

**BONYAN REIT FUND**  
(Managed by Saudi Fransi Capital Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**  
**TOGETHER WITH THE INDEPENDENT AUDITORS' REVIEW REPORT**

# **BONYAN REIT FUND**

**(Managed by Saudi Fransi Capital Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

**TO: THE UNITHOLDERS OF  
BONYAN REIT FUND  
(Managed by Saudi Fransi Capital)**

**Introduction:**

We have reviewed the accompanying condensed interim statement of financial position of **BONYAN REIT FUND ("the Fund")** managed by Saudi Fransi Capital (the "Fund Manager"), which comprises the statement of financial position as at 30 June 2021 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 significant accounting policies 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 Certified Public 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 at 30 June 2021, and of its financial performance and its cash flows for the six months 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 Certified Public Accountants ("SOCPA").



**Al Azem, Al Sudairy, Al Shaikh & Partners  
Certified Public Accountants**

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

09 Muharram 1443 H (17 August 2021)  
Riyadh, Saudi Arabia

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 June 2021

	<i>Notes</i>	<b>30 June 2021 (Un-audited) SR</b>	<b>31 December 2020 (Audited) SR</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	8	<b>115,968,321</b>	36,022,448
Investments measured at fair value through profit or loss	9	<b>73,362</b>	73,085
Rental income receivable, net	10	<b>77,315,306</b>	69,766,251
Due from related parties		<b>3,053,441</b>	3,055,661
Prepayment and other assets		<b>12,260,574</b>	10,852,988
Intangible assets	11	<b>449,460</b>	562,030
Advance for investments		<b>10,000,000</b>	-
Furniture and equipment	12	<b>3,214,643</b>	4,201,278
Investment properties	13	<b>1,694,092,062</b>	1,617,279,326
<b>TOTAL ASSETS</b>		<b>1,916,427,169</b>	1,741,813,067
<b><u>LIABILITIES</u></b>			
Bank borrowings	14	<b>385,080,966</b>	190,426,655
Deferred rental income		<b>80,312,018</b>	74,001,479
Management fee payable	15	<b>2,047,452</b>	1,382,216
Accrued expenses and other liabilities		<b>44,066,270</b>	44,003,161
Provision for Zakat		<b>1,122,610</b>	2,304,597
<b>TOTAL LIABILITIES</b>		<b>512,629,316</b>	312,118,108
<b>Net assets attributable to unitholders</b>		<b>1,403,797,853</b>	1,429,694,959
Units in issue		<b>162,881,100</b>	162,881,100
Net asset value per unit		<b>8.6185</b>	8.7775
Net asset Fair value per unit	19	<b>9.9689</b>	10.0157

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

For the six months period ended 30 June 2021

	<i>Notes</i>	<i>For the period ended 30 June 2021 SR</i>	<i>For the period ended 30 June 2020 SR</i>
<b><u>INCOME</u></b>			
Income from investment properties, net	16	<b>67,207,379</b>	35,841,867
Other income		<b>50,114</b>	139,469
Net gain on investment at FVTPL, net	9	<b>277</b>	586,829
<b>TOTAL INCOME</b>		<b>67,257,770</b>	36,568,165
<b><u>EXPENSES</u></b>			
Management fees	15	<b>(3,554,902)</b>	(3,622,998)
Allowance for Expected Credit Losses (ECL)	10	<b>(117,344)</b>	(689,312)
Finance cost	14	<b>(3,637,044)</b>	(1,047,610)
Other expenses		<b>(1,123,507)</b>	(864,469)
<b>TOTAL EXPENSES</b>		<b>(8,432,797)</b>	(6,224,389)
<b>Income from operations during the period</b>		<b>58,824,973</b>	30,343,776
Amortisation expense on intangibles	11	<b>(112,570)</b>	(113,192)
Depreciation expense on furniture and equipment	12	<b>(1,525,430)</b>	(2,077,049)
Depreciation expense on investment properties	13	<b>(20,238,974)</b>	(20,932,874)
Impairment (charge) / reversal on investment properties	13	<b>(9,570,855)</b>	1,383,851
<b>NET INCOME BEFORE ZAKAT FOR THE PERIOD</b>		<b>27,377,144</b>	8,604,512
Zakat charge during the period		<b>(1,152,298)</b>	(1,220,061)
<b>NET INCOME AFTER ZAKAT FOR THE PERIOD</b>		<b>26,224,846</b>	7,384,451
OTHER COMPREHENSIVE INCOME		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>26,224,846</b>	7,384,451
<b>Earnings per unit</b>			
Weighted average units in issue		<b>162,881,100</b>	162,881,100
Earnings per unit		<b>0.1610</b>	0.0453

