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Valuation Report

SAUDI ELECTRONIC UNIVERSITY,
AR RABI DISTRICT, RIYADH, KSA

RIYAD CAPITAL

JUNE 2018

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1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

Abdulrahman A. Alahmad

Manager – Senior Real Estate Investment Analyst

Riyad Capital

P.O. Box 21116, Riyadh 11475, Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise:

Description	Property Details
Property Name	Saudi Electronic University
Total Land Area (sq. m.)	14,210
Total Built-Up Area (sq. m.)	30,345.98
NLA (sq. m.)	17,000
Owner	Higher Education Fund
Location	Ar Rabi District, Riyadh, KSA
GPS Coordinates	24°47'38.62"N; 46°40'35.91"E
Interest Valued	Freehold

Source: Client 2018

1.4 VALUATION APPROACHES

Discounted Cash Flow (DCF) approach.

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 30th June 2018.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.



1.6 OPINION OF VALUE

Property Name	Gross Rent/Yr. (SAR)	OPEC	Exit Yield	Disc. Rate	Property Value (SAR)
Saudi Electronic University	12,000,000	10%	8%	10.5%	137,500,000

The executive summary and valuation should not be considered other than as part of the entire report.

1.7 SALIENT POINTS (GENERAL COMMENTS)

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and are not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Please note that property values are subject to fluctuation over time as market conditions may change.



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The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.



2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Riyadh Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

<i>Description</i>	<i>Property Details</i>
Property Name	Saudi Electronic University
Total Land Area (sq. m.)	14,210
Total Built-Up Area (sq. m.)	30,345.98
NLA (sq. m.)	17,000
Owner	Higher Education Fund
Location	Ar Rabi District, Riyadh, KSA
GPS Coordinates	24°47'38.62"N; 46°40'35.91"E
Interest Valued	Freehold

Source: Client 2018

2.3 PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') and International Valuations Standards (January 2017).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.



2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **Market Value** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of **Market Value** is applied in accordance with the following conceptual framework:

"The estimated amount" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"an asset should exchange" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"on the valuation date" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"and a willing seller" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for



the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

“in an arm’s-length transaction” is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to affect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.



Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

It should be further noted that the subject property is best described as a trade related property that is a property that is trading and is commonly sold in the market as an operating asset with trading potential, and for which ownership of such a property normally passes with the sale of the business as an operational entity.

2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	18 th March 2018	30 th June 2018

2.6 EXTENT OF INVESTIGATION

In accordance to instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our site inspection was limited to the visual assessment of the exterior & interior features of the subject property including school and commercial premises, and the basement parking area. For the purpose of our report we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.



2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the properties comply with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the properties reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.



2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION OF THE PROPERTY

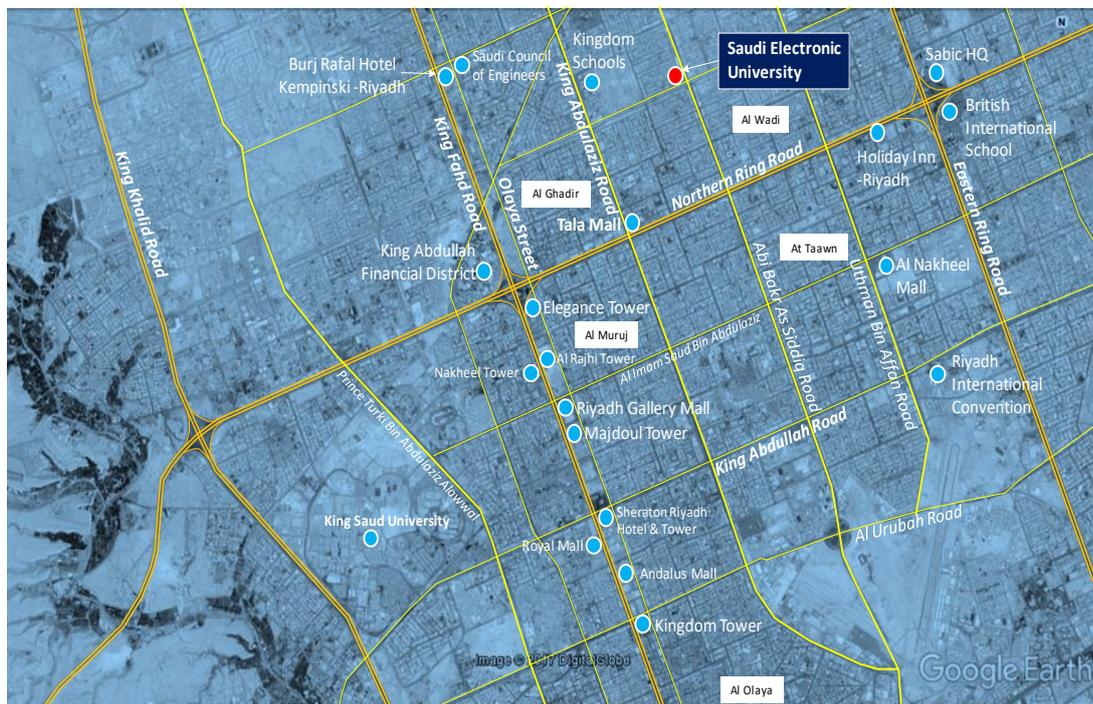
The subject property, known as “Saudi Electronic University”, is located at the west corner of Prince Saud Ibn Muhammad Ibn Muqrin and Abi Bakr As Siddiq Roads, within Ar Rabi District, Riyadh, Saudi Arabia. It is situated about 1.8 kilometers east of Kingdom School, some 2.1 kilometers southeast of Kingdom City and approximately 4.8 kilometers northeast of King Abdullah Financial District.

For ease of reference, refer to the illustration below.



Source: Google Extract 2018 - For Illustrative Purposes Only.

The subject property is situated in a newly developed area where plots along the main road are being utilized for commercial use while interior plots are for residential use, although few vacant lots remains undeveloped. It is easily accessible from the central business district thru the fronting Prince Saud Ibn Muhammad Ibn Muqrin and Abi Bakr As Siddiq Roads. The illustration on the succeeding page shows the location of the property in relation to the Central Business District.



Source: Google Extract 2018 - For Illustrative Purposes Only.

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is within close proximity to the Central Business District of Riyadh and prominent landmarks such as the King Abdullah Financial District, Kingdom Tower and other commercial centers along the northern area of Riyadh.



It is likewise very accessible to the King Khalid International Airport via the fronting Prince Saud Ibn Muhammad Ibn Muqrin and Abi Bakr As Siddiq Roads. The table below and illustration on the succeeding page further show the approximate distance of the subject property relative to major developments:

Landmarks	Distance from subject property (km.)
Kingdom School	1.8
Kingdom Hospital / Kingdom City	2.1
King Abdullah Financial District	4.8
Princes Noura University	7.3
Kingdom Tower	9.1
King Saud University	9.3
Faisaliyah Tower	11.5
King Khalid International Airport	18.5





Source: Google Extract 2018 - For Illustrative Purposes Only.

One of the on-going important developments in the city is the Riyadh Metro System which consist of 6 interconnected routes plying across the city’s most common destinations. With the expected completion of this major infrastructure, mobility within the city will be greatly enhanced.

2.9.2.1 THE RIYADH METRO SYSTEM

The new City Metro of Riyadh is a rapid transit system under construction to be completed circa. 2018/19, which will be of benefit to Riyadh’s population, business and future growth of Riyadh, etc. The Metro will help in many ways for the day to day life activities of the people such as traffic control, school journeys, shopping journey and business commuting, etc.

The city metro project is one of the world’s largest infrastructure projects currently under-construction. It consists of trains and buses, which includes 6 railway lines stretching 176 kilometers with 85 stations, penetrating the capital of Saudi Arabia, Riyadh, from all directions. It is expected that the capacity of the project is estimated at 1.16 million passengers daily in the beginning of the operation and will reach to as high as 3.6 million passengers after a decade. Other expected benefits from the project includes the reduction of the number of car



trips by nearly 250 thousand trips a day and to provide the equivalent of 400 thousand liters of fuel per day and thus reduce air pollutant emissions.

Three leading consortia, including the US Construction company Bechtel Group Inc., Spain's FCC and Italy's Ansaldo STS have been awarded contracts to build the project. The Metro Project comprises of the following six lines.



- **Line 1** (Blue Line) runs in the north-south direction along Olaya and Batha streets, starting from slightly north of King Salman Bin Abdul Aziz Street and ending at in the south. The Metro will be mostly underground in a tunnel along Olaya and King Faisal Streets, and elevated on a viaduct along Batha Street and at the northern and southern ends. Line 1 extends over a length of approximately 38 km (24 mi) and features 22 stations, in addition to 4 transfer stations with Lines 2, 3, 5, and 4&6.



- **Line 2** (Red Line) runs in the east-west direction along King Abdullah Road, between King Saud University and the eastern sub-center, mostly on a raised strip in the median of a planned freeway. This Line extends over a length of about 25.3 km (15.7 mi) and features 13 stations, in addition to 3 transfer stations with Lines 1, 5 and 6.



- **Line 3** (Orange Line) runs in the east-west direction along Al-Madinah Al Munawwarah and Prince Saad Bin Abdulrahman Al Awal Roads, starting at the west near Jeddah Expressway and ending at the east near the National Guard camp of Khashm El Aan. The metro will be mostly elevated along the western part of Al-Madinah Al Munawwarah Road, then underground in tunnels in the central section of the line, and generally at grade along Prince Saad Ibn Abdulrahman Road. The length of the line is approximately 40.7 km (25.3 mi) and it features 20 stations, in addition to 2 transfer stations with Lines 1 and 6.



- **Line 4** (Yellow Line) reaches to King Khalid International Airport from King Abdullah Financial District, mainly on a mix of elevated and at-grade alignment. The length of the line is around 29.6 km (18.4 mi) and it features 8 stations (3 common with Line 6), in addition to 1 transfer station with Lines 1 and 6.

- **Line 5** (Green Line) runs underground in a tunnel along King Abdulaziz Street, between King Abdul Aziz Historical Centre and the Riyadh Airbase, before connecting with King Abdullah Road. The length of the line is about 12.9 km (8.0 mi) and it features 10 stations, in addition to 2 transfer stations with Lines 1 and 2.

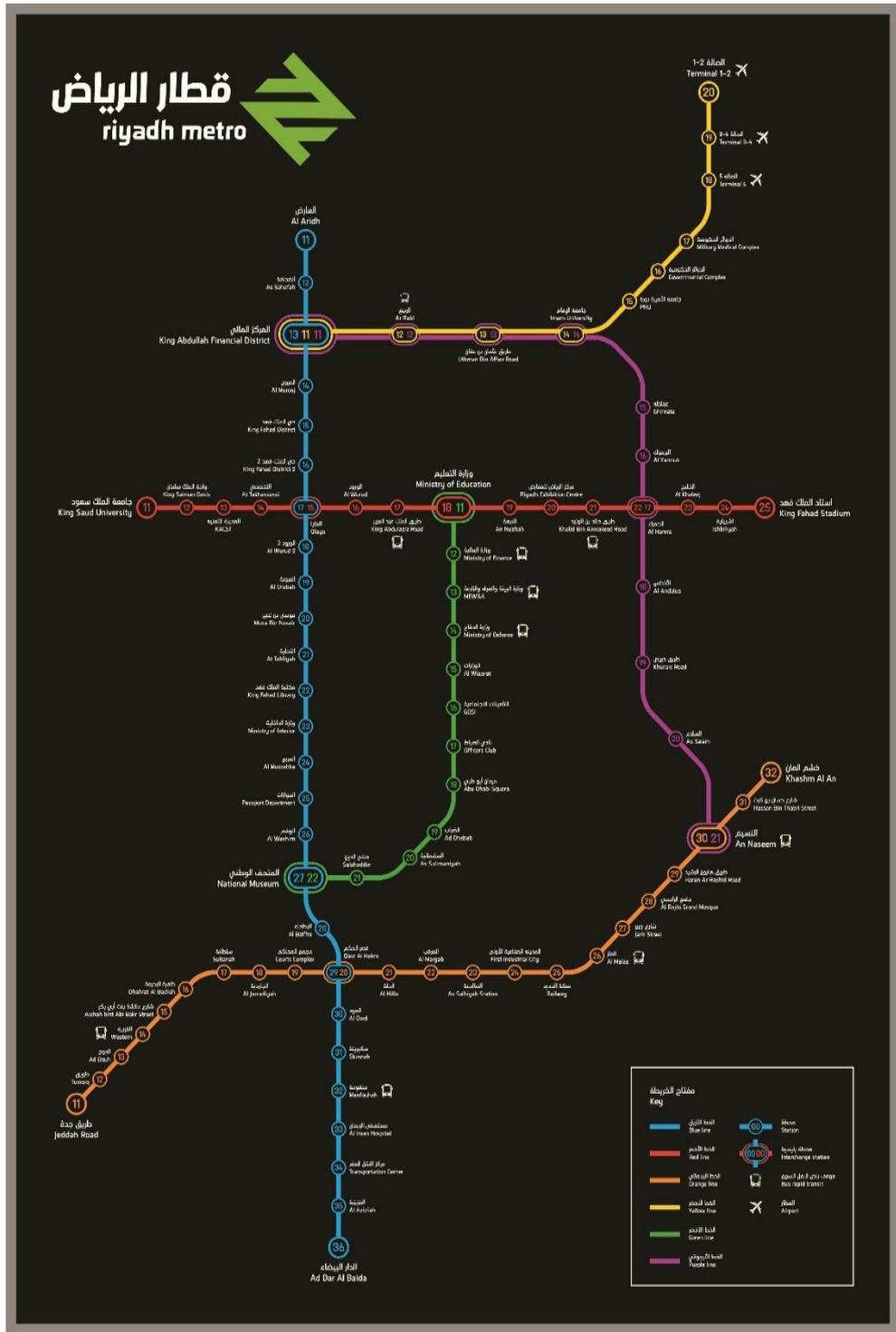
- **Line 6** (Purple Line) follows a half-ring starting at King Abdullah Financial District, passing by Imam Mohamed Bin Saud University and ending at Prince Saad Ibn Abdulrahman Al Awal Road. It runs mostly elevated except along Sheikh Hasan Bin Husein Bin Ali Street. The length of the line is approximately 29.9 km (18.6 mi) and it features 8 stations (3 common with Line 4), in addition to 3 transfer stations with Lines 1, 2 and 3.

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Riyadh Capital, Riyadh, KSA – June 2018

The commencement date for the project was in early 2014, with projected completion date on 2018/19.

The illustration below identifies the six Riyadh Metro routes.



Source: Valustrat Research.



2.9.2 DESCRIPTION OF THE PROPERTY

The subject property is a school with commercial spaces building known as Saudi Electronic University. It is a three-storey with basement constructed mainly reinforced concrete structure. Architectural building finishes consist of glass façade and painted exterior wall, plastered and painted with partly granite tiles interior wall, granite tiles flooring, acoustic tiles & painted suspended ceiling, glass windows and wooden room doors. Building facilities consist of elevators, air-conditioning system, firefighting system with alarm and basement parking.



As per building permit provided to us, the building has a total built-up area of 30,3145.98 sq. m. and the date of construction was stated as circa 1431. The building was observed to be in good condition and properly maintained. Below is a breakdown of the building built-up area.

Floor Level	No.	BUA (m ²)	Use
Basement	0	9,115.00	Parking
Ground Floor	27	4,013.00	School
Ground Floor	13	4,500.00	Commercial
First Floor	54	8,317.00	School
Roof Floor	36	4,153.98	School
Services	1	247.00	Services
Total		30,345.98	

Source: Client 2018

2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the

premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Area	Based on the document supplied by the client, the total land area of the subject property is 14,210 square meters with a total built-up area of 30,345.98 square meters.
Topography	Generally, the property is rectangular in shape and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat’s verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report’s scope of work. Note: It is understood that there is no known flooding in the area.
Landslip	ValuStrat’s verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report’s scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particularly onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a “Lawful Development” Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.



2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

We were provided with a copy of the title deeds of subject property (refer to appendix-2) which we had assumed it to be on freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

Description	Property Details
Property Name	Saudi Electronic Center
Title Deed No.	910118022831
Title Deed Date	13/02/1434
Land Area (sq. m.)	14,210
Owners	Higher Education Fund
Location	Ar Rabi District, Riyadh, KSA
Interest Valued	Freehold

Source: Client 2018

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.11.1 LEASE AGREEMENT SALIENT DETAILS

We understand that there is a lease agreement in place covering the subject property with the following salient features (refer to the attached copy of the lease agreement on Appendix-4).

- The lease agreement (renewal contract) dated 1438/08/28 was entered into by & between Ministry of Higher Education (Lessee) and Higher Education Fund (Lessor).
- The lease amount is SAR12,000,000 annually payable in two semi-annual payments.
- The term of the lease is for a period of 3 consecutive years.



- *The Lessor has the right for rent escalation at every renewal or after 3 years.*
- *The first party will be responsible for the maintenance of the building, while the second party shall maintain the elevators and other equipment; and shall fix any breakages and damages on the building.*

For the purpose of this valuation, we assume that material conditions have not changed, and no onerous conditions are within this contract impacting the value, although we reserve the right to amend our valuation and this report.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow approach taking into consideration the existing lease contract agreement provided by the client.

2.12.1 DISCOUNTED CASH FLOW APPROACH

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance. In determining our opinion of Market Value of the subject property we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property. This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property.

The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject compounds the cash flow has been projected over a 10-year period reflecting a market practice for cash flows reflecting the two lease terms referred above for both properties. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of both properties.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of 2% of a rental income per annum has been agreed and has been reflected within the DCF calculations. The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.12.2 MARKET RENTS

Sales or rental evidence for similar properties within KSA are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia.

Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of comparable buildings offered for rent within Riyadh.

S/N	Area (m ²)	Rent/Year (SAR)	Rent/m ² (SAR)	Location
1	1,020	600,000	588	Ar Rabi District
2	702	500,000	712	Ar Rabi District
3	875	650,000	743	Ar Rabi District
4	1,400	1,100,000	786	Ar Rabi District
5	1,500	1,200,000	800	Ar Rabi District
6	10,000	10,000,000	1,000	Al Ghadir District

The foregoing buildings offered for rent in the vicinity of the subject property are mostly for commercial use, although, there are no buildings for rent with the same utilities as the subject property – a school building.

Based from the above, the prevailing market rental rates of commercial buildings in the vicinity of the subject property ranges from SAR 588 to SAR 1,000 per square meter.

The client has likewise provided us below the rental rate of the subject property which is within the market rental rates of commercial building.

Subject Property	NLA (m ²)	Rent/Year(SAR)	Rent/m ² (SAR)
Saudi Electronic University	17,000	12,00,000	705.88

2.12.3 ASSUMPSTIONS & COMMENTARY

The subject property has been assessed as an investment property subject to the lease amount provided by the client and any assumptions made by ValuStrat within market benchmarks.

ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical commercial properties in Riyadh, KSA taking cognisance of the surrounding developments within the property which will ultimately form part of.

This was done in an attempt to forecast our interpretation of performance of the subject property over the 10-year explicit cash flow period. In this instance, we have adopted the following rates:



Components	Comments/Assumptions
Gross Rent per Year	SAR 12,000,000
Occupancy	100%
Operational Cost	10%
Growth Rate	assumed at 10% every contract renewal (3 years)

Growth Rate

The lease contract agreement had implied that the lessor has the right to increase the rent upon renewal, hence we had assumed a growth rate of 10% every 3 years.

Operational Cost

For the subject property, we have assumed a 10% operational cost.

Exit Yield

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

These typically vary between 7% and 9%, with exceptions on either side, depending on the quality of the property, length of the leases and the location.

Based on the above criteria we are of the opinion that a fair exit yield for the subject property is in the order of 8%:

Discount Rate

The discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question. To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.

Market risk will also reflect where we are in the property cycle.

Accordingly, for the purpose of our valuation calculations, we have adopted a discount rate of 10.5%.

2.12.4 SUMMARY OF MARKET VALUES

The resultant values based upon the above variables/assumptions for the subject property is as follows (refer to copy of DCF summary in appendix-5):

Property Name	Gross Rent/Yr. (SAR)	OPEX	Exit Yield	Disc. Rate	Property Value (SAR)
Saudi Electronic University	12,000,000	10%	8%	10.5%	137,500,000



2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow Approach assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 137,500,000 (One Hundred Thirty-Seven Million, Five Hundred Thousand, Saudi Arabian Riyals).

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

The real estate sector generally follows the fortunes of the greater economy. As oil prices remained strong in previous years, the Saudi economy and consequently its real estate market remained buoyant too. However, for the past 18 months, KSA has been facing a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues.

The resulting budget deficit earlier in 2017 had prompted the Saudi government to implement subsidy reforms, review its investment strategies and cut capital spending. All of this has resulted in declining capital and rental values in the real estate market with prices falling across all sectors including land.

Despite short term challenges and both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment. Moreover, tax on development land should keep the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent



population – all of which keeps the long-term growth potential intact. On the other hand, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2018 / 2019.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale.

2.14.1 PRINCIPAL GAINS AND RISKS ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Subject located in a growing location in a northern area of Riyadh. • Situated in an area providing good access to other parts of north, west and east Riyadh. • The government is heavily investing into education, schools and universities. • Within easy access to a future metro station. 	<ul style="list-style-type: none"> • The private sector is dependent on expat labor, reflecting a shortage of marketable skills among nationals and a fairly high unemployment rate among locals. • Refusal of government education funding and refusal education license in the future due to strict requirements and conditions. • Competition from other major education institutions and universities. • Vacant property could suffer from large void period due to the filling the specialist use.
Opportunities	Threats
<ul style="list-style-type: none"> • A low risk use-class due to the government's encouragement and investment into the education sector. • Continued investment in the economy by the government will help maintain growth and business prosperity. • Surrounded by good growing infrastructure mid-end districts. 	<ul style="list-style-type: none"> • Perceptions of high security risks deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity. • Alternative use as offices may suffer from over-supply / competition in secondary locations. • Continued growth of surrounding area may create more traffic problems • Threat of any further market deterioration / recession later in 2018 / 2019.



2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too. We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.



2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in these report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, **ValuStrat**.

Ramez Al Medlaj (Taqeem Member
No. 1210000320)
Senior Associate – Real Estate, KSA

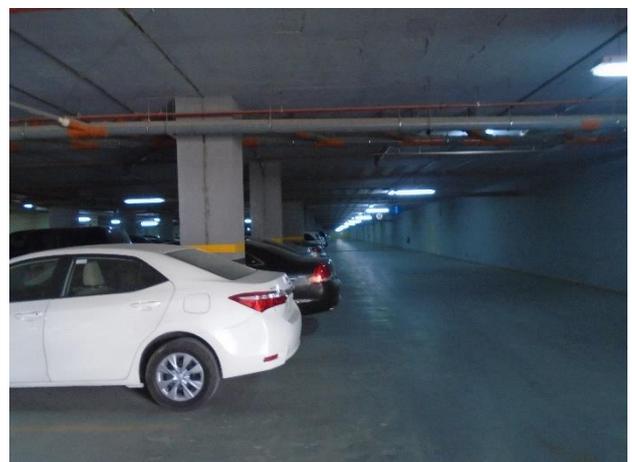
Yousuf Siddiki (Taqeem Member No.
1210001039)
Director - Real Estate, KSA



Private & Confidential

Riyad Capital, Riyadh, KSA – June 2018

APPENDIX 1 - PHOTOGRAPHS



Private & Confidential

Riyad Capital, Riyadh, KSA – June 2018



APPENDIX 2 – PHOTOCOPY OF TITLE DEED

الرقم: ٩١٠١١٨٠٢٢٨٣١
التاريخ: ١٣ / ٢ / ١٤٣٤ هـ

وزارة العدل
مكتب العدل الأول بالرياض

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

فإن قطعة الأرض ١٨٥٩ و قطعة الأرض ١٨٦٠ و قطعة الأرض ١٨٦١ و قطعة الأرض ١٨٦٢ و قطعة الأرض ١٨٦٣ و قطعة الأرض ١٨٦٤ و قطعة الأرض ١٨٦٥ و قطعة الأرض ١٨٦٦ و قطعة الأرض ١٨٦٧ و قطعة الأرض ١٨٦٨ و قطعة الأرض ١٨٦٩ و قطعة الأرض ١٨٧٠ و قطعة الأرض ١٨٧١ و قطعة الأرض ١٨٧٢ و قطعة الأرض ١٨٧٣ و قطعة الأرض ١٨٧٤ من البلك رقم ٨٢ من المخطط رقم ١٦٣٧ / ك الواقع في حي الربيع بمدينة الرياض .

وحودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٥ متر	بطول: (٢٠٣) متتين و ثلاثة متر
جنوباً: خط الابراج عرض ٨٠ متر	بطول: (٢٠٣) متتين و ثلاثة متر
شرقاً: شارع عرض ٦٠ متر	بطول: (٧٠) سبعون متر
غرباً: شارع عرض ٨ متر	بطول: (٧٠) سبعون متر

ومساحتها: (١٤٢١٠) اربعة عشر الفا و متتين و عشرة متر مربعاً فقط مقام عليها عمارة دورين والمستند في اذراعها على الصك الصادر من هذه الإدارة برقم ٣١٠٢١٠١٣٤٠ / ١٨ في ١٠ / ١٤٣٠ هـ. قد انتقلت ملكيتها ل: صندوق التعليم العالي الجامعي وعليه جرى التصديق تحريراً في ١٣ / ٢ / ١٤٣٤ هـ لاعتماده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل
عبدالله بن فهد بن محمد الجهني

وزارة العدل
الختم الرسمي لوزارة العدل بالرياض

نموذج رقم (١١٣-١٤٣) (هذا النموذج مخصص للاستخدام بالحاسبي الآلي ويمنع تغليفه)
مصلحة مطابع الحكومة - ٣٢٢٦١

هذا المستند وحدة متكاملة، وضياغ أو تلف مضحمة منه يؤدي إلى عدم صلاحية المستند.

