



Valuation Assessment Report : a commercial centre

Submitted to : Al rajhi Capital

Report No. : 367321220181

Date : 06/01/2019



Assets Valuation



تقييم الأصول





Introduction :

Based on your agreement of employing Barcode Company, dated on 09/12/2018 to value residential property in Jeddah Ownership Deed No. (461), we confirm that our team has accomplished the task after inspecting the site and after considering all the price-sensitive factors.

Drawing on the accredited international standards and the professional practices of valuation to find the value of the real estate that is most appropriate for the purpose of drafting this report.

This report could be a reliable document to meet the purpose for which it is drafted, bearing into consideration that it is part and parcel.

Description :

1 - Applicant: (Client):

Al rajhi Capital

2 - Beneficiary (User of the report):

Al rajhi Capital

3 - Owner of the property :

Gulf Fund for Development and Investment

4 - Purpose of Valuation :

The Client (Al rajhi Capital) delegated Barcode Company to value the real estate under examination pursuant to the International Financial Reporting standards, on 09/12/2018 to REIT fund purposes , and the report has been drafted accordingly.

5 - Effective date of the value : 31/12/2018

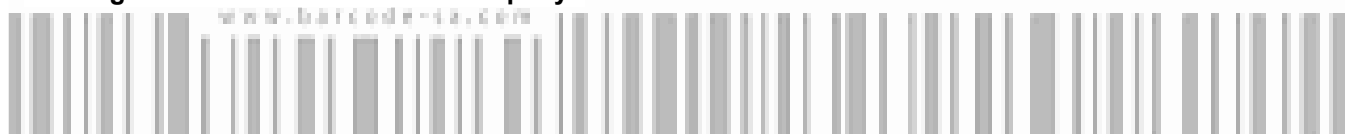
Technical and legal principles :

1- Eligibility of valuating the real estate :

Barcode Company has a cadre of professionals who can competently value this type of real estate. It can competently find the fair market value within the designated date. This is why it accepted the job.

2- Professional standards for valuation :

The valuation is based on the International Valuation Standards (IVSs 2017) issued by the International Valuation Standards Council (IVSC), in addition to the procedures and professional regulations adopted for valuating real estates. This involves analysis, comparison and inspection of every real estate as well as investigating the negative and positive factors of the real estate under examination as much as possible.



3 - Method of valuation :

We used the Income Approach : Discounting cash flow method

Income Approach : Method of finding a value index is by converting future cash flows into a capital value

4 - Basis of value :

The basis of value is The market value

According to the International Valuation Standards (IVS) :

"is 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 had each acted knowledgeably, prudently and without compulsion"

5 - Inspection :

For the purpose of this report and for undertaking the valuation process, the real estates have been inspected along with the neighboring location/s and the comparable/similar estates, if found. The process of inspection should not be counted for engineering inspection purposes and construction testing at any time.

6 - Sources and nature of data :

In drafting the valuation report we adopted a range of information, data and surveys which we think are adequate for the purpose and time of drafting the report.

7 - Ownership deeds :

A copy of the ownership deed was previewed and it is assumed that it is authentic and we disclaim any responsibility form any replica or counterfeit.

8 -Capacity of disposition over the real estate: absolute

it is assumed that there are no restricting conditions such as : religious constraints, legal, or business rules & regulations that restrict either the assignment or use of the real estate.

9 - Conditions of legal use of real estates pursuant to municipal regulations :

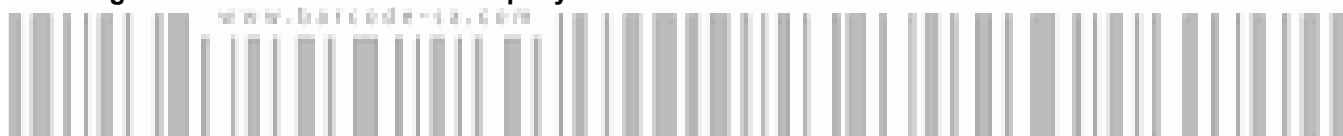
commercial, residential and office building :

10 - Insurance document benefits and risk protection :

The insurance document has not been sent by the client.

11 - Liability :

The valuation task and its enclosed report is undertaken as a solely consultative process that is unbiased and transparent, without intervention from any third party.



12 - Intellectual Property and reuse :

The report in content and form is considered an intellectual property. All parties, including the client and beneficiaries, will not reproduce the whole or any part of the report without our prior written approval.