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

**BONYAN REIT FUND  
(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (UN-AUDITED)**

For the six months period ended 30 June 2021

	<i>Notes</i>	<i>For the six month period ended 30 June 2021 SR</i>	<i>For the six month period ended 30 June 2020 SR</i>
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD</b>		<b>1,429,694,959</b>	1,449,286,930
<b>CHANGES FROM OPERATIONS</b>			
Net income for the period		<b>26,224,846</b>	7,384,451
Total comprehensive income		<b>26,224,846</b>	7,384,451
Income distributions during the period	17	<b>(52,121,952)</b>	(20,001,799)
		<b>(52,121,952)</b>	(20,001,799)
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD</b>		<b>1,403,797,853</b>	1,436,669,582
<b>UNIT TRANSACTIONS</b>			
Transactions in units during the period are summarised as follows:			
		<i>30 June 2021 Units</i>	<i>30 June 2020 Units</i>
<b>UNITS AT THE START AND END OF THE PERIOD</b>		<b>162,881,100</b>	162,881,100

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**CONDENSED INTRIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

For the six months period ended 30 June 2021

	<i>Notes</i>	<b>30 June 2021 SR</b>	<b>30 June 2020 SR</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income before zakat for the period		<b>27,377,144</b>	8,604,512
Adjustment for:			
Amortization expense on intangibles	11	<b>112,570</b>	113,192
Depreciation expense on furniture and equipment	12	<b>1,525,430</b>	2,077,049
Depreciation expense on investment properties	13	<b>20,238,974</b>	20,932,874
Impairment charge / (reversal) on investment properties	13	<b>9,570,855</b>	(1,383,851)
Net gain on investments at FVTPL, net	9	<b>(277)</b>	(586,830)
Fixed asset write off	12	<b>1,762</b>	-
Allowance for Expected Credit Losses (ECL)	10	<b>117,344</b>	689,312
Finance cost	14	<b>3,637,044</b>	1,047,610
<i>Operating cash flows before working capital changes</i>		<b>62,580,846</b>	31,493,868
<b>Changes in operating assets:</b>			
Rental income receivable		<b>(7,666,399)</b>	(2,777,899)
Prepayment and other assets		<b>(1,407,586)</b>	(1,515,569)
Advance for investments		<b>(10,000,000)</b>	-
Due from related parties		<b>2,220</b>	-
<b>Changes in operating liabilities:</b>			
Deferred rental income		<b>6,310,539</b>	437,850
Management fee payable		<b>665,236</b>	1,820,618
Accrued expenses and other liabilities		<b>63,109</b>	6,117,626
Zakat paid		<b>(2,334,285)</b>	-
<b>Net cash flow from operating activities</b>		<b>48,213,680</b>	35,576,494
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition of furniture and equipment	12	<b>(540,557)</b>	(1,292,925)
Addition of investment properties	13	<b>(106,622,565)</b>	(610,046)
Subscription of investments measured at FVTPL	9	-	(178,800,000)
Proceeds from redemption of investments measured at FVTPL		-	158,800,000
<b>Net cash flow (used in) investing activities</b>		<b>(107,163,122)</b>	(21,902,971)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Bank borrowings	14	<b>193,500,000</b>	148,800,000
Due to related parties		-	(148,800,671)
Finance cost paid	14	<b>(2,482,733)</b>	-
Dividends paid, net off unclaimed dividend	17	<b>(52,121,952)</b>	(20,001,799)
<b>Net cash flow from/(used in) financing activity</b>		<b>138,895,315</b>	(20,002,470)
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		<b>79,945,873</b>	(6,328,947)
Cash and cash equivalents at the beginning of the period		<b>36,022,448</b>	33,553,060
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	8	<b>115,968,321</b>	27,224,113

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

# BONYAN REIT FUND (MANAGED BY SAUDI FRANSI CAPITAL COMPANY)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2021

### 1. GENERAL

Bonyan REIT Fund (the “REIT” or the “Fund”) is a closed-ended Shariah compliant real estate investment traded fund. The Fund commenced its operations on 3 July 2018. The listing date of the Fund was on 25 July 2018.

The REIT is managed by Saudi Fransi Capital Company (the “Fund Manager”), a Saudi Closed Joint Stock company with Commercial Registration No.1010231217, and an Authorised Person licensed by the CMA under license no. 11153-37 dated 30 January 2011.

The REIT is listed on Tadawul and the units of the REIT shall be traded on Tadawul in accordance with its rules and regulations. The subscribed units of the REIT amounts to 162,881,100 units. The REIT has a term of 99 years, which is extendable on the discretion of the Fund Manager following the approval of CMA.