APPENDIX 3 – PHOTOCOPY OF BUILDING PERMIT

أمانة منطقة الـ الرياض
إدارة رخص البناء

تاريخ الرخصة: ١٤٣١-٠٤-٠٥
تاريخ الإنتهاء: ١٤٣٤-٠٤-٠٥
نوع الرخصة: تعديل مخططات البناء

رخصة
بناء عمارة تجارية مكتبية

اسم المالك: سعد بن عبدالله بن ناصر المهدي
رقم الإيصال: ١٠٢٥٩٢٦١٠٤
تاريخه: ١٤٠٢-١٢-١٨
رقم الصك: ٣١٠١٢١٠١١٣٤٠
رقم القطعة: ١٨٥٩
الشوارع: طريق ابي بكر السديق
حي الربيع
مساحة الأرض: ٢م ٤١٩٢٢
محيط الأسوار: م / ط
النطاق العمراني: مرحلة ١

الجهة	الحدود	الأبعاد	الإرتداد
شمال شارع ١٥		١٦٧	٢
شرق شارع ١٠		١٤	٦
جنوب خط الأبراج ٨٠م		١٦٧	٢٠
غرب شارع ٨		١٤	١

مكونات البناء	عدد الوحدات	المساحة	الإستخدام
قبو	٠	٩١١٥,٠٠	موافق
دور أرضي	٢٧	٤٠١٣,٠٠	مكتب
أرضي تجاري	٣١	٤٥٠٠,٠٠	تجاري
دور أول	٥٤	٨٣١٧,٠٠	مكتب
ملاحق علوية	٣٦	٤١٥٣,٩٨	مكتب
أسوار	١	٢٤٧,٠٠	خدمات

خط الأبراج ٨٠م

بازم التنسيق مع الإدارة العامة للدفاع المدني قبل الشروع في البناء للتأكد من المبني لأشتر بليات الأمن والسلامة وأن تصرف شهادات إتمام البناء إلا بعد إجتياز المالك خطاب من الدفاع المدني يثبت التنسيق بهذا الخصوص.

لا يسمح باستخدام الأسوار المحيطة بالأرض لأي أغراض دعائية أو تجارية إلا بعد إصدار رخصة البناء والتنسيق مع الإدارة العامة للتصميم والإستثمار.

المكتب المصمم: دة الخاليج لاستشارات الهندسة المعمارية

رقم الترخيص: ١٠١٥
رقم المشروع: ١٠٠
رمز النظام: ٣١٠٠٦٨٠٦٦٢
مناسيب الشوارع المحيطة: مستوي

سداد الرسوم مبلغ وقدره: ١٥٧٤٥
ريال بموجب الإيصال رقم: ٣١٠٠٦٨٠٦٦٢
تاريخه: ١٤٣١-٠٣-٢٩

ملاحظات:

- ١- مبلغ سداد: ١٣٢٩٠ رقم الفقرة: ٥٤٦: ٢٢٠١٣٦٠ تاريخ الفقرة: ١٤٣٢-٠٦-٠٦ بموجب التقرير المساعي رقم ٣٧١٧٨/ ١٤٣٠ بتاريخ ١٤٣٠-٠١-٠٢.
- ٢- الكيو موافق سيارات وبيدا المتحدر بعد ٣م من حد الملتقى وبعرض ٥م.
- ٣- يلزم تأمين سور بإرتفاع ٣م جهة الشوارع الفرعية وعلى حدود القطع السكنية على أن يكون الدخول والخروج من الشوارع التجارية الرئيسية فقط.
- ٤- يتم الإلتزام من قبل المالك بعدم فتح شديرك بإبلاطه مباشرة جهة المجاورين ويتم الإلتزام بتأمين حلول لتفعل الخصوصية.
- ٥- الإستشاري مسئول مسئولية كاملة عن المخططات المقدمة والمساحات المذكورة فيها وفي حال عدم تطبيق المساحات بين المخططات والمبني مستخذ الأمانة كافة الإجراءات النظامية حيال مخالفة الأنظمة والتعليمات.
- ٦- بموجب القرار رقم ٥ بتاريخ ١٤٣١-٠٦-١٥.
- ٧- الرخصة تسدل القطع من ١٨٦٠ إلى ١٨٧٤.
- ٨- يتم تأمين سور بإرتفاع ٤م جهة الشارع الخلفي ويتم تأمين تشجير ووصف الموقع جهة المجاورين.
- ٩- الإرتداد الأمامي ٢٠م موافق سيارات ويتم استخدامه لغبر ما خصص له مستقبلا.
- ١٠- يتم استخدام كامل العرض مكنب تجارية.
- ١١- نقل غرفة الكهرباء لتكون محطة معدنية مفاص ٢٠م في الإرتداد الشمالي البالغ ٣م بموجب توجيه مساعدة وكيل الأمين للتصميم والمشاريع على العرض المقدم من صاحب العلاقة لمعادته بتاريخ ١٤٣٢-٠٢-١٠ بما نصه "لا مانع علي أن تكون ضمن حدود السور والملكية وتعالج معياريا بشكل جيد ولا حاجة بمباشرة للمبني ويوثق ذلك ضمن المخططات والرخصة".
- ١٢- تم توسعة الملاحق العلوية بموجب شهادة التحمل والمخططات المعدلة المقدمة عن مكتبك لتدوير الملاحق العلوية.
- ١٣- الإرتداد الملاحق العلوية عن حد الدور الأول الإيصال عن ٢م من جهة الشوارع.
- ١٤- تم توسعة الملاحق العلوية بموجب شهادة التحمل والمخططات المعدلة المقدمة عن مكتبك لتدوير الملاحق العلوية.

مدير عام التخطيط العمراني / م / مستشار دة اهدى المحيا
مدير إدارة رخص البناء / م / علي بن احمد الدروي
مستشار محمد الطيبيني

يجب الإلتزام بالشروط الموضحة خلف الرخصة.



APPENDIX 4 – COPY OF LEASE CONTRACT AGREEMENT

.....: الرقم		
.....: التاريخ		صندوق التعليم العالي الجامعي
.....: المرفقات		HIGHER EDUCATION FUND

المملكة العربية السعودية

صندوق التعليم العالي الجامعي

عقد تجديد تأجير العمارة الواقعة بحي الربيع

- طريق أبوبكر الصديق - مدينة الرياض

٢٠١٥ - ١٤٣٦ هـ

هاتف ٢١٥٤١٤٤ - فاكس ٢١٥٤١٥٥ - ص.ب ٢٩٥٦٥٤ الرياض ١١٣٥١ - المملكة العربية السعودية
 Tel. 2154144 - Fax. 2154155 P.O. Box 295654 Riyadh 11351 Saudi Arabia
 E-mail : info@HEF.org.sa Web Site : www.HEF.org.sa

الرقم :
التاريخ :
المرفقات :



صندوق التعليم العالي الجامعي
HIGHER EDUCATION FUND

(عقد تجديد تأجير مبنى الجامعة الإلكترونية)

بمؤن الله وتوفيقه فإنه في يوم الاثنين بتاريخ ٢٨/٠٨/١٤٣٦ هـ الموافق :
٢٠١٥/٠٦/١٥ م ، تم الاتفاق بين كل من :

اولاً: وزارة التعليم العالي ويمثلها / مدير الجامعة الإلكترونية المكلف/ د. عبدالله بن عبدالعزيز
الموسى ويشار إليها لاحقاً في هذا العقد بالطرف الاول.

ثانياً: صندوق التعليم العالي الجامعي المنشأ بقرار مجلس الوزراء رقم (٢١٦) وتاريخ
١٤٢١/٠٩/٠٨ هـ . ويمثله في هذا العقد الأمين العام / د. سليمان بن عبدالله السكران ويشار
إليه لاحقاً في هذا العقد بالطرف الثاني.

على تجديد عقد استئجار مبنى الجامعة الإلكترونية لمدة مماثلة.

إشارة للعقد المبرم بين الطرفين بتاريخ ١٩/٠٦/١٤٣٤ هـ ، والمتضمن تأجير
الطرف الثاني للطرف الأول العقار المذكور أو صافه في العقد، وإشارة لخطاب سعادة
مدير الجامعة المكلف برقم (١٨٥٥) وتاريخ ٢٤/٠٨/١٤٣٦ هـ ، المتضمن رغبتهم
بتجديد العقد لمدة مماثلة (٣ سنوات) بقيمة مبلغ الإيجار السابق وبنفس بنود العقد
وموافقة الطرف الثاني على ذلك، لذا:

فقد قرر الطرفان تجديد العقد لمدة ثلاث سنوات بنفس القيمة وبنفس بنود العقد الموقع بينهما
سابقاً، تبدأ من ١٤٣٦/٠٩/٠١ هـ الموافق ٢٠١٥/٠٦/١٨ م.

والله ولي التوفيق ،،،،

الطرف الثاني

الطرف الاول

صندوق التعليم العالي الجامعي

الجامعة السعودية الإلكترونية

د . سليمان بن عبدالله السكران

د . عبدالله بن عبدالعزيز الموسى

التوقيع :

التوقيع :

التاريخ :

التاريخ :

الختم :

الختم :



بنك الرياض
البنك السعودي
الرياض

الرقم :
التاريخ :
المرفقات :

صندوق التعليم العالي الجامعي
HIGHER EDUCATION FUND

المملكة العربية السعودية
صندوق التعليم العالي الجامعي

(عقد تأجير العمارة الواقعة بحي الربيع _ الرياض _
طريق أبو بكر الصديق)

٢٠١٣ - ١٤٣٤ هـ م

هاتف ٢١٥٤١٤٤ - فاكس ٢١٥٤١٥٥ - ص ب ٢٩٥٦٥٤ الرياض ١١٣٥١ - المملكة العربية السعودية
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صندوق التعليم العالي الجامعي
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(عقد استئجار عقار)

بعون الله تعالى تم في يوم الإثنين بتاريخ ١٩ / ٦ / ١٤٣٤ هـ الموافق ٢٩ / ٤ / ٢٠١٣ م
بوزارة التعليم العالي الاتفاق بين كل من :

اولاً: وزارة التعليم العالي ويمثلها / مدير الجامعة الالكترونية الدكتور/ عبدالله بن عبدالعزيز
الموسى ويشار إليها لاحقاً في هذا العقد بالطرف الاول .

ثانياً: صندوق التعليم العالي الجامعي المنشأ بقرار مجلس الوزراء رقم (٢١٦) وتاريخ
١٤٢١/٠٩/٠٨ هـ . ويمثله في هذا العقد الأمين العام / د. سليمان بن عبدالله السكران ويشار
إليه لاحقاً في هذا العقد بالطرف الثاني .

(مقدمة)

- ١- بناء على انتقال ملكية عقار مبنى الجامعة الالكترونية من المالك السابق السيد / سعد
بن عبدالله ناصر المهيني الى المالك الجديد صندوق التعليم العالي الجامعي .
فقد تم تعديل هذا العقد بما يتناسب مع انتقال ملكية العقار .
- ٢- لما كان الطرف الاول يرغب استئجار عقار كي يستخدم مبنى الجامعة الالكترونية
للطلاب وإدارة الجامعة .
وإشارة الى موافقة العرض المقدم من الطرف الثاني على العقد لذلك الغرض وإقراره
بأنه ليس من منسوبي الطرف الاول .
والى محضر اللجنة المشكلة وفقاً لنفس المادة . ولما كان العرض المقدم من الطرف
الثاني قد أقرت بقبول الطرف الاول لاستيفائه جميع الشروط المحددة .. فقد اتفق
الطرفان على إتمام استئجار العقار المملوك للطرف الثاني التالية أوصافه :- الموقع
حي الربيع على أربع شوارع شارع رئيسي ابوبكر الصديق .
(١) نوع المبنى عمارة دورين + قبوا
(٢) مساحة : ١٤٢١٠ متر مربع
(٣) نظام دفاع مدني
(٤) يتكون من مكاتب وصلات وملاحق
(٥) مواقف سيارات بالبدروم



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المادة الاولى :

تعتبر المقدمة أعلاه جزء لا يتجزأ من هذا العقد

المادة الثانية : وثائق العقد

يتألف هذا العقد من الوثائق التالية :

- (١) وثيقة العقد الأساسية .
- (٢) العرض المقدم من الطرف الثاني .
- (٣) خطاب قبول العرض والترسية .
- (٤) كتيبات الصيانة والتشغيل للأجهزة والمعدات الموجودة في العقار .
- (٥) التقرير الخاص باستيفاء العقار لشروط الأمن والسلامة .
- (٦) التقرير الهندسي الذي يثبت سلامة المبنى وملاءمته فنياً .
- (٧) عقود صيانة المبنى المبرمة (أن وجدت) .

تشكل هذه العقود الوثائق وحدة متكاملة ، وتعتبر كل وثيقة منها جزءاً من هذا العقد ويتم بعضها بعضاً .

المادة الثالثة :

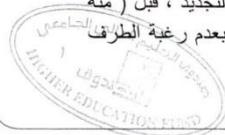
- تبلغ قيمة الإيجار للسنة الواحدة (١٢,٠٠٠,٠٠٠) اثنا عشر مليون ريال ، اعتباراً من ١٤٣٣/٠٩/٠١ هـ .
- تدفع قيمة هذا العقد وذلك عند بداية كل سنة .
- يلتزم الطرف الأول بتحمل تكاليف استهلاك الكهرباء والماء ونزح مياه الصرف الصحي مدة سريان العقد .

المادة الرابعة :

- ١- مدة هذا العقد (ثلاث سنوات) تبدأ من تاريخ ١٤٣٣/٠٩/٠١ هـ .

المادة الخامسة :

يتم تجديد العقد تلقائياً - وفقاً للضوابط المنصوص عليها في نظام استئجار الدولة للعقار واللائحة التنفيذية لذلك النظام - وذلك لمدة مماثلة بعد نهاية مدته مالم يبلغ أحد الطرفين الآخر بخطاب مسجل على عنوانه الثابت لدى الطرف الآخر - بعدم رغبته في التجديد ، قبل (مدة وثمانين يوماً) من نهاية العقد ، أو كتابة إقرار على الطرف الثاني بعلمه بعدم رغبة الطرف الأول تجديد العقد .



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المادة السادسة :

أولاً : يجوز – باتفاق الطرفين – تمديد العقد بعد انتهائه ، لمدة أقل من مدته وبنفس شروطه .
ثانياً : يحق للطرف الأول تمديد مدة العقد بعد نهاية مدته الأولى لمدة لا تزيد على (ثلاث سنوات) دون موافقة الطرف الثاني ، ويجوز زيادة الأجرة وفقاً لما ورد في المادة (٧/٧) من نظام استئجار الدولة للعقار وإخلائه .

يجوز للطرف الثاني فسخ عقد الاستئجار قبل نهاية مدته إذا اقتضت المصلحة العامة إنهاء العقد وفسخه ، كما نصت الفقرة (د) من المادة الثانية عشر من اللائحة التنفيذية لنظام استئجار الدولة للعقار .

المادة السابعة :

في حالة عدم رغبة احد الطرفين في تجديد العقد فعليه إبلاغ الطرف الآخر بذلك في الوقت المحدد ، وفقاً لما ورد بالمادة (الخامسة) من العقد / مالم يؤخذ إقرار على الطرف الثاني بعلمه بعدم رغبة الطرف الأول تجديد العقد ، وبذلك يعتبر العقد منتهياً بانتهاه مدته المتفق عليها .

المادة الثامنة :

عند بقاء الطرف الأول في العين المستأجرة بعد انتهاء مدة العقد المتفق عليها لمدة (مئة وثمانين يوماً) فأقل – دون تجديد العقد أو تمديده – يتم تعويض المؤجر عن تلك المدة وفقاً للأجرة المتفق عليها في العقد ، وإذا زادت المدة على (مئة وثمانين يوماً) يدفع للطرف الثاني أجرة سنة كاملة . وذلك بإضافة (٥ %) من الأجرة للستة أشهر الباقية من السنة . أو إضافة (١٠ %) من الأجرة إذا كانت المدة ستزيد عن سنة .

المادة التاسعة :

يلتزم الطرف الثاني بترميم وإصلاح عيوب الإنشاء – التي تحدث خلال مدة سريان العقد وتحد من استمرار الانتفاع بالعقار – على نفقته الخاصة دون المطالبة بأي تعويض أو زيادة في الأجرة أثناء سريان العقد أو عند تجديده أو تمديده ، وإذا لم يبادر بذلك خلال (خمسة عشر يوماً) من تاريخ إشعاره بخطاب مسجل ، جاز للطرف الأول إصلاح العيوب على حساب الطرف الثاني وحسم قيمتها من الأجرة . وإن زادت تكاليف الإصلاح عن المستحقات التي له على الطرف الأول جاز للطرف الأول الرجوع عليه بتلك الزيادة .




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المادة العاشرة :

أولاً : يلتزم الطرف الأول - مدة سريان العقد - بإجراء الصيانة العادية (الوقائية) للعقار المستأجر ومكوناته للأجهزة الأساسية ، وهي الأعمال الدورية المجدولة شبه المتكررة التي يتم القيام بها لتفادي التلف التدريجي والمعدات ومرافق العقار ، وفحص الأجهزة والمعدات طبقاً لتعليمات الكتيبات والأدلة الفنية للشركات الصانعة ، وإصلاح ما يلحق بها من أضرار نتيجة استعماله للعقار .

ثانياً : يلتزم الطرف الثاني - أثناء سريان العقد - بإجراء الصيانة العلاجية (التصحيحية والتجديدية) للجهيزات الأساسية للعقار المستأجر على نفقته الخاصة دون المطالبة بأي تعويض أو زيادة في الأجره .

ثالثاً : يلتزم الطرف الثاني - خلال سريان العقد - بصيانة المصاعد الكهربائية و الهيدروليكية أن وجدت - عن طريق إحدى الشركات أو المؤسسات المتخصصة على حسابة .

المادة الحادية عشر :

يجوز للطرف الأول إخلاء العقار قبل انتهاء مدة العقد ، إذا أصبح غير صالح للاستعمال بسبب عيوب الإنشاء أو إذا كان في المكان خطورة ، وليس للطرف الثاني المطالبة بالأجرة عن باقي المدة اللاحقة لتاريخ الإخلاء .

المادة الثانية عشر :

عند إخلاء المبنى - لأي سبب - لا يتم تعويض الطرف الثاني عن الأضرار الناتجة عن العيوب الفنية في الإنشاء ، أو الأضرار الناتجة عن الاستعمال العادي ، أو تكاليف التعديلات أو المباني الإضافية التي طلبت منه عند التعاقد ووافق عليها ، أو تكاليف ازلتها ، ويكون التعويض عن الأضرار الناتجة عن الاستعمال غير العادي مالم يكن هناك اتفاق بين الطرفين على إحداثها قبل توقيع العقد ،ومن ذلك الآتي :-

- أ- اقتلاع معدات أو أدوات ثابتة مثل النوافذ و الأبواب ومحتويات المطابخ و الحمامات أو إلغاؤها أو استبدالها بأغراض أخرى .
- ب- هدم جدران أو تكسيرات أو حفر في أرضيات البناء .
- ج- ردم برك أو مساحات خضراء .
- د- خراب وحدات التكييف أو تلف في شبكة الكهرباء أو الماء أو الصرف الصحي .



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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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المادة الثالثة عشر :

يجوز للطرف الأول إصلاح الأضرار غير العادية الناتجة عن استخدامه للعقار إعادة الوضع للحال التي كانت عليها عند الاستئجار ، ويكون ذلك تعويضاً عن تلك الأضرار .

المادة الرابعة عشر :

يتم تسليم المبنى عند إخلاله بموجب محضر تثبيت فيه حالته الراهنة وما أصابه من أضرار نتيجة الاستعمال غير العادي ، ويوقع المحضر من ممثل عن الطرف الأول ومن الطرف الثاني أو من يمثله ، وعند اعتراض الطرف الثاني أو من يمثله على حجم الأضرار أو نوعيتها المثبتة في المحضر فله أن يكتب تحفظه ويوقع عليه وتستكمل الإجراءات المنصوص عليها في النظام.

المادة الخامسة عشر :

يبلغ الطرف الثاني بالحضور لتسليم العقار عند إخلاله ، بموجب خطاب مسجل يرسل على عنوانه الثابت لدى الطرف الأول يحدد فيه موعد التسليم خلال مدة لا تقل عن (١٥) يوماً من تاريخ إرساله ، فإذا رفض تسليم العقار أو لم يحضر في الموعد المحدد يقوم ممثل الطرف الأول بالاشتراك مع مندوب من (إمارة) ، (محافظ) ، (مركز) ، بتوقيع المحضر المشار إليه في المادة (الرابعة عشر) من هذا العقد وتسليم مفاتيح العقار إلى (إمارة) ، (محافظ) ، (مركز) ، وبذلك تصبح مسؤولية الطرف الأول منتهية ولا يدفع أي أجره عن أي مدة بعد هذا التاريخ ولا يسأل عن أي ضرر يصيب المبنى لم يسجل في المحضر .

المادة السادسة عشر :

تكون الجهة المستأجرة لجنة من ثلاثة من موظفيها ، لحصر الأضرار المشار إليها في المادة الثانية عشر من هذا العقد ، وتقدر قيمة التعويض ، وتحرير محضر مفصل بذلك ، خلال مدة لا تتجاوز (ثلاثين يوماً) من تاريخ إخلاء العقار . فإذا كانت القيمة المقدرة للتعويض لا تتجاوز (٢٥%) من الأجرة السنوية أو مبلغ مائة الف ريال أيهما أقل ، تدفع الجهة المستأجرة التعويض للمؤجر بعد إكمال الإجراءات المنصوص عليها في المادة (الرابعة عشر) من نظام استئجار الدولة للعقار . وإذا زادت القيمة المقدرة عن هذا الحد ، تكون لجنة من وزارة المالية وديوان المراقبة العامة والجهة المستأجرة ، لتقدير قيمة التعويض وتحرير محضر بذلك وتنتهي هذه اللجنة عملها خلال مدة لا تزيد على (مائة وعشرين يوماً) من تاريخ إخلاء العقار ، على أن تراعي اللجنة في تقديرها للتعويض المدة التي مضت بين إخلاء العقار ووقت معاينتها له .



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المادة السابعة عشر :

إذا قام الطرف الثاني - المؤجر - بترميم أو تعديل أو تغيير في المبنى بعد إخلاء العقار وقبل قيام اللجنتين المشار إليهما في المادة (السادسة عشر) من هذا العقد - بحسب الأحوال - بحصر الأضرار وتقدير قيمتها ، فليس له الحق في التعويض .

المادة الثامنة عشر :

يبلغ الطرف الأول المؤجر بالتعويض وقيمته بخطاب مسجل على عنوانه المسجل لديه خلال مدة لا تتجاوز (خمسة عشر يوماً) من تاريخ تقدير التعويض . فإذا قبل المؤجر التعويض يقوم الوزير أو من يفوضه باعتماد صرف التعويض وإذا لم يقبل المؤجر التعويض فله أن يتقدم إلى الجهات القضائية خلال (ستين يوماً) من تاريخ إبلاغه بالتعويض .

المادة التاسعة عشر :

- تجري المراسلات بين الطرفين على العنوانين التاليين :-

عنوان الطرف الأول

أسم الجهاز الحكومي : وزارة التعليم العالي
الجامعة الإلكترونية
رقم الهاتف : ٤٤١٥٥٥٥ تحويلة : ٦٢٧
رقم الفاكس : ٢١٢٠١٦٨
عناية : إدارة المشتريات

عنوان الطرف الثاني

صندوق التعليم العالي الجامعي
ص البريد : ٢٩٥٦٥٤
رقم الهاتف : ٢١٥٤١٤٤
فاكس : ٢١٥٤١٥٥

هاتف : ٢١٥٤١٤٤ - فاكس : ٢١٥٤١٥٥ - ص ب ٢٩٥٦٥٤ الرياض ١١٣٥١ - المملكة العربية السعودية
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بنك الرياض

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المرفات :

- على الطرف الثاني إبلاغ الطرف الأول عن تغيير عنوانه ، وكل إخطار أو إشعار أو تنبيه يرسل إليه على عنوانه لدى الطرف الأول يعتبر حجة في مواجهته إذا لم يتم بإحضار الطرف الأول بتغيير عنوانه .

المادة العشرون :

كل ما لم يرد به نص في هذا العقد فيتم الرجوع فيه الى (نظام استئجار الدولة للعقار وإخلائه) الصادر بالمرسوم الملكي رقم م/٦١ وتاريخ ١٤٢٧/٩/١٨ هـ ولانحته التنفيذية ، كما يجري تفسيره والفصل فيما ينشأ عنه من دعاوي بموجبها .

وبالله التوفيق ،،،

<p>الطرف الأول (المستأجر) وزارة التعليم العالي مدير الجامعة الالكترونية الاسم : د. عبدالله بن عبدالعزيز موسى</p>	<p>الطرف الثاني (المؤجر) صندوق التعليم العالي الجامعي الامين العام الاسم : د. سليمان بن عبدالله السكران</p>
التوقيع :	التوقيع :
الختم :	الختم :

صندوق التعليم العالي الجامعي
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الرقم :
التاريخ :
المرفقات :



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المملكة العربية السعودية صندوق التعليم العالي الجامعي

عقد تجديد تأجير العمارة الواقعة بحي الربيع
- طريق أبوبكر الصديق - مدينة الرياض

٢٠١٥ - ١٤٣٦ هـ

هاتف ٢١٥٤١٤٤ - فاكس ٢١٥٤١٥٥ - ص.ب. ٢٩٥٦٥٤ الرياض ١١٣٥١ - المملكة العربية السعودية
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التاريخ :

المرفقات :

صندوق التعليم العالي الجامعي
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(عقد تجديد تأجير مبنى الجامعة الإلكترونية)

بمؤذن الله وتوفيقه فإتبه في يوم الأثنين بتاريخ ٢٨/٠٨/١٤٣٦هـ الموافق :
٢٠١٥/٠٦/١٥ م ، تم الاتفاق بين كل من :

أولاً: وزارة التعليم العالي ويمثلها / مدير الجامعة الإلكترونية المكلف/ د. عبدالله بن عبدالعزيز الموسى ويشار إليها لاحقاً في هذا العقد بالطرف الأول.

