

BMK SAUDI RIYAL MURABAHA FUND
A PUBLIC FUND
(MANAGED BY BAYT AL MAL AL KHALEEJI COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

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FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

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Independent Auditor's Review Report on Condensed Interim Financial Statements

To the Unitholders of BMK Saudi Riyal Murabaha Fund

Managed by Bayt Al Mal Al Khaleeji Company

Introduction

We have reviewed the accompanying interim condensed statement of financial position of BMK Saudi Riyal Murabaha Fund (the "Fund"), managed by Bayt Al Mal Al Khaleeji Company (the "Fund Manager") as at 30 June 2025 and the interim condensed statement of profit or loss and other comprehensive income, interim condensed statement of changes in net assets attributable to the unitholders and interim condensed statement of cash flows for the period from 28 May 2025 to 30 June 2025 (the "Period") and the accompanying notes which are an integral part of these interim condensed financial statements. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to draw a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 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, as 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 for the Period ended 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdulwah Alhajjaj
Certified Public Accountant
License No. (562)



Riyadh, Kingdom of Saudi Arabia

Date: 24 Safar 1447H

Corresponding to: 18 August 2025

BMK SAUDI RIYAL MURABAHA FUND

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(MANAGED BY BAYT AL MAL AL KHALEEJI COMPANY)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

	Notes	30 June 2025 (Unaudited)
Assets		
Current Assets		
Cash and cash equivalents	7	3,993,500
Other receivables	7	18,678
Total Assets		4,012,178
Liabilities		
Current liabilities		
Accrued expenses and other payables		8,573
Due to related parties	8	4,220
Total liabilities		12,793
Net assets value attributable to the unitholders		3,999,385
Issued units (numbers)		399,982
Net assets per unit		10

The accompanying notes form an integral part of these financial statements.

BMK SAUDI RIYAL MURABAHA FUND

A PUBLIC FUND

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

	Notes	For the period from 28 May 2025 to 30 June 2025 (Unaudited)
Income from Mudarabah deposit	7	18,678
Expenses		
Management fees	6	1,360
Custody fees	6	85
Board of directors remuneration	6	2,776
Sharia fees		3,608
Other expenses		11,993
		<u>19,822</u>
Profit from operations		<u>(11,444)</u>
Other comprehensive income for the period		-
Total comprehensive income for the period		<u><u>(1,144)</u></u>

The accompanying notes form an integral part of these financial statements.

BMK SAUDI RIYAL MURABAHA FUND

A PUBLIC FUND

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)

FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

For the period
from 28 May 2025
to 30 June 2025
(Unaudited)

Equity attributable to the unitholders at the beginning of the period	-
Units issued during the period	4,000,529
Total comprehensive income for the period	(1,144)
Equity attributable to the unitholders at the end of the period	<u>3,999,385</u>

Transactions in units are summarized as follows:

	Units
Units number at the start of the period	<u>399,982</u>
Units issued during the period	<u>399,982</u>

The accompanying notes form an integral part of these financial statements.

BMK SAUDI RIYAL MURABAHA FUND

A PUBLIC FUND

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

	<u>30 June 2025</u> (Unaudited)
Cash flows from operating activities	
Gain from operations	(1,144)
Changes in operating assets and liabilities	
Due to related parties	4,220
Accrued expenses	22,631
Other receivables	(18,678)
Net cash used in operating activities	<u>7,029</u>
Cash flow from financing activities	
Proceeds from unit issued	4,000,529
Net cash generated from financing activities	<u>4,000,529</u>
Net increase in cash and cash equivalents	3,993,500
Cash and cash equivalent at the beginning of the period	-
Cash and cash equivalent at the end of the period	<u><u>3,993,500</u></u>
Non-Cash Transactions:	
Income from Mudarabah deposit	18,678

The accompanying notes form an integral part of these financial statements.

BMK SAUDI RIYAL MURABAHA FUND

A PUBLIC FUND

(MANAGED BY BAYT AL MAL AL KHALEEJI)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

1. FUND AND ITS ACTIVITIES

BMK Saudi Riyal Murabaha Fund ("the Fund") is an open-ended public fund managed by Bayt Al Mal Al Khaleeji Company (the "Fund Manager"). The Terms and Conditions and prospectus were issued on 06/06/1446H corresponding to 12/05/2024G. The Capital Market Authority approved the offering of the Fund's investment units on 04/06/1446H corresponding to 12/05/2024G.