The primary investment objective of the REIT is to provide its investors with regular income by investing in income generating real estate assets in Saudi Arabia, United Arab Emirates and globally, provided that the fund’s investments outside Saudi Arabia do not exceed 25% of Fund’s assets. In addition to this, the Fund may also opportunistically invest in real estate development projects, provided that the Fund invests at least 75% of the assets of the Fund in income generating real estate assets and that the Fund does not invest in white lands.

The terms and conditions of the REIT were approved by CMA on 04 Rajab 1439H (corresponding to 21 March 2018).

During the period, the terms and conditions has been updated on 19 Rajab 1442H (corresponding to 3 March 2021).

AlBilad Investment Company is the Custodian for the Fund.

### 2. REGULATORY AUTHORITY

The Fund is governed by the Real Estate Investment Fund Regulations (REIFR) (the “Regulations”) Issued by the Board of the Capital Market Authority Dated 19/6/1427 Corresponding to 15/7/2006 Amended by the Board of the Capital Market Authority Dated 12/7/1442H Corresponding to 24/2/2021G effective from 19/9/1442H (corresponding 1/5/2021) the New Regulations (“Amended Regulations”) published by the Capital Market Authority on 19/7/1442H (corresponding to 1/3/2021) detailing requirements for all type of real estate funds and traded real estate funds within the Kingdom of Saudi Arabia.

### 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 Organisation for Certified Public 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 2020.

#### 3.2 *Basis of measurement*

The condensed interim financial statements have been prepared on a historical cost basis, using the accruals basis of accounting except for investments that are measured at fair value through profit or loss.

#### 3.3 *Functional and presentation currency*

These condensed interim financial statements have been presented in Saudi Arabian Riyal (“SR”), which is also the functional currency of the Fund. All financial information presented has been rounded to the nearest Saudi Riyal (“SR”).



**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**4. IMPACT OF CHANGE IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW STANDARDS**

**New standards, amendments and interpretations effective after 1 January 2021**

<b><u>Description</u></b>	<b><u>Effective Date</u></b>
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9	1 January 2021

In the opinion of the Board of Directors of the Fund, these standards, amendments to standards and interpretations will clearly not impact the Fund as the Fund has no application to the above-mentioned standards.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 January 2021 that have a material impact on the Fund.

**5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES**

The significant accounting and risk management policies used in the preparation of these condensed interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2020.

**6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Fund's condensed interim financial statements in conformity with the IFRS endorsed in the Kingdom of Saudi Arabia, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

***Going concern***

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

***Impairment of non-financial assets***

The carrying amounts of the non-financial assets are reviewed at the end of each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using the pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

***Valuation of investment properties***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the assets' useful lives and do not include restructuring activities that the Fund is not yet committed to or significant future investments that will enhance each asset's performance of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The valuation of the investment properties (the "properties") is carried out by ValuStrat Consulting Company and Saudi Asset Valuation Company. These two valuers are licensed by the Saudi Authority for Accredited Valuers ("TAQEEM").

The valuation models have been applied in accordance with the recommendations of the International Valuation Standards Committee. The Fund manager has concluded that the valuation models used by the Fund are consistent with the principles in IFRS 13. These models comprise land plus cost method, residual value method and the discounted cash flow ("DCF") method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value. This involves the projection of a series of cash flows to which an appropriate, market-derived discount rate is applied to establish the present value of the income stream.

***Residual and useful lives of investment properties, furniture and equipment***

The REIT's management determines the estimated residual value and useful lives of its investment properties, furniture and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management will review the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

***Expected credit loss***

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

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

*New IFRS, amendments and interpretations issued not yet effective and not early adopted*

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

The following are some of the standards, amendments to standards and interpretations that are not yet effective and neither expected to have a significant impact on the Fund's financial statements:

<u>Standards / amendments to standards / interpretations</u>	<u>Effective date</u>
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023

**8. CASH AND CASH EQUIVALENTS**

Cash and cash equivalent comprised of the following:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Bank Balance	<b>115,933,321</b>	35,972,448
Cash in hand	<b>35,000</b>	50,000
	<b>115,968,321</b>	36,022,448

The management has conducted a review of these balances, as required under IFRS 9 and based on such an assessment, the management believes that there is no need for expected credit loss allowance against the carrying value of bank balances.

**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**9. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

Investments as at the reporting date comprise of investments in mutual funds.