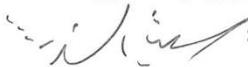
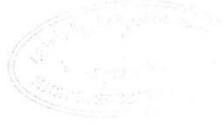
ثانياً: صندوق التعليم العالي الجامعي المنشأ بقرار مجلس الوزراء رقم (٢١٦) وتاريخ ١٤٢١/٠٩/٠٨هـ . ويمثله في هذا العقد الأمين العام / د. سليمان بن عبدالله السكران ويشار إليه لاحقاً في هذا العقد بالطرف الثاني.

على تجديد عقد استئجار مبنى الجامعة الإلكترونية لمدة مماثلة.

إشارة للعقد المبرم بين الطرفين بتاريخ ١٩/٠٦/١٤٣٤هـ ، والمتضمن تأجير الطرف الثاني للطرف الأول العقار المذكور أوصافه في العقد، وإشارة لخطاب سعادة مدير الجامعة المكلف برقم (١٨٥٥) وتاريخ ٢٤/٠٨/١٤٣٦هـ ، والمتضمن رغبتهم بتجديد العقد لمدة مماثلة (٣ سنوات) بقيمة مبلغ الإيجار السابق وبنفس بنود العقد وموافقة الطرف الثاني على ذلك، لذا:

فقد قرر الطرفان تجديد العقد لمدة ثلاث سنوات بنفس القيمة وبنفس بنود العقد الموقع بينهما سابقاً، تبدأ من ١٤٣٦/٠٩/٠١هـ الموافق ٢٠١٥/٠٦/١٨م.

والله ولي التوفيق ،،،

<p>الطرف الثاني</p> <p>صندوق التعليم العالي الجامعي</p> <p>د . سليمان بن عبدالله السكران</p> <p>التوقيع : </p> <p>التاريخ :</p> <p>الختم : </p>	<p>الطرف الأول</p> <p>الجامعة السعودية الإلكترونية</p> <p>د . عبدالله بن عبدالعزيز الموسى</p> <p>التوقيع : </p> <p>التاريخ :</p> <p>الختم : </p>
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APPENDIX 5 – SUMMARY OF DCF

DISCOUNTED CASH FLOW (DCF) ANALYSIS												
SAUDI ELECTRONIC UNIVERSITY											Valuation Date: 18 March 2018	
Ar Rabi District, Riyadh, KSA												
Tenure:	Freehold											
Growth Rate	10.00% every contract renewal (3 years)											
Void Costs	3.00% Of All Voids											
Operational Cost	10.00% Of Rent Passing											
Year	NLA (sqm)	1	2	3	4	5	6	7	8	9	10	Exit Value
Gross Revenue (Rental)												
Saudi Electric University	17,000	12,000,000.00	12,000,000.00	12,000,000.00	13,200,000.00	13,200,000.00	13,200,000.00	14,520,000.00	14,520,000.00	14,520,000.00	15,972,000.00	
Total Rent (Full Rental Value)	17,000	12,000,000.00	12,000,000.00	12,000,000.00	13,200,000.00	13,200,000.00	13,200,000.00	14,520,000.00	14,520,000.00	14,520,000.00	15,972,000.00	
Occupancy		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gross Current Rent		12,000,000.00	12,000,000.00	12,000,000.00	13,200,000.00	13,200,000.00	13,200,000.00	14,520,000.00	14,520,000.00	14,520,000.00	15,972,000.00	
Capital Costs		1,200,000.00	1,200,000.00	1,200,000.00	1,320,000.00	1,320,000.00	1,320,000.00	1,452,000.00	1,452,000.00	1,452,000.00	1,597,200.00	
Void Costs		-	-	-	-	-	-	-	-	-	-	-
Net Current Rent		10,800,000.00	10,800,000.00	10,800,000.00	11,880,000.00	11,880,000.00	11,880,000.00	13,068,000.00	13,068,000.00	13,068,000.00	14,374,800.00	179,685,000
Present Value Formula		0.90498	0.81898	0.74116	0.67073	0.60700	0.54932	0.49712	0.44989	0.40714	0.36845	0.36845
Present Value of Net Rent		9,773,755.66	8,845,027.74	8,004,549.99	7,968,330.31	7,211,158.65	6,525,935.43	6,496,406.31	5,879,100.73	5,320,453.15	5,296,378.71	66,204,733.8
Exit Yield		8.00%										
Discount Rate		10.50%										
NPV (Gross value)	SAR	137,525,830.5										
Rounded Net Value	SAR	137,500,000										





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Valuation Report

OMNIA CENTRE,
AL RAWDAH DISTRICT, JEDDAH, KSA

RIYAD CAPITAL

JUNE 2018

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APPENDIX 2 – PHOTOCOPY OF TITLE DEED

APPENDIX 3 – PHOTOCOPY OF BUILDING PERMIT

APPENDIX 4 – COPY OF TENANCY SCHEDULE

APPENDIX 5 – SUMMARY OF DCF



1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

Abdulrahman A. Alahmad

Manager – Senior Real Estate Investment Analyst

Riyad Capital

P.O. Box 21116, Riyadh 11475, Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise:

Description	Property Details
Property Name	Omnia Centre
Total Land Area (sq. m.)	10,000
Total Built-Up Area (sq. m.)	22,492.60
Retail & Office GLA (sq. m.)	12,587
No. of Apartment Units	54
Owners	Ghassan Al Dahlawi & Abdullah sons of Muhammad Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
GPS Coordinates	21°33'48.22"N, 39°9'55.19"E
Interest Valued	Freehold

Source: Client 2018

1.4 VALUATION APPROACH

Discounted Cash Flow Approach (DCF).

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 30th June 2018.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.



1.6 OPINION OF VALUE

Property Name	Gross Income (SAR)	OPEX	Exit Yield	Disc. Rate	Value (SAR) [Rounded]
Omnia Centre	18,073,800	7%	8.5%	11%	170,000,000

The executive summary and valuation should not be considered other than as part of the entire report.

1.7 SALIENT POINTS (GENERAL COMMENTS)

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and are not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Please note that property values are subject to fluctuation over time as market conditions may change.



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Riyad Capital, Riyadh, KSA – June 2018

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.



2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Riyadh Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

<i>Description</i>	<i>Property Details</i>
Property Name	Omnia Centre
Total Land Area (sq. m.)	10,000
Total Built-Up Area (sq. m.)	22,492.60
Retail & Office GLA (sq. m.)	12,587
No. of Apartment Units	54
Owners	Ghassan Al Dahlawi & Abdullah sons of Muhammad Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
GPS Coordinates	21°33'48.22"N, 39°9'55.19"E
Interest Valued	Freehold

Source: Client 2018

2.3 PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') and International Valuations Standards (January 2017).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.



2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **Market Value** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of **Market Value** is applied in accordance with the following conceptual framework:

"The estimated amount" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"an asset should exchange" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"on the valuation date" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"and a willing seller" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for



the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

“in an arm’s-length transaction” is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to affect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.



Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

It should be further noted that the subject property is best described as a trade related property that is a property that is trading and is commonly sold in the market as an operating asset with trading potential, and for which ownership of such a property normally passes with the sale of the business as an operational entity.

2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	18 th March 2018	30 th June 2018

2.6 EXTENT OF INVESTIGATION

In accordance to instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our site inspection was limited to the visual assessment of the exterior & interior finishes of the subject commercial and apartment buildings including its building facilities and representative office, retail and apartment units. For the purpose of our report we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.



2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the properties comply with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and,

The market value conclusion arrived at for the properties reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

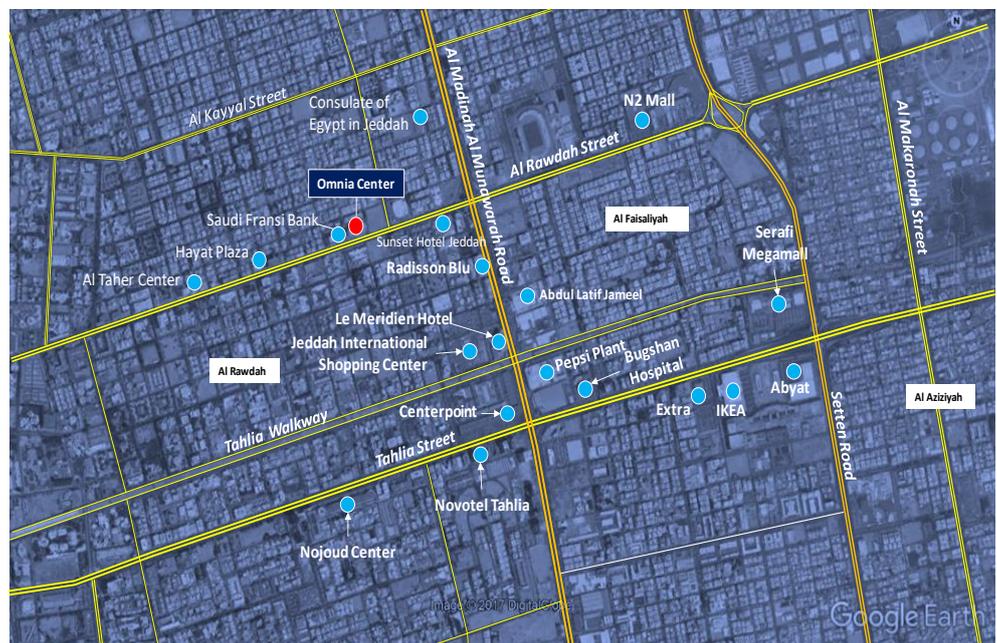
No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION OF THE PROPERTY

The subject property, identified as “Omnia Centre”, is located at the northwest corner of Al Rawdah Street and Husayn Sarhan Street, within Al Rawdah District, Jeddah, Saudi Arabia. It is situated about 550 meters southwest of Al Madinah Al Munawarah Road, some 600 meters northwest of Radisson Blu Hotel and approximately 525 meters northeast of Hayat Plaza.

For ease of reference, refer to the illustration below.



Source: Google Extract 2018 - For Illustrative Purposes Only.

Omnia Centre's immediate neighbourhood is mostly commercial use for plots along the main road, while interior plots are for residential use. It is well accessible thru the fronting Al Rawdah Street and the nearby Madinah Al Munawarah Road, a major thoroughfare in Jeddah directly linking the district to the King Abdul Aziz International Airport to the north.

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is very accessible to important landmarks in Jeddah thru the fronting Al Rawdah Street and nearby Al Madinah Al Munawarah Road.

The former links the district to the Red Sea on the west and the Al Haramain Expressway on the east; while, the latter connects to the King Abdul Aziz International Airport to the north.



The table and illustration below further show the approximate distance of the subject property relative to some notable developments in the City:

Landmarks	Distance from subject property (km.)
Red Sea / Corniche Area	5.7
Al Haramain Expressway	6.8
Jeddah Islamic Port	9
King Abdul Aziz International Airport	11.2
King Abdul Aziz University	11.8
Jeddah Economic City/Kingdom Tower	20.7



Source: Google Extract 2018 - For Illustrative Purposes Only.

Jeddah City is the second largest city of Saudi Arabia, next to the capital city of Riyadh. It has the largest sea port along Red Sea and is considered an important commercial hub.



Some of the major developments in the city and the Makkah region are as follows:

Haramain High Speed Railway



This is one of the on-going development at improving the infrastructure and accessibility within the three main cities of Makkah Region (Jeddah, Madinah & Makkah).

The Haramain High Speed Rail project also known as the "Western Railway" or "Makkah-Medina high speed railway", is 453 kilometers (281.5 miles) high-speed inter-city rail transport system under construction in Saudi Arabia. It will link the Muslim holy cities of Medina and Mecca via King Abdullah Economic City, Rabigh, Jeddah, and King Abdulaziz International Airport. It will connect with the national network at Jeddah.



The rail line is planned to provide a safe and comfortable transport in 300 kilometers per hour (190 mph) electric trains. The railway is expected to carry three million passengers a year, including many Hajj and Umrah pilgrims, helping to relieve traffic congestion on the roads. It will allow 9,000 passengers per hour and shortening the travel time from Madinah to Makkah to two hours. The main station is in Al Rusaifah District with arrival and departure halls, commercial stalls, prayer room, parking space, car rental offices, public sector services and offices, and restaurants.

The project is scheduled to open in March 2018 with partial operations in Dec. 2017.

Jeddah Economic City



Previously known as Kingdom City, this project covers 5.3 million square meters of land along the red sea. It will host both commercial and residential developments including villas, apartments, hotels and offices. The centerpiece of this development is the Jeddah Kingdom Tower which is planned to be the tallest building in the world upon completion. The project is estimated to cost SAR 75 Billion and scheduled completion date is on year 2020.

King Abdulaziz International Airport expansion



The airport expansion is needed as Saudi Arabia seeks to meet demand from religious tourism to the holy city of Mecca. Approximately 2.5 million people visit Mecca during the Hajj period alone, and this is projected to rise to 4 million in the next few years. It is designed to increase the airport's yearly capacity from 13 million to 80 million passengers. Expansion includes a 670,000 square meters passenger terminal complex with a twin crescent footprint. It will include 46 contact gates, 94 boarding bridges, lounges, an airside hotel, food and retail facilities. The terminal will be able to handle double-deck A380 and include a baggage handling system with nearly 60 kilometers of belts. Automated People Movers will link the new terminal with other facilities of the airport.

2.9.2 DESCRIPTION OF THE PROPERTY

The subject property consists of a commercial and residential buildings described as follows:

The commercial building known as “Omnia Centre” is an oval-shaped, four storey with basement and mezzanine floor, office and retail shops building. It was constructed of reinforced concrete structure with glass curtain exterior wall, granite/marble/carpet tiles flooring, painted interior wall, marble tiles wall at main entrance and elevator lobby, painted suspended ceiling and glass main entrance door. Building facilities consist of elevators, centralized air-conditioning system and firefighting system.



Omnia Centre includes 11-units retail stores and 45-units office spaces. It has an estimated total built-up area of 16,797 sq. m. and was reportedly built circa 1429 as per document provided to us. The building is noticeably in good condition and well maintained.

The residential building is a three-storey, reinforced concrete structure with painted concrete exterior wall, plastered and painted interior wall, porcelain tiles flooring, painted ceiling, glass on aluminum frame windows and wooden doors. It has a total of 54 apartment units with an estimated total built-up area of 5,695.60 sq. m. It was reportedly constructed circa 1429 as per building permit provided to us.



2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.



Details	
Area	Based on the document supplied by the client, the total land area of the subject property is 10,000 square meters with a total built-up area of 22,492.60 square meters.
Topography	Generally, the property is rectangular in shape and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in the area.
Landslip	ValuStrat's verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particularly onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject plot referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.

2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.



We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

We were provided with a copy of the title deeds of subject property (refer to appendix-2) which we had assumed it to be on freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

Description	Property Details
Property Name	Omnia Centre
Title Deed No.	303
Title Deed Date	12/10/1413
Land Area (sq. m.)	10,000
Owners	Muhammad Ameen Muhammad Jameel Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
Interest Valued	Freehold

Source: Client 2018

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.11.1 OCCUPANCY LEASES AND TENANCY

The Client has provided us the tenancy schedule for subject property (refer to scanned copy on Appendix-4). It indicates the tenant name, duration of contract, contract start and contract end, annual rent, leasable area and rent per square meter.

We have assumed that all lessees are in a position to renew on their forthcoming renewal. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is complete, accurate and updated. Should this not be the case we reserve the right to amend our valuation and this report.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow approach taking into consideration the tenancy schedule provided by the client.



2.12.1 DISCOUNTED CASH FLOW APPROACH

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance. In determining our opinion of Market Value of the subject property we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property.

This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property.

The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject compounds the cash flow has been projected over a 10-year period reflecting a market practice for cash flows reflecting the two lease terms referred above for both properties. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of both properties.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of 2% of a rental income per annum has been agreed and has been reflected within the DCF calculations.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.12.2 MARKET RENTS

Sales or rental evidence for similar properties within KSA are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia.

Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates for some office space, retail stores and residential apartments within Al Rawdah District, Jeddah.

Comparable Apartment Units					
S/N	No. of BR	No. of T&B	Year	Rent/Year(SAR)	Location
1	4	4	2016	70,000	Al Rawdah District
2	3	4	2017	65,000	Al Rawdah District
3	3	2	2013	60,000	Al Rawdah District
4	5	5	2017	57,000	Al Rawdah District
5	3	4	2013	47,000	Al Rawdah District
6	3	2	2017	39,000	Al Rawdah District
7	2	2	2017	38,000	Al Rawdah District
8	3	3	2014	36,000	Al Rawdah District

The foregoing comparable apartment units reveals a market rental rate range of SAR 36,000 – SAR 70,000 per year.

Comparable Office Spaces					
S/N	Area (m ²)	Year	Rent/Year(SAR)	Rent/m ² (SAR)	Location
1	200	2013	65,000	325	Al Rawdah District
2	400	2013	130,000	325	Al Rawdah District
3	350	2013	120,000	343	Al Rawdah District
4	240	2014	85,000	354	Al Rawdah District
5	300	-	180,000	600	Al Rawdah District
6	90	2016	59,940	666	Al Rawdah District

The above comparable office spaces show a market rental rate range of SAR 325 – SAR 666 per sq. m.

Comparable Retail Shops/ Spaces					
S/N	Area (m ²)	Year	Rent/Year(SAR)	Rent/m ² (SAR)	Location
1	130	-	90,000	692	Al Rawdah District
2	80	2016	80,000	1,000	Al Rawdah District
3	200	2002	200,000	1,000	Al Rawdah District
4	600	2016	750,000	1,250	Al Rawdah District

Likewise, the client has provided us the tenancy schedule of the subject property (refer to attached copy in Appendix-4) which was summarized as follows:

Type	No. of Unit/GLA	Gross Rent (SAR)	Ave. Rental Rate (SAR)
Apartment	54 units	2,179,000	40,351.85
Office	7,987 sq. m.	7,503,650	939.48
Retail	4,600 sq. m.	5,937,963	1,290.86
Total		15,620,613	

2.12.3 SUPPLEMENTARY INFORMATION PROVIDED BY THE CLIENT FOR OMNIA CENTRE RETAIL

We understand from the client the below information are recent letting on the retail front and have therefore reflected accordingly as part of tenancy schedule and income.

Tenant	NLA (m2)	Rent per annum	Contract Start Date	Duration	Rent per sq. m
البنك الأهلي التجاري	217	980,000	15/10/1439	3	926.28
	409				
	432				
شركة دار التمليك	495	650,000	13/11/1435	2	1,313
مؤسسة القرن الحديث	432	520,000	Not Provided	2	1,204
شركة الامين للتجهيزات الطبية	217	303,187	01/02/1436	2	1,397
Total (SAR)		2,453,187			

Source: Client 2018

We assume the above information is correct and accurate. Should the above tenancy information be incorrect or inaccurate, we reserve the right to amend our valuation and report.

2.12.4 ASSUMPTIONS & COMMENTARY

The subject property has been assessed as an investment property subject to the lease amount provided by the client and any assumptions made by ValuStrat within market benchmarks.

ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical commercial and residential properties in Jeddah, KSA taking cognisance of the surrounding developments within the property which will ultimately form part of.

This was done in an attempt to forecast our interpretation of performance of the subject property over the 10-year explicit cash flow period.

In this instance, we have adopted the following rates:

Components	Comments/Assumptions
Gross Income	SAR 18,073,800
Occupancy	90% (Year 1 – 5) and then 88% (Yrs. 6-7), 87% (Yrs. 8) and 85% (Yrs. 9-10).
Operational Cost	7% of Rent Passing
Void Costs	2%
Growth Rate	2.5% per annum

Operational Cost

For the subject property, we have assumed a 7% operational cost. In addition, we understand that many of tenants have a service charge covering the maintenance of the building; hence the reason for being lenient on the operational cost.

We assume there is no debts for service charge collection and the building is good maintenance and operational mode.

Should this not be the case, we reserve the right to amend our valuation report. The client has not provided no details on the service agreements.

Void Costs

We have reflected 2% void costs throughout the cash flow period. Void allowance to reflect lost income and incentives and reflecting any marketing and advertising costs.

Exit Yield

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

These typically vary between 8% and 9%, with exceptions on either side, depending on the quality of the property, length of the leases and the location.

Based on the above criteria we are of the opinion that a fair exit yield for the subject property is in the order of 8.5%:

Discount Rate

The discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question.

To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.

Market risk will also reflect where we are in the property cycle. Accordingly, for the purpose of our valuation calculations, we have adopted a discount rate of 11%.

2.12.5 SUMMARY OF MARKET VALUES

The resultant values based upon the above variables/assumptions for the subject property is as follows (refer to copy of DCF summary in appendix-5):

Property Name	Gross Income (SAR)	OPEX	Exit Yield	Disc. Rate	Property Value (SAR)
Omnia Centre	18,073,800	7%	8.5%	11%	170,000,000



2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow Approach assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 170,000,000 (One Hundred Seventy Million, Saudi Arabian Riyals).

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

The real estate sector generally follows the fortunes of the greater economy. As oil prices remained strong in previous years, the Saudi economy and consequently its real estate market remained buoyant too. However, for the past 18 months, KSA has been facing a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues. The resulting budget deficit earlier in 2017 had prompted the Saudi government to implement subsidy reforms, review its investment strategies and cut capital spending. All of this has resulted in declining capital and rental values in the real estate market with prices falling across all sectors including land. Despite short term challenges and both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment. Moreover, tax on development land should keep the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.



On the other hand, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2018 / 2019.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale.

2.14.1 PRINCIPAL GAINS AND RISKS ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Located in a fairly central area of Jeddah on a prominent road. • Easily accessible to land mark locations around Jeddah and good access to the airport via Madinah Road. • Good visibility of the subject site provides good exposure for any potential development. • The site’s surrounding infrastructure, and future plans will allow for easy connectivity around the Jeddah and to the north of Jeddah (future CBD). • Good preservation of condition and regular maintenance will provide attraction to a well marketed high-end office building. 	<ul style="list-style-type: none"> • The private sector is dependent on expat labor, reflecting a shortage of marketable skills among nationals and a fairly high unemployment rate among locals. • Due to the great number of upcoming developments / supply in and around Jeddah, this will affect occupation levels in the future. • No room for expansion due to situated within a clustered high dense central area.
Opportunities	Threats
<ul style="list-style-type: none"> • Due to the great number of upcoming developments in the area, the subject development can be developed to benefit from this uplift and establishment in the market. • Continued investment in the economy by the government will help maintain growth and business prosperity. • Limited operational costs and anticipated increased demand will enhance the returns on midscale to high-end scale properties. 	<ul style="list-style-type: none"> • Perceptions of high security risks deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity. • Competition from under construction projects close-by and in around the Jeddah area adjacent districts. • Threat of any further market deterioration / recession later in 2018 / 2019.



2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place

[The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.](#)

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in these report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, **ValuStrat**.