The ending period of the Fund is not set as it is an open-ended fund, starting from date of 12/05/2025. The Fund started its operations from 28/05/2025.

The Fund Manager is licensed and regulated by the CMA under license number 08123-37 to operate as a principal, manage mutual funds, and provide consultation and safekeeping services related to securities business.

The Fund's units are offered through a private placement in accordance with the Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia pursuant to Resolution No. 1-219-2006 dated 12-3-1427 AH corresponding to 12-24-2006 AD based on the financial market system issued by Royal Decree No. M/30 dated 6-2-1424 AH, amended by the Capital Market Authority Board Resolution No. 2-22-2021 dated 7-12-1442 AH corresponding to 2-24-2021.

For the purposes of dealings with unit holders, the Fund Manager treats the Fund as a separate legal entity. As such, the Fund prepares its own financial statements. Unit holders are recognized as owners of the Fund's assets, and distributions are allocated based on each unit holder's proportional ownership in the total number of outstanding units.

2. REGULATING AUTHORITY

The Fund is governed by Investment Funds Regulations (the "Regulations") issued by CMA under Resolution No.1-219-2006 dated 3 Dhul-Hijjah 1427 H (corresponding 24 December 2006) and amended by Resolution of the Board of CMA Number 2-22-2021 dated 12 Rajab 1442H (corresponding 24 February 2021). The Fund is also subject to the Capital Market law and executive regulations and other related laws and regulations applicable in the Kingdom of Saudi Arabia.

The management of the Fund is the responsibility of the Fund Manager.

3. BASIS OF PREPARATION

The interim condensed financial statements from 28 May 2025 to 30 June 2025 have been prepared in accordance International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA"). The Fund has prepared the financial statements on the basis that it will continue to operate as a going concern.

4. NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Fund.

	Effective date (annual periods beginning on or after)
- IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
- Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

BMK SAUDI RIYAL MURABAHA FUND

A PUBLIC FUND

(MANAGED BY BAYT AL MAL AL KHALEEJI)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

5. MATERIAL ACCOUNTING POLICIES

Below are significant accounting policies followed by the fund:

Net Assets Value

Net assets value per unit, as disclosed in statement of net assets is calculated by dividing the net assets of the Fund by the numbers of units in issue as at the period end.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or service received, whether billed or not by suppliers.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the statement of profit or loss.

First: Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A) Financial assets measured at amortized cost

Accounts receivable, bank balances and cash are measured at amortized cost using the effective interest method less any impairment loss and charged to the profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

B) Financial assets measured at fair value through profit or loss

Financial assets that do not meet the criteria of financial assets measured at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Investment of the Fund in the units of another Fund is measured at fair value through profit or loss.

Second: Financial liabilities:

Financial liabilities are classified as financial liability measured at amortized cost. Financial liabilities (including loans and accounts payable) are measured subsequently at mortised cost using the effective interest method.

Derecognition

The Fund derecognizes a financial asset (or, where applicable, a part of a financial asset) where 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 third party.

The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of disposed financial liabilities and amount paid is charged to the statement of profit or loss.

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EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

5. MATERIAL ACCOUNTING POLICIES (CONTINUED)**Effective interest rate method**

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Zakat and income tax

Zakat and income tax are obligations of the Unitholders and is not provided for in these accompanying financial statements.

Foreign currencies

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of profit or loss and other comprehensive income

6. MANAGEMENT FEE AND OTHER EXPENSES

According to the terms and conditions of the Fund, the Fund is subject to the following fees:

- Fund management fees calculated at the rate of 0.4% per annum of the net asset value (NAV) of the Fund, accrued on a daily basis and charged quarterly.
- Custody fees charged at the rate of 0.025% per annum of the Fund's total NAV, accrued daily and payable as per the agreed terms.
- Each Board member is entitled to an attendance fee of SAR 2,500 per meeting, subject to a maximum of SAR 10,000 annually per member.

7. CASH & CASH EQUIVALENTS

	30 June 2025
	(Unaudited)
Current account	93,500
Mudarabah deposits	3,900,000
	3,993,500

Mudarabah deposits are Shariah-compliant term deposits. As at 30 June 2025, the balance of the Mudarabah deposits were included in cash and cash equivalents amounted to SAR 3,900,000 and have an accrued income of SR 18,678. There are two Mudarabah deposits of SR 3,000,000 and SR 900,000 with a term of 3 months and 1 month respectively.