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Financial assets measured at fair value through profit or loss		
Al Badr Murabaha Fund	<b>2,894</b>	2,886
Al Riyadh Murabaha Fund	<b>70,468</b>	70,199
	<b>73,362</b>	73,085

The following is the movement in investments during the period:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Balance at beginning of the period/year	<b>73,085</b>	2,856
Additions during the period/year	-	178,800,000
Sold during the period/year	-	(179,400,000)
Realised gain on FVTPL investments, net	-	669,584
Unrealised gain on FVTPL investments for the period/year	<b>277</b>	645
Balance at the end of the period/year	<b>73,362</b>	73,085
<b>Movement in unrealised gain on FVTPL investment, net</b>		
Balance at beginning of the period/year	<b>674</b>	29
Balance at the end of the year	<b>951</b>	674
Net movement on unrealised gain on FVTPL investments for the period/year	<b>277</b>	645

During the period, Bonyan REIT Fund subscribed Nil units (31 December 2020: 81,403 units) and redeemed Nil units (2020: 81,371 units) of Riyadh SAR Trade Fund.

As at 30 June 2021, Bonyan REIT Fund has an investments of 184 units (31 December 2020: 184 units) in Al BADR Murabaha Fund and 32 units (31 December 2020: 32 units) in Riyadh SAR Trade Fund.

Bonyan REIT and Al BADR Murabaha Fund are managed by same Fund Manager i.e Saudi Fransi Capital.

**BONYAN REIT FUND  
(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**10. RENTAL INCOME RECEIVABLE, NET**

Rental income receivable comprised of the following:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Rental income receivable	<b>82,732,933</b>	75,066,534
Less: Allowance for expected credit losses (ECL)	<b>(5,417,627)</b>	(5,300,283)
	<b>77,315,306</b>	69,766,251

The movement in loss allowance is as follows:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Opening balance	<b>5,300,283</b>	3,450,402
Charged during the period / year	<b>117,344</b>	1,849,881
Balance at the end of the period/year	<b>5,417,627</b>	5,300,283

Below is the aging analysis of gross rental income receivables:

0-30 days	<b>25,568,852</b>	43,486,756
3-12 months	<b>37,888,430</b>	19,776,753
Over 365 days	<b>19,275,651</b>	11,803,025
Balance at the end of the period/year	<b>82,732,933</b>	75,066,534

**11. INTANGIBLE ASSETS**

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
<b>Cost</b>		
Balance at the beginning of the period / year	<b>1,099,350</b>	1,099,350
Additions during the period / year	-	-
Balance at the end of the period / year	<b>1,099,350</b>	1,099,350
<b>Accumulated Amortisation</b>		
Balance at the beginning of the period / year	<b>(537,320)</b>	(309,692)
Additions during the period / year	<b>(112,570)</b>	(227,628)
Balance at the end of the period / year	<b>(649,890)</b>	(537,320)
<b>Book Value at the end of the period / year</b>	<b>449,460</b>	562,030



**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**13. INVESTMENT PROPERTIES**

	<i>30 June 2021 (Un-audited)</i>			
	<i>Land</i>	<i>Building</i>	<i>Capital work in</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>progress</i>	<i>SR</i>
	<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
<b>Cost</b>				
Balance at the beginning of the period	243,843,205	1,554,477,284	-	1,798,320,489
Additions during the period	-	160,565	106,462,000	106,622,565
Balance at the end of the period	<u>243,843,205</u>	<u>1,554,637,849</u>	<u>106,462,000</u>	<u>1,904,943,054</u>
<b>Accumulated Depreciation and Impairment</b>				
Balance at the beginning of the period	(3,733,220)	(177,307,943)	-	(181,041,163)
Charge for the period	-	(20,238,974)	-	(20,238,974)
Reversal / (charge) of Impairment loss	(432,500)	(9,138,355)		(9,570,855)
Balance at the end of the period	<u>(4,165,720)</u>	<u>(206,685,272)</u>	<u>-</u>	<u>(210,850,992)</u>
Net book value at the end of the period	<u>239,677,485</u>	<u>1,347,952,577</u>	<u>106,462,000</u>	<u>1,694,092,062</u>

	<i>31 December 2020 (Audited)</i>			
	<i>Land</i>	<i>Building</i>		<i>Total</i>
	<i>SR</i>	<i>SR</i>		<i>SR</i>
	<u>SR</u>	<u>SR</u>		<u>SR</u>
<b>Cost</b>				
Balance at the beginning of the year	243,843,205	1,543,466,354		1,787,309,559
Additions during the year		802,954		802,954
Transfer in from furniture and equipment (Note 12)	-	10,207,976		10,207,976
Balance at the end of the year	<u>243,843,205</u>	<u>1,554,477,284</u>		<u>1,798,320,489</u>
<b>Accumulated Depreciation and Impairment</b>				
Balance at the beginning of the year	-	(147,059,573)		(147,059,573)
Charge for the year	-	(42,179,317)		(42,179,317)
Reversal of impairment loss	(3,733,220)	11,930,947		8,197,727
Balance at the end of the year	<u>(3,733,220)</u>	<u>(177,307,943)</u>		<u>(181,041,163)</u>
Net book value at the end of the year	<u>240,109,985</u>	<u>1,377,169,341</u>		<u>1,617,279,326</u>