Ramez Al Medlaj (Taqeem Member
No. 1210000320)
Senior Associate – Real Estate, KSA

Yousuf Siddiki (Taqeem Member No.
1210001039)
Director - Real Estate, KSA



Private & Confidential

Riyad Capital, Riyadh, KSA – June 2018

APPENDIX 1 - PHOTOGRAPHS

Omnia Centre



Private & Confidential

Riyad Capital, Riyadh, KSA – June 2018

Residential Building



Private & Confidential

Riyad Capital, Riyadh, KSA – June 2018

APPENDIX 3 – PHOTOCOPY OF BUILDING PERMIT



الإدارة المركزية لرخص البناء
رخصة بناء مفصلة

الرقم التسلسلي (١٩٨٨)

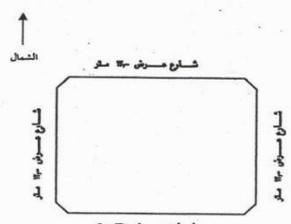
رقصة حديبية

أمانة محافظة جدة

ca. ٢٦٦.٠١
١٤٢٩/٤/٢٧

رقم رخصة البناء	٤٨٣	تاريخها	١٤٢٩/٠٢/١٩
رخصة بناء	عمارتين وشاري	صلاحية إلى	١٤٣٢/٠٢/١٩
اسم المالك	عسان وعبدالله ابناء حمد دهلي		
نوع هوية	رقمها	تاريخها	١٠٠٦٤٤٢٩٧٢
صك ملكية رقم	٣٠٣	تاريخ	١٤١٣/١٠/١٢
رقم المبنى	شارع	حيا	الروضة
رقم القطعة	رقم المخطط	مصدرها	مصدر
رقم رخص للمالك بناء عدد	٤	مصدرها	مصدر

المحور	تجريبي	مواقف سيارات	وحدات أخرى	مساحة الدور
البروز	٠١	٢٤٦٦	---	---
طابق خدمة	---	٢٨٥٠	---	٤٧٧٠,٦
الطابق الأرضي	١٨٤٩,٦	٢٩٢٦	---	١٩٧٢
طابق الميزانين	---	١٩٧٢	---	٤٩٢٦
الطابق الأول	١٩٠٨	٣٠١٨	---	٤٩٢٦
الطابق الثاني	١٩٠٨	٣٠١٨	---	٣٠٤٨
الطابق الثالث	٣٠	٣٠١٨	---	---
الطابق المتكرر	---	---	---	---
إجمالي	---	---	---	---



شارع ميسر ٣٣ متر

شارع ميسر ٣٣ متر

شارع ميسر ٣٣ متر

شارع ميسر ٣٣ متر

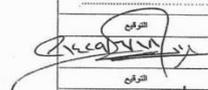
إجمالي طول الأضلاع (م - ط)

رقم رخصة المكتب الهندسي

الرقم	١٨٢٧٧,٦
رقم الإصدار	٠٧٦٤٤١
تاريخ الإصدار	١٤٢٩/٠٢/١٩

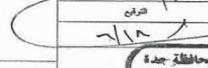
* تم إحضار العقود المطلوبة حسب النظام

عدد الوحدات السكنية: ٣,٣٤

التوقيع: 

رئيس القسم

مدير الإدارة المركزية لرخص البناء

التوقيع: 

التاريخ: ١٨

أمانة محافظة جدة
الإدارة العامة لتنظيم
عقار وتطوير العقار
الإدارة العامة
لرخص البناء المركزية
حجر البناء



APPENDIX 4 – TENANCY SCHEDULE(S)

رقم الشقة	نموذج الشقة	اسم الممسـتأجر	تاريخ بدء العقد	فترة آخر تجديد لعقد الايجار		البيـمـان
				من	الى	
A101	نموذج 2	عبدالرحمن محمد صالح العبدني	1437/06/01	1439/06/01	1440/05/30	45,000
A102	نموذج 2	ماجد حسين ابراهيم ليد	1437/01/15	1439/01/15	1440/01/14	45,000
A103	نموذج 2	محمد معيض القحطاني	1433/07/15	1439/07/15	1440/07/14	40,000
A104	نموذج 2	منصور حمد منصور الشعيبي	1435/08/01	1439/08/01	1440/07/30	40,000
B101	نموذج 2	محمد عبدالله عبدالرحمن باصرة	1438/02/01	1439/02/01	1440/01/30	40,000
B102	نموذج 2	عمار سالمين دهلوس	1438/05/15	1439/05/15	1440/05/14	40,000
B103	نموذج 3	الشقة فارغة				45,000
B104	نموذج 2	فهد سليم عبده النوساتي	1438/05/15	1439/05/15	1440/05/14	40,000
B105	نموذج 2	تركي فهد النشمي	1437/01/15	1439/01/15	1440/01/14	40,000
B106	نموذج 2	محمد عمر محمد بريك	1439/05/15	1439/05/15	1440/05/14	40,000
B107	نموذج 2	ثامر محمد ابراهيم	1435/08/15	1439/08/15	1440/08/14	32,000
B108	نموذج 2	عبدالمحسن محمد الملوح	1432/05/15	1439/05/15	1440/05/14	40,000
B109	نموذج 2	منصور بن سقر العريفي	1433/04/18	1439/04/18	1440/04/17	40,000
B201	نموذج 2	خالد محمد عبدالله الدريجاني	1432/07/01	1439/07/01	1440/06/30	40,000
B202	نموذج 2	محمد سليمان ناعم آل ناعم	1433/09/23	1438/09/23	1439/09/22	40,000
B203	نموذج 3	طلال محمد وحيد رضوان	1438/07/15	1439/07/15	1440/07/14	45,000
B204	نموذج 2	عبدالله بكر عبدالرحمن حبيب	1433/04/01	1439/04/01	1440/03/30	40,000
B205	نموذج 2	اكرم محمد قاسم أكرم	1438/03/15	1439/03/15	1440/03/14	40,000
B206	نموذج 2	احمد عبدالرحمن آل الشيخ	1433/04/12	1439/04/12	1440/04/11	40,000
B207	نموذج 2	عبدالعزیز عبدالوهاب الحسين	1432/11/25	1438/11/25	1439/11/24	40,000
B208	نموذج 2	محمد سراج جميل عطر جي	1434/06/01	1439/06/01	1440/05/30	40,000
B209	نموذج 2	شركة العيادات الجلدية	1432/09/15	1439/09/15	1440/09/14	40,000
B301	نموذج 2	عبدالله حسين آل مضحي	1434/10/25	1438/10/25	1439/10/24	40,000
B302	نموذج 2	عبدالله بن نعيم بن قرنيش	1437/06/01	1439/06/01	1440/05/30	40,000
B303	نموذج 3	وسام علي حمدان	1432/08/15	1439/08/15	1440/08/14	48,000
B304	نموذج 2	فيصل المحارب	1433/10/01	1438/10/01	1439/09/30	40,000
B305	نموذج 2	ابراهيم احمد شودهري صديق	1433/08/01	1439/08/01	1440/07/30	40,000
B306	نموذج 2	الشقة فارغة				40,000
B307	نموذج 2	الشقة فارغة				40,000
B308	نموذج 2	راكان عبدالمنصور الغفيلي	1432/09/21	1438/09/21	1439/09/20	38,000
B309	نموذج 2	فؤاد حمدي اسحاق الحلواني	1430/08/20	1439/08/20	1440/08/19	40,000
		عدد الشقق	27			1,088,000

رقم المعرض	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعقد	فترة آخر تجديد لعقد الايجار		تاريخ انتهاء العقد	مدة العقد (سنة)	موسم سعر الأيجار / 2م	مساحة المعرض	الإيجار السنوي	شروط تجديد العقد
				من	الى						
1	موسسة القرن الحديث	تجارة الجملة والتجزئة بالمطبخ والايواب واللائث	1436/09/02	1438/09/02	1439/09/01	1441/09/01	5	1,694	217	367,598	المعرض فارغ
2	المعرض فارغ						0	1,300	409	531,700	المعرض فارغ
3	المعرض فارغ						0	1,300	432	561,600	المعرض فارغ
4	المعرض فارغ						0	1,334	499	665,676	المعرض فارغ
5	شركة دار التمليك	فراء وبيع وتعمير وتملك العقارات والأراضي	1438/11/13	1439/11/13	1440/11/12	1441/11/12	3	1,232	495	610,000	المعرض فارغ
6	مطبخ عالم حواء	تجارة المطبخ والخزائن والايواب والشبابيك	1437/11/01	1438/11/01	1439/10/30	1440/10/30	3	1,191	487	580,000	المعرض فارغ
7	شركة المجموعة للتجارة والصناعة	تجارة المفروشات واللائث المنزلي	1437/07/01	1438/07/01	1439/06/30	1440/06/30	4	1,300	504	655,200	المعرض فارغ
8	المعرض فارغ						0	1,300	499	649,700	المعرض فارغ
9	المعرض فارغ						0	1,206	432	521,020	المعرض فارغ
10	المعرض فارغ						0	1,206	409	493,280	المعرض فارغ
11	شركة الامين للتجهيزات المنزلية / الصيدلية الجلدية	تجارة أجهزة طبية وأل صيدلية لبيع الأدوية	1436/02/01	1439/02/01	1440/01/30	1440/01/30	4	1,397	217	303,187	المعرض فارغ
	اجمالي ايجار سنوي / معرض							1,291	4,600	5,937,963	



Supplementary Retail information provided by the client

Tenant	NLA (m2)	Rent per annum	Contract Start Date	Duration	Rent per sq. m
البنك الأهلي التجاري	217	980,000	15/10/1439	3	926.28
	409				
	432				
شركة دار التمليك	495	650,000	13/11/1435	2	1,313
مؤسسة القرن الحديث	432	520,000	Not Provided	2	1,204
شركة الامين للتجهيزات الطبية	217	303,187	01/02/1436	2	1,397
Total (SAR)		2,453,187			

رقم المكتب	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعاقد	فترة آخر تجديد لعقد الإيجار			تاريخ انتهاء العقد	الاجار السنوي	مساحة المكتب	متوسط سعر الإيجار / 2م (سنة)	مدة العقد (سنة)	شروط تجديده العقد
				من	الى	هجري						
101	شركة مجموعة محمد عبدالقادر سبت للتجارة	إدارة مقاولات معمارية/اصال الصرف والطرق...	1435/01/26	1438/01/26	1439/01/25	1439/01/25	294,272	304	968	4		
102	شركة تباول الجزيرة للمقاولات والتنمية	إدارة مقاولات عامة للمباني (النشاء/الإصلاح/ترميم..	1435/01/26	1438/01/26	1439/01/25	1439/01/25	128,744	133	968	4		
103	شركة تباول الجزيرة للمقاولات والتنمية	إدارة مقاولات عامة للمباني (النشاء/الإصلاح/ترميم..	1435/01/26	1438/01/26	1439/01/25	1439/01/25	174,240	180	968	4		
104	شركة يوسف عبداللطيف بالناجيه وشركاه	تجارة الجملة بالمعطور وادوات التجميل و....	1439/02/01	1439/02/01	1440/01/30	1440/01/30	162,000	180	900	3		
105	عسان محمد امين دهلوي	مكتب اداري خاص	1437/08/05	1438/08/05	1439/08/04	1441/08/05	120,000	133	902	4		
106	شركة الامين للتجهيزات الطبية والعطرية	مركز فحص السمع وبيع وصيانة السماعات	1439/03/15	1439/03/15	1440/03/14	1442/03/14	136,800	152	900	3		
107	شركة نوران لتقنية الاذنة والمقاولات المحدودة	مقاولات عامة والتكليف والتنظيف والبكوير و...	1439/01/25	1439/01/25	1440/01/24	1442/01/24	146,700	163	900	3		
108	شركة نوران لتقنية الاذنة والمقاولات المحدودة	مقاولات عامة والتكليف والتنظيف والبكوير و...	1439/01/25	1439/01/25	1440/01/24	1442/01/24	150,300	167	900	3		
109	شركة الرباط المباشر لخدمات الطيران	ادارة الاثبات العامة/تأجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	152,405	163	935	3		
110	شركة الرباط المباشر لخدمات الطيران	ادارة الاثبات العامة/تأجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	142,120	152	935	3		
111	شركة الرباط المباشر لخدمات الطيران	ادارة الاثبات العامة/تأجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	124,355	133	935	3		
112	شركة عيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1439/01/25	1439/01/25	1440/01/24	1439/01/24	162,000	180	900	1		
113	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1437/11/01	1438/11/01	1439/10/30	1441/10/30	171,000	180	950	4		
114	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1436/01/08	1438/01/08	1439/01/07	1440/01/07	128,744	133	968	4		
115	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1436/01/08	1438/01/08	1439/01/07	1440/01/07	294,272	304	968	4		
201	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	278,305	304	915	5		
202	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
203	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		
204	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		
205	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
206	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	139,153	152	915	5		
207	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	149,223	163	915	5		
208	المكتب فارغ					167,000	167	1,000	0		المكتب فارغ	
209	المكتب فارغ					163,000	163	1,000	0		المكتب فارغ	
210	شركة ملاذ للتأمين وإعادة التأمين	مكتب للشركة لادارة التأمين والوساطة و..)	1437/12/01	1438/12/01	1439/11/30	1441/11/30	167,200	152	1,100	4		
211	شركة ملاذ للتأمين وإعادة التأمين	مكتب للشركة لادارة التأمين والوساطة و..)	1437/12/01	1438/12/01	1439/11/30	1441/11/30	146,300	133	1,100	4		
212	شركة مطور المدينة للاغذية المحدودة	مكتب ادارة المطاعم وتقديم خدمات الاغذية و..)	1438/06/01	1438/06/01	1439/05/30	1442/05/30	180,000	180	1,000	4		
213	مكتب الاستثماري /مبني محمد علي عسان	مكتب لادارة مقاولات عامة للمباني و.....)	1439/05/01	1439/05/01	1440/04/30	1440/04/30	165,000	180	917	2		
214	شركة الافكار الحديثة للتطوير والاستثمار	تجارة الجملة للبحرنة بالمعدات الطبية وتجهيز...	1438/03/15	1438/03/15	1439/03/14	1442/03/14	135,000	133	1,015	4		
215	مؤسسة تقنيات المورثات والمناعة للخدمات الطبية	تجارة الجملة بالادوية والكواشف المخبرية و....	1437/08/05	1438/08/05	1439/08/04	1441/08/04	320,000	320	1,000	4		
301	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	278,305	304	915	5		
302	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
303	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		

رقم المكتب	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعاقد	فترة آخر تجديد لعقد الإيجار			تاريخ انتهاء العقد	الاجار السنوي	مساحة المكتب	متوسط سعر الإيجار / 2م (سنة)	مدة العقد (سنة)	شروط تجديده العقد
				من	الى	هجري						
304	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		
305	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
306	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	139,153	152	915	5		
307	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	149,223	163	915	5		
308	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	152,885	167	915	5		
309	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	149,223	163	915	5		
310	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	139,153	152	915	5		
311	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
312	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		
313	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	164,786	180	915	5		
314	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	121,759	133	915	5		
315	الشركة السعودية للابحاث والنشر	مكتب للشركة لادارة النشر والاعلام والاعلان و..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	278,305	304	915	5		
	اجمالي ايجار سنوي / مكاتب						7,503,650	7,987	939			
	اجمالي ايجار سنوي / محاضر مكاتب						13,441,613					



APPENDIX 5 – SUMMARY OF DCF

DISCOUNTED CASH FLOW (DCF) ANALYSIS												
OMNIA CENTER & APARTMENT											Valuation Date: 18 March 2018	
Rawdah District, Jeddah, KSA												
Tenure:	Freehold											
Growth Rate	2.50% annual											
Void Costs	2.00% Of All Voids											
Operational Cost	7.00% Of Rent Passing											
Year	GLA (sqm)	1	2	3	4	5	6	7	8	9	10	Exit Value
Gross Revenue (Rental)												
Apartment - 54 Units	-	2,179,000.00	2,233,475.00	2,289,311.88	2,346,544.67	2,405,208.29	2,465,338.50	2,526,971.96	2,590,146.26	2,654,899.91	2,721,272.41	
Retail Space	4,600.00	8,391,150.00	8,600,928.75	8,815,951.97	9,036,350.77	9,262,259.54	9,493,816.03	9,731,161.43	9,974,440.46	10,223,801.47	10,479,396.51	
Office Space	7,987.00	7,503,650.00	7,691,241.25	7,883,522.28	8,080,610.34	8,282,625.60	8,489,691.24	8,701,933.52	8,919,481.86	9,142,468.90	9,371,030.62	
Total Rent (Full Rental Value)	12,587.00	18,073,800.00	18,525,645.00	18,988,786.13	19,463,505.78	19,950,093.42	20,448,845.76	20,960,066.90	21,484,068.57	22,021,170.29	22,571,699.55	
Occupancy		90%	90%	90%	90%	90%	88%	88%	87%	85%	85%	
Gross Current Rent		16,266,420.00	16,673,080.50	17,089,907.51	17,517,155.20	17,955,084.08	17,994,984.27	18,444,858.87	18,691,139.66	18,717,994.75	19,185,944.61	
Capital Costs		1,138,649.40	1,167,115.64	1,196,293.53	1,226,200.86	1,256,855.89	1,259,648.90	1,291,140.12	1,308,379.78	1,310,259.63	1,343,016.12	
Void Costs		36,147.60	37,051.29	37,977.57	38,927.01	39,900.19	49,077.23	50,304.16	55,858.58	66,063.51	67,715.10	
Net Current Rent		15,091,623.00	15,468,913.58	15,855,636.41	16,252,027.32	16,658,328.01	16,686,258.14	17,103,414.59	17,326,901.31	17,341,671.60	17,775,213.39	209,120,158
Present Value Formula		0.90090	0.81162	0.73119	0.65873	0.59345	0.53464	0.48166	0.43393	0.39092	0.35218	0.35218
Present Value of Net Rent		13,596,056.76	12,554,917.28	11,593,504.69	10,705,713.79	9,885,906.88	8,921,155.00	8,238,003.49	7,518,601.58	6,779,289.01	6,260,154.26	73,648,873.7
Exit Yield		8.50%										
Discount Rate		11.00%										
NPV (Gross value)	SAR	169,702,176.4										
Rounded Net Value	SAR	170,000,000										



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Private & Confidential

Valuation Report

OMNIA CENTRE,
AL RAWDAH DISTRICT, JEDDAH, KSA

RIYAD CAPITAL

JUNE 2018

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APPENDIX 1 – PHOTOGRAPHS

APPENDIX 2 – PHOTOCOPY OF TITLE DEED

APPENDIX 3 – PHOTOCOPY OF BUILDING PERMIT

APPENDIX 4 – COPY OF TENANCY SCHEDULE

APPENDIX 5 – SUMMARY OF DCF



1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

Abdulrahman A. Alahmad

Manager – Senior Real Estate Investment Analyst

Riyad Capital

P.O. Box 21116, Riyadh 11475, Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise:

Description	Property Details
Property Name	Omnia Centre
Total Land Area (sq. m.)	10,000
Total Built-Up Area (sq. m.)	22,492.60
Retail & Office GLA (sq. m.)	12,587
No. of Apartment Units	54
Owners	Ghassan Al Dahlawi & Abdullah sons of Muhammad Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
GPS Coordinates	21°33'48.22"N, 39°9'55.19"E
Interest Valued	Freehold

Source: Client 2018

1.4 VALUATION APPROACH

Discounted Cash Flow Approach (DCF).

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 30th June 2018.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.



1.6 OPINION OF VALUE

Property Name	Gross Income (SAR)	OPEX	Exit Yield	Disc. Rate	Value (SAR) [Rounded]
Omnia Centre	18,073,800	7%	8.5%	11%	170,000,000

The executive summary and valuation should not be considered other than as part of the entire report.

1.7 SALIENT POINTS (GENERAL COMMENTS)

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and are not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Please note that property values are subject to fluctuation over time as market conditions may change.



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Riyad Capital, Riyadh, KSA – June 2018

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.



2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Riyadh Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

<i>Description</i>	<i>Property Details</i>
Property Name	Omnia Centre
Total Land Area (sq. m.)	10,000
Total Built-Up Area (sq. m.)	22,492.60
Retail & Office GLA (sq. m.)	12,587
No. of Apartment Units	54
Owners	Ghassan Al Dahlawi & Abdullah sons of Muhammad Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
GPS Coordinates	21°33'48.22"N, 39°9'55.19"E
Interest Valued	Freehold

Source: Client 2018

2.3 PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') and International Valuations Standards (January 2017).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.



2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **Market Value** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of **Market Value** is applied in accordance with the following conceptual framework:

"The estimated amount" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"an asset should exchange" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"on the valuation date" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"and a willing seller" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for



the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

“in an arm’s-length transaction” is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to affect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.



Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

It should be further noted that the subject property is best described as a trade related property that is a property that is trading and is commonly sold in the market as an operating asset with trading potential, and for which ownership of such a property normally passes with the sale of the business as an operational entity.

2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	18 th March 2018	30 th June 2018

2.6 EXTENT OF INVESTIGATION

In accordance to instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our site inspection was limited to the visual assessment of the exterior & interior finishes of the subject commercial and apartment buildings including its building facilities and representative office, retail and apartment units. For the purpose of our report we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the properties comply with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and,

The market value conclusion arrived at for the properties reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

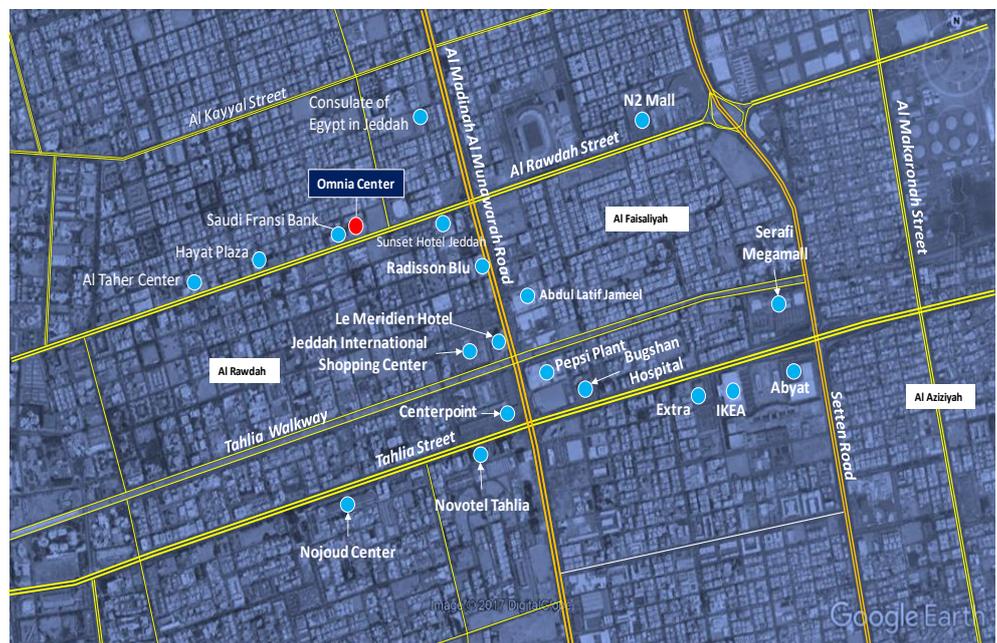
No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION OF THE PROPERTY

The subject property, identified as “Omnia Centre”, is located at the northwest corner of Al Rawdah Street and Husayn Sarhan Street, within Al Rawdah District, Jeddah, Saudi Arabia. It is situated about 550 meters southwest of Al Madinah Al Munawarah Road, some 600 meters northwest of Radisson Blu Hotel and approximately 525 meters northeast of Hayat Plaza.

For ease of reference, refer to the illustration below.



Source: Google Extract 2018 - For Illustrative Purposes Only.

Omnia Centre's immediate neighbourhood is mostly commercial use for plots along the main road, while interior plots are for residential use. It is well accessible thru the fronting Al Rawdah Street and the nearby Madinah Al Munawarah Road, a major thoroughfare in Jeddah directly linking the district to the King Abdul Aziz International Airport to the north.

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is very accessible to important landmarks in Jeddah thru the fronting Al Rawdah Street and nearby Al Madinah Al Munawarah Road.

The former links the district to the Red Sea on the west and the Al Haramain Expressway on the east; while, the latter connects to the King Abdul Aziz International Airport to the north.



The table and illustration below further show the approximate distance of the subject property relative to some notable developments in the City:

Landmarks	Distance from subject property (km.)
Red Sea / Corniche Area	5.7
Al Haramain Expressway	6.8
Jeddah Islamic Port	9
King Abdul Aziz International Airport	11.2
King Abdul Aziz University	11.8
Jeddah Economic City/Kingdom Tower	20.7



Source: Google Extract 2018 - For Illustrative Purposes Only.

Jeddah City is the second largest city of Saudi Arabia, next to the capital city of Riyadh. It has the largest sea port along Red Sea and is considered an important commercial hub.



Some of the major developments in the city and the Makkah region are as follows:

Haramain High Speed Railway



This is one of the on-going development at improving the infrastructure and accessibility within the three main cities of Makkah Region (Jeddah, Madinah & Makkah).



The Haramain High Speed Rail project also known as the "Western Railway" or "Makkah-Medina high speed railway", is 453 kilometers (281.5 miles) high-speed inter-city rail transport system under construction in Saudi Arabia. It will link the Muslim holy cities of Medina and Mecca via King Abdullah Economic City, Rabigh, Jeddah, and King Abdulaziz International Airport. It will connect with the national network at Jeddah.

The rail line is planned to provide a safe and comfortable transport in 300 kilometers per hour (190 mph) electric trains. The railway is expected to carry three million passengers a year, including many Hajj and Umrah pilgrims, helping to relieve traffic congestion on the roads. It will allow 9,000 passengers per hour and shortening the travel time from Madinah to Makkah to two hours. The main station is in Al Rusaifah District with arrival and departure halls, commercial stalls, prayer room, parking space, car rental offices, public sector services and offices, and restaurants.

The project is scheduled to open in March 2018 with partial operations in Dec. 2017.

Jeddah Economic City



Previously known as Kingdom City, this project covers 5.3 million square meters of land along the red sea. It will host both commercial and residential developments including villas, apartments, hotels and offices. The centerpiece of this development is the Jeddah Kingdom Tower which is planned to be the tallest building in the world upon completion. The project is estimated to cost SAR 75 Billion and scheduled completion date is on year 2020.

King Abdulaziz International Airport expansion



The airport expansion is needed as Saudi Arabia seeks to meet demand from religious tourism to the holy city of Mecca. Approximately 2.5 million people visit Mecca during the Hajj period alone, and this is projected to rise to 4 million in the next few years. It is designed to increase the airport's yearly capacity from 13 million to 80 million passengers. Expansion includes a 670,000 square meters passenger terminal complex with a twin crescent footprint. It will include 46 contact gates, 94 boarding bridges, lounges, an airside hotel, food and retail facilities. The terminal will be able to handle double-deck A380 and include a baggage handling system with nearly 60 kilometers of belts. Automated People Movers will link the new terminal with other facilities of the airport.

2.9.2 DESCRIPTION OF THE PROPERTY

The subject property consists of a commercial and residential buildings described as follows:

The commercial building known as “Omnia Centre” is an oval-shaped, four storey with basement and mezzanine floor, office and retail shops building. It was constructed of reinforced concrete structure with glass curtain exterior wall, granite/marble/carpet tiles flooring, painted interior wall, marble tiles wall at main entrance and elevator lobby, painted suspended ceiling and glass main entrance door. Building facilities consist of elevators, centralized air-conditioning system and firefighting system.



Omnia Centre includes 11-units retail stores and 45-units office spaces. It has an estimated total built-up area of 16,797 sq. m. and was reportedly built circa 1429 as per document provided to us. The building is noticeably in good condition and well maintained.

