

REAL ESTATE VALUATION



ESKAN TOWER 4 MAKKAH CITY

PREPARED FOR
MUSCAT CAPITAL

DECEMBER 2018





REF: WCRE-18-318
Date: 30/12/2018
M/S Muscat Capital
Attn Mr. Saud Al Otaibi

Contact No: +966 11 279 9546
Email: saud@muscatcapital.com.sa

Subject: Valuation Report for Eskan Tower 4 in Makkah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 28, 2018 for valuation service of the hospitality project (Eskan Tower 4) located in Makkah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

Member of the Saudi Authority of Accredited Valuers (Taqeem)
Member of the International Association of certified valuer
Member of the Arab Academy for Valuation
Senior Sworn Valuer in the Lebanese Ministry of Justice
Member of the American Institute for Valuation

License No. 1220000263
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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





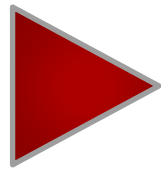
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INTRODUCTION

This section is to express disclosures, disclaimers and general statements about the limitations of the valuation procedures.



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1.1 INSTRUCTION

We have received instruction from Muscat Capital dated on November 28, 2018 to proceed with the valuation service for Eskan Tower 4 in Makkah city.

Valuation Type	Real Estate
Instructions From	Muscat Capital
Property Type	Hospitality
Property Name	Eskan Tower 4
Location	KSA, Makkah

1.2 CLIENT

The client to whom this report is prepared is Muscat Capital, a company working under the Saudi law and regulations.

Client Name	Muscat Capital
Domain	Investment Firm
Location	KSA, Riyadh
Contact Person	Mr. Saud Al Otaibi

1.3 INTEREST TO BE VALUED

We are instructed that the Subject Property should be valued as freehold, free from any encumbrances or third-party interests. We have not made any investigation on the title and have assumed that any such investigation would not identify any discrepancies in ownership.

1.4 STATUS OF CONSULTANT / VALUER

We confirm that the Valuer / Consultant has no material connection or involvement with the subject of the valuation or with the Client and can provide an objective and unbiased valuation. We confirm the Valuer is competent to undertake the valuation assignment and has sufficient skills and knowledge of the respective market to undertake the valuation.

1.5 INDEPENDENT CONSULTANT

An External Valuer is defined in the RICS Standards as; *"A valuer who, together with any associates, has no material links with the client company or the subject of the assignment."*

We confirm that we are an independent contractor for the subject service, and nothing contained in this agreement shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between the client & White Cubes staff. We also confirm that we have no conflict of interest to the client's property.

1.6 STRUCTURAL STABILITY (IF ANY)

Our scope of service does not include any technical testing of structure for stability and strength measurements. However, and in case of any visually observed and noted deficiencies within the structure, we will note them in our report and to be reflect in the estimation of value.

1.7 OPINION OF VALUE

All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.8 VALUATION STANDARDS

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (2014 edition) and Rules of Conduct for members. In addition to recently published International Valuation Standards issued by IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers).



الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers



1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust Purposes

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes
Government expropriation Purposes	Losses& Damages Purposes	Others.

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **The Income Approach & Depreciated Replacement Cost (DRC)**.

1.10 CLIENT APPROVAL DATE

The client approval date reflects the green light given to use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 28, 2018.

1.11 INSPECTION DATE

The inspection date reflects the exact date of the property's inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

December 04, 2018.

1.12 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2018.

1.13 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size and location of the subject property.

December 30, 2018.



1.14 INSPECTION ROLE

A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

COMMENT ON STRUCTURAL
DESIGN

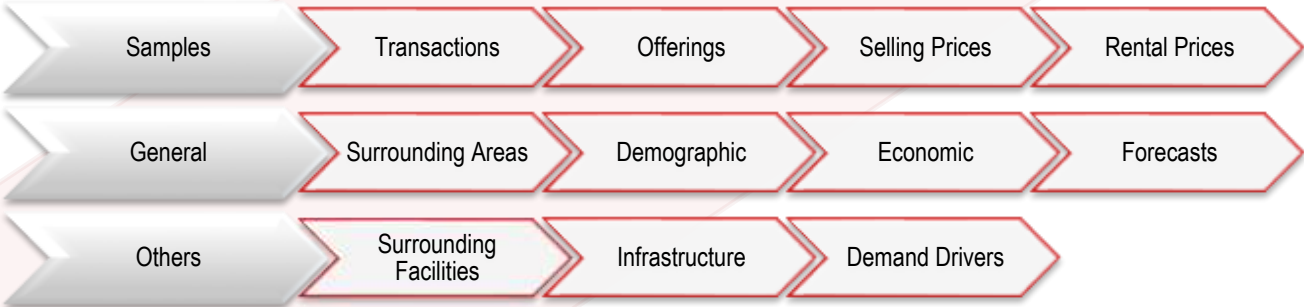
INSPECTION SUMMARY NOTES





1.15 MARKET SURVEY

During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.