13 - Confidentiality :

The report has been drafted upon a request and for a consultative purpose. Therefore, we realize how extremely important on the part of the applicant to maintain the data and results of the report confidential. We abide by that and will not further reproduce the data of the client “explicitly” outside this report. All the data of the report belong solely to the applicant and the beneficiaries identified in the report and no other party is entitled to access it.





14 - Valuation Team Members :

The work team has previous experiences in this field and holds certificates in valuation from accredited institutions. Team members have adequate experience of the areas and categories of the real estates under examination. They confirm that they have competence to draft the report without difficulties according to International Valuation Standards and here is a list of the work team members.

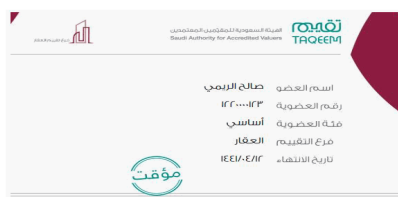
Name

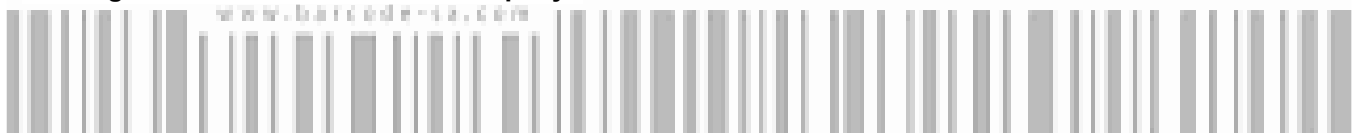
Identity

Signature

Abdulkarim Abanumay
1210000001

Sultan Al-Huthaify
1220000056

Saleh Mohammed Al-Remi
1220000123

Hassan Abdulkadir Ateeq
1210000054





Assumptions and Special Assumptions

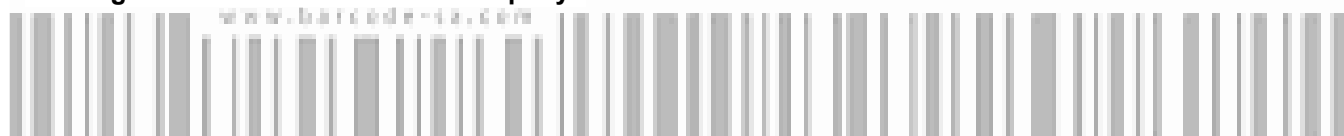
Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigation or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

A Special Assumptions is an assumptions that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date.

- 1 - Regular running operation and maintenance are effective to maintain revenues.
- 2 - Analyses and outcomes are limited to the stated assumptions and conditions.
- 3 - The occupancy rate of the property was 95% and the maintenance and operation ratio was 10 %
- 4 - property total income 16,374,321SR
- 5 - Income data as received from the client after reviewing its logic with market prices
- 6 - it has been assumed that the rent contract of the offices and exhibitions is standing and will be renewed for a similar period

Risks:

- 1 - Risks of non-renewal of contracts
- 2 - Risks of general, expected and current economic status
- 3 - Risks of regulation decisions of the government
- 4 - Risk of not renting a vacancy
- 5 - Risk of termination of contracts due to many other offers
- 6 - Risk of slow demand of rent due to high vacancy rate in office buildings



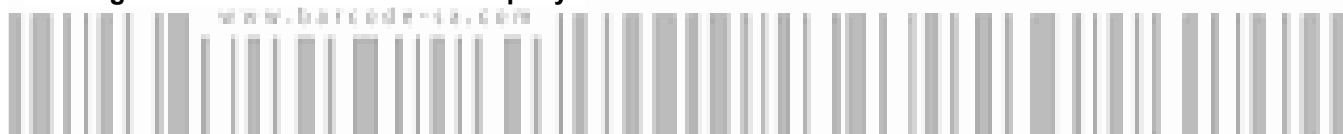
Operational Summary

Upon the final proposal submitted to you and your subsequent agreement, you will find below a summary of our valuation of the real estate and we confirm that we have conducted the required research and obtained the necessary data for the valuation. For further details, it is recommended that you would have a look at the whole report that is part and parcel.