The residential building is a three-storey, reinforced concrete structure with painted concrete exterior wall, plastered and painted interior wall, porcelain tiles flooring, painted ceiling, glass on aluminum frame windows and wooden doors. It has a total of 54 apartment units with an estimated total built-up area of 5,695.60 sq. m. It was reportedly constructed circa 1429 as per building permit provided to us.



2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Area	Based on the document supplied by the client, the total land area of the subject property is 10,000 square meters with a total built-up area of 22,492.60 square meters.
Topography	Generally, the property is rectangular in shape and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in the area.
Landslip	ValuStrat's verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particularly onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject plot referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.

2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.



We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

We were provided with a copy of the title deeds of subject property (refer to appendix-2) which we had assumed it to be on freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

Description	Property Details
Property Name	Omnia Centre
Title Deed No.	303
Title Deed Date	12/10/1413
Land Area (sq. m.)	10,000
Owners	Muhammad Ameen Muhammad Jameel Al Dahlawi
Location	Al Rawdah District, Jeddah, KSA
Interest Valued	Freehold

Source: Client 2018

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.11.1 OCCUPANCY LEASES AND TENANCY

The Client has provided us the tenancy schedule for subject property (refer to scanned copy on Appendix-4). It indicates the tenant name, duration of contract, contract start and contract end, annual rent, leasable area and rent per square meter.

We have assumed that all lessees are in a position to renew on their forthcoming renewal. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is complete, accurate and updated. Should this not be the case we reserve the right to amend our valuation and this report.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow approach taking into consideration the tenancy schedule provided by the client.



2.12.1 DISCOUNTED CASH FLOW APPROACH

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance. In determining our opinion of Market Value of the subject property we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property.

This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property.

The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject compounds the cash flow has been projected over a 10-year period reflecting a market practice for cash flows reflecting the two lease terms referred above for both properties. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of both properties.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of 2% of a rental income per annum has been agreed and has been reflected within the DCF calculations.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.12.2 MARKET RENTS

Sales or rental evidence for similar properties within KSA are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia.

Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates for some office space, retail stores and residential apartments within Al Rawdah District, Jeddah.

Comparable Apartment Units					
S/N	No. of BR	No. of T&B	Year	Rent/Year(SAR)	Location
1	4	4	2016	70,000	Al Rawdah District
2	3	4	2017	65,000	Al Rawdah District
3	3	2	2013	60,000	Al Rawdah District
4	5	5	2017	57,000	Al Rawdah District
5	3	4	2013	47,000	Al Rawdah District
6	3	2	2017	39,000	Al Rawdah District
7	2	2	2017	38,000	Al Rawdah District
8	3	3	2014	36,000	Al Rawdah District

The foregoing comparable apartment units reveals a market rental rate range of SAR 36,000 – SAR 70,000 per year.

Comparable Office Spaces					
S/N	Area (m ²)	Year	Rent/Year(SAR)	Rent/m ² (SAR)	Location
1	200	2013	65,000	325	Al Rawdah District
2	400	2013	130,000	325	Al Rawdah District
3	350	2013	120,000	343	Al Rawdah District
4	240	2014	85,000	354	Al Rawdah District
5	300	-	180,000	600	Al Rawdah District
6	90	2016	59,940	666	Al Rawdah District

The above comparable office spaces show a market rental rate range of SAR 325 – SAR 666 per sq. m.

Comparable Retail Shops/ Spaces					
S/N	Area (m ²)	Year	Rent/Year(SAR)	Rent/m ² (SAR)	Location
1	130	-	90,000	692	Al Rawdah District
2	80	2016	80,000	1,000	Al Rawdah District
3	200	2002	200,000	1,000	Al Rawdah District
4	600	2016	750,000	1,250	Al Rawdah District

Likewise, the client has provided us the tenancy schedule of the subject property (refer to attached copy in Appendix-4) which was summarized as follows:

Type	No. of Unit/GLA	Gross Rent (SAR)	Ave. Rental Rate (SAR)
Apartment	54 units	2,179,000	40,351.85
Office	7,987 sq. m.	7,503,650	939.48
Retail	4,600 sq. m.	5,937,963	1,290.86
Total		15,620,613	

2.12.3 SUPPLEMENTARY INFORMATION PROVIDED BY THE CLIENT FOR OMNIA CENTRE RETAIL

We understand from the client the below information are recent letting on the retail front and have therefore reflected accordingly as part of tenancy schedule and income.

Tenant	NLA (m2)	Rent per annum	Contract Start Date	Duration	Rent per sq. m
البنك الأهلي التجاري	217	980,000	15/10/1439	3	926.28
	409				
	432				
شركة دار التمليك	495	650,000	13/11/1435	2	1,313
مؤسسة القرن الحديث	432	520,000	Not Provided	2	1,204
شركة الامين للتجهيزات الطبية	217	303,187	01/02/1436	2	1,397
Total (SAR)		2,453,187			

Source: Client 2018

We assume the above information is correct and accurate. Should the above tenancy information be incorrect or inaccurate, we reserve the right to amend our valuation and report.

2.12.4 ASSUMPTIONS & COMMENTARY

The subject property has been assessed as an investment property subject to the lease amount provided by the client and any assumptions made by ValuStrat within market benchmarks.

ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical commercial and residential properties in Jeddah, KSA taking cognisance of the surrounding developments within the property which will ultimately form part of.

This was done in an attempt to forecast our interpretation of performance of the subject property over the 10-year explicit cash flow period.

In this instance, we have adopted the following rates:

Components	Comments/Assumptions
Gross Income	SAR 18,073,800
Occupancy	90% (Year 1 – 5) and then 88% (Yrs. 6-7), 87% (Yrs. 8) and 85% (Yrs. 9-10).
Operational Cost	7% of Rent Passing
Void Costs	2%
Growth Rate	2.5% per annum



Operational Cost

For the subject property, we have assumed a 7% operational cost. In addition, we understand that many of tenants have a service charge covering the maintenance of the building; hence the reason for being lenient on the operational cost.

We assume there is no debts for service charge collection and the building is good maintenance and operational mode.

Should this not be the case, we reserve the right to amend our valuation report. The client has not provided no details on the service agreements.

Void Costs

We have reflected 2% void costs throughout the cash flow period. Void allowance to reflect lost income and incentives and reflecting any marketing and advertising costs.

Exit Yield

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

These typically vary between 8% and 9%, with exceptions on either side, depending on the quality of the property, length of the leases and the location.

Based on the above criteria we are of the opinion that a fair exit yield for the subject property is in the order of 8.5%:

Discount Rate

The discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question.

To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.

Market risk will also reflect where we are in the property cycle. Accordingly, for the purpose of our valuation calculations, we have adopted a discount rate of 11%.

2.12.5 SUMMARY OF MARKET VALUES

The resultant values based upon the above variables/assumptions for the subject property is as follows (refer to copy of DCF summary in appendix-5):

Property Name	Gross Income (SAR)	OPEX	Exit Yield	Disc. Rate	Property Value (SAR)
Omnia Centre	18,073,800	7%	8.5%	11%	170,000,000



2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow Approach assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 170,000,000 (One Hundred Seventy Million, Saudi Arabian Riyals).

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

The real estate sector generally follows the fortunes of the greater economy. As oil prices remained strong in previous years, the Saudi economy and consequently its real estate market remained buoyant too. However, for the past 18 months, KSA has been facing a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues. The resulting budget deficit earlier in 2017 had prompted the Saudi government to implement subsidy reforms, review its investment strategies and cut capital spending. All of this has resulted in declining capital and rental values in the real estate market with prices falling across all sectors including land. Despite short term challenges and both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment. Moreover, tax on development land should keep the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.



On the other hand, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2018 / 2019.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale.

2.14.1 PRINCIPAL GAINS AND RISKS ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Located in a fairly central area of Jeddah on a prominent road. • Easily accessible to land mark locations around Jeddah and good access to the airport via Madinah Road. • Good visibility of the subject site provides good exposure for any potential development. • The site’s surrounding infrastructure, and future plans will allow for easy connectivity around the Jeddah and to the north of Jeddah (future CBD). • Good preservation of condition and regular maintenance will provide attraction to a well marketed high-end office building. 	<ul style="list-style-type: none"> • The private sector is dependent on expat labor, reflecting a shortage of marketable skills among nationals and a fairly high unemployment rate among locals. • Due to the great number of upcoming developments / supply in and around Jeddah, this will affect occupation levels in the future. • No room for expansion due to situated within a clustered high dense central area.
Opportunities	Threats
<ul style="list-style-type: none"> • Due to the great number of upcoming developments in the area, the subject development can be developed to benefit from this uplift and establishment in the market. • Continued investment in the economy by the government will help maintain growth and business prosperity. • Limited operational costs and anticipated increased demand will enhance the returns on midscale to high-end scale properties. 	<ul style="list-style-type: none"> • Perceptions of high security risks deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity. • Competition from under construction projects close-by and in around the Jeddah area adjacent districts. • Threat of any further market deterioration / recession later in 2018 / 2019.



2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place

[The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.](#)

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in these report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, **ValuStrat**.




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Senior Associate – Real Estate, KSA

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APPENDIX 1 - PHOTOGRAPHS

Omnia Centre



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Residential Building



APPENDIX 4 – TENANCY SCHEDULE(S)

رقم الشقة	نموذج الشقة	اسم الممسـتأجر	تاريخ بدء العقد	فترة آخر تجديد لعقد الايجار		البيـمـان
				من	الى	
A101	نموذج 2	عبدالرحمن محمد صالح العبدني	1437/06/01	1439/06/01	1440/05/30	45,000
A102	نموذج 2	ماجد حسين ابراهيم ليد	1437/01/15	1439/01/15	1440/01/14	45,000
A103	نموذج 2	محمد معيض القحطاني	1433/07/15	1439/07/15	1440/07/14	40,000
A104	نموذج 2	منصور حمد منصور الشعيبي	1435/08/01	1439/08/01	1440/07/30	40,000
B101	نموذج 2	محمد عبدالله عبدالرحمن باصرة	1438/02/01	1439/02/01	1440/01/30	40,000
B102	نموذج 2	عمار سالمين دهلوس	1438/05/15	1439/05/15	1440/05/14	40,000
B103	نموذج 3	الشقة فارغة				45,000
B104	نموذج 2	فهد سليم عبده النوساتي	1438/05/15	1439/05/15	1440/05/14	40,000
B105	نموذج 2	تركي فهد النشمي	1437/01/15	1439/01/15	1440/01/14	40,000
B106	نموذج 2	محمد عمر محمد بريك	1439/05/15	1439/05/15	1440/05/14	40,000
B107	نموذج 2	ثامر محمد ابراهيم	1435/08/15	1439/08/15	1440/08/14	32,000
B108	نموذج 2	عبدالمحسن محمد الملوح	1432/05/15	1439/05/15	1440/05/14	40,000
B109	نموذج 2	منصور بن سقر العريفي	1433/04/18	1439/04/18	1440/04/17	40,000
B201	نموذج 2	خالد محمد عبدالله الدريجاني	1432/07/01	1439/07/01	1440/06/30	40,000
B202	نموذج 2	محمد سليمان ناعم آل ناعم	1433/09/23	1438/09/23	1439/09/22	40,000
B203	نموذج 3	طلال محمد وحيد رضوان	1438/07/15	1439/07/15	1440/07/14	45,000
B204	نموذج 2	عبدالله بكر عبدالرحمن حبيب	1433/04/01	1439/04/01	1440/03/30	40,000
B205	نموذج 2	اكرم محمد قاسم أكرم	1438/03/15	1439/03/15	1440/03/14	40,000
B206	نموذج 2	احمد عبدالرحمن آل الشيخ	1433/04/12	1439/04/12	1440/04/11	40,000
B207	نموذج 2	عبدالعزیز عبدالوهاب الحسين	1432/11/25	1438/11/25	1439/11/24	40,000
B208	نموذج 2	محمد سراج جميل عطر جي	1434/06/01	1439/06/01	1440/05/30	40,000
B209	نموذج 2	شركة العيادات الجلدية	1432/09/15	1439/09/15	1440/09/14	40,000
B301	نموذج 2	عبدالله حسين آل ماضي	1434/10/25	1438/10/25	1439/10/24	40,000
B302	نموذج 2	عبدالله بن نعيم بن قرنيش	1437/06/01	1439/06/01	1440/05/30	40,000
B303	نموذج 3	وسام علي حمدان	1432/08/15	1439/08/15	1440/08/14	48,000
B304	نموذج 2	فيصل المحارب	1433/10/01	1438/10/01	1439/09/30	40,000
B305	نموذج 2	ابراهيم احمد شودهري صديق	1433/08/01	1439/08/01	1440/07/30	40,000
B306	نموذج 2	الشقة فارغة				40,000
B307	نموذج 2	الشقة فارغة				40,000
B308	نموذج 2	راكان عبدالمنصور الغفيلي	1432/09/21	1438/09/21	1439/09/20	38,000
B309	نموذج 2	فؤاد حمدي اسحاق الحلواني	1430/08/20	1439/08/20	1440/08/19	40,000
		عدد الشقق	27			1,088,000

رقم المعرض	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعقد	فترة آخر تجديد لعقد الايجار		تاريخ انتهاء العقد	مدة العقد (سنة)	موسم سعر الأيجار / 2م	مساحة المعرض	الاجير السنوي	شروط تجديد العقد
				من	الى						
1	موسسة القرن الحديث	تجارة الجملة والتجزئة بالمطبخ والايواب واللائث	1436/09/02	1438/09/02	1439/09/01	1441/09/01	5	1,694	217	367,598	المعرض فارغ
2	المعرض فارغ						0	1,300	409	531,700	المعرض فارغ
3	المعرض فارغ						0	1,300	432	561,600	المعرض فارغ
4	المعرض فارغ						0	1,334	499	665,676	المعرض فارغ
5	شركة دار التمليك	فراء وبيع وتعمير وتملك العقارات والأراضي	1438/11/13	1439/11/13	1440/11/12	1441/11/12	3	1,232	495	610,000	المعرض فارغ
6	مطبخ عالم حواء	تجارة المطبخ والخزائن والايواب والشبابيك	1437/11/01	1438/11/01	1439/10/30	1440/10/30	3	1,191	487	580,000	المعرض فارغ
7	شركة المجموعة للتجارة والصناعة	تجارة المفروشات واللائث المنزلي	1437/07/01	1438/07/01	1439/06/30	1440/06/30	4	1,300	504	655,200	المعرض فارغ
8	المعرض فارغ						0	1,300	499	649,700	المعرض فارغ
9	المعرض فارغ						0	1,206	432	521,020	المعرض فارغ
10	المعرض فارغ						0	1,206	409	493,280	المعرض فارغ
11	شركة الامين للتجهيزات المنزلية / الصيدلية الجلدية	تجارة أجهزة طبية وأل صيدلية لبيع الأدوية	1436/02/01	1439/02/01	1440/01/30	1440/01/30	4	1,397	217	303,187	المعرض فارغ
	اجمالي ايجار سنوي / معرض							1,291	4,600	5,937,963	



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Supplementary Retail information provided by the client

Tenant	NLA (m2)	Rent per annum	Contract Start Date	Duration	Rent per sq. m
البنك الأهلي التجاري	217	980,000	15/10/1439	3	926.28
	409				
	432				
شركة دار التمليك	495	650,000	13/11/1435	2	1,313
مؤسسة القرن الحديث	432	520,000	Not Provided	2	1,204
شركة الامين للتجهيزات الطبية	217	303,187	01/02/1436	2	1,397
Total (SAR)		2,453,187			

رقم المكتب	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعاقد	فترة آخر تجديد لعقد الإيجار			تاريخ انتهاء العقد	تاريخ العقد	الاجار السنوي	مساحة المكتب	متوسط سعر الإيجار / 2م (سنة)	مدة العقد (سنة)	شروط تجديده العقد
				من	الى	هجري							
101	شركة مجموعة محمد عبدالعزير سيت للتجارة	إدارة مقاولات معمارية/اصال المصرف والطرق...	1435/01/26	1438/01/26	1439/01/25	1439/01/25	1439/01/25	294,272	304	968	4		
102	شركة تناول الجزيرة للمقاولات والتنمية	إدارة مقاولات عامة للمباني (النشاء/الإصلاح/ترميم..	1435/01/26	1438/01/26	1439/01/25	1439/01/25	1439/01/25	128,744	133	968	4		
103	شركة تناول الجزيرة للمقاولات والتنمية	إدارة مقاولات عامة للمباني (النشاء/الإصلاح/ترميم..	1435/01/26	1438/01/26	1439/01/25	1439/01/25	1439/01/25	174,240	180	968	4		
104	شركة يوسف عبداللطيف بالناجيه وشركاه	تجارة الجملة بالمعطور وادوات التجميل و....	1439/02/01	1439/02/01	1440/01/30	1440/01/30	1440/01/30	162,000	180	900	3		
105	عسان محمد امين دهلوي	مكتب اداري خاص	1437/08/05	1438/08/05	1439/08/04	1441/08/05	1439/08/04	120,000	133	902	4		
106	شركة الامين للتجهيزات الطبية والعطرية	مركز فحص السلع وبيع وصيانة السماعات	1439/03/15	1439/03/15	1440/03/14	1442/03/14	1440/03/14	136,800	152	900	3		
107	شركة نوران لتقنية الاذرة والمقاولات المحدودة	مقاولات عامة والتكليف والتنظيف والبكوير و...	1439/01/25	1439/01/25	1440/01/24	1442/01/24	1440/01/24	146,700	163	900	3		
108	شركة نوران لتقنية الاذرة والمقاولات المحدودة	مقاولات عامة والتكليف والتنظيف والبكوير و...	1439/01/25	1439/01/25	1440/01/24	1442/01/24	1440/01/24	150,300	167	900	3		
109	شركة الرابط المباشر لخدمات الطوران	ادارة الاشغابات العامة/تاجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	1440/05/14	152,405	163	935	3		
110	شركة الرابط المباشر لخدمات الطوران	ادارة الاشغابات العامة/تاجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	1440/05/14	142,120	152	935	3		
111	شركة الرابط المباشر لخدمات الطوران	ادارة الاشغابات العامة/تاجير الطائرات/نقل البضائع	1439/05/15	1439/05/15	1440/05/14	1442/05/14	1440/05/14	124,355	133	935	3		
112	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1439/01/25	1439/01/25	1440/01/24	1443/01/24	1439/01/24	162,000	180	900	1		
113	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1437/11/01	1437/11/01	1438/10/30	1441/10/30	1438/10/30	171,000	180	950	4		
114	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1436/01/08	1438/01/08	1439/01/07	1440/01/07	1439/01/07	128,744	133	968	4		
115	شركة العيادات الجلدية والتجميل المحدودة	مكتب عيادات جلدية وتجميل	1436/01/08	1438/01/08	1439/01/07	1440/01/07	1439/01/07	294,272	304	968	4		
201	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	278,305	304	915	5		
202	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5		
203	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5		
204	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5		
205	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5		
206	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	139,153	152	915	5		
207	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	149,223	163	915	5		
208	المكتب فارغ							167,000	167	1,000	0	المكتب فارغ	
209	المكتب فارغ							163,000	163	1,000	0	المكتب فارغ	
210	شركة ملاذ للتأمين وإعادة التأمين	مكتب للشركة لمزاولة أعمال التأمين والوساطة و...	1437/12/01	1438/12/01	1439/11/30	1441/11/30	1439/11/30	167,200	152	1,100	4		
211	شركة ملاذ للتأمين وإعادة التأمين	مكتب للشركة لمزاولة أعمال التأمين والوساطة و...	1437/12/01	1438/12/01	1439/11/30	1441/11/30	1439/11/30	146,300	133	1,100	4		
212	شركة مطور المدينة للأبحاث المحدودة	مكتب ادارة (المطامير وتقديم خدمات الاعانة و...)	1438/06/01	1438/06/01	1439/05/30	1442/05/30	1439/05/30	180,000	180	1,000	4		
213	مكتب الاستثماري /مبيل محمد علي عسان	مكتب لإدارة مقاولات عامة للمباني و(.....)	1439/05/01	1439/05/01	1440/04/30	1443/04/30	1440/04/30	165,000	180	917	2		
214	شركة الافكار الحديثة للتطوير والاستثمار	تجارة الجملة للبحرنة بالمعدات الطبية وتجهيز...	1438/03/15	1438/03/15	1439/03/14	1442/03/14	1439/03/14	135,000	133	1,015	4		
215	مؤسسة تقنيات المورثات والمنافع للخدمات الطبية	تجارة الجملة بالأدوية والكواشف المخبرية و....	1437/08/05	1438/08/05	1439/08/04	1441/08/04	1439/08/04	320,000	320	1,000	4		
301	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	278,305	304	915	5		
302	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5		
303	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5		

رقم المكتب	اسم المستأجر	طبيعة نشاط المستأجر	تاريخ بداية التعاقد	فترة آخر تجديد لعقد الإيجار			تاريخ انتهاء العقد	الاجار السنوي	مساحة المكتب	متوسط سعر الإيجار / 2م (سنة)	مدة العقد (سنة)	شروط تجديده العقد
				من	الى	هجري						
304	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5	
305	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5	
306	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	139,153	152	915	5	
307	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	149,223	163	915	5	
308	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	152,885	167	915	5	
309	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	149,223	163	915	5	
310	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	139,153	152	915	5	
311	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5	
312	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5	
313	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	164,786	180	915	5	
314	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	121,759	133	915	5	
315	الشركة السعودية للأبحاث والنشر	مكتب للشركة لإدارة النشر والإعلام و(..)	1438/11/22	1439/11/22	1440/11/21	1443/11/21	1440/11/21	278,305	304	915	5	
	اجمالي ايجار سنوي / مكاتب							7,503,650	7,987	939		
	اجمالي ايجار سنوي / محاضر مكاتب							13,441,613				



APPENDIX 5 – SUMMARY OF DCF

DISCOUNTED CASH FLOW (DCF) ANALYSIS												
OMNIA CENTER & APARTMENT											Valuation Date: 18 March 2018	
Rawdah District, Jeddah, KSA												
Tenure:	Freehold											
Growth Rate	2.50% annual											
Void Costs	2.00% Of All Voids											
Operational Cost	7.00% Of Rent Passing											
Year	GLA (sqm)	1	2	3	4	5	6	7	8	9	10	Exit Value
Gross Revenue (Rental)												
Apartment - 54 Units	-	2,179,000.00	2,233,475.00	2,289,311.88	2,346,544.67	2,405,208.29	2,465,338.50	2,526,971.96	2,590,146.26	2,654,899.91	2,721,272.41	
Retail Space	4,600.00	8,391,150.00	8,600,928.75	8,815,951.97	9,036,350.77	9,262,259.54	9,493,816.03	9,731,161.43	9,974,440.46	10,223,801.47	10,479,396.51	
Office Space	7,987.00	7,503,650.00	7,691,241.25	7,883,522.28	8,080,610.34	8,282,625.60	8,489,691.24	8,701,933.52	8,919,481.86	9,142,468.90	9,371,030.62	
Total Rent (Full Rental Value)	12,587.00	18,073,800.00	18,525,645.00	18,988,786.13	19,463,505.78	19,950,093.42	20,448,845.76	20,960,066.90	21,484,068.57	22,021,170.29	22,571,699.55	
Occupancy		90%	90%	90%	90%	90%	88%	88%	87%	85%	85%	
Gross Current Rent		16,266,420.00	16,673,080.50	17,089,907.51	17,517,155.20	17,955,084.08	17,994,984.27	18,444,858.87	18,691,139.66	18,717,994.75	19,185,944.61	
Capital Costs		1,138,649.40	1,167,115.64	1,196,293.53	1,226,200.86	1,256,855.89	1,259,648.90	1,291,140.12	1,308,379.78	1,310,259.63	1,343,016.12	
Void Costs		36,147.60	37,051.29	37,977.57	38,927.01	39,900.19	49,077.23	50,304.16	55,858.58	66,063.51	67,715.10	
Net Current Rent		15,091,623.00	15,468,913.58	15,855,636.41	16,252,027.32	16,658,328.01	16,686,258.14	17,103,414.59	17,326,901.31	17,341,671.60	17,775,213.39	209,120,158
Present Value Formula		0.90090	0.81162	0.73119	0.65873	0.59345	0.53464	0.48166	0.43393	0.39092	0.35218	0.35218
Present Value of Net Rent		13,596,056.76	12,554,917.28	11,593,504.69	10,705,713.79	9,885,906.88	8,921,155.00	8,238,003.49	7,518,601.58	6,779,289.01	6,260,154.26	73,648,873.7
Exit Yield		8.50%										
Discount Rate		11.00%										
NPV (Gross value)	SAR	169,702,176.4										
Rounded Net Value	SAR	170,000,000										



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Private & Confidential

Valuation Report

RAFAL TOWER (HOTEL & RETAIL COMPONENTS)
AS SAHAFAH DISTRICT, RIYADH, KSA

RIYADH CAPITAL

JUNE 2018

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1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

Abdulrahman A. Alahmad

Manager – Senior Real Estate Investment Analyst

Riyad Capital

P.O. Box 21116, Riyadh 11475, Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below-mentioned property's hotel and commercial area are the scope of this valuation exercise:

Description	Property Details
Property Name	Rafal Tower
Land Area	21,106 sq. m
Burj Rafal Kempinski Hotel	349 keys
Retail & Offices - GLA	4,546.45 sq. m
Owner	Rafal Development Real Estate
Location	As Sahafah District, Riyadh, KSA
GPS Coordinates	24°47'32"N; 46°37'56"E
Interest Valued	Freehold

Source: Client 2018

1.4 VALUATION APPROACHES

Discounted Cash Flow (DCF) approach.

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 30th June 2018.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.



1.6 OPINION OF VALUE

Property Name	Detail	Property Value (SAR)
Burj Rafal Kempinski Hotel	349 keys	603,800,000
Rafal Retail & Offices	4,546.45 sq. m	74,900,000
Total		678,700,000

The executive summary and valuation should not be considered other than as part of the entire report.