1.16 REPORT CURRENCY

This report is using the currency of Saudi Arabian Riyals (SAR)



1.17 INSURANCE

We have not been provided with any insurance policy for the subject property.

1.18 LEGAL NOTICES

We are not aware of nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law.

	No Issues	Issues Noted	We have not been informed
Court Disputes	-----	-----	✓
Un Authorized Documents	-----	-----	✓
Conflict with Municipality Regulations and Law	-----	-----	✓
Mortgage and financing issues	-----	-----	✓

1.19 INFORMATION SOURCE

For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily active most known recent market activities. In addition, we have relied on the following sources in the valuation process.

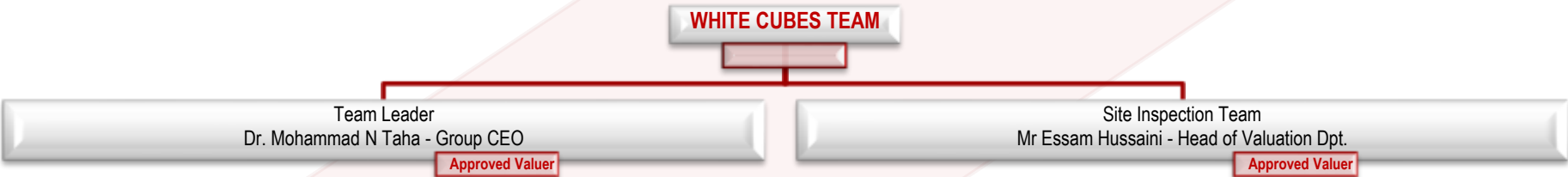
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

We confirm that the undersigned valuer(s) undertaking this instruction are suitably qualified and have the appropriate knowledge and skills to undertake this instruction. Even so, the valuer(s) acknowledge the significant assistance provided by the:



1.21 OUR ACCREDITED VALUERS IN TAQEEM

Our main accredited Valuers and officially authorized by White Cubes Real Estate to sign on any document published by us are as per the following:

- 1 Dr. Mohammad N Taha – Partner – CEO
License Number 1220000263
- 2 Mr. Essam M. Hussaini – Owner – Head of Valuation Team
License Number 1210000474

101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116		
Valuer Name		Completed Courses in Taqeeem															
		101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116
Dr. Mohammad N Taha		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Essam M. Hussaini		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						

1.22 VALUATION COMPLIANCE

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2014 Edition). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

1.23 VALUATION STANDARDS

The valuation approach done into this report took into consideration the valuation standards approved by the following associations.

- TAQEEM (Saudi Authority of Accredited Valuers).
- RICS (Royal Institution of chartered Surveyors)
- IACVA (International Association of Certified Valuers & Analysts)
- IVSC (International Valuation Standards Council)
- ARV (Arabic Academy of Valuation)

1.24 BASES OF VALUATION:

Market Value

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

“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

“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 WILLING BUYER

“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 WILLING SELLER

“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

“in an arm's-length transaction” is one between parties who do not have a particular or special relationship, eg 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

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to effect 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;



**KNOWLEDGEABLY
AND
PRUDENTLY**

‘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;

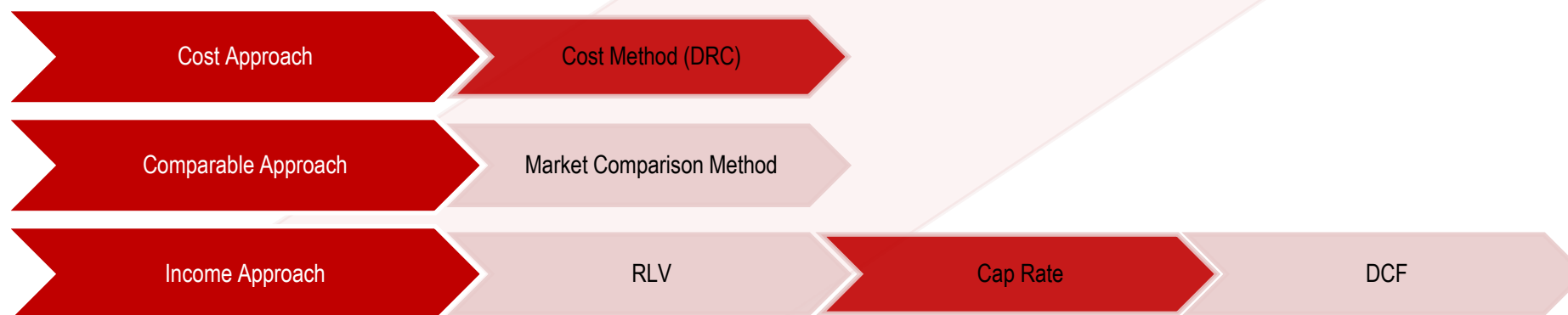
**AND
WITHOUT
COMPULSION**

‘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.