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FOR THE PERIOD FROM 28 MAY 2025 TO 30 JUNE 2025

EXPRESSED IN SAUDI RIYALS (UNLESS OTHERWISE SPECIFIED)

8. RELATED PARTY TRANSACTIONS AND BALANCES

Fund related parties include the unit holders, Fund Manager, the custodian, the developer, the Fund's Board members', and other funds managed by the Fund manager. In the normal course of activities, the fund deals with other related parties. Transactions with related parties are subject to the limits set in the regulations issued by the (CMA). All transactions with related parties are approved by the Fund's Board.

Following is a statement for the major transactions with related parties during the period and balances resulted from it:

Related Party	Nature of Transaction	For the period ended 30 June 2025 (Unaudited)
Bayt Al Mal Al Khaleeji (Fund Manager)	Management Fees	1,360
Board of Directors	Fees for BOD Meeting	2,776
Al Rajhi Finance (The Custodian)	Custody Fees	85

The above transactions resulted in balance due to the following related parties

Related party	30 June 2025 (Unaudited)
Bayt Al Mal Al Khaleeji (Fund Manager)	1,360
Board of Directors	2,776
Al Rajhi Finance (The Custodian)	85
	<u>4,220</u>

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties on fair dealing terms.

Financial instruments consist of financial assets and financial liabilities.

The Fund uses the following hierarchy to determine and disclose the fair value of real estate under development:

Level 1: Prices listed in an active market for the same property (i.e. without modification or refill).

Level 2: Prices listed in an active market for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market information.

Level 3: Valuation techniques where the significant inputs are not based on observable market information.

The Funds financial assets and liabilities are carried at amortized costs and the fair values determined under level 2 of fair value hierarchy, carrying values are not materially different than fair value.

10. RISK MANAGEMENT

Credit Risk

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. The cash is being deposited in a local bank with a highly credit rating.

Commission risk

The risk arising from the fluctuation of the value of financial instruments as a result of fluctuations in commission rates prevailing in the market related to its term loan. The Fund has no other significant assets or liabilities bear commission as of 30 June 2025.

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10. RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The management monitors fluctuations in foreign exchange rates and believes that the Fund is not exposed to significant currency risk since the Fund's principal transactions are in Saudi Riyals.

Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising Funds to meet commitments associated with financial instruments. Liquidity risk arises from the inability to sell a financial asset quickly at an amount approximate its fair value.

11. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Below is information about estimation and judgments that have a material impact on the amounts reported in the financial statements:

Use of judgments and estimates

The preparation of the financial statements in conformity with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia requires the management to make judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. These estimates and judgments are based on management's best knowledge of current events and actions and other factors that form a base for estimating the carrying amount of assets and liabilities which cannot be easily determined from other sources. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized prospectively.

Impairment of non-derivative financial assets

The Fund recognizes allowances for expected credit losses ("ECL") for financial assets measured at amortized cost such as trade accounts receivable. The Fund assesses future credit losses using ECL model for financial assets measured at amortized cost. For trade accounts receivable, the Fund applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all trade accounts receivable since the initial recognition. To assess the ECL, accounts receivable is grouped based on shared risk characteristics and aging. The expected loss rates were calculated based on historical information of the Fund and adjusted to reflect the expected future results which includes future information on macroeconomic factors such as inflation and GDP growth rate. Other financial assets such as employees' receivables and bank balances have low credit risk and applying the ECL model is considered insignificant.

Fair value measurements of financial instruments including derivative financial instruments

When the fair value of the financial assets and liabilities in the condensed interim statement of financial position cannot be measured based on Quoted prices in active market, when IFRS require those assets or liabilities to be measured based on fair value, their fair value is determined using valuation techniques including using the present value of expected cash flows or any other techniques as stated in IFRS (13). The inputs to these techniques are taken from active markets, where possible. However, if this is not possible, a degree of judgment is required to determine the fair value and such estimates take liquidity risk, credit risk and volatility into account. Changes in the assumptions relating to these factors can affect the reported fair value of financial instruments.

12. SUBSEQUENT EVENTS

There were no other significant events subsequent to 30 June 2025 that are expected to have a significant impact on these interim financial statements.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed interim financial statements have been approved for issue by the Fund's Board on 24 Safar 1445H (corresponding to 18 August 2025).