1.7 SALIENT POINTS (GENERAL COMMENTS)

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and are not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.



Please note that property values are subject to fluctuation over time as market conditions may change.

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.

2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Riyadh Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

<i>Description</i>	<i>Property Details</i>
Property Name	Rafal Tower
Land Area	21,106 sq. m
Burj Rafal Kempinski Hotel	349 keys
Retail & Offices - GLA	4,546.45 sq. m
Owner	Rafal Development Real Estate
Location	As Sahafah District, Riyadh, KSA
GPS Coordinates	24°47'32"N; 46°37'56"E
Interest Valued	Freehold

Source: Client 2018

2.3 PURPOSE OF VALUATION

The valuation is required for Public Listing Offering (REIT) for the Saudi Market Purpose and submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taaqem Regulations (Saudi Authority for Accredited Valuers) in conformity with International Valuation Standards Council (IVSCs') and International Valuations Standards (January 2017).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.



2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the **Market Value** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. **Market Value** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of **Market Value** is applied in accordance with the following conceptual framework:

"The estimated amount" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"an asset should exchange" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"on the valuation date" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"and a willing seller" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for



the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

“in an arm’s-length transaction” is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to affect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.



Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

It should be further noted that the subject property is best described as a trade related property that is a property that is trading and is commonly sold in the market as an operating asset with trading potential, and for which ownership of such a property normally passes with the sale of the business as an operational entity.

2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	Survey Date	Valuation Date
External Valuer	18 th March 2018	30 th June 2018

2.6 EXTENT OF INVESTIGATION

In accordance to instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our site inspection was limited to the visual assessment of the hotel, office and commercial premises of Rafal Tower including some representative hotel rooms and commercial areas. For the purpose of our report we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.



2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

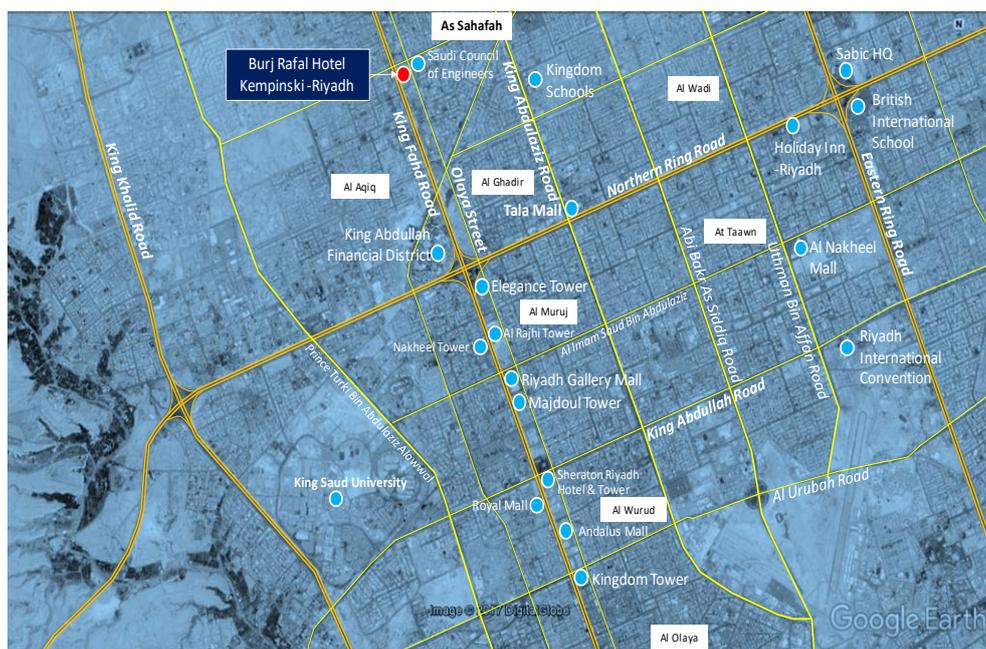
We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the properties comply with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building.

We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the properties reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.





Source: Google Extract 2018 - For Illustrative Purposes Only.

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is situated within the Central Business District of Riyadh.

The fronting King Fahd Road, a main thoroughfare in the city, provides ease of accessibility to prominent developments in the city such as the Kingdom School, Kingdom City, King Abdullah Financial District, Kingdom Tower, Faisaliyah Tower, King Khalid International Airport, Princess Noura University, etc.



The table below and illustration on the succeeding page further show the approximate distance of the subject property relative to major developments.

Landmarks	Distance from subject property (km.)
Kingdom School	2.3
Kingdom Hospital / Kingdom City	2.8
King Abdullah Financial District	3
King Saud University	7.7
Kingdom Tower	10
Princes Noura University	10.5
Faisaliyah Tower	12.5
King Khalid International Airport	19.6





Source: Google Extract 2018 - For Illustrative Purposes Only.

One of the on-going important developments in the city is the Riyadh Metro System which consist of 6 interconnected routes plying across the city's most common destinations. With the expected completion of this major infrastructure, mobility within the city will be greatly enhanced.

2.9.2.1 THE RIYADH METRO SYSTEM

The new City Metro of Riyadh is a rapid transit system under construction to be completed circa. 2018/19, which will be of benefit to Riyadh's population, business and future growth of Riyadh, etc. The Metro will help in many ways for the day to day life activities of the people such as traffic control, school journeys, shopping journey and business commuting, etc.

The city metro project is one of the world's largest infrastructure projects currently under-construction. It consists of trains and buses, which includes 6 railway lines stretching 176 kilometers with 85 stations, penetrating the capital of Saudi Arabia, Riyadh, from all directions. It is expected that the capacity of the project is estimated at 1.16 million passengers daily in the beginning of the operation and will reach to as high as 3.6 million passengers after a decade. Other expected benefits from the project includes the reduction of the number of car trips by nearly 250 thousand trips a day and to provide the equivalent of 400 thousand liters of fuel per day and thus reduce air pollutant emissions.



Three leading consortia, including the US Construction company Bechtel Group Inc., Spain's FCC and Italy's Ansaldo STS have been awarded contracts to build the project. The Metro Project comprises of the following six lines.



- **Line 1** (Blue Line) runs in the north-south direction along Olaya and Batha streets, starting from slightly north of King Salman Bin Abdul Aziz Street and ending at in the south. The Metro will be mostly underground in a tunnel along Olaya and King Faisal Streets, and elevated on a viaduct along Batha Street and at the northern and southern ends. Line 1 extends over a length of approximately 38 km (24 mi) and features 22 stations, in addition to 4 transfer stations with Lines 2, 3, 5, and 4&6.



- **Line 2** (Red Line) runs in the east-west direction along King Abdullah Road, between King Saud University and the eastern sub-center, mostly on a raised strip in the median of a planned freeway. This Line extends over a length of about 25.3 km (15.7 mi) and features 13 stations, in addition to 3 transfer stations with Lines 1, 5 and 6.



- **Line 3** (Orange Line) runs in the east-west direction along Al-Madinah Al Munawwarah and Prince Saad Bin Abdulrahman Al Awal Roads, starting at the west near Jeddah Expressway and ending at the east near the National Guard camp of Khashm El Aan. The metro will be mostly elevated along the western part of Al-Madinah Al Munawwarah Road, then underground in tunnels in the central section of the line, and generally at grade along Prince Saad Ibn Abdulrahman Road. The length of the line is approximately 40.7 km (25.3 mi) and it features 20 stations, in addition to 2 transfer stations with Lines 1 and 6.



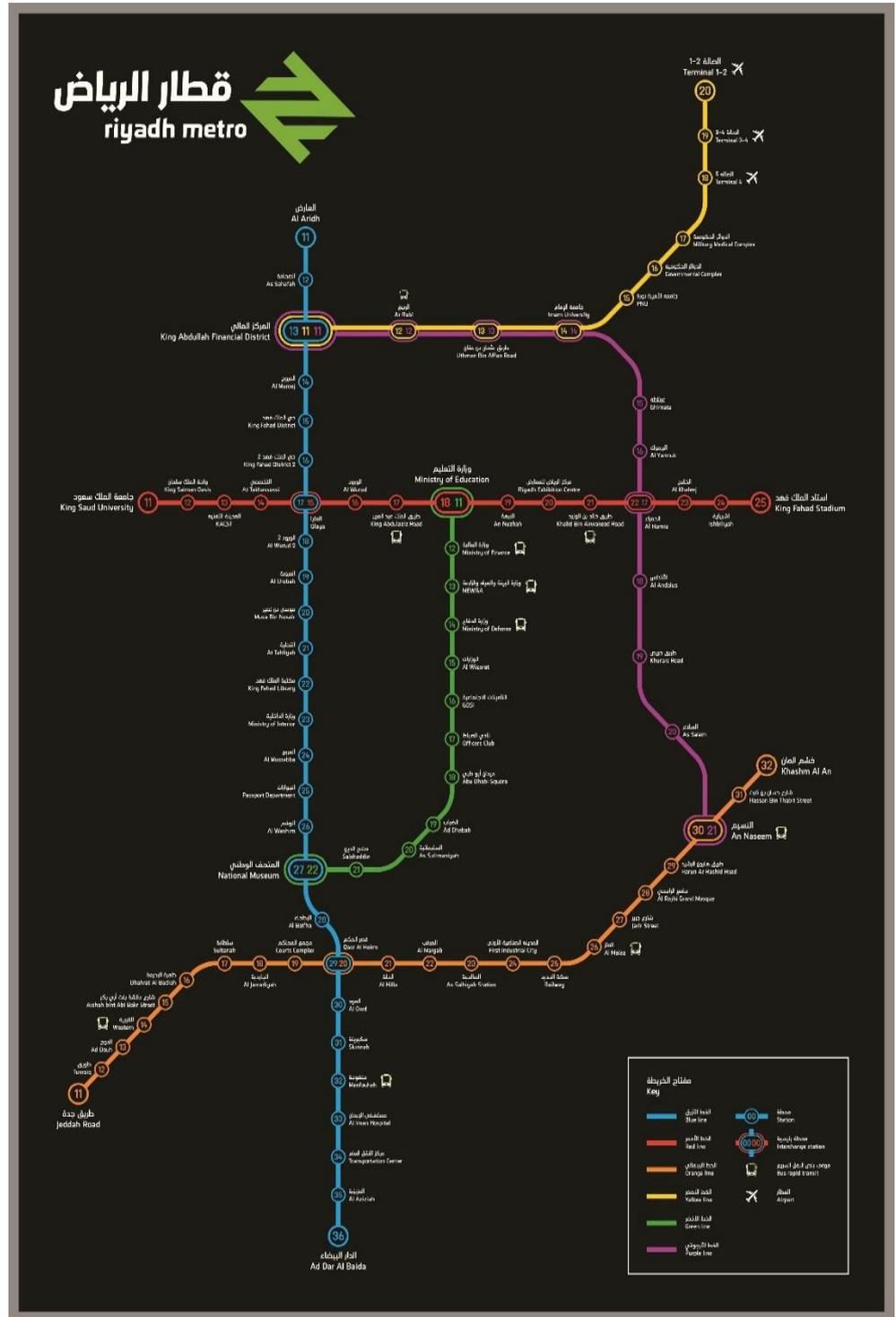
- **Line 4** (Yellow Line) reaches to King Khalid International Airport from King Abdullah Financial District, mainly on a mix of elevated and at-grade alignment. The length of the line is around 29.6 km (18.4 mi) and it features 8 stations (3 common with Line 6), in addition to 1 transfer station with Lines 1 and 6.

- **Line 5** (Green Line) runs underground in a tunnel along King Abdulaziz Street, between King Abdul Aziz Historical Centre and the Riyadh Airbase, before connecting with King Abdullah Road. The length of the line is about 12.9 km (8.0 mi) and it features 10 stations, in addition to 2 transfer stations with Lines 1 and 2.

- **Line 6** (Purple Line) follows a half-ring starting at King Abdullah Financial District, passing by Imam Mohamed Bin Saud University and ending at Prince Saad Ibn Abdulrahman Al Awal Road. It runs mostly elevated except along Sheikh Hasan Bin Husein Bin Ali Street. The length of the line is approximately 29.9 km (18.6 mi) and it features 8 stations (3 common with Line 4), in addition to 3 transfer stations with Lines 1, 2 and 3.

The commencement date for the project was in early 2014, with projected completion date on 2018/19.

The illustration below identifies the six Riyadh Metro routes.



Source: Valustrat Research.



2.9.2 DESCRIPTION OF THE PROPERTY

The subject property is a skyscraper known as “Rafal Tower”, considered the tallest residential and hotel building in Riyadh. It is a mixed-use development tower consisting of residential, commercial, office, hotel and serviced apartments.

Rafal Tower is a 68-storey with 2-basement development, constructed of reinforced concrete and steel structure. General architectural building finishes consist of glass curtain exterior wall, granite/marble/wood veneer/painted interior wall, painted with aesthetic design suspended ceiling and granite/marble/laminated/wall to wall carpet flooring. Building facilities consist of elevators, centralized air-conditioning system, firefighting system and CCTV security cameras. Hotel amenities includes a restaurant, swimming pool, fitness gym, coffee shops, etc.



The scope of this valuation exercise covers the hotel, retail and offices portion of the property excluding the apartment units. Burj Rafal Kempinski Hotel consist of 349 keys, while, the retail & office spaces cover an estimated gross leasable area of 4,546.45 sq. m. The subject property is relatively new with construction completed circa 2014 as per information provided.

2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.



Details	
Area	Based on the document supplied by the client, the total land area of the subject property is 21,106 square meters.
Topography	Generally, the property is rectangular in shape and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in the area.
Landslip	ValuStrat's verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particularly onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.



2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that the solicitors investigate the title in order to ensure this is correct.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

We were not provided with a copy of the title deed of subject property, although we had assumed it to be on freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

Description	Property Details
Property Name	Rafal Tower
Land Area	21,106 sq. m.
Owners	Rafal Development Real Estate
Location	As Sahafah District, Riyadh, KSA
Interest Valued	Freehold

Source: Client 2018

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.11.1 OCCUPANCY LEASES AND TENANCY

The Client has provided us some lease contract agreement for the retail & offices portion of the subject property (refer to scanned copy at Appendix-3). It indicates the tenant name, duration of contract, annual rent, net leasable area, etc.

We have assumed that all lessees are in a position to renew on their forthcoming renewal. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is complete, accurate and updated. Should this not be the case we reserve the right to amend our valuation and this report.



2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow analysis.

2.12.1 BURJ RAFAL KEMPINSKI HOTEL RIYADH

The subject property is a property that is known / classified as a ‘trade related property’. A ‘trade related property’ is defined as:

“Any type of real property designed for a specific type of business where the property value reflects the trading potential for that business” (RICS Red Book Edition 2014 – VPGA 4: Valuation of individual trade related properties)

The essential characteristic of such a type of property is that it has been designed or adapted for a specific use, and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the returns that an owner can generate from that use. The value therefore reflects the trading potential of the property, and in the market such properties are normally bought and sold on the basis of their trading potential. Taking into consideration the above-mentioned nature and characteristics of the subject property, our opinion of the Market Value for the subject property has been arrived at by using the Income approach (or also known as the trade ‘profits’ method), which is a market-based valuation approach taking into account the expectations of market participants.

The valuation and all key assumptions used in the valuation reflect market conditions as at the valuation date. This valuation approach is also the preferred method of valuation by which private and institutional investors are analysing trade related properties. In the use of the Income Valuation approach we have adopted a Discounted Cash Flow (DCF) method explained below.

In the valuation, we have also taken into consideration that this is an operating trade entity and our valuation takes into account the valuation principle of a reasonably efficient operator. Reasonably efficient operator is the market-based concept whereby a potential purchaser, and thus the valuer, estimates the maintainable level of trade and future profitability that can be achieved by a competent operator of the business conducted on the premises, acting in an efficient manner.

The concept involves the trading potential rather than the actual level of trade under the existing ownership, so it excludes personal goodwill. In forming our opinion of the maintainable level of trade and future profitability that can be achieved we have had regard and analysis of the previous past performance of the existing trade entity.

2.12.2 VALUATION ANALYSIS

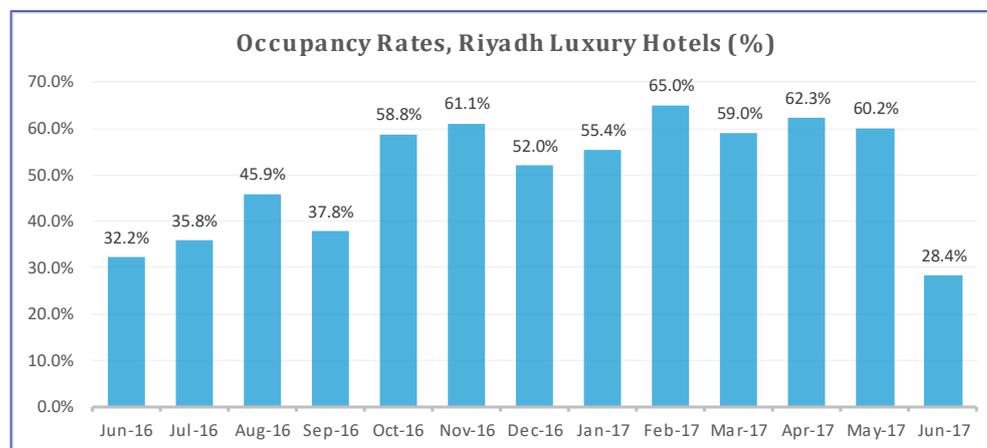
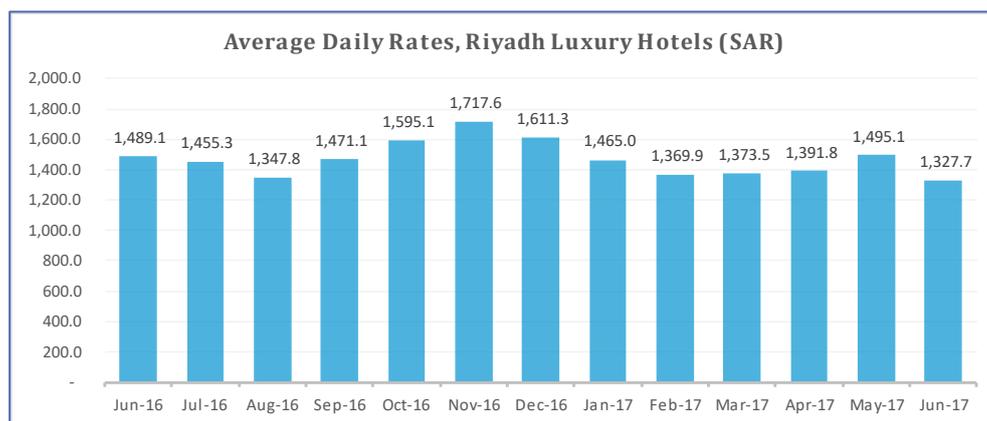
As per information provided, Burj Rafal Kempinski Hotel Riyadh is a 5-star rating hotel with 349 keys which started operation in 2014.

Hotel Name	Rating	Rate (SAR)	Location
The Ritz Carlton - Riyadh	5 Star	1,639	Al Hada Area, Makkah Road
Al Faisaliyah Hotel	5 Star	1,550	Olaya District
Four Seasons Hotel Riyadh	5 Star	1,455	Olaya District
Intercontinental Hotel Riyadh	5 Star	1,040	Al Mutamarat District
Narcissus Hotel & Spa Riyadh	5 Star	963	Olaya District
Riyadh Marriott Hotel Riyadh	5 Star	868	Al Wazarat District
Movenpick Hotel Riyadh	5 Star	850	King Fahd Road
Rosh Rayhaan by Rotana	5 Star	800	Al Olaya District

The table above shows the average room rates of some prominent 5-star hotels in Riyadh extracted from booking.com.

Source: Booking.com 2018

Likewise, an STR Global hospitality publication from June 2016 - June 2017 (as shown below) registered an average ADR of SAR 1,470 and an average Occupancy Rate of 50.3% for luxury brands.



Source: STR Global



2.12.3 ASSUMPTIONS AND COMMENTARY

The aforesaid 5-star hotel has been assessed as a “going concern” subject to the forecast and inputs provided by the client and any assumptions made by ValuStrat within market benchmarks.

ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical hotel properties in Riyadh, KSA. taking cognizance of the surrounding developments within which, the property will ultimately form part of.

This was done in an attempt to forecast our interpretation of performance of the hotel apartment over the 10-year explicit cash flow period. Please note that for the purpose of this valuation we have included the retail (F&B) and the meeting rooms/function halls within the hotel component.

In this instance, we have adopted the following rates:

Components	Comments/Assumptions
Average Daily Rate	*SAR 1,027
Occupancy	*53%, 58% & 61% in stabilized year
Average Growth	3%

**We have estimated the hotel projections with an annual occupancy rates starting at 53% (1st Year), 58% (2nd Year), 61% (3rd Year), the stabilized year of operation; and an average room rate of SAR 1,027 in the first year of operation and then year on year increase at an average growth rate of 3% per annum.*

2.12.4 EXIT YIELD, DISCOUNT RATE, TAXES AND COMMENTARY

Exit Yield	8%
Discount Rate	10.5%
Tax Fees	5%
Finance Cost	Excluded from our calculations

Finance Cost & Debt

If debt is unavailable, then both the liquidity and value of the property would be affected.

Growth Rates

Given the current state of market conditions we applied an average growth rate of 3% per annum to our opinion of room rates.

Discount Rate and Exit Yield

Research conducted collated from developers and investors indicate that the discount rate is dependent on the scale of the development and the inherent risk



associated. This risk takes into account the extent of the proposed development, location, economic conditions and investor sentiment. ValuStrat is of the opinion that since the subject property is relatively new and situated within the CBD, and we have adopted 8% yield and the discount rate at 10.5%.

2.12.5 TRADING SUMMARY

Burj Rafal Kempinski Hotel					
TRADING SUMMARY					
	Trading Projections				
	1	2	3	4	5
Year	2015	2016	2017	2018	2019
	Projected	Projected	Projected	Projected	Projected
Rooms	349	349	349	349	349
Occupancy	53.0%	58.0%	61.0%	61.0%	61.0%
ADR	1,027.00	1,100.00	1,133.00	1,167.00	1,202.00
RevPAR	544.31	638.00	691.13	711.87	733.22
Total Revenue	84,326	99,720	108,691	111,953	115,310
Departmental Expenses	19,935	23,199	24,852	25,598	26,366
Departmental Profit	64,391	76,521	83,839	86,355	88,944
Undistributed Expenses	16,443	19,445	21,195	21,831	22,485
Gross Operating Profit	47,948	57,076	62,644	64,524	66,459
Management Fees	5,522	6,560	7,185	7,401	7,623
Fixed Charges	422	499	543	560	577
FF&E Reserve	843	1,994	3,261	4,478	4,612
EBITDA	41,160	48,022	51,654	52,085	53,647
Net Profit % (EBITDA of Total Revenue)	48.8%	48.2%	47.5%	46.5%	46.5%
Capital Expenditure					
Net Cashflow	41,160	48,022	51,654	52,085	53,647

2.12.6 SUMMARY OF VALUE – BURJ RAFAL KEMPINSKI HOTEL

The resultant value based upon the above variables for the subject property is as follows:

Property Name	Room Count	Market Value - Rounded	Value per Key
Burj Rafal Kempinski Hotel	349	SAR 603,800,000	SAR 1,730,030



2.12.7 RAFAL RETAIL & OFFICE SPACES

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance. In determining our opinion of Market Value of the subject property we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property. This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject compounds the cash flow has been projected over a 10-year period reflecting a market practice for cash flows reflecting the two lease terms referred above for both properties. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of both properties.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of 2% of a rental income per annum has been agreed and has been reflected within the DCF calculations. The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.12.8 MARKET RENTS

Sales or rental evidence for similar properties within KSA are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia. Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported. In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of some retail & office spaces offered for rent within area.

Type	Area (m ²)	Rent/Year (SAR)	Rent/m ² (SAR)	Location
Retail	500	450,000	900	Olaya Street, As Sahafah
Retail	255	255,000	1,000	As Sahafah District
Retail	130	150,000	1,154	Olaya Street, As Sahafah
Retail	560	672,000	1,200	Ath Thumamah Road
Retail	240	300,000	1,250	As Sahafah District
Retail	450	850,000	1,889	As Sahafah District



Type	Area (m ²)	Rent/Year (SAR)	Rent/m ² (SAR)	Location
Office	156	156,000	1,000	As Sahafah District
Office	149	178,800	1,200	King Fahd, As Sahafah
Office	162	194,400	1,200	King Fahd, As Sahafah
Office	133	172,900	1,300	As Sahafah District
Office	159	222,600	1,400	King Fahd, As Sahafah
Office	210	304,500	1,450	As Sahafah District

In addition to the above information, below are the prevailing rental rates of office spaces in some notable grade-A towers in Riyadh which will be likewise considered in this valuation exercise.



KINGDOM TOWER		IBDAA TOWER		OLAYA TOWERS	
Location	King Fahd Road	King Fahd Road		Olaya Street	
GLA (sq. m)	65,000	18,000		100,000	
Average Rent	SAR 1,500 per sq. m	SAR 1,300-1,500/sq. m		SAR 1,300 per sq. m	
Year Built	2002			2013	



FAISALIYAH TOWER		HAMAD TOWER	
Location	King Fahd Road	King Fahd Road	
BUA (sq. m)	240,000	38,000	
Average Rent	SAR 1,600 per sq. m	SAR 1,200-1,400/sq. m	
Year Built	2002	2017	

The foregoing information shows that retail space rental rate ranges from SAR 900 – SAR 1,889 per square meter, while, office rental rates ranges from SAR 1,000 – SAR 1,600 per square, dependent upon the grade of building, age, location, accessibility, size, etc.

