**  
**License No. 658**

Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)  
STATEMENT OF FINANCIAL POSITION  
As at 31 December 2025

	Notes	31 December 2025 USD	31 December 2024 USD
<b><u>ASSETS</u></b>			
Cash and cash equivalents	8	442,394	151,794
Prepayment and other receivables		24,871	34,087
Financial assets at fair value through other comprehensive income	9	2,361,939	2,472,065
<b>TOTAL ASSETS</b>		<b>2,829,204</b>	<b>2,657,946</b>
<b><u>LIABILITIES</u></b>			
Management fees payable	10	5,313	5,619
Accrued expenses and other liabilities		8,335	6,880
<b>TOTAL LIABILITIES</b>		<b>13,648</b>	<b>12,499</b>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>		<b>2,815,556</b>	<b>2,645,447</b>
Number of units in issue		21,271	21,271
<b>Net assets value attributable to each unit</b>		<b>132.3659</b>	<b>124.3687</b>

Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the year ended 31 December 2025

	Notes	31 December 2025 USD	31 December 2024 USD
<b><u>INVESTMENT INCOME</u></b>			
Profit on sukuk		116,346	114,532
Other income		340	3,830
Realised gain on financial assets at fair value through other comprehensive income		4,660	-
<b>TOTAL INCOME</b>		<b>121,346</b>	<b>118,362</b>
<b><u>EXPENSES</u></b>			
Management fees	10	(23,309)	(20,024)
Other expenses	11	(24,419)	(32,275)
<b>TOTAL EXPENSES</b>		<b>(47,728)</b>	<b>(52,299)</b>
<b>NET INCOME FOR THE YEAR</b>		<b>73,618</b>	<b>66,063</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Unrealised gain on financial assets at fair value through other comprehensive income	9	96,491	5,086
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>170,109</b>	<b>71,149</b>

Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)  
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS  
For the year ended 31 December 2025

	<b>31 December 2025 USD</b>	31 December 2024 USD
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>2,645,447</b>	2,574,298
<b>CHANGES FROM OPERATIONS</b>		
Net income for the year	73,618	66,063
Unrealised gain on financial assets at fair value through other comprehensive income	96,491	5,086
<b>Net change from operations</b>	<b>170,109</b>	71,149
<b>CHANGES FROM UNIT TRANSACTIONS</b>		
Proceeds from units sold	-	-
Value of units redeemed	-	-
Net change from unit transactions	-	-
<b>NET ASSET AT THE END OF THE YEAR</b>	<b>2,815,556</b>	2,645,447

**UNIT TRANSACTIONS**

Transactions in units for the year ended 31 December are summarised as follows:

	<b>31 December 2025 Units</b>	31 December 2024 Units
<b>UNITS AT THE BEGINNING OF THE YEAR</b>	<b>21,271</b>	21,271
Units sold	-	-
Units redeemed	-	-
Net changes in units	-	-
<b>UNITS AT THE END OF THE YEAR</b>	<b>21,271</b>	21,271

Al-Khair Capital Sukuk Plus Fund  
(Managed by Al-Khair Capital Saudi Arabia Company)  
STATEMENT OF CASH FLOWS  
For the year ended 31 December 2025

	31 December 2025 USD	31 December 2024 USD
<b>OPERATING ACTIVITIES</b>		
Net income for the year	73,618	66,063
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through other comprehensive income, net	206,616	(8,833)
Prepayment and other receivables	9,217	(3,327)
Management fees payable	(306)	649
Accrued expenses and other liabilities	1,455	(2,571)
<b>Net cash flow generated from operating activities</b>	<b>290,600</b>	<b>51,981</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>290,600</b>	<b>51,981</b>
Cash and cash equivalents at the beginning of the year	151,794	99,813
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>442,394</b>	<b>151,794</b>

## **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 invests mainly in Sukuk issued by sovereign, quasi sovereign corporate issuers and in convertible Sukuk. The Fund also invests 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 and the Custodian of the Fund is Alinma Investment. The terms and conditions of the Fund has been approved by the Capital Market Authority (“CMA”) on 29 Jamada Al-Thani 1439H (corresponding to 29 April 2014) subsequently revised and approved on 08 Rajab 1439H (corresponding to 25 March 2018) and last updated was on 9 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 effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 16 Sha’aban 1437H (corresponding to 23 May 2016) in addition to the new amendment no.2-22-2022 issued on 12 Rajab 1442H (Corresponding to 24 February 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia.

## **3. BASIS OF PREPARATION**

### **3.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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”) (collectively referred to as “IFRS as endorsed in KSA”), and the related matters issued by CMA and the Fund’s terms and conditions.