Report Summary

Applicant (Client)	Al rajhi Capital
Beneficiary (User of the report)	Al rajhi Capital
Purpose of valuation	REIT fund purposes
Address of the real estate	Jeddah , , Master plan - ,Lot : -
Type of the real estate	a commercial centre
Land Size	9,565.85
Name of the owner	Gulf Fund for Development and Investment
Deed No.	461
Date of Deed	17 / 02 / 1396
Type of ownership	absolute ownership
Basis of Value	The market value
Standards of valuation	International Valuation Standards (IVSs) translated by TAQEEM - 2017
Method of valuation	Income Approach : Discounting cash flow method
Date of approval	09/12/2018
Date of inspection	10/12/2018
Date of effective value	31/12/2018
Amount Of Valuation	SR 184,058,616 One Hundred Eighty Four Million Fifty Eight Thousand Six Hundred Sixteen Riyals and Thirty Four Halala

Note :



Real estate Description	
Type of the real estate	a commercial centre

Ownership Description	Notes
Owner :	Gulf Fund for Development and Inves
ID No.	1010893165
Deed No.	461
Deed Date	17 / 02 / 1396 -
Construction Permit No	1358
Construction Permit Date	19 / 06 / 1430 -
Land division Report	-
Land division Report Date	-
Writ ordinance for Deed No.	-
Land survey ordinance No.	-

Real estate Property location	Notes
Country	Kingdom of Saudi Arabia
Region	Makkah Region
City	Jeddah
Urban location	Inside Urban Zone
District	
Master plan Name	-
Master plan No.	-
Block No.	-
Lot No.	-
Unit No.	-
Location Coordinates	N 21.51543 , E 39.16733

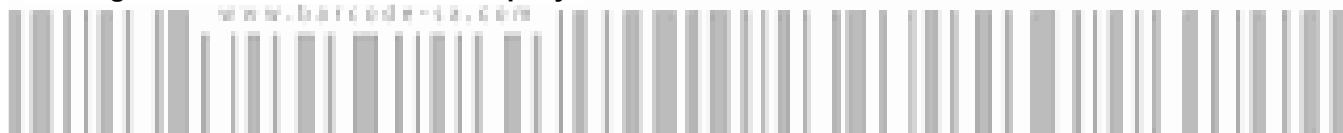


Description Of the land

The land is used per regulations	commercial, residential and office building
Land Size according to : Deed	9,565.85 sq m
Land shape	irregualr
Land Terrain	Flat Land
Construction of the neighboring lot	constructed

Boundaries & Lengths

Dimensions	Length	Boundary	Street Width	Street Name
North	75 M	street	34 M	Maadi
South	91 M	street	12 M	fid alahsan
East	103.24 M	street	12 M	fid alsma
West	109 M	street	80 M	Andalus
Notes				



Description of the building and finishings

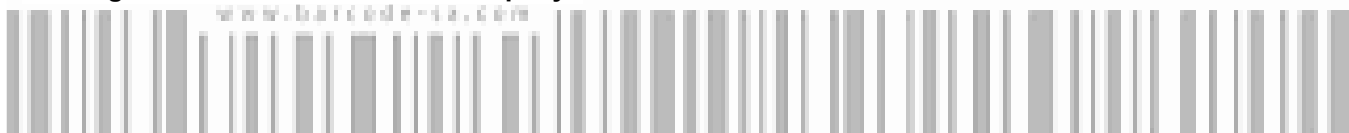
type of construction	concrete	Basement	1
Status of the building	very good	Ground Floor	1
Vacancies	non-vacant	Mezzanine	1
Usage of the building	commercial, residential	Repeated floors	8
Construction size according to : rate of the value assessor	32,040	Quality of finishing	good
Age of the building according to : construction permit	13	Finishing of ceilings	artificial ceiling
		Finishing of floors	-
Total number of floors	10	Type of air conditions	central

services of the building

elevators	escalators	firefighting system	alarm system	desanilators	Elect. generators
✓	✓	✓	✓	□	✓

Remaining construction operations

Percentage of Completion of Construction and Finishing	100 %	Approximately
Expected Completion Value	From (0) To (0)	Approximately
Notes		



Description of the

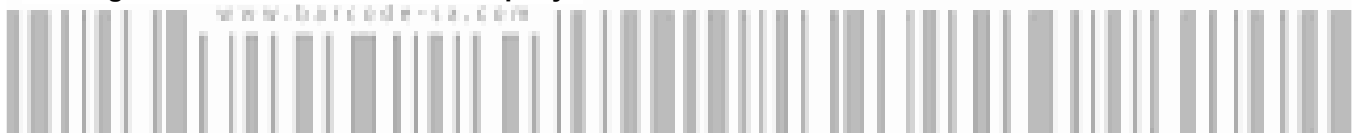
services and facilities around the real estate