The client has likewise provided us the summary of annual rent for the retail & offices spaces as shown below. A copy of the lease contract agreement between Rafal development Real Estate and STC is also attached at appendix-3.

Tenant / Type	GLA (m ²)	1 st Year Rent (SAR)	2 nd – 5 th Yr. Rent (SAR)
STC - Office	2,751.19	4,998,912.23	3,403,222.03
STC - Retail	1,246.85	2,265,526.45	1,542,353.45
Cavali Café	286.41	-	1,100,000
Chocolate Bar	78	-	230,000
Flower Shop	64	-	105,000
Grocery Store	120	-	120,000
Total	4,546.45	7,264,438.68	6,500,575.48

Source: Client 2018

We had assumed the above information complete, accurate and updated. Should this not be the case, we reserve the right to amend our valuation and this report.

2.12.9 ASSUMPTIONS & COMMENTARY

The retail and office spaces have been assessed as an investment property subject to the lease amount provided by the client and any assumptions made by ValuStrat within market benchmarks. ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical retail/office properties in Riyadh, KSA taking cognisance of the surrounding developments within the property which will ultimately form part of. This was done in an attempt to forecast our interpretation of performance of the subject property over the 10-year explicit cash flow period. In this instance, we have adopted the following rates:

Components	Comments/Assumptions
Gross Income	Refer to Summary above
Occupancy	100%
Operational Cost	5% of Rent Passing
Growth Rate	10% on the sixth year

Operational Cost

For the subject property, we have assumed a 5% operational cost.

Exit Yield

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments. The strong covenant held by STC whose occupation secures a large portion of rental revenue; hence reducing the risk. The yields typically vary between 7% and 8%, with exceptions on either side, depending on the quality of the property, length of the



leases and the location. Based on the above criteria we are of the opinion that a fair exit yield for the subject property is in the order of 7.5%:

Discount Rate

The discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question. To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply. Market risk will also reflect where we are in the property cycle. Accordingly, for the purpose of our valuation calculations, we have adopted a discount rate of 10%.

2.12.10 SUMMARY OF VALUE – RETAIL & OFFICE SPACES

The resultant values based upon the above variables/assumptions for the subject property is as follows (refer to copy of DCF summary in appendix-4):

Property Name	OPEX	Exit Yield	Disc. Rate	Property Value (SAR)
Rafal Retail & Offices	5%	7.5%	10.0%	74,900,000

2.12.11 VALUATION SUMMARY

The resultant values based upon the above variables/assumptions for the subject property is as follows:

Property Name	Detail	Property Value (SAR)
Burj Rafal Kempinski Hotel	349 keys	603,800,000
Rafal Retail & Offices	4,546.45 sq. m	74,900,000
Total		678,700,000

2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow Approach assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 678,700,000 (Six Hundred Seventy-Eight Million, Seven Hundred Thousand, Saudi Arabian Riyals).

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.



We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

The real estate sector generally follows the fortunes of the greater economy. As oil prices remained strong in previous years, the Saudi economy and consequently its real estate market remained buoyant too. However, for the past 18 months, KSA has been facing a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues.

The resulting budget deficit earlier in 2017 had prompted the Saudi government to implement subsidy reforms, review its investment strategies and cut capital spending. All of this has resulted in declining capital and rental values in the real estate market with prices falling across all sectors including land.

Despite short term challenges and both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment. Moreover, tax on development land should keep the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact. On the other hand, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2018 / 2019.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale.

2.14.1 PRINCIPAL GAINS AND RISKS ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Close to proximity of King Abdullah Financial District and in northern area of Riyadh where growth has been substantial over last few years. • Located on the two main arteries of the Riyadh city (King Fahd Road and Olaya Street). • Good visibility of the subject grade A+ iconic tower provides good exposure for any potential development. • Prominent on-site security. • Easy access to the airport. 	<ul style="list-style-type: none"> • The private sector is dependent on expat labor, reflecting a shortage of marketable skills among nationals and a fairly high unemployment rate among locals. • Over-supply of hotels and current new hotel developments in the northern area will affect occupancy levels in the future. • Close to large developments such King Abdullah Financial District (KAFFD).
Opportunities	Threats
<ul style="list-style-type: none"> • A prominent hotel and brand in a growing area. • The tower is a mixed-use development which works in cohesion with the mall, hotel and other elements of the development. • Continued investment in the economy by the government will help maintain growth and business prosperity. • Surrounded by good growing infrastructure and growing mid to high-end districts. 	<ul style="list-style-type: none"> • Perceptions of high security risks deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity. • Competition from under construction projects close-by in around the northern Riyadh area and adjacent districts. • Continued growth of surrounding area will create more traffic difficulties. • Threat of any further market deterioration / recession later in 2018 / 2019.

2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too. We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.



Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis. The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations. We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation. The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised. This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc. It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the Client. No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

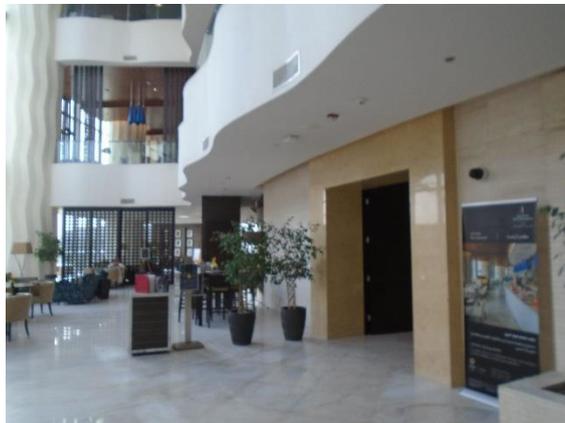
For and on Behalf of, **ValuStrat.**



Ramez Al Medlaj (Taqeem Member No. 1210000320)
Senior Associate – Real Estate, KSA

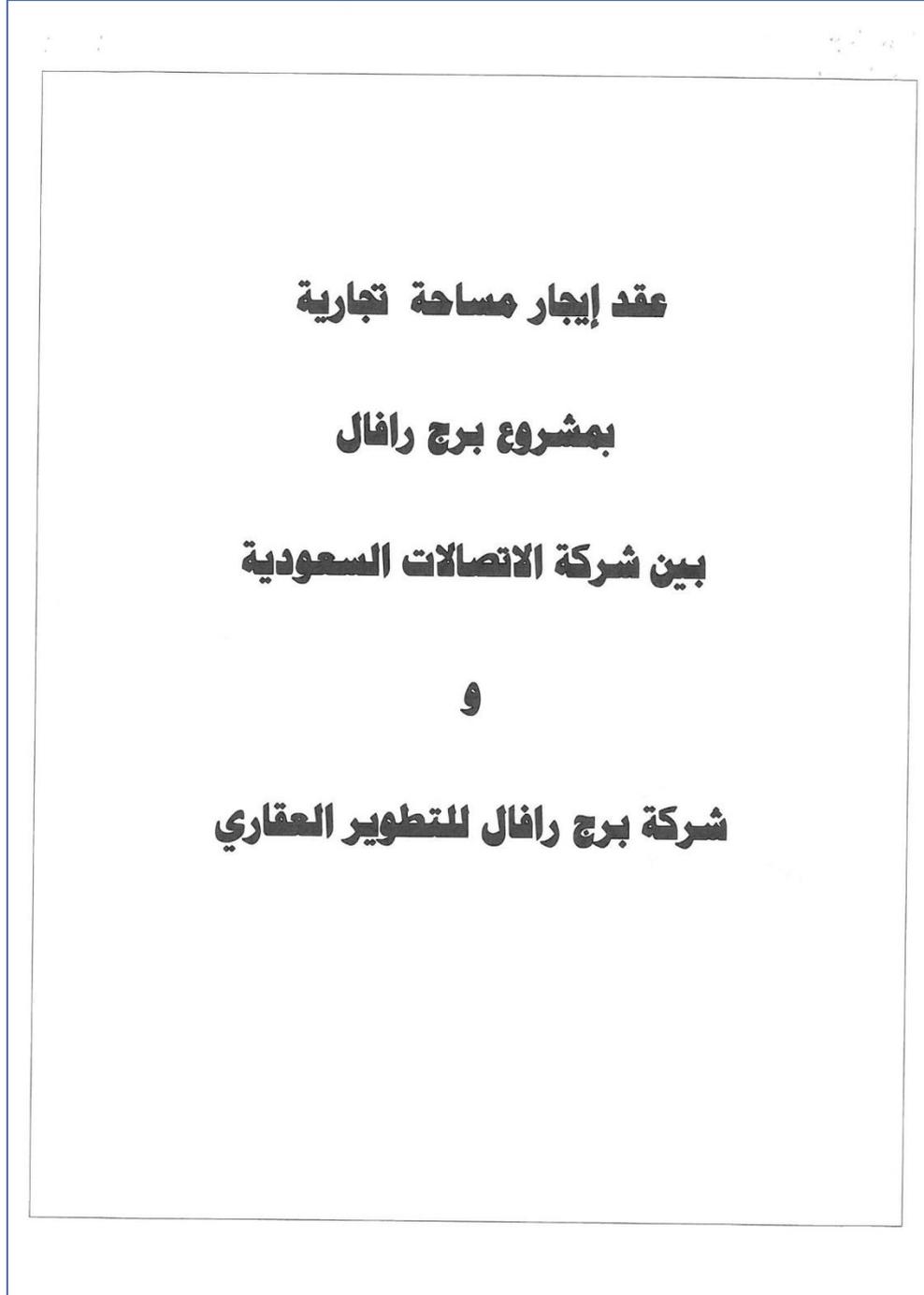
Yousuf Siddiki (Taqeem Member No. 1210001039)
Director - Real Estate, KSA

APPENDIX 1 - PHOTOGRAPHS





APPENDIX 3 – COPY OF LEASE CONTRACT AGREEMENT



عقد إيجار مساحة تجارية**بمشروع برج رافال**

بِعَوْنِ اللَّهِ تَعَالَى تَمَّ بِمَدِينَةِ الرَّيَّاضِ فِي هَذَا الْيَوْمِ ٢٣/٣/١٤٣٨ هـ الْمَوْفِقِ ١٦/١٢/٢٠١٦ م، الْإِتِّفَاقُ وَالتَّرَاضِي بَيْنَ كِلَيْهِمَا:

١- شَرِكَةُ بَرَجِ رَافَالِ لِلتَّطْوِيرِ الْعَقَارِيِّ، شَرِكَةُ مَسَاهِمَةٍ مَقْفَلَةٍ، سَجَلٌ تِجَارِيٌّ رَقْمُ (١٠١٠٣٦٣٤٤٠) وَمَقَرُّهَا الرَّيَّاضُ - الْمَمْلَكَةُ الْعَرَبِيَّةُ السُّعُودِيَّةُ ص ٦٩٢٩٠ رَمَزُ الْبَرِيدِيِّ ١١٥٤٧ الرَّيَّاضُ - هَاتِفُ ٢٠٠٨٣٣٣ وَيُمَثِّلُهَا الْأَسَاتِذُ/عَبْدُ الرَّحْمَنِ بْنِ عَبْدِ الْقَادِرِ بَاجْنِيدٍ، بِصِفَتِهِ الرَّئِيسُ التَّنْفِيزِيُّ لِلشَّرِكَةِ وَيُشَارُ إِلَيْهِ فِيمَا بَعْدَ بـ ("المؤجر" أو "الطرف الأول")

٢- شَرِكَةُ الْإِتِّصَالَاتِ السُّعُودِيَّةِ، شَرِكَةُ مَسَاهِمَةٍ سَعُودِيَّةٍ تَمَّ تَأْسِيسُهَا بِمَوْجِبِ الْقَوَائِنِ وَالْأَنْظِمَةِ الْمَعْمُولِ بِهَا فِي الْمَمْلَكَةِ الْعَرَبِيَّةِ السُّعُودِيَّةِ وَتَمَّ قِيْدُهَا بِالسَّجَلِ تِجَارِيٌّ رَقْمُ (١٠١٠١٥٠٢٦٩) وَعَتْوَانُهَا: ص.ب. ٨٧٩١٢ الرَّيَّاضُ ١١٦٥٢، هَاتِفُ ٤٥٢٧٠٠٠، ٧٦٠٧ الْمُرْسَلَاتُ وَحَدَّةٌ رَقْمُ: ١٧ - الرَّيَّاضُ ١٢٤٦٤ - ٣٣٩٣ وَيُمَثِّلُهَا الدُّكْتُورُ / خَالِدُ بْنُ حَسَنِ الْبِيَارِيِّ، بِصِفَتِهِ الرَّئِيسُ التَّنْفِيزِيُّ لِلشَّرِكَةِ وَيُشَارُ إِلَيْهَا فِيمَا بَعْدَ بـ ("المستأجر" أو "الطرف الثاني").

وَيُشَارُ لِأَيِّ مِنْهُمَا بِـ (الطرف)، وَلِكِلَيْهِمَا مَجْتَمِعِينَ بِـ (الطرفين)

التمهيّد

حَيْثُ يَمْلِكُ الْطَرَفُ الْأَوَّلُ (المؤجر) بَرَجَ رَافَالِ السُّكْنِيِّ التِّجَارِيِّ وَالَّذِي يَتَّوَكَّنُ مِنْ شَقِّ سَكْنِيَّةٍ وَمَحَلَّاتٍ تِجَارِيَّةٍ وَفَنْدَقٍ وَمَنَافِعٍ أُخْرَى، وَالْمَشِيدِ فِي حَيِّ الصَّحَافَةِ بِمَدِينَةِ الرَّيَّاضِ.

وَحَيْثُ يَرْغَبُ الْطَرَفُ الثَّانِي فِي اسْتِجَارَةِ الْمَسَاحَاتِ التِّجَارِيَّةِ الْوَاقِعَةِ بِالطَّابِقِ الْأَوَّلِ أَرْقَامُ مِنْ (٢٠١) إِلَى (٢١٤) وَمِنْ (٢١٩) إِلَى (٢٢٢) الْبَالِغِ مَسَاحَتِهَا الْإِجْمَالِيَّةِ (٢.٧٥١.١٩) مِتْرَ مَرَبِعٍ، وَالْمَحَلَّاتِ التِّجَارِيَّةِ الْوَاقِعَةِ بِالطَّابِقِ الْأَرْضِيِّ أَرْقَامُ مِنْ (١٠١) إِلَى (١١١) الْبَالِغِ مَسَاحَتِهَا الْإِجْمَالِيَّةِ (١.٢٤٦.٨٥) مِتْرَ مَرَبِعٍ لِتَصْبِحَ الْمَسَاحَةُ الْإِجْمَالِيَّةُ الْمُؤْجَرَةُ لِجَمِيعِ الْمَحَلَّاتِ (٣.٩٩٨.٠٤) مِتْرَ مَرَبِعٍ، وَمِنْ الْمَعْلُومِ لِلطَّرَفِ الثَّانِي أَنْ هُنَاكَ بَعْضُ الْمَسْتَأْجِرِينَ الَّذِينَ يَشْغَلُونَ بَعْضَ الْمَحَلَّاتِ التِّجَارِيَّةِ الْمَذْكُورَةِ وَيَصُدِّدُ إِخْلَاءَهُمْ مِنْ قَبْلِ الطَّرَفِ الْأَوَّلِ خِلَالَ الْفَتْرَةِ الْقَادِمَةِ حَسَبِ مَا سِيرِدُ تَفْصِيلاً فِي هَذَا الْعَقْدِ، وَذَلِكَ بِنَاءً عَلَى الْمَخْطُطِ الْعَامِّ لِلْمَحَلَّاتِ التِّجَارِيَّةِ



لملحق رقم (١)، ومخطط الطابق ورسم المساحة التجاري (ملحق رقم (٢))، واتفاقية مستوى الخدمة لأعمال التشغيل والصيانة (ملحق رقم (٣)) الملحقة بهذا العقد والتي اطلع عليها الطرف الثاني. لذا فقد اتفق الطرفان وهما بكامل أهليتهما وصفتهما المعتبرة شرعاً وبإيجاب وقبول متطابقين على إبرام هذا العقد وفقاً للشروط والأحكام التالية :

البند الأول:

يعتبر التمهيد السابق والملاحق المرفقة جزءاً لا يتجزأ من هذا العقد ومكملة ومتتممة لشروطه وأحكامه.

البند الثاني: مدة عقد الإيجار

١. إتفق الطرفان على أن يسري هذا العقد ويكون ملزماً للطرفين من تاريخ التوقيع عليه، وتكون مدة عقد الإيجار (٥) خمس سنوات ميلادية، تبدأ من تاريخ استلام العين المؤجرة.
٢. هذا العقد محدد المدة وينتهي بانتهاء مدته وتعتبر مدة العقد المذكورة أعلاه إلزامية لكلا الطرفين.
٣. يجوز تجديد هذا العقد بموافقة الطرفين الخطية المسبقة بموجب خطاب رسمي كتابي قبل (ثلاثة أشهر) على الأقل من انتهاء مدة العقد، ويتم التجديد بالشروط التي يتفق عليها الطرفان في حينه بقيمة تأجيرية جديدة.

البند الثالث: القيمة الإيجارية ورسوم التأمين

كما جاء بمقدمة هذا العقد من أن هنالك مساحات شاغرة حالياً جاهزة للتسليم للطرف الثاني وأن هنالك بعض المحلات التجارية مشغولة حالياً بمستأجرين ويصدد إخلاءهم من قبل الطرف الأول خلال الفترة القادمة، عليه يتم التسليم للمحلات التجارية الشاغرة حالياً وإخلاء المحلات المشغولة من قبل المستأجرين، على أن يلتزم الطرف الثاني بدفع القيمة الإيجارية المستحقة وتقديم ضمان بنكي غير مشروط بمبلغ رسوم التأمين للطرف الأول على النحو التالي:

١. من المتفق عليه بين الطرفين أنه خلال السنة الإيجارية الأولى لأي مساحة مؤجرة، والتي تبدأ من تاريخ تسليم المساحة للطرف الثاني، سيقوم الطرف الثاني بدفع قيمة الإيجار السنوي المستحق لها على أساس (١.٨١٧) ريال ألف وثمانمائة وسبعة عشر ريال للمتر المربع.

٢. ابتداءً من السنة الإيجارية الثانية للمساحات المؤجرة وحتى السنة الخامسة سيقوم الطرف

- الثاني بدفع قيمة الإيجار السنوي المستحق حسب المساحة المسلمة على أساس (١.٢٣٧) ريال ألف ومائتان وسبعة وثلاثون ريال للمتر المربع.
٣. يلتزم المستأجر بأن يدفع خلال (٤٠) يوماً من تاريخ استلام أي موقع بموجب محضر استلام موقع بين الطرفين ، كامل الأجرة السنوية للمواقع حسب مساحته المؤجرة المسلمة.
٤. يبدأ احتساب القيمة الإيجارية المذكورة في البند (٣) عن المواقع المسلمة، بعد (١٢٠) مئة وعشرين يوماً من تاريخ استلام العين المؤجرة بموجب محضر استلام.
٥. بقية سنوات مدة العقد للمحلات المستأجرة المسلمة يلتزم الطرف الثاني بدفعها سنوياً للطرف الأول كاملة خلال مدة أقصاها (٤٠) يوماً من بداية كل سنة إيجارية.
٦. يلتزم المستأجر بتقديم ضمان بنكي غير مشروط بقيمة (٤٩٤.٥٥٧) أربعمئة وأربعة وتسعون ألف وخمسمائة وسبعة وخمسون ريال، كتأمين لضمان تسديد تكاليف الصيانة والترميم للمساحة المؤجرة عند إنهاء أو إنتهاء العقد و سداد المتأخر من الفواتير المترتبة على الطرف الثاني.
٧. يتم دفع القيمة الإيجارية السنوية للمحل المؤجر وجميع المصاريف وسائر التزامات الطرف الثاني المالية المتعلقة بفترة الإيجار والمنصوص عليها في هذا العقد، بموجب حوالة بنكية في حساب المؤجر في بنك الجزيرة "شركة برج رافال للتطوير العقاري" التالي:

Branch:	Riyadh,Olaya Branch
A/C Title:	Burj Rafal Real Estate Development Company
A/C Number:	0842-600095-001
IBAN:	SA23-6000-0000-8426-0009-5001
Swift Code:	BJAZSAJE

ويصدر المؤجر سندات قبض موقعة من قبله بذلك.

٨. لا يحق للطرف الثاني بحال من الأحوال أن يطلب تخفيض أو تقسيط التزاماته المالية

المنصوص عليها في هذا العقد، كما لا يحق له إيداع أو طلب المقاصة لقيمة الايجار وسائر التزاماته المالية بموجب هذا العقد مقابل أية مبالغ قد تكون مستحقة للطرف الثاني فعلياً في ذمة الطرف الأول.

٩. من المتفق عليه بين الطرفين أن القيمة التاجيرية المذكورة أعلاه صافية لا تشمل أي رسوم استهلاك أو أي رسوم أخرى أو زكاة أو أي ضريبة أخرى أو أي رسوم قد تفرض على المساحة المؤجرة أو على الطرف الثاني من قبل الجهات المختصة.

١٠. في حال لم يتمكن المؤجر من الالتزام بما جاء في الفقرة (٢) من البند الثامن، يحق للطرف الثاني خصم ما قيمته (٥٠٠٠) خمسة آلاف ريال سعودي، من الدفعة المستحقة إلى حين تقديم شهادة سارية المفعول أو خطاب إفراج عن عقد من الهيئة العامة للزكاة والدخل.

البند الرابع: الغرض من التأجير

من المتفق عليه بين الطرفين أن الغرض من التأجير بموجب هذا العقد هو ممارسة الطرف الثاني لنشاط (مركز تدريب لعقد دورات تدريبية لمنسوبيه)، عليه فلا يحق للطرف الثاني بحال من الأحوال - طوال مدة العقد - استعمال المساحة المؤجرة في غير ما أقرت من أجله أو تغيير النشاط المذكور لأي سبب كان.

البند الخامس: تسليم المساحات المؤجرة

كما جاء بمقدمة هذا العقد من أن هنالك بعض المستأجرين الذين يشغلون بعض المحلات التجارية المذكورة ويصدد إخلاءهم من قبل الطرف الأول خلال الفترة القادمة، عليه يتم تسليم المساحات التجارية الشاغرة حالياً، وإخلاء المحلات المشغولة من قبل المستأجرين حالياً على النحو التالي:

١. يقوم الطرف الأول بتسليم الطرف الثاني المحلات المؤجرة الشاغرة حالياً، وهي عدد (١١) محل المتمثلة في الوحدات أرقام: (١٠٤ - ١٠٥ - ١١٠ - ٢٠١ - ٢٠٢ - ٢٠٤ - ٢٠٥ - ٢٠٦ - ٢٠٧ - ٢١١ - ٢٢٠)، حسب البيان المرفق لملحق رقم (٤) والبالغ مساحتها الإجمالية (٢٠١٤,١٩) متر مربع، وذلك خلال مدة (٣٠) يوماً من تاريخ توقيع هذا العقد خالية من أي موانع وجاهزة للانتفاع بموجب محضر استلام موقع من الطرفين.

٢. يلتزم الطرف الأول بتسليم المواقع المشغولة بمستأجرين وهي عدد (١٠) محلات المتمثلة في الوحدات أرقام: (٢٠٣ - ٢٠٨ - ٢٠٩ - ٢١٠ - ٢١٢ - ٢١٣ - ٢١٤ - ٢١٩ - ٢٢١ - ٢٢٢)، حسب البيان الملحق لملحق رقم (٥) والبالغ مساحتها الإجمالية (١,٣٧٤,٧٠) متر مربع، وذلك خلال (١٨٠) يوماً من تاريخ توقيع العقد خالية من أي موانع وجاهزة للانتفاع

بموجب محضر استلام موقع من الطرفين.
 ٣. يلتزم الطرف الأول بتسليم المواقع المشغولة بمستأجرين، وهي عدد (٨) محلات المتمثلة في
 الوحدات أرقام: (١٠١ - ١٠٢ - ١٠٣ - ١٠٦ - ١٠٧ - ١٠٨ - ١٠٩ - ١١١)، حسب البيان
 الملحق لملحق رقم (٦)، البالغ مساحتها الإجمالية (٦٠٩.١٥) متر مربع، وذلك خلال (٣٦٥)
 يوم من تاريخ توقيع العقد خالية من أي موانع وجاهزة للانتفاع بموجب محضر استلام
 موقع من الطرفين.

في حال عدم التزام الطرف الأول بتواريخ تسليم المواقع المنصوص عليها في الفقرات (٣.٢.١) من البند
 (٥)، فيتم منح الطرف الأول مهلة إضافية مدتها (٣) ثلاثة أشهر، وفي حال تأخر الطرف الأول عن
 تسليم الموقع بعد المهلة الإضافية فيحق للطرف الثاني ودون تحمل أي التزام مالي مقابل الطرف
 الأول فسخ العقد، ويلتزم الطرف الأول (المؤجر) في هذه الحال بإعادة المبالغ المالية المدفوعة من قبل
 المستأجر عن بقية المدة التي لم ينتفع بها المستأجر.

البند السادس: مسؤوليات والتزامات الطرف الثاني (المستأجر)

يلتزم ويتعهد الطرف الثاني (المستأجر) تجاه الطرف الأول (المؤجر) بالمسؤوليات والالتزامات التالية:

١. يلتزم الطرف الثاني بإجراء جميع أعمال الصيانة الطارئة والدورية والوقائية والصيانة بسبب
 سوء الاستعمال أو التضريط أو الإهمال أو خلاف ذلك للمحل المستأجر وتجهيزاته طوال مدة
 العقد الأصلية أو المجددة، وعلى وجه الخصوص أجهزة التكييف والإنارة، على أن تتم جميع
 أعمال الصيانة عن طريق جهات متخصصة مقبولة من الطرف الأول بموجب موافقات خطية
 مسبقة على حساب الطرف الثاني الذي يلتزم بالدفع فور مطالبته بذلك، ولا يحق له مطالبة
 الطرف الأول بأية تكاليف أو تعويضات فيما يتعلق بذلك.