**BONYAN REIT FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**13. INVESTMENT PROPERTIES (CONTINUED)**

The investment properties represent following eleven properties; namely:

- The Al Rashid Mega Mall investment, a freehold property acquired by the Fund, is located in Madinah and is classified as in the Commercial sector.
- The Al Rashid Mall - Abha investment, a leasehold property acquired by the Fund under a 20-year usufruct agreement, is located in Abha and is classified as in the Commercial sector. The Fund has the right to purchase this property outright within 5 years from the signing date of the usufruct agreement for a consideration of SR 110 million.
- The Al Rashid Mall - Jazan, a freehold property acquired by the Fund, investment is located in Jazan and is classified as in the Commercial sector.
- The Al Rashid Strip Mall investment, a freehold property acquired by the Fund, is located in Riyadh and is classified as in the Commercial sector.
- The Courtyard Marriott Hotel investment, a freehold property acquired by the Fund, is located in Jazan and is classified as in the Four Star Hotel sector.
- The Residence Inn by Marriott investment, a freehold property acquired by the Fund, is located in Jazan and is classified as in the Four Star Apartment Hotel sector.
- Marriott Executive Apartments investment, a freehold property acquired by the Fund, is located in Madinah and is classified as in the Five Star Apartment Hotel sector.
- The Citywalk Residential Building investment, a freehold property acquired by the Fund, is located in Dubai and is classified as in the Residential sector.
- The Al Rafiah Village investment, a freehold property acquired by the Fund, is located in Riyadh and is classified as in the Residential sector.
- The Al Maather Villas Complex investment, a freehold property acquired by the Fund, is located in Riyadh and is classified as in the Residential sector.
- During the period, the Fund has acquired a newly constructed office tower (a freehold property) leased to a Government Entity. The property is located in Sahafa District on Al-Olaya Street on a total land size spanning 3,330 square meters, with a total built-up area of 16,643.96 square meters and total GLA of 9,260 square meters. Currently, the seller is performing slight modification according to the needs of the tenant and the property is expected to be available for use during August 2021.

The investment properties are held in the name of "Bonyan Real Estate Fund One Person Company LLC" ("Special Purpose Vehicle - SPV") which is owned by the AlBilad Investment Company ("Custodian of the Fund"). The properties are held by the SPV on behalf of the Fund.



**BONYAN REIT FUND**  
**(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**14. BANK BORROWING**

	<i>30 June 2021 (Un-Audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
<b>Borrowings</b>		
Balance at the beginning of the period / year	<b>189,210,000</b>	--
Addition during the period / year	<b>193,500,000</b>	189,210,000
	<b>382,710,000</b>	189,210,000
<b>Accrued finance cost</b>		
Balance at the beginning of the period / year	<b>1,216,655</b>	--
Charge for the period / year	<b>3,637,044</b>	3,488,914
Paid during the period / year	<b>(2,482,733)</b>	(2,274,479)
	<b>2,370,966</b>	1,214,435
<b>Receivable from SFC (note 15)</b>		
Balance at the beginning of the period / year	<b>2,220</b>	--
Charged for the period / year	<b>38,003</b>	2,220
Received during the period / year	<b>(40,223)</b>	--
	<b>--</b>	2,220
Balance at the end of the period / year	<b>2,370,966</b>	1,216,655
Balance at the end of the period / year	<b>385,080,966</b>	190,426,655

The borrowings from bank represents Islamic financing obtained from a local bank (ANB). The Fund obtained financing at Saudi Interbank Offer Rate (SIBOR) plus spread. The profit mark-up / bank commission is payable on semi-annual basis and the principal is due for payment as one bullet payment during April 2025.