1.25 VALUATION APPROACH:

According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of real estate valuation Approach as follows:



DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for market value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and churches, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.



COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included, since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

DISCOUNTED CASH FLOW (DCF)

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property



RESIDUAL LAND VALUE (RLV)

The residual land value is a method used to determine the value and potential profitability of a piece of property less any expenses related to the land. Residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land. The application of the residual method of valuation is based on the principle that the price to be paid for a property that is suitable for development is equal to the difference between (i) the completed value of the highest and best form of permitted development and (ii) the total cost of carrying out that development. Thus, the net capital value of the completed development is assessed (after deducting any costs of sale) on the assumption that it has been developed for the most valuable form of development, and from that value is deducted the cost of all construction and building work required to carry out the development (including all ancillary costs, e.g. purchase costs, letting fees, finance, etc.), as well as an appropriate allowance for profit on the development

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	-----	-----	-----	-----
Building	-----	-----	-----	-----	-----
Overall Property	✓	-----	✓	-----	-----





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

The subject property was previously valued by White Cubes
White Cubes was previously involved in selling activities related to the property
White Cubes was previously involved in advisory services related to the property

No	If Yes		Remarks
	Client	Date	
✓	Muscat Capital	June 2018	_____
✓	_____	_____	_____
	_____	_____	_____

1.27 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.

1.28 ENVIRONMENTAL MATTERS

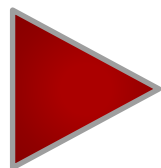
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

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 uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

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





PROPERTY INFO & VALUATION

This section indicates full description of the subject property / properties that contains the legal documents info, location, components, status, condition and many other elements.



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2.1 PROPERTY DESCRIPTION

The subject property is a hospitality tower composed of 23 floors located in Azaziah district, Makkah city. The Property has a total land area of 1,287.97 Sqm. It is fully constructed and used as pilgrim’s accommodation. As per the city’s municipality rules and regulations, the subject property is zoned as Commercial and Hospitality type. It is open on the east and the west side, having a direct view on Al Masjid Al Haram road and Nabtat Sayf street. The subject property has an underground parking spots plus five units in the ground floor level for reception and commercial use. The subject property is currently fully leased to one tenant as per the following details of the leasing contract:

Leasing Contract for Eskin 5	
First Party	Machaer REIT For Real Estate.
Second Party	Eskin For Investment & Development.
Date of The Contract	09/04/1439 (27/12/2017).
Contract Period	15 years and can be cancelled with a written agreement of both parties after the first 5 years period.
Leasing Value	12,825,000 SAR/Year for the first 5 years and in case of renewal the leasing value remains the same (12,825,000SAR) with an increase of 10% every year.