Assets and liabilities in the statement of 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 14.

### **3.2 BASIS OF PREPARATION**

These financial statements were prepared in accordance to the historical cost principle, with the exception of items measured at fair value, present value, realizable value, and replacement cost in light of the accrual basis and continuity basis of the Fund.

### **3.3 FUNCTIONAL CURRENCY**

The financial statements are presented in United States Dollar (USD) which is the Fund’s functional currency.

### **3.4 Use of judgments, estimates, and assumptions**

The preparation of financial statements in accordance with the IFRSs requires the management to make judgments, estimates and assumptions that affect the application of the policies and amounts listed for assets, liabilities, income and expenses. Actual results may differ from these estimates.

### 3. BASIS OF PREPARATION (CONTINUED)

#### 3.4 Use of judgments, estimates, and assumptions (continued)

In particular, information about significant matters regarding the estimation of uncertainties in the application of accounting policies that have a significant impact on the amounts recognized in the financial statements are summarized as follows:

-The management estimates the recoverable amount of the financial assets to determine whether there has been any impairment in their value.

- Allocations depend, depending on their nature, on estimates and assessments to ensure whether evidence controls are met, including an estimate of the amounts likely to be paid. Provisions relating to unconfirmed liabilities include management's best estimates of whether outgoing cash flows are likely to occur.

The applied estimates and assumptions are reviewed constantly, and changes in accounting estimates are recognized in the period in which the estimates are changed and in the coming years that are affected by that change.

### 4. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2024 which are explained below:

#### Financial instruments

##### Initial recognition

The Fund records a financial asset or a financial liability in the statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, financial assets or financial liabilities are measured at their fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

##### Classification

The Fund classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortized cost.

These classifications are on the basis of the business model of the Fund for managing the financial assets, and contractual cash flow characteristics. The Fund measures a financial asset at amortized cost when it is within the business model to hold in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For assets measured at fair value, gains and losses will either be recorded in either profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Fund classifies all financial liabilities as subsequently measured at amortized cost using the effective interest rate method except for financial liabilities that are measured at fair value through profit or loss. The Fund designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

#### Derecognition of financial instruments

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

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

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

#### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### Financial instruments (continued)

##### Derecognition of financial instruments (continued)

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognize the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

A financial liability is derecognized 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 recognized in profit or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

##### Impairment of financial assets

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

##### Redeemable Units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unit Holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unit Holder's rights to a pro rata share of the Fund's net assets
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders

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

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

No gain or loss is recognized in the statement of other comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

#### **4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalent include cash at banks.

##### **Returns on Sukuk instruments**

Returns on sukuk instruments are recognized in the statement of comprehensive income by calculating interest on a daily basis and recording it on a monthly basis according to the effective interest.

##### **Financial assets designated as FVOCI**

Debt instruments that meet the following conditions are subsequently measured at FVOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial instruments measured at FVOCI, commission income and impairment losses or reversals are recognized in profit or loss statement and computed in the same manner as for financial assets measured at amortized cost. All other changes in the carrying amount of these instruments are recognized in the statement of comprehensive income and accumulated under the investment revaluation reserve. When these instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of profit or loss.

##### **Provisions**

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

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

##### **Accrued expenses**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the suppliers or not. These are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

##### **Management fees**

Fund management fees are recognized on an accruals basis and charged to the statement of other comprehensive income.

Fund management fees are charged at agreed rates with the Fund Manager and as stated in the Terms and Conditions of the Fund.

##### **Expenses**

Expenses are measured and recognized as expenses on an accrual basis in the accounting period in which they are incurred.

##### **Zakat**

According to the rules for collecting zakat from investors in investment funds, investment funds are not obligated to pay zakat, and only an information declaration is submitted to calculate the Fund's zakat base, and therefore no provision is made for such obligations in these financial statements.

##### **Foreign currencies**

Transactions in foreign currencies are recorded in Saudi Riyal at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange ruling at that date, resulting exchange gains and losses are taken to the statement of comprehensive income.

#### **4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **Net assets value**

The Net assets value per unit as disclosed in the statement of financial position is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

#### **5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with 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 Funds' 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 recognized prospectively. 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 financial statements continue to be prepared on the going concern basis.

##### **Fair value Measurement**

The Fund measures its investments in financial instruments, such as equity instruments, debentures, other commission bearing investments and derivatives, 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. 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 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.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

The Fund measures financial instruments at fair value at each reporting date. Fair values of those financial instruments are disclosed in note 13.