Infrastructure of the real property		available	not available
Public services	Governmental departments	✓	
	Banks	✓	
	Medical services	✓	
Business services	malls	✓	
	restaurants	✓	
	Gas stations	✓	
Infrastructure utilities	Electricity plants	✓	
	Sewage system	✓	
	Water pipes	✓	
	Telephone	✓	
	Torrent drainage	✓	
Public facilities	Mosques	✓	
	Parks	✓	
	Educational	✓	
Municipal equipment	Paving	✓	
	Flooring	✓	
	Lighting	✓	
	Tree-planting	✓	
	others		

Services available in the real estate

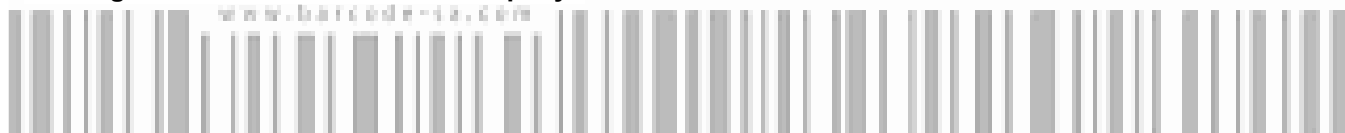
Water	Telephone	Electricity	Drainage
available	available	available	available

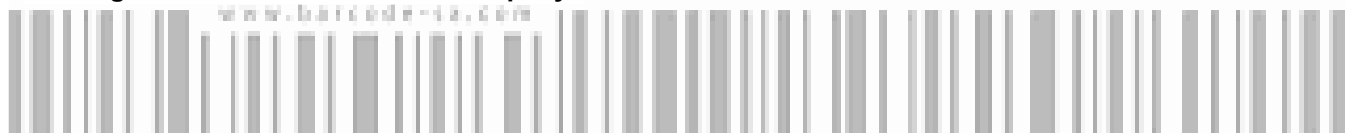
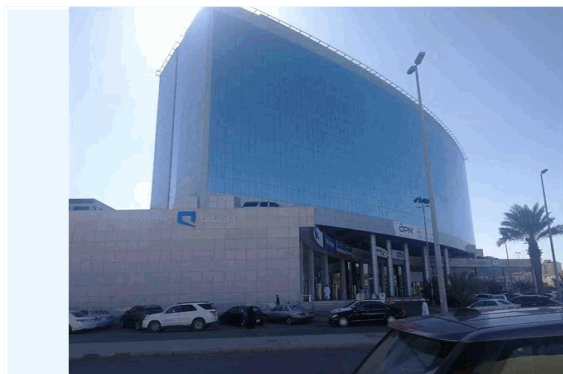
Note