2.2 TITLE DEED & OWNERSHIP

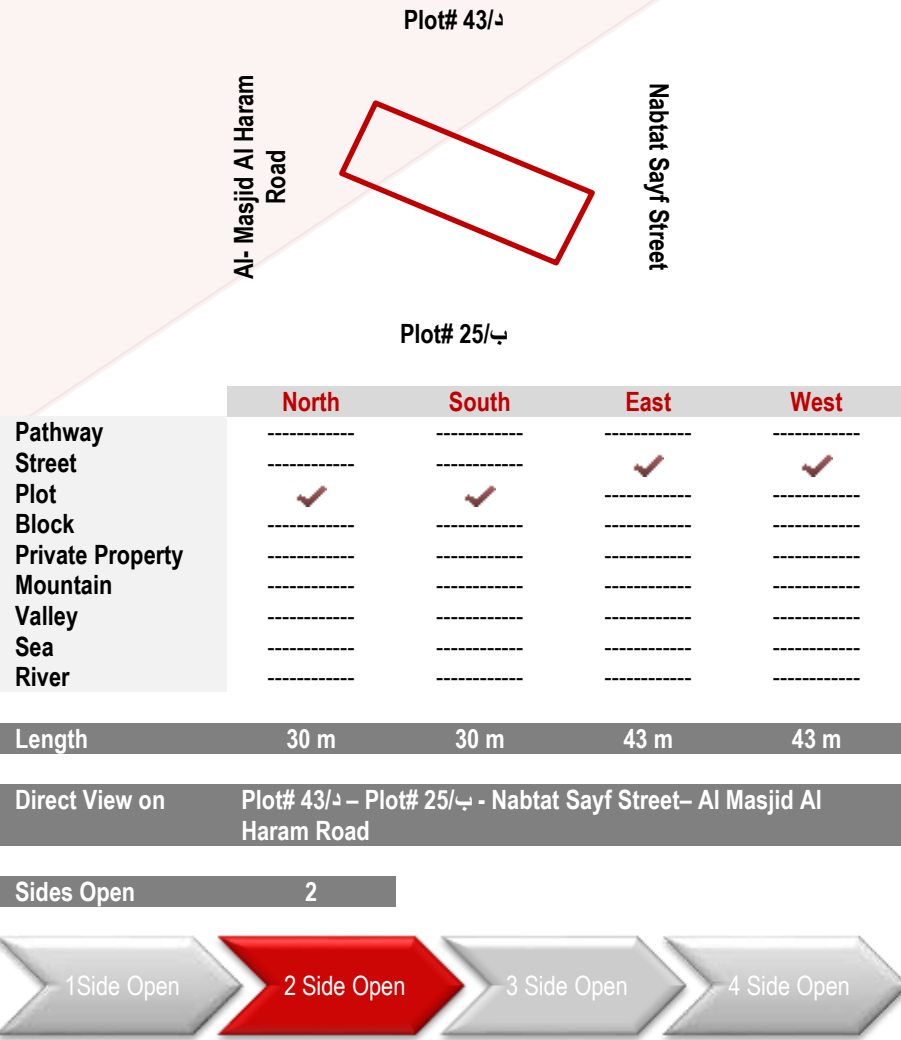
We were provided with copy of the title deed of the subject property which is owned by one title deed. The details of the subject property:

City	Makkah
District	Azaziah
Title deed Type	Electronic
T.D No.	320123008398
T.D Date	08/04/1439 H. D
Title Deed Value	N/A
Date of Latest Transaction	N/A
Issued by	Makkah Notary
Property Type	Hospitality Tower
Land Area (Sqm)	1,287.97
Plot No.	1/277
Block No.	N/A
Layout No.	1 /21 /7ج
Owners	Machaer REIT For Real Estate
Ownership	Freehold
Limitations of Document	N/A

Notes

The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.3 BOUNDARIES





2.4 CONSTRUCTION & BUILDINGS:

The subject property is a fully constructed Hospitality Tower composed of 23 floors. The Client has provided us with a copy of the Construction Permit issued by Makkah Municipality with the below details:

Subject Property			
Construction Permit Type	New Permit		
Property Type	Residential commercial		
Construction Permit No.	68605		
Construction Permit Date	14/10/1432 H. D		

Description	No. of Units	Area (sqm)	Use
Basement	1	1,287.97	Parking Spots
Ground Floor	5	789.9	Reception + Commercial
Mezzanine	1	587.86	Reception
Restaurant Floor	1	824.91	Restaurant
Mosque Floor	1	824.91	Mosque
17 Typical Floors	82	12,304.6	Residential
Annex Floor	1	261.2	Residential
Stair Case & Elevators	1	75.43	Stair Case & Elevators
Sewage Tanks	1	6	Sewage Tanks
Total BAU (sqm)		18,053	

The client has provided us with copy of the Title Deed which was assumed to correct and authentic. It is not in our scope to run legal diagnoses to any legal document.

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



2.5 TOURISM ACCOMODATION LICENCE

The client has provided us with copy of the tourism accommodation license issued by the Saudi Commission for Tourism and Antiquities. The Details are shown below:

Tourism Accommodation License	
License No.	4101406
Issuance Date	04/03/1435 H. D
Trade Name	Eskan 4
Owner's Name	Eskan Company
Operator's Name	Eskan Company
District	Azaziah
City	Makkah

2.6 PILGRIMS PERMIT

The client has provided us with copy of the pilgrims permit which was assumed to be correct and authentic. We must note that it is not in our scope to run legal diagnoses to any legal document. The details are shown below:

Pilgrims Permit	
Permit No.	13637
Permit Issuance Date	11/06/1436 H. D
Total Number of Rooms	450
Number of Pilgrims	1868
Number of Elevators	6
Number of Internal Emergency Staircases	2
Number of Electrical Generators	1

Means of Safety Available in the property	
Automatic Sprinkler System	Fire Alarm System
Fire Extinguishing System	Fire Pump







2.7 LAND SPECS

The subject property (Land Only) has the following criteria:

Current Land Status		Current Land Use		Current Land Grading		Current Surrounding Property	
Vacant	-----	Commercial	✓	Graded	✓	Commercial	✓
Constructed	✓	Industrial	-----	Semi-Graded	-----	Industrial	-----
Under Construction	-----	Residential	✓	Mountain	-----	Residential	✓
Excavated	-----	Agricultural	-----	Valley	-----	Agricultural	-----
Raw Land	-----	Mix Use	-----	Slope	-----	Mix Use	✓