The title deed of following properties has been mortgaged and is being held as a collateral against the bank borrowing:

- Al Rashid Mall - Jazan,
- The Courtyard Marriott Hotel - Jazan,
- The Residence Inn by Marriott - Jazan,
- Al Rashid Mega Mall - Madinah
- Marriott Executive Apartments - Madinah and
- Al Rafiah Village - Riyadh

**BONYAN REIT FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**15. RELATED PARTY TRANSACTIONS AND BALANCES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Saudi Fransi Capital (“the Fund Manager”), Banque Saudi Fransi (the Bank and the shareholder of the Fund Manager), Saudi Bonyan Company (being the property manager of the investment properties), the Funds’ Board of Directors (BOD), affiliates of the Fund Manager, the Funds managed by the Fund Manager and the Unit holders of the Fund including Abdul Rahman Saad Al Rashid & Sons Company (being a substantial unitholder).

In the ordinary course of its activities, the Fund transacts business with related parties.

Transactions with related parties during the periods and balances are as follows:

<i>Related Party</i>	<i>Nature of transaction</i>	<i>Amount of transactions</i>		<i>Balances</i>	
		<i>For the period ended 30 June 2021</i>	<i>For the year ended 30 June 2020</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
		<i>SR</i>	<i>SR</i>	<i>(Un-audited) SR</i>	<i>SR</i>
Saudi Fransi Capital (Fund manager)	Asset management fees (Refer note “b” below)	<b>(3,554,902)</b>	(3,622,998)	<b>(2,047,452)</b>	(1,382,216)
	Reimbursement of expense paid by Fund Manager on behalf of the Fund	-	(284,702)	-	-
	Receivable for finance cost	<b>38,003</b>	-	-	2,220
	Reimbursement of finance cost	<b>(40,223)</b>	-	-	-
Board of directors	Board fees to independent board members	<b>(100,000)</b>	(120,000)	-	-
Banque Saudi Fransi	Cash and cash equivalents	-	-	<b>112,199,464</b>	29,339,893
	Dividend distribution charges	<b>(16,713)</b>	-	-	(25,074)
Al BADR Murabaha Fund (Managed by Fund Manager)	Investments(Refer note “a” below)	-	-	<b>2,894</b>	2,886
	Unrealised gain on investments measured at FVTPL	<b>8</b>	19	-	-
Saudi Bonyan Company	Property Management Fees	<b>(4,763,373)</b>	(2,676,904)	<b>(2,760,372)</b>	(1,346,049)
	Property Operating Expenses	<b>(24,001,934)</b>	(11,479,066)	<b>(13,305,211)</b>	(13,409,351)
	Cash paid against old rental received	<b>(2,308,343)</b>	-	-	-
	Advances to supplier	-	-	<b>6,126,377</b>	5,071,820
	Others	-	(671)	-	-

**BONYAN REIT FUND  
(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

Abdul Rahman Saad Al Rashid & Sons Company	(Payment) / initial acquisition of Investment Properties	-	(148,800,000)	-	-
	Addition to Investment Properties	<b>160,565</b>	610,046	-	-
	Capital work in progress	-	605,507	-	-
	Payment against balance for the addition to investment properties / Capital work in progress	-	(10,986,893)	-	-
	Receivable against VAT assessment (Refer note "c" below)	-	-	<b>3,053,441</b>	3,053,441

- (a) As at 30 June 2021, Bonyan REIT Fund has an investments of 184 units (31 December 2020: 184 units) in Al BADR Murabaha Fund. Bonyan REIT and Al BADR Murabaha Fund are managed by same Fund Manager i.e. Saudi Fransi Capital.
- (b) As per the terms and conditions of the Fund, the Fund is liable to pay the Fund Manager a management fee being 0.5% plus applicable taxes of the net asset value of the Fund. The fee is payable on a quarterly basis.
- (c) During the prior year, the Fund was subject to a VAT audit by Zakat, Tax and Custom Authority (ZATCA) for the period / year 2018 and 2019. ZATCA claimed SR 3,053,441 which is the output VAT that pertains to the revenues of the Fund for the period from July to October 2018 (transition period). ARTAR, being the seller of the real estate assets, already discharged the VAT liability on the said amount of revenues to ZATCA on behalf of the Fund during this transition period. However, ZATCA opined that the VAT should have been paid by the entity responsible.

The Fund Manager sought an independent advice (cost borne by the fund manager) with regard to the recoverability of the amount paid to ZATCA. Based on the advice received, SR 3,053,441 was paid by the Fund in December 2020 and a receivable by the Fund from ARTAR had been booked which is expected to recover the amount from ZATCA. Subsequent to 30 June 2021, the Fund received an amount of SR 3.05 million from ARTAR.