**6. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The following is a statement of the new standards and amendments to the applicable standards for the years beginning on or after January 1, 2025, with early application permitted, but the Fund did not apply them when preparing these financial statements.

The Board of Directors of the Fund is of the opinion that these standards and amendments to the standards and interpretations are not expected to affect the Fund.

Standards	Explanation
Amendment to IAS 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.

**7. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted for certain new standards and amendments; however, the Fund has not early adopted them in preparing these Financial Statements. The Fund is currently evaluating the impact of the adoption of these standards on the Financial Statements.

Standards	Explanation
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.
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.
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.

<i>Standard/interpretation</i>	<i>Description</i>
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.

## 8. CASH AND CASH EQUIVALENTS

	31 December 2025 USD	31 December 2024 USD
Cash in banks	438,932	151,759
Cash with the custodian	3,462	35
	<b>442,394</b>	<b>151,794</b>

The management has conducted a review as required under IFRS 9 and based on such an assessment; the management believes that there is no need for any significant impairment loss against the carrying value of cash balances.

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income consist of sukuk and investment securities and are measured at fair value. The fair value of sukuk is determined based on the closing prices traded in Bloomberg, while the fair value of investments in securities is measured based on the closing prices in the stock market (Tadawul) or the net asset valuation at the end of the financial period, in the case of investment at fund units.

Details of financial assets at fair value through other comprehensive income at the end of the year were as follows:

31 December 2025	Cost USD	Market value USD	Unrealised losses USD
Investment at sukuk	2,405,484	2,361,939	(43,545)
	<b>2,405,484</b>	<b>2,361,939</b>	<b>(43,545)</b>
31 December 2024	Cost USD	Market value USD	Unrealised losses USD
Investment at sukuk	2,611,496	2,472,065	(139,431)
	<b>2,611,496</b>	<b>2,472,065</b>	<b>(139,431)</b>

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The movement financial assets at fair value through other comprehensive income during the year were as follows: -

	<b>31 December 2025</b>	31 December 2024
	<b>USD</b>	USD
Opening Balance	<b>2,472,065</b>	2,458,146
Addition during the year	-	688,868
Amortize discount / premium	<b>340</b>	(4,824)
Matured during the year	<b>(206,957)</b>	(450,000)
Disposal of investment at securities	-	(225,211)
Net change in fair value through other comprehensive income	<b>96,491</b>	5,086
	<b>2,361,939</b>	2,472,065

The sukuk carry a fixed profit rate between 2.25% to 9.88% per annum (31 December 2024: 2.25% to 9.88% per annum) and have maturity periods of five to ten years.

	<b>31 December</b>	31 December
	<b>2025</b>	2024
	<b>USD</b>	USD
Unrealized gain for the year	<b>96,491</b>	5,086

## 10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include the Unitholders, the Fund Manager, the Shareholders of the Fund Manager (Al-Khair Capital Saudi Arabia Company), 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 year are as follows:

	Nature of transaction	Transaction amount		Balance Debit (Credit)	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
<b>Related parties</b>		<b>USD</b>	USD	<b>USD</b>	USD
The fund manager	Management fees	<b>(23,309)</b>	(20,024)	<b>(5,313)</b>	(5,619)
The Fund's board members	Board members' fee	<b>(2,667)</b>	(2,667)	-	(2,667)

The units issued as of 31 December 2025 include 7,567 units (31 December 2024: 7,567 units), held by Al-Khair Capital Saudi Arabia Company ("the Fund Manager"), representing 35.57% (31 December 2024: 35.57%) in the Fund.

## 11. OTHER EXPENSES

	31 December 2025 USD	31 December 2024 USD
Audit fees	9,813	9,813
Professional fee	-	6,740
Custodian fees	4,610	4,000
Board members' fees (Note 10)	2,667	2,667
Tadawul fees	1,333	2,000
Regulator fees	2,000	1,333
Others	3,996	5,722
	<u>24,419</u>	<u>32,275</u>

## 12. ZAKAT BASE

According to the rules for collecting zakat from investors in investment funds, investment funds are not obligated to pay zakat, and only an information declaration is provided for calculating the fund's zakat base. The zakat base is presented as follows:

	31 December 2025 USD	31 December 2024 USD
Net income for the year	73,618	66,063
Adjusted income for the year	73,618	66,063
<b>Addition:</b>		
Net assets attributable to the unit holders	2,645,447	2,574,298
<b>Zakat base</b>	<u>2,719,065</u>	<u>2,640,361</u>
<b>Estimated zakat</b>	<u>-</u>	<u>-</u>

## 13. 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 financial statements due to the short duration of such financial instruments.