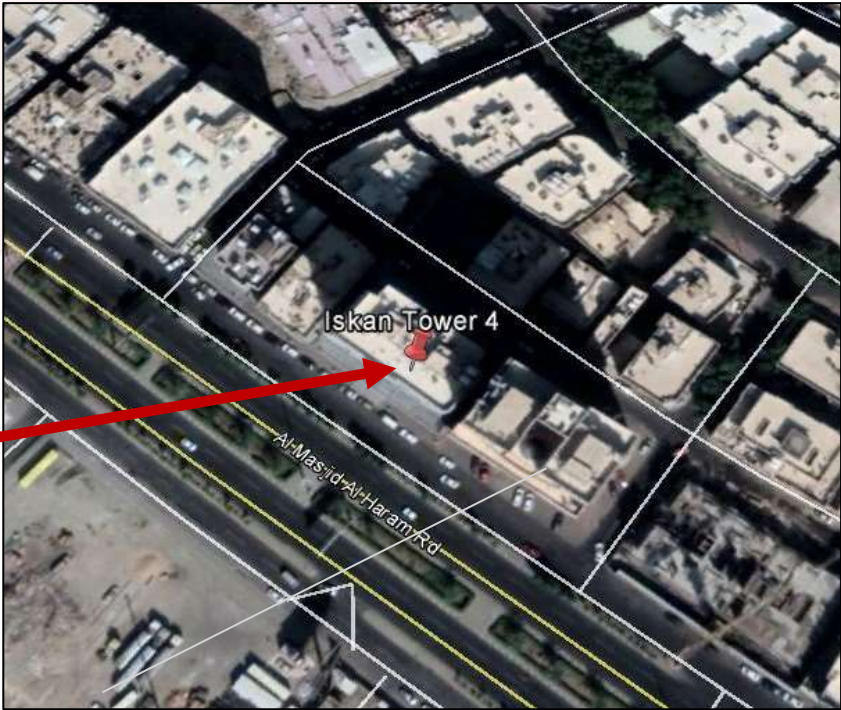
2.8 INFRASTRUCTURE FACILITIES:

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	
			



2.9 LOCATION

The subject property is located in Azaziah District in Makkah city with a direct view on Al-Masjid Al Haram Road. The location and coordinates of the subject property are as follows:



N Coordinates	21°24'10.32"
E Coordinates	39°52'36.39"
City	Makkah
District	Azaziah
Street	Al-Masjid Al Haram Road
Property Type	Constructed Land

Source: White Cubes & Google Maps



2.10 ACCESS & LAND MARKS

The subject property can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

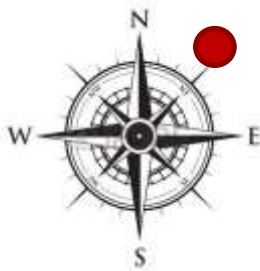
The subject property can be accessed through the following roads:

East Side: Nabtat Sayf Street
West Side: Al-Masjid Al Haram Road

LAND MARKS

- 1- Family Shopping Center (0.4 Kilometre)
- 2- Alqaraat Mall (0.2 kilometre)
- 3- Centrepont (0.4 kilometre)
- 4- Souk thil majaz (0.47 Kilometre)
- 5- Aziziah Market (0.6 Kilometre)
- 6- Salam Commercial Market (0.7 Kilometre)
- 7- City Government Office (0.25 Kilometre)
- 8- Family Development Association in Makkah (0.4 Kilometre)
- 9- Bawarith Plaza (0.6 Kilometre)
- 10- Retaj (0.5 Kilometre)

Location of the subject property according to the City Center





2.11 PHOTO RECORD

Date of Photos: December 04, 2018





2.12 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki ✓
Master Plan ✓	Layouts ✓	3D Design & Perspectives ✓
Pictures ✓	Presentation of the subject property ✓	Pilgrims Permit ✓
Location Link ✓	Contact Details ✓	Costing & Budget ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX ✓
Forecasts & Expectations ✓	Income & Revenues ✓	Tourist Accommodation Operation License ✓

2.13 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

2.14 SWOT ANALYSIS

STRENGTH

- Good quality finishing
- Ease of access
- Direct View on Al Masjid Al Haram St.
- Newly Constructed Project

WEAKNESS

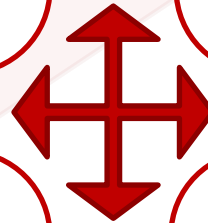
- Located with a distance from the holy mosque (6.2 Km)