**16. INCOME FROM INVESTMENT PROPERTIES, NET**

	<i>For the period ended 30 June 2021 SR</i>	<i>For the period ended 30 June 2020 SR</i>
<b>Income from investment properties</b>		
Lease rental income on investment properties excluding hotels	<b>92,739,773</b>	51,527,266
Revenue from hotel services	<b>14,431,069</b>	16,824,069
	<b>107,170,842</b>	68,351,335
Operational costs for investment properties	<b>(39,963,463)</b>	(32,509,468)
Net income from investment properties	<b>67,207,379</b>	35,841,867

Revenue from hotel services comprises revenue from rooms, food and beverages and other associated services provided.

**BONYAN REIT FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**16. INCOME FROM INVESTMENT PROPERTIES, NET (CONTINUED)**

Future rental commitments (to be received) at period / year end, under the operating leases is as follows:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Not later than one year	<b>106,276,793</b>	52,239,756
Later than one year and less than five years	<b>196,979,142</b>	77,906,180
Later than five years	<b>86,777,452</b>	119,031,807
	<b>390,033,387</b>	249,177,743

**17. DIVIDEND / DISTRIBUTION**

During the period, the Fund's board of directors approved to distribute dividends with regards to period from 01 November 2020 till 30 April 2021 (30 June 2020: from 01 November 2019 till 30 April 2020) amounting to SR 0.32 per unit (30 June 2020: SR 0.1228 per unit) unit amounted to SR 52.12 million (30 June 2020: SR 20 million).

**18. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all-significant inputs are based on observable market data.

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of bank balances, investments measured at FVTPL, and rental income receivable, net and Due from related parties. The Fund's financial liabilities consist of due to related parties, deferred rental income, management fees payable and, accrued expenses and other liabilities.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments are measured at fair value. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value and then carrying amount is a reasonable approximation of fair value.

**BONYAN REIT FUND  
(MANAGED BY SAUDI FRANSI CAPITAL COMPANY)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**18. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	<i>Carrying value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>30 June 2021 (Un-audited)</b>					
Financial assets measured at FVTPL	<b>73,362</b>	<b>73,362</b>	-	-	<b>73,362</b>
	<b>73,362</b>	<b>73,362</b>	-	-	<b>73,362</b>
<b>31 December 2020 (Audited)</b>					
Financial assets measured at FVTPL	73,085	73,085	-	-	73,085
	73,085	73,085	-	-	73,085

The fair value of all other financial assets and liabilities approximately equal their carrying value due to short term nature of the said financial asset and liability.

During the six month period ended 30 June 2021, 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.

The Fund will monitor the fair value on a regular basis.

**19. EFFECT OF NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED**

In accordance with Article 22 of the Real Estate Investment Funds Regulations issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's assets based on an average of two evaluations prepared by independent valuers. As set out in the terms and conditions of the Fund, the net asset values declared are based on the market value obtained. However, in accordance with International Accounting Standards 40 ("IAS 40") the Fund opted to use the cost method wherein investment properties are carried at cost less accumulated depreciation and impairment, if any, in these financial statements. Accordingly, the fair value below is disclosed for information purposes and has not been accounted for in the Fund's books.

The valuation of the investment properties (the "properties") is carried out by ValuStrat Consulting Company and Saudi Asset Valuation Company. These two valuers are licensed by the Saudi Authority for Accredited Valuers ("TAQEEM"). The Fund Manager has used the average of the two valuations for the purposes of disclosing the fair value of the properties. The properties were valued taking into consideration of a number of factors, including the area and type of properties, and valuation techniques using significant unobservable inputs, including the land plus cost method, residual value method and the discounted cash flow method.

Below is the fair valuation of the investments properties by the two valuers:

	<i>First Appraiser</i>	<i>Second Appraiser</i>	<i>Average</i>
<b>30 June 2021(Un-audited)</b>			
Investment properties	<b>1,868,868,340</b>	<b>2,170,908,000</b>	<b>2,019,888,170</b>
	<b>1,868,868,340</b>	<b>2,170,908,000</b>	<b>2,019,888,170</b>

**BONYAN REIT FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**19. EFFECT OF NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED**  
**(CONTINUED)**

	<i>First Appraiser</i>	<i>Second Appraiser</i>	<i>Average</i>
<i>31 December 2020 (Audited)</i>			
Investment properties	1,789,369,340	2,058,108,000	1,923,738,670
	<u>1,789,369,340</u>	<u>2,058,108,000</u>	<u>1,923,738,670</u>

Below is an analysis of the properties fair value versus cost:

	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Estimated fair value of investment properties	<b>2,019,888,170</b>	1,923,738,670
Book value of investment properties	<b>(1,694,092,062)</b>	(1,617,279,326)
Less: present value of purchase option on Rashid Mall Abha	<b>(105,851,613)</b>	(104,780,809)
Estimated fair value in excess of book value	<b>219,944,495</b>	201,678,535
Units in issue (numbers)	<b>162,881,100</b>	162,881,100
Value per unit relating to excess of estimated fair value over book value of investment properties	<b>1.3503</b>	1.2382
<i>Net asset value</i>	<i>30 June 2021 (Un-audited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Net asset value as per the financial statements	<b>1,403,797,853</b>	1,429,694,959
Estimated fair value in excess of book value of investment properties	<b>219,944,495</b>	201,678,535
Net asset value based on fair valuation of investment properties	<b>1,623,742,348</b>	1,631,373,494
<i>Net asset value per unit</i>		
Net asset value per unit as per the financial statements	<b>8.6185</b>	8.7775
Estimated fair value in excess of book value of investment properties	<b>1.3503</b>	1.2382
Net asset value per unit based on fair valuation of investment properties	<b>9.9689</b>	10.0157

**BONYAN REIT FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**20. SEGMENT REPORTING**

The Fund's primary business is conducted in Saudi Arabia and the United Arab Emirates. The Funds reportable segment under IFRS 8 are as follows

Commercial Centers: This includes unit of investment properties such as malls.

Residential: This includes units of private houses such as individual apartments

Hospitality: This includes hospitality service providing entity, which is related to Marriot properties.

The Fund's total assets, Investment properties and liabilities as at 30 June 2021 and 31 December 2020, its total operating income and expense, and the results for the six month period ended, by operating segment, are as follows

	<i>30 June 2021(Un-Audited)</i>				
	<i>Commercial Centers</i>	<i>Residential</i>	<i>Hospitality</i>	<i>Others</i>	<i>Total</i>
Total assets	<b>1,028,524,565</b>	<b>417,579,446</b>	<b>240,434,733</b>	<b>229,888,425</b>	<b>1,916,427,169</b>
Investment properties	<b>967,554,213</b>	<b>413,147,670</b>	<b>206,928,179</b>	<b>106,462,000</b>	<b>1,694,092,062</b>
Total liabilities	<b>86,452,536</b>	<b>23,102,484</b>	<b>11,777,838</b>	<b>391,296,458</b>	<b>512,629,316</b>
Total operating income for the period	<b>53,925,898</b>	<b>9,669,430</b>	<b>3,612,051</b>	<b>50,391</b>	<b>67,257,770</b>
Total expense for the period		<b>-</b>	<b>117,344</b>	<b>8,315,453</b>	<b>8,432,797</b>
Net income / (loss) for the period	<b>42,521,253</b>	<b>(10,827,233)</b>	<b>3,998,577</b>	<b>(9,467,751)</b>	<b>26,224,846</b>
	<i>31 December 2020 (Audited)</i>				
	<i>Commercial Centers</i>	<i>Residential</i>	<i>Hospitality</i>	<i>Others</i>	<i>Total</i>
Total assets	1,088,806,220	423,976,276	202,742,956	26,287,615	1,741,813,067
Investment properties	1,024,591,737	418,020,386	174,667,203	-	1,617,279,326
Total liabilities	90,599,340	16,312,653	10,026,553	195,179,562	312,118,108
	<i>30 June 2020 (Un-Audited)</i>				
	<i>Commercial Centers</i>	<i>Residential</i>	<i>Hospitality</i>	<i>Others</i>	<i>Total</i>
Total operating incomes for the period	19,390,646	11,878,502	4,890,503	408,520	36,568,171
Total expense period	689,312	-	-	5,535,077	6,224,389
Net income / (loss) for the period	11,991,466	4,486,841	(3,611,710)	(5,482,146)	7,384,451

**21. LAST VALUATION DAY**

The last valuation day of the period was 30 June 2021 (31 December 2020: 31 December 2020).

**22. IMPACT OF COVID 19**

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular implemented closure of borders, released social distancing guidelines and enforced country-wide lockdowns and curfews. Later on, the situation was improved with the easing of lockdown restrictions.

**BONYAN REIT FUND  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

For the six months period ended 30 June 2021

**22. IMPACT OF COVID 19 (CONTINUED)**

Moreover, the Fund Manager continues to monitor the evolving situation carefully and will take required actions. Further, the Fund will continue to follow the Government policies and advice and, in parallel, will do utmost to continue Fund's operations in the best and safest way possible.

There is no impact on the condensed interim financial statements of the Fund for the six-months period ended 30 June 2021.

**23. SIGNIFICANT EVENTS AFTER REPORTING DATE**

There are no significant adjusting events subsequent to the statement of financial position date that requires disclosures and / or adjustments in the condensed interim financial statements.

**24. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Fund Board on 09 Muharram 1443H (corresponding to 17 August 2021).