٢. بما أنه قد تم الإتفاق بين الطرفين على عدم دفع الطرف الثاني لرسوم خدمات صيانة المرافق
 المشتركة وحراستها ونظافتها لقيامه بذلك عن طريقه الخاص، عليه يلتزم الطرف الثاني
 التزاماً تاماً - على حسابه الخاص - من بداية تاريخ تسليمه جميع المساحات المؤجرة
 بالعناية والحفاظة التامة للمساحة المستأجرة والمرافق والأجزاء المشتركة للمشروع - التي
 تخصه - وضمان استمرار المحافظة عليها والعناية بها بصورة جيدة والقيام بنظافتها

وحراستها يكون خالياً من الأوساخ والقمامة والنفايات ملتزماً في ذلك بعدم تخزينها والتخلص منها ووضعها في الأماكن المخصصة لها من قبل الطرف الأول، وفي حال مخالفة الطرف الثاني لما ذكر، يقوم الطرف الأول بالإجراء اللازم وتصحيح الوضع دون الرجوع على الطرف الثاني، كما يلتزم الطرف الأول وحده بصيانة المصاعد والسلالم الكهربائية.

٣. يلتزم الطرف الثاني بإخطار الطرف الأول خطياً وبشكل فوري بأي خلل أو عطل أو تلف أو ملاحظات أو مشاهدات يكون لها تأثير سلبي على سلامة المساحة المستأجر أو سلامة المساحات المجاورة أو مشروع البرج التي يكون الطرف الثاني سبب فيها، ملتزماً في ذلك بالقيام بالإصلاحات اللازمة عن طريق جهة متخصصة مقبولة من الطرف الأول بموجب موافقة خطية مسبقة. وفي حالة عدم قيام الطرف الثاني بإشعار الطرف الأول بذلك، يحق عندئذ للطرف الأول القيام بالإصلاحات اللازمة على حساب الطرف الثاني الذي يلتزم بدفعها للطرف الأول فور المطالبة بها مع تحمله كامل المسؤولية والأضرار والخسائر الناتجة بسببه عن ذلك.

ويلتزم الطرف الثاني - في كل الأحوال - بالسماح للطرف الأول لإجراء أعمال الصيانة والإصلاحات اللازمة على المساحة المؤجرة في الأوقات التي يحددها الطرف الأول بعد التنسيق مع الطرف الثاني.

٤. يلتزم الطرف الثاني بالمحافظة التامة على جميع التجهيزات الميكانيكية والكهربائية وغيرها من التجهيزات والواجهات والأبواب الموجودة على المساحة المؤجرة وجميع المرافق المشتركة لمشروع البرج واستخدامها بعناية الرجل الحريص. وفي حال عدم التزامه بما ذكر يكون مسئولاً مسؤولية تامة عن كافة الأضرار والخسائر التي يسببه تترتب على ذلك.

٥. يلتزم الطرف الثاني وعلى حسابه الخاص بسداد كافة فواتير منافع المحلات التجارية المؤجرة والتي تصدر باسم المستأجر أو باسم الطرف الأول وتكون متعلقة بالمحلات المؤجرة، ومنها على سبيل المثال لا الحصر: رسوم وفواتير الكهرباء من خلال عدادات الكهرباء الفرعية حسب التعرفة التجارية المطبقة على مشروع البرج من قبل الجهات الرسمية المختصة، ورسوم المياه حسب قراءة العداد الفرعي للإستهلاك، وتكلفة مياه التبريد (تكلفة السعة التبريدية بالإضافة لتكلفة إستهلاك التبريد)، طوال مدة العقد الأصلية أو المجددة، وفي حالة تم قطع

إحدى تلك الخدمات بسبب الطرف الثاني ، يلتزم الطرف الثاني بدفع كافة الرسوم والغرامات المستحقة عليه لإعادتها، كما يتحمل كافة أضرار وخسائر قد تحدث بسببه للطرف الأول أو المحلات المؤجرة أو المشروع أو الغير.

٦. يلتزم الطرف الثاني بتقديم المخططات التالية للطرف الأول قبل البدء في أعمال الديكور والأعمال المدنية والكهربائية للمحل المؤجر :

- مخطط نظام التكييف.
- جدول الأحمال والدوائر الكهربائية.
- مخطط الإنارة.
- مخطط نظام الإطفاء ونظام الإنذار عن والدخان والحريق.
- مخطط الأعمال المدنية.
- مخطط الواجبات.
- مخطط ورسومات الديكور.
- مخطط الأرضيات.
- مخطط الصرف الصحي والسباكة (إن وجد).
- مخطط الغاز (إن وجد).
- مخطط اللوحات والمواد المصنعة منها.
- أي مخططات أو رسومات أو جداول أخرى يطلبها الطرف الأول.

٧. يلتزم الطرف الثاني بالحصول على جميع السجلات والتراخيص والموافقات والوثائق والمستندات النظامية الخاصة بالطرف الثاني واللازمة لافتتاح وتشغيل المساحة المؤجرة وتجديدها في الأوقات المحددة لذلك وتزويد الطرف الأول بنسخ منها قبل التاريخ المحدد للافتتاح بأسبوعين على الأقل ونسخة من تجديدها في حينه. وفي حال تطلب النشاط التجاري الذي يمارسه الطرف الثاني من خلال المساحة المؤجرة أيًا مما ذكر ف يلتزم المستاجر بالحصول عليها وتزويد الطرف الأول بنسخ منها.

من المعلوم للطرف الثاني أن عدم تمكنه من الحصول على تلك السجلات والتراخيص

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والموافقات والوثائق والمستندات الخاصة بالطرف الثاني لا يكون عنراً أو حجة من قبله أو سبباً مشروعاً لفسخ العقد ويترتب على المستأجر دفع كامل الأجرة المستحقة للطرف الأول المنصوص عليها في هذا العقد.

٨. يلتزم الطرف الثاني بتزويد الطرف الأول ببوليصة التأمين الخاصة بالطرف الثاني.

٩. يلتزم الطرف الثاني بعدم إحداث أي إضافات أو تعديلات أيا كانت في العين المؤجرة أو الواجهات الخارجية لها إلا بعد الحصول على موافقة خطية مسبقة من الطرف الأول ولكل حالة على حدة وذلك دون أن يتحمل الطرف الأول أي تكاليف أو نفقات مقابل ذلك.

١٠. يلتزم الطرف الثاني ومنسوبيه بالمساحة المؤجرة التزاماً تاماً بمراعاة الأنظمة والتعليمات المرعية بالملكة العربية السعودية والأوامر واللوائح والقرارات والتعاميم ذات العلاقة بالإشراف والمتابعة للأسواق التجارية الصادرة عن الجهات الحكومية المختصة، وفي حال مخالفته أو مخالفة منسوبيه أو تابعيه لما ذكر فإنه يتحمل كامل المسؤولية المطلقة والتبعات التي تترتب على ذلك.

١١. تم الإتفاق بين الطرفين على أن يمنح الطرف الأول الطرف الثاني عدد (١٠٠) مائة موقف سيارة، يتم تسليمها للطرف الثاني تبعاً حسب المساحات المؤجرة المسلمة له على أن يلتزم الطرف الثاني ومنسوبيه والمتعاملين معه بالتقيد التام بإيقاف السيارات في الأماكن المخصصة له وفقاً لضوابط وتوجيهات الطرف الأول.

١٢. يقر الطرف الثاني بأنه قد منح الطرف الأول الحق في الإفصاح عن اسمه ورقم سجله وعنوانه وأرقام هواتفه وصندوق بريده وبريده الإلكتروني للجهات الحكومية وشبه الحكومية والخاصة وتسليم أي مستندات أي وثائق أو صور منها تكون متعلقة بذلك لأي سبب يكون متعلقاً بهذا العقد أو بتنفيذه، دون أدنى أي مسؤولية على الطرف الأول أو المالك أو منسوبيهم.

البند السابع: مسؤوليات والتزامات الطرف الأول (المؤجر):

يلتزم المؤجر بالتالي:

١. تسليم المستأجر العين موضوع العقد سليمة من أي عيوب وخالية من أي التزامات أو موانع لدى الغير أو الجهات الرسمية تمنع المستأجر من استغلالها والانتفاع بها وفق الشروط والأحكام التي تضمنها

- هذا العقد ومتوفر بها كافة الخدمات اللازمة لاستغلال العين المؤجرة.
٢. ضمان عدم اعتراض وصول ممثلي المستأجر للعين المؤجرة في أي وقت من الأوقات للقيام بالخدمات المطلوبة منهم لغرض الذي من أجله تم استئجار العين.
 ٣. المحافظة على سرية الأعمال والمعلومات التي قد تصل إليه بصورة مباشرة وغير مباشرة بشأن العمل بالعين المؤجرة.
 ٤. توفير وسائل السلامة والأمان للعين المؤجرة، ويعتبر مسئولاً عن أي أضرار تلحق بالمعدات والأجهزة والتوصيلات العائدة للمستأجر نتيجة الخطأ أو الإهمال من جانبه أو من جانب أحد منسوبيه.
 ٥. عدم التعرض للمادي أو النظامي للعين المؤجرة سواء منه أو من الغير، وفي حالة التعرض يتحمل كافة التكاليف والنفقات الناجمة عن هذا التعرض والتعويض عن أي أضرار تلحق بالمستأجر نتيجة هذا التعرض.
 ٦. توفير خدمات الكهرباء والمياه والهاتف إذا تم تكن متوفرة بالعين المؤجرة على نفقته الخاصة.
 ٧. يتحمل المستأجر تكلفة استهلاك المياه ونزح المجاري من الموقع دون مطالبة المؤجر بأي مبلغ مقابل هذه الخدمة.
 ٨. التنسيق مع المستأجر في حال قيامه بأي من أعمال الإصلاح والصيانة أو غيرها من الأمور التي تخص العين المؤجرة .
 ٩. في حالة بيع العين المؤجرة أو العقار الذي من ضمنه العين المؤجرة كلياً أو جزئياً أو انتقال ملكية العين أو العقار بأي وجه من وجوه انتقال الملكية للغير فإن العقد يعتبر مستمراً وناظراً في مواجهة المشتري أو من انتقلت إليه الملكية، وعلى المؤجر إلزام المشتري أو من انتقلت إليه الملكية باستمراره ونفاذ العقد بكافة الشروط التي تضمنها دون قيد أو شرط وإلا سوف يتحمل كافة الأضرار التي تقع على المستأجر نتيجة تصرفه.
 ١٠. تمكين المستأجر من إجراء التعديلات والتحسينات والإصلاحات للعين المؤجرة وتركيب القواطع واللوحات داخل العين وخارجها، وللمستأجر الحق في نقلها عند إنهاء أو انتهاء العقد وذلك بعد التنسيق مع الطرف الأول.
 ١١. في حال هدم العين - لا سمح الله - بسبب أمر حكومي أو نظام أو إجراء تتخذه جهة حكومية أو بسبب قوة قاهرة أو أي سبب آخر ذي طابع مماثل خارج عن الإرادة واستلزم ذلك التعويض عن الأضرار المترتبة

- عليه فان للمستأجر الحق في التمسك بحقه في التعويض من تلك الجهة أو من المؤجر بقدر ما أصابه من أضرار.
١٢. يلتزم المؤجر بعدم القيام بأي عمل يجعل الانتفاع بالعين المؤجرة مستحيلا أو مرهقا للمستأجر وعدم وضع عوائق أو أجهزة أو معدات أو لوحات تؤثر على طبيعة عمل أجهزة المستأجر بالعين المؤجرة ، ويلتزم المؤجر بإزالة هذه العوائق والأضرار الناشئة عنها على نفقته الخاصة متى ما وجدت.
١٣. لا يحق للمؤجر بأي حال من الأحوال المطالبة بزيادة القيمة الايجارية للعقد أثناء سريان مدته مهما كانت الظروف والأسباب.
١٤. يكون المستأجر خالي المسؤولية عن هلاك العين المؤجرة كليا أو جزئيا نتيجة للقوة القاهرة التي تخرج عن سيطرته على سبيل المثال وليس الحصر الزلازل والبراكين والحريق والعواصف وخلافه.

البند الثامن: الزكاة والضرائب والرسوم

لصرف المستحقات المالية للمؤجر فإنه يلتزم بتقديم الآتي للمستأجر:

١. تقديم شهادة مقيدة من الهيئة العامة للزكاة والدخل سارية المفعول لصرف المستحقات العادية.
٢. تقديم شهادة سارية المفعول أو خطاب إفراج عن عقد من الهيئة العامة للزكاة والدخل لصرف المستحقات النهائية.

البند التاسع: التنازل عن العقد والمساحة والتأجير من الباطن

١. يلتزم المستأجر بعدم تقبيل المساحة أو التنازل عنها للغير بمنفعة أو بدونها مهما كانت صلته أو علاقته بذلك الغير.
- كما يلتزم المستأجر بعدم تأجير المساحة من الباطن أو التخلي عن حيازتها أو التخلي عن إشغالها أو التخلي عن استخدامها دون موافقة المؤجر الكتابية المسبقة، وبناء على شروط وضوابط والتزامات هذا العقد وملحقاته.
٢. لا يحق للمستأجر التنازل عن هذا العقد أو المساحة موضوع العقد إلا بموافقة خطية مسبقة من المؤجر، وبناء على شروط وضوابط والتزامات هذا العقد وملحقاته ، وفي حالة حدوث أي تصرف من هذا القبيل يحق للمؤجر وضع يده على المساحة وإخلائه من الحائز واستلامه مباشرة والمطالبة بالحقوق المالية المترتبة على على المستأجر و المساحة حسب ما جاء بهذا العقد

وملحقاته.

البند العاشر: التلف

على المستأجر ألا يرتكب أو يسمح بارتكاب أي عملية إتلاف أو خراب أو تدمير في المساحة أو المجمع أو مشروع البرج تكون بفعله (المستأجر) أو منسوبيه أو المتعاملين معه ويتحمل وحده كافة تكاليف إصلاح التلفيات والأضرار الناشئة بسبب الطرف الثاني، ويتعهد بالمحافظة على المساحة والمجمع ومشروع البرج والأماكن العامة والمشاركة.

البند الحادي عشر: الدعاية الإعلان:

يلتزم الطرف الثاني بالتنسيق مع الطرف الأول فيما يخص أي لوحة أو مادة دعائية أو إعلانية يرغب الطرف الثاني بوضعها داخل أو خارج المحلات التجارية المستأجرة.

البند الثاني عشر: أحكام عامة

١. يخضع هذا العقد لتعاليم الشريعة الإسلامية الغراء والأنظمة السعودية وفي حال حدوث نزاع بين الطرفين في تفسير بنود هذا العقد أو تنفيذ شروطه والتزاماته، يتم حله ودياً ما أمكن فإن تعذر ذلك يحال النزاع إلى الجهات القضائية المختصة بمدينة الرياض للنظر في النزاع بين الطرفين.
٢. يلتزم الطرف الثاني فور فسخ أو إنهاء أو إنتهاء العقد بتسليم المساحة المؤجرة خالياً من أي أضرار أو تلفيات أو خسائر تكون ناجمة عن الاستعمال أو الإهمال أو خلافها باستثناء ما ينشأ عن الاستعمال العادي.
٣. يعتمد التقويم الميلادي على كل المدد الواردة أو الناتجة عن تنفيذ هذا العقد.
٤. تشكل شروط وأحكام هذا العقد مجمل ما تم الاتفاق عليه بين طرفيه فيما يتعلق بموضوعه وهو ملزم لهما ولخلفهما، ويحل محل أي مراسلات أو تفاهات أو اتفاقات سابقة شفوية كانت أم مكتوبة تتعلق بموضوعه، ولا يجوز تعديله حذفاً أو إضافة إلا بموافقة الطرفين كتابة ويقع باطلا أي تعديل يتم مخالفة لنص هذه الفقرة.
٥. إذا أصبح أي نص أو شرط من هذا العقد لأي سبب من الأسباب محظوراً أو غير صحيح أو غير قابل للتنفيذ لسبب خارج عن إرادة الطرفين، فإن ذلك الحظر أو عدم الصحة أو عدم القابلية للنفذ لن يؤثر على صحة وقابلية تنفيذ بقية أحكامه وشروطه والتي سوف تظل نافذة وسارية المفعول كما لو كانت هذا العقد لم يشتمل على تلك الشروط والأحكام المحظورة أو الغير

صحيحة أو الغير قابلة للتنفيذ وقت توقيع العقد.

٦. يقر الطرفان بتنفيذ هذا العقد وتطبيق شروطه والتزاماته بحسن نية والسعي للحيلولة دون حدوث أي خلافات من شأنها التأثير على تنفيذه أو الإضرار بالطرف الآخر وأن يقوموا بتسوية أي خلاف أو نزاع يحدث بينهما بالتفاهم الودي كل ما كان ذلك ممكناً.
٧. لا يكون المؤجر مسئولاً عن أي أضرار أو خسائر تحدث نتيجة لانقطاع التيار الكهربائي أو المياه أو أجهزة التكييف نتيجة لقوة قاهرة أو الحوادث الفجائية أو لأي أسباب خارجة عن إرادة المؤجر أو تحدث نتيجة لممارسة المؤجر لحقوقه المشروعة.

البند الثالث عشر: احتفاظ الطرفين بحقوقهم

إن جميع المساعدات والتسهيلات التي يقدمها أي طرف إلى الطرف الآخر على سبيل المعاونة - أي كان نوعها أو سببها - مثل التجاوز عن بعض مخالفات أي طرف لبندود وشروط والتزامات العقد أو أي مستحقات مالية بعد المواعيد المحددة أو السكوت عن استيفاء حقوقه من الطرف الآخر لفترة من الزمن - مهما طاللت - خلافاً لما اتفق عليه في العقد فإنه في جميع الحالات ، لا يعتبر ذلك تنازلاً للطرف عن حقوقه المترتبة على ذلك.

البند الرابع عشر: سريان العقد على الخلف

يسري هذا العقد على الخلف الخاص والعام للطرفين بكافة بنوده والتزاماته.

البند الخامس عشر: استلام وتسليم المساحة المؤجرة

يتم استلام وتسليم المساحة المؤجرة بموجب محضر تسليم واستلام موقع من قبل ذو صفة من قبل الطرفين.

البند السادس عشر: المراسلات بين الطرفين

١. اتفق الطرفان على أن العنوان الموضح في مقدمة هذا العقد هو العنوان المختار لكل منهما والذي يتم عليه تبادل أي مكاتبات أو إشعارات بينهما بموجب خطابات مسجلة ، واستثناء من ذلك يجوز لأي طرف أن يخطر الطرف الآخر عن طريق التسليم باليد إلى ذي صفة أو عن طريق البريد الإلكتروني أو الفاكسات مع إشعار بالاستلام في كل الأحوال .
٢. يجوز لأي من الطرفين تغيير عنوانه بإشعار الطرف الآخر قبل (١٤) على الأقل من تاريخ التغيير بموجب خطاب رسمي وإلا يعتبر العنوان المدون في هذا العقد هو العنوان المعتمد لدى الطرف

الأخر.

٣- جميع المراسلات والمكاتبات و الإشعارات بما في ذلك البريد المسجل والبريد الإلكتروني والفاكسات والتسليم باليد إلى ذي صفة من أي من الطرفين يجب أن ترسل إلى العنوانين أدناه :

أ. شركة برج رافال للتطوير العقاري

عناية السيد / عبد الرحمن باجنيد

ص.ب : ٦٩٢٩٠ الرمز البريدي ١١٥٤٧ الرياض

المملكة العربية السعودية

تلفون : +٩٦٦ ١١ ٢٠٠٨٣٣٣

ب. شركة الإتصالات السعودية

عناية الدكتور / خالد بن حسين البياري

ص.ب : ٨٧٩١٢ الرمز البريدي ١١٦٥٢ الرياض

المملكة العربية السعودية

تلفون : +٩٦٦ ١١٤٥٢٧٠٠٠

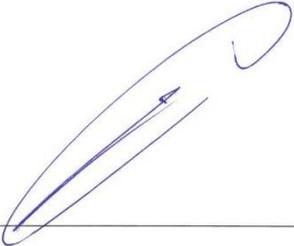
البند السابع عشر: لغة العقد

النص العربي لهذا العقد هو النص المعتمد والذي يجب الرجوع إليه عند الاختلاف.

البند الثامن عشر: نسخ العقد

حرر هذا العقد من نسختين بيد كلا الطرفين نسخة للعمل بمقتضاها ، وأصبح هذا العقد نافذاً في مواجهة الطرفين اعتباراً من تاريخ التوقيع عليه.

وعلى ذلك جرى التوقيع،، والله ولي التوفيق،،

المستأجر : شركة الإتصالات السعودية	المؤجر : شركة برج رافال للتطوير العقاري
الاسم : الدكتور / خالد بن حسين البياري	الاسم : عبد الرحمن بن عبد القادر باجنيد
التوقيع :	التوقيع :
	


 STC
 الاتصالات السعودية
 مكتب رئيس المجموعة
 Group CEO Office


 برج رافال
 RABUJAL
 شركة برج رافال للتطوير العقاري ش.م.ذ.
 Rafal Tower Development Co. LLC
 سجل تجاري: 1010261340

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APPENDIX 4 – SUMMARY OF DCF

Hotel Component

Kempinski Hotel		Valuation Date: 18-Mar-18									
King Fahd Rd											
Riyadh											
Freehold Valuation with Management Contract											
Period	1	2	3	4	5	6	7	8	9	10	
Year Ending March	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Total Revenue	86,434	95,474	101,419	107,074	113,042	119,339	125,978	132,976	140,453	148,220	
Adjusted NOI	42,189	45,978	48,199	49,815	52,592	55,521	58,610	61,866	65,345	68,958	
Capital Expenditure	0	0	0	0	0	0	0	0	0	0	
Cashflow Post-Capex	42,189	45,978	48,199	49,815	52,592	55,521	58,610	61,866	65,345	68,958	861,978
Running Yield	6.65%	7.25%	7.60%	7.86%	8.30%	8.76%	9.24%	9.76%	10.31%	10.88%	
Valuation						Analysis					
Exit Yield	8.00%					Net Value	603,780,504				
Discount Rate	10.50%					Keys	349				
						Net Value Per Key	1,730,030				
						Net Initial Yield	6.65%				
NPV Gross Value	633,969,529										
Tax Fees	5.00%										
Draft Net Value	603,780,504										
Net Value (Rounded)	603,800,000										



Retail Component

DISCOUNTED CASH FLOW (DCF) ANALYSIS												
RAFAL -RETAIL & OFFICE												Valuation Date: 18 March 2018
As Sahafah District, Riyadh, KSA												
Tenure: Freehold												
Growth Rate: 10.00% on the sixth year												
Void Costs: 3.00% Of All Voids												
Operational Cost: 5.00% Of Rent Passing												
Year	GLA (sqm)	1	2	3	4	5	6	7	8	9	10	Exit Value
Gross Revenue (Rental)												
STC - Office (Unit 201-214 & 219-222)	2,751.19	4,998,912.23	3,403,222.03	3,403,222.03	3,403,222.03	3,403,222.03	3,743,544.23	3,743,544.23	3,743,544.23	3,743,544.23	3,743,544.23	3,743,544.23
STC - Commercial (Unit 101-111)	1,246.85	2,265,526.45	1,542,353.45	1,542,353.45	1,542,353.45	1,542,353.45	1,696,588.80	1,696,588.80	1,696,588.80	1,696,588.80	1,696,588.80	1,696,588.80
Cavali Café	286.00	-	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00	1,210,000.00	1,210,000.00	1,210,000.00	1,210,000.00	1,210,000.00	1,210,000.00
Chocolate Bar	78.00	-	230,000.00	230,000.00	230,000.00	230,000.00	253,000.00	253,000.00	253,000.00	253,000.00	253,000.00	253,000.00
Flower Shop	64.00	-	105,000.00	105,000.00	105,000.00	105,000.00	115,500.00	115,500.00	115,500.00	115,500.00	115,500.00	115,500.00
Grocery Store	120.00	-	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00
Total Rent (Full Rental Value)	4,546.04	7,264,438.68	6,500,575.48	6,500,575.48	6,500,575.48	6,500,575.48	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03
Occupancy		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gross Current Rent		7,264,438.68	6,500,575.48	6,500,575.48	6,500,575.48	6,500,575.48	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03	7,138,633.03
Capital Costs		363,221.93	325,028.77	325,028.77	325,028.77	325,028.77	356,931.65	356,931.65	356,931.65	356,931.65	356,931.65	356,931.65
Void Costs		-	-	-	-	-	-	-	-	-	-	-
Net Current Rent		6,901,216.75	6,175,546.71	6,175,546.71	6,175,546.71	6,175,546.71	6,781,701.38	6,781,701.38	6,781,701.38	6,781,701.38	6,781,701.38	90,422,685
Present Value Formula		0.90909	0.82645	0.75131	0.68301	0.62092	0.56447	0.51316	0.46651	0.42410	0.38554	0.38554
Present Value of Net Rent		6,273,833.41	5,103,757.61	4,639,779.64	4,217,981.49	3,834,528.63	3,828,093.63	3,480,085.12	3,163,713.74	2,876,103.40	2,614,639.46	34,861,859.4
Exit Yield		7.50%										
Discount Rate		10.00%										
NPV (Gross value)	SAR	74,894,375.6										
Rounded Net Value	SAR	74,900,000										





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