OPPURTUNITY

- High demand for hospitality projects

THREAT

- Existing and upcoming hospitality projects





2.15 RISK ANALYSIS

SECTOR ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	✓	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	6	9	0	0
Risk Category	15 Risk Points - Medium Risk				

LAND ANALYSIS

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	✓	-----	-----	-----
Location	-----	-----	✓	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	✓	-----	-----	-----
Total Risk	0	6	3	0	0
Risk Category	9 Risk Points – Minimal Risk				

PROPERTY ANALYSIS

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	✓	-----	-----	-----
Management Skills	-----	✓	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	6	0	0	0
Risk Category	6 Risk Points - Minimal Risk				

2.16 COST APPROACH (DRC)

In the cost approach we will evaluate the subject property as 2 different assets; land valuation based on comparable method and construction valuation based on the depreciated replacement cost. After estimating the current construction replacement cost, we will take into consideration the actual age of the construction and apply the proper depreciation rate based on the economic age of the construction as well as its current condition. Then, a developer (Owner) profit shall be added on the net depreciated value of the construction based on the actual completion rate of such construction.

Our cost estimate analysis assumptions were based on the market average rates and normal practices. Yet, the status, condition, quality, performance, etc of all the construction's components will have direct impact on driving our estimates. The following shows some notes about these estimates:

- Since the underground floors include the base, main columns, and the foundation of any building, usually the skeleton works of these floors cost almost 1.5x of the upper floors cost.
- The used electro mechanic cost rates cover the electricity infrastructure, drainage, water infrastructure and telecommunication infrastructure of the building. In addition to that, the estimated costs take into consideration the quantity and quality of other electrochemical systems such as Fire Alarm sys, Fire Fighting Systems, Surveillance Systems, BMS, Elevators, Power Generators, Etc.
- The costs estimate of the furniture, fitouts, and finishing are based on the quality of such.
- The site improvement cost estimates cover the lighting, external decorations and any other elements if available and installed in the external areas of the building itself.
- As for the soft cost, the estimated ratio covers all the expenses may occur before even starting the design phase of the project. Such as, cost of issuing legal documents, feasibility study, valuation and any other advisory service.

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
320123008398	1,287.97	SAR 48,000	SAR 61,822,560
Building			
	Unit	No of Floors	Total BUA
Underground	Sqm	1	1,287.97
Ground Floor	Sqm	1	789.90
Restaurant Floor	Sqm	1	824.91
Mosque Floor	Sqm	1	824.91
Mezzanine	Sqm	1	587.86
Upper Floors	Sqm	17	12,304.60
Tanks	Sqm	1	1,089.97
Annex	Sqm	1	261.20
Staircases & Elevators	Sqm	1	75.43
Sewage	Sqm	1	6.00
Total (SQM)	18,052.75		

The developer (owner) profit is usually based on the market norms and transaction which is usually falls in the range of 20% to 25% depending on the size of the project itself.

On the other hand, the full owner profit ratio is bounded by the completion rate of the property itself. In other words, if the owner profit is 20% in case of 100%, then it will be 10% in case of 50% completion.

As for the subject property, we will use 30% developer profit rate.



HARD COSTS ESTIMATES					
G + M + Upper Floors + Annex					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	16,764.78	SAR 1,000	SAR 16,764,780	100%	SAR 16,764,780
Electro Mechanic	16,764.78	SAR 500	SAR 8,382,390	100%	SAR 8,382,390
Finishing	16,764.78	SAR 1,000	SAR 16,764,780	100%	SAR 16,764,780
Fit outs & Appliances	16,764.78	SAR 300	SAR 5,029,434	100%	SAR 5,029,434
Furniture	16,764.78	SAR 800	SAR 13,411,824	100%	SAR 13,411,824
Total			SAR 60,353,208	100.00%	SAR 60,353,208
Underground					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	1,287.97	SAR 1,500	SAR 1,931,955	100%	SAR 1,931,955
Electro Mechanic	1,287.97	SAR 500	SAR 643,985	100%	SAR 643,985
Finishing	1,287.97	SAR 400	SAR 515,188	100%	SAR 515,188
Total			SAR 3,091,128	100.00%	SAR 3,091,128
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	1,287.97	SAR 80	SAR 103,038	100%	SAR 103,038
External Landscape	498.07	SAR 200	SAR 99,614	100%	SAR 99,614
Site Improvements	498.07	SAR 200	SAR 99,614	100%	SAR 99,614
Total			SAR 302,266	100.00%	SAR 302,266
	Actual Completion %			Total BUA	18,052.75
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 63,746,602
Under Ground	100.00%			Average SAR / Sqm	SAR 3,531
General Site Dev.	100.00%			Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 63,746,602	1.00%	SAR 637,466.02
Design			SAR 63,746,602	2.00%	SAR 1,274,932.03
Eng Consultant			SAR 63,746,602	2.50%	SAR 1,593,665.04
Management			SAR 63,746,602	2.50%	SAR 1,593,665.04
Contingency			SAR 63,746,602	5.00%	SAR 3,187,330.08
Others			SAR 63,746,602	0.00%	SAR 0.00
TOTAL					SAR 8,287,058.21
DEVELOPMENT VALUE					
Hard Cost		SAR 63,746,602		Economic Age	40
Soft Cost		SAR 8,287,058		Annual Dep Rate	2.50%
Total Dev Cost		SAR 72,033,660			
				Actual Age	5
Net Dep Rate		12.50%		Total Dep Rate	12.50%
Dev Cost After Depreciation		SAR 63,029,452		Add Appr Rate	0.00%
				Net Dep Rate	12.50%
Total Completion Rate		100.00%			
Developer Profit Rate @ 30%		30.0%			
Dev. Profit Amount		SAR 18,908,836			
Development Value		SAR 81,938,288			
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 81,938,288	SAR 61,822,560	SAR 143,760,848		SAR 143,760,000	