pictures of the real estate







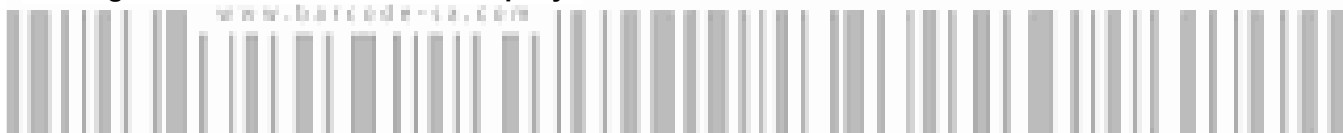
Aerial pictures



an aerial sketch photo of the real state location



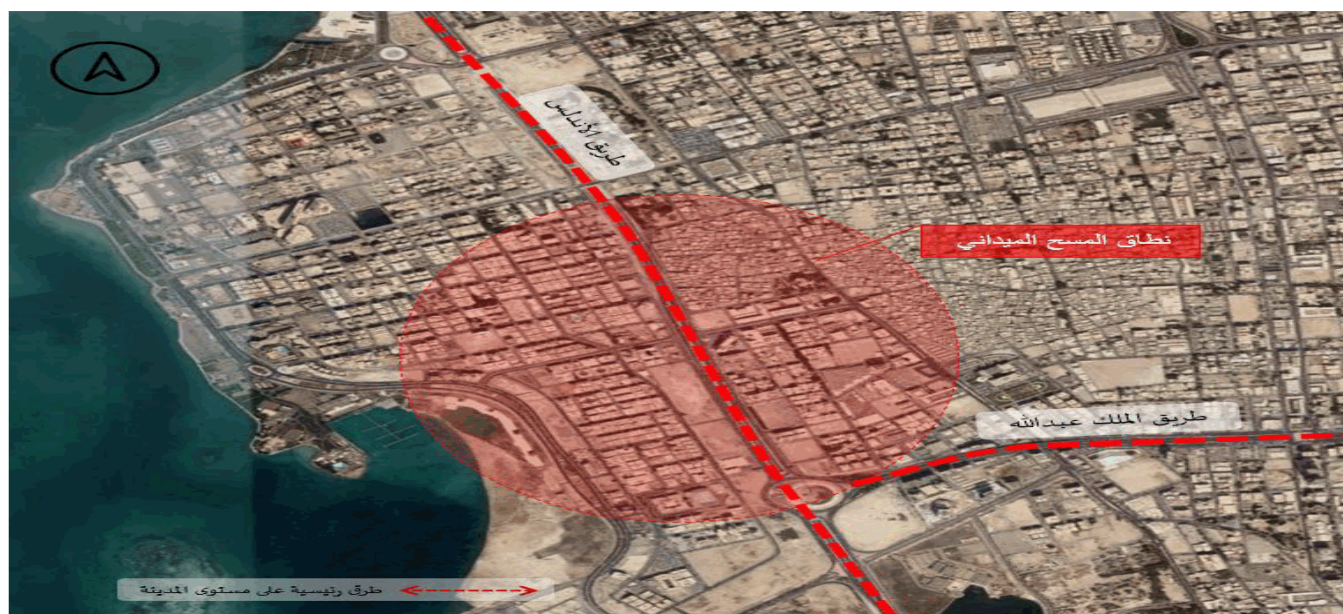
an aerial photo across the real state



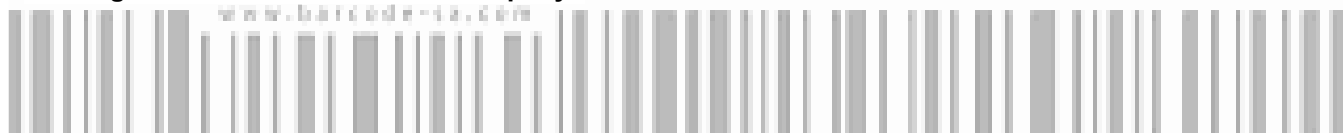


Market Survey

NO	Property Type	Land Size	Total value	meter Price	Type	Note
1	commercial p	750	6,000,000	8,000	Sell Price	
2	commercial p	3,400	34,000,000	10,000	Sell Price	
3	commercial p	2,669	26,690,000	10,000	Sell Price	
4		370	600,000	1,622	--	
5		270	400,000	1,482	--	
6		111	200,000	1,802	--	
7	Apartments o	125	61,875	495	--	
8	Apartments o	3,000	3,000,000	1,000	--	



An aerial photograph showing the location of the neighboring real estates for the property undertaking



Value Estimation

Estimation of the value in the discounted cash flow method (DCF)

Income capitalisation for the last value		Discount rate		Sustainable growth rate		Income capitalisation	
% 7.50		% 9.50		% 2.00		% 7.50	
Payments date	2018/12/19	2019/12/19	2020/12/19	2021/12/19	2022/12/19		
Period	1	2	3	4	5		
Net cash flow	14,000,044	14,280,045	14,565,646	14,856,959	15,154,098	-	
Last value						202,054,645	
Current value of payments	12,782,041	11,909,558	11,099,022	10,340,444	9,622,852	128,304,699	
Fainal value	184,058,610						

Total Value

184,058,616 SR	One Hundred Eighty Four Million Fifty Eight Thousand Six Hundred Sixteen Riyals and Thirty Four Halala
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Conclusion :

At the end of this report we would like to confirm the following:

- Analyses and outcomes are based on the stated assumptions and circumstances.
- All Barcode valuers have no conflict of interests in the valuation.
- All the valuers have the required qualification to prepare the report.
- The work team have the required experience for this kind of valuation.
- The location was inspected by the Barcode team.

We confirm that we have conducted the valuation according to your instructions. In case you have inquiries or further explanation, please contact any of Barcode members listed below :

Riyadh :

Intersection of al-jamiah street, with Othman bin Affan street

Jeddah :

Prince Sultan road, North Al-Tarikh square

Eastern Province :

Khobar - Prince Faisal bin Fahad street, (Pepsi street)

info@barcode-sa.com

www.barcode-sa.com

Unified Number :

920005564

End of the Report