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 year ended 31 December 2025, 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.

	Carrying value USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31 December 2025</b>					
<u>Financial assets measured at fair value</u>					
Financial assets at fair value through other comprehensive income	2,361,939	2,361,939	-	-	2,361,939
<b>Total</b>	<b>2,361,939</b>	<b>2,361,939</b>	<b>-</b>	<b>-</b>	<b>2,361,939</b>
	Carrying value USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31 December 2024</b>					
<u>Financial assets measured at fair value</u>					
Financial assets at fair value through other comprehensive income	2,472,065	2,472,065	-	-	2,472,065
<b>Total</b>	<b>2,472,065</b>	<b>2,472,065</b>	<b>-</b>	<b>-</b>	<b>2,472,065</b>

### 14. 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:

	Within 12 months USD	After 12 months USD	Total USD
<b>As at 31 December 2025</b>			
<b><u>ASSETS</u></b>			
Cash and cash equivalents	442,394	-	442,394
Prepayment and other receivables	24,871	-	24,871
Financial assets at fair value through other comprehensive income	-	2,361,939	2,361,939
<b>TOTAL ASSETS</b>	<b>467,265</b>	<b>2,361,939</b>	<b>2,829,204</b>
<b><u>LIABILITIES</u></b>			
Management fees payable	5,313	-	5,313
Accrued expenses and other liabilities	8,335	-	8,335
<b>TOTAL LIABILITIES</b>	<b>13,648</b>	<b>-</b>	<b>13,648</b>

#### 14. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

As at 31 December 2024	Within 12 months USD	After 12 months USD	Total USD
<b>ASSETS</b>			
Cash and cash equivalents	151,794	-	151,794
Prepayment and other receivables	34,087	-	34,087
Financial assets at fair value through other comprehensive income	209,586	2,262,479	2,472,065
<b>TOTAL ASSETS</b>	<b>395,467</b>	<b>2,262,479</b>	<b>2,657,946</b>
<b>LIABILITIES</b>			
Management fees payable	5,619	-	5,619
Accrued expenses and other liabilities	6,880	-	6,880
<b>TOTAL LIABILITIES</b>	<b>12,499</b>	<b>-</b>	<b>12,499</b>

#### 15. FINANCIAL RISK MANAGEMENT

##### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

At the reporting date, the Fund's investments in Sukuk, measured at fair value through OCI, are predominantly sovereign- and corporate-backed and are considered to be of low credit risk. Accordingly, they are classified in Stage 1 under IFRS 9. The Fund Manager continuously monitors the creditworthiness of counterparties, and no significant increase in credit risk has been identified.

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

	31 December 2025 USD	31 December 2024 USD
Cash and cash equivalents	442,394	151,794
Financial assets at fair value through other comprehensive income	2,361,939	2,472,065
	<b>2,804,333</b>	<b>2,623,859</b>

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial asset.

The Fund's terms and conditions provide for the terms of subscriptions and redemptions of units and it is, therefore, exposed to the liquidity risk of meeting unitholder redemptions. However, the Fund is allowed to borrow in order to satisfy redemptions. The Fund's securities are considered to be readily realizable as they are all listed on the stock market in the Kingdom of Saudi Arabia. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values and all are to be settled within one year from the reporting date.

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk

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

### Currency risk

Currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The financial instruments of the Fund i.e. cash and payables are denominated in Saudi Arabian Riyals. As the Fund's presentation currency is US Dollars, it is exposed to currency risk arising from liabilities denominated in Saudi Riyals. The Fund does not have other significant foreign currency exposures.

### Interest rate risk

Interest rate risk is the risk that the value of financial instruments or its future cash flows will fluctuate due to changes in the market interest rates. Investments in fixed-rate Sukuk may be affected by changes in market profit rates, which could impact their fair value, though the Fund's exposure is considered limited.

### Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices.

The Fund's investments are susceptible to market price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of industry concentration.

### Sensitivity analysis

The table below sets out the effect on other comprehensive income of a reasonably possible weakening / strengthening in the fair value of Sukuk investment of 5% at reporting date. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

	31 December 2025 USD	31 December 2024 USD
Strengthening of 5%	118,097	123,603
Weakening of 5%	(118,097)	(123,603)

## 16. SUBSEQUENT EVENTS

No significant events occurred after the date of preparation of the financial statements and before the issuance of these financial statements that require amendment or disclosure in these financial statements.

## 17. LAST VALUATION DAY

The last valuation day of the year was 30 December 2025 (2024: 31 December 2024)

## 18. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 10 shawwal 1447H (Corresponding to 29 March 2026)