2.17 INCOME APPROACH – PILGRIMS PROJECT – BASED ON MARKET

REVENUES						
	Quantity		Revenues			
Season Type	Unit	Quantity	Rate	Revenue Type	No of Days	Total Revenues
Hajj Season	Pilgrims	1,868	SAR 1,900	Seasonal	10	SAR 3,549,200
Ramadan (20 Days)	Keys	450	SAR 250	Daily	20	SAR 2,250,000
Ramadan (10 Days)	Keys	450	SAR 400	Daily	10	SAR 1,800,000
Other Seasons	Keys	450	SAR 200	Daily	325	SAR 29,250,000
Total Revenues						SAR 36,849,200
EXPENSES						
Season Type	Management	Utilities	Maintenance	Others	Vacancy	Total Deduction
Hajj Season	5.00%	5.00%	5.00%	0.00%	0.00%	15.00%
Ramadan (20 Days)	5.00%	5.00%	5.00%	0.00%	30.00%	45.00%
Ramadan (10 Days)	5.00%	5.00%	5.00%	0.00%	20.00%	35.00%
Other Seasons	5.00%	5.00%	5.00%	0.00%	55.00%	70.00%
Showrooms	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%
NET OPERATING INCOME						
Season Type	Total Revenues		Total Deduction		NOI	
Hajj Season	SAR 3,549,200		15.00%		SAR 3,016,820	
Ramadan (20 Days)	SAR 2,250,000		45.00%		SAR 1,237,500	
Ramadan (10 Days)	SAR 1,800,000		35.00%		SAR 1,170,000	
Other Seasons	SAR 29,250,000		70.00%		SAR 8,775,000	
Showrooms	SAR 0		2.50%		SAR 0	
Total						SAR 14,199,320
Revenues						SAR 36,849,200
Deductions						-SAR 22,649,880
Net Operating Income						SAR 14,199,320.00
Net Operating Income	Cap Rate		Property Value		Rounded Value	
SAR 14,199,320.00	7.25%		195,852,689.66 SAR		195,850,000.00 SAR	

Due to the market survey done by our team to collect market data and insights for the hospitality sector in Makkah city in terms of ADR, Pilgrim rate, occupancy rates, etc. in the surrounding areas of the subject property, the following shows description for the used assumptions in the calculation model above.

**PILGRIMS – HAJJ SEASON**

We have noted that the average market rate for the Hajj season in the surrounding areas of the subject property falls in the range of SAR 1,800 to SAR 2,000, which we have applied the rate of SAR 1,900 for conservative basis. In addition, and according to the market current performance, we have assumed 100% occupancy rate in Hajj season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (20 DAYS)

The Average Daily Rates for the hospitality sector depend on the category of the property itself (no of Stars). Since the subject property is a 4 stars project, the average ADR falls in the range of SAR 200 to SAR 300 as rooms daily rates for the first 20 days of Ramadan Season. In addition, and according to the market current performance, we have assumed 70% occupancy rate for the same mentioned season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (10 DAYS)

The average ADR of the last 10 days of Ramadan season falls in the range of SAR 300 to SAR 500 in the surrounding areas of the subject property, in addition to occupancy rate of 80%.

AVERAGE DAILY RATE (ADR) – OTHER SEASONS

The overall estimated occupancy rate of the hospitality sector in Makkah for the remaining days of the year, and in the year of 2017, is almost 45%. Same rate will be applied on the subject property with an ADR of SAR 200 / Night.



2.18 INCOME APPROACH – LEASING CONTRACT

As per the received copy of the leasing contract, the subject property is fully leased to one tenant with an annual triple net lease of SAR 12,825,000. As for the OPEX rate, which is being paid by the Tenant, no expenses were calculated.

REVENUES					
Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
-----		The subject property is Fully leased to 1 tenant			SAR 12,825,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 12,825,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues	Total Expenses			NOI
-----	SAR 12,825,000	0.00%			SAR 12,825,000
-----	SAR 0	0.00%			SAR 0
-----	SAR 0	0.00%			SAR 0
Total					SAR 12,825,000
Total Property Revenues					SAR 12,825,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 12,825,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 12,825,000.00		6.75%	190,000,000.00 SAR		190,000,000.00 SAR

2.19 SUMMARY OF VALUES

Method	Property Value
Cost Approach	SAR 143,760,000
Income Approach – Market Rates	SAR 195,850,000
Income Approach – Leasing Contract	SAR 190,000,000



2.20 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach based on the leasing contract is:

Property Value: 190,000,000 SAR
One Hundred Ninety Million Saudi Riyals

2.21 REPORT USE

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 authorized.

2.22 DISCLAIMER

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may 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.

2.23 CONCLUSION:

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. 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. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

Essam Hussaini
Site Inspection Check



Member of (Taqeem)
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WHITE CUBES REAL ESTATE
Dr. Mohammad Taha – CEO
Member of the Saudi Authority of Accredited Valuers (Taqeem)
PHD, CVA, AEC
License No. 1220000263



REAL ESTATE VALUATION



ESKAN TOWER 5 MAKKAH CITY

PREPARED FOR
MUSCAT CAPITAL

DECEMBER 2018





REF: WCRE-18-319
Date: 30/12/2018
M/S Muscat Capital
Attn Mr. Saud Al Otaibi

Land No: +966 11 279 9546
Email: saud@muscatcapital.com.sa

Subject: Valuation Report for Eskan Tower 5 in Makkah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 28, 2018 for valuation service of the hospitality project (Eskan Tower 5) located in Makkah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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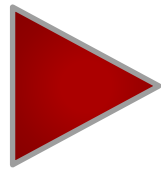
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INTRODUCTION

This section is to express disclosures, disclaimers and general statements about the limitations of the valuation procedures.



WHITE **CUBES**
REAL ESTATE





1.1 INSTRUCTION

We have received instruction from Muscat Capital dated on November 28, 2018 to proceed with the valuation service for Eskan Tower 5 in Makkah city.

Valuation Type	Real Estate
Instructions From	Muscat Capital
Property Type	Hospitality
Property Name	Eskan Tower 4
Location	KSA, Makkah

1.2 CLIENT

The client to whom this report is prepared is Muscat Capital, a company working under the Saudi law and regulations.

Client Name	Muscat Capital
Domain	Investment Firm
Location	KSA, Riyadh
Contact Person	Mr. Saud Al Otaibi

1.3 INTEREST TO BE VALUED

We are instructed that the Subject Property should be valued as freehold, free from any encumbrances or third-party interests. We have not made any investigation on the title and have assumed that any such investigation would not identify any discrepancies in ownership.

1.4 STATUS OF CONSULTANT / VALUER

We confirm that the Valuer / Consultant has no material connection or involvement with the subject of the valuation or with the Client and can provide an objective and unbiased valuation. We confirm the Valuer is competent to undertake the valuation assignment and has sufficient skills and knowledge of the respective market to undertake the valuation.

1.5 INDEPENDENT CONSULTANT

An External Valuer is defined in the RICS Standards as; *"A valuer who, together with any associates, has no material links with the client company or the subject of the assignment."*

We confirm that we are an independent contractor for the subject service, and nothing contained in this agreement shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between the client & White Cubes staff. We also confirm that we have no conflict of interest to the client's property.

1.6 STRUCTURAL STABILITY (IF ANY)

Our scope of service does not include any technical testing of structure for stability and strength measurements. However, and in case of any visually observed and noted deficiencies within the structure, we will note them in our report and to be reflect in the estimation of value.

1.7 OPINION OF VALUE

All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.8 VALUATION STANDARDS

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (2014 edition) and Rules of Conduct for members. In addition to recently published International Valuation Standards issued by IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers).



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1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust Purposes

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes
Government expropriation Purposes	Losses& Damages Purposes	Others.

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **Depreciated Replacement Cost (DRC) & The Income Approach**.

1.10 CLIENT APPROVAL DATE

The client approval date reflects the green light given to use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 28, 2018.

1.11 INSPECTION DATE

The inspection date reflects the exact date of the property’s inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

December 04, 2018.

1.12 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2018.

1.13 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size and location of the subject property.

December 30, 2018.



1.14 INSPECTION ROLE

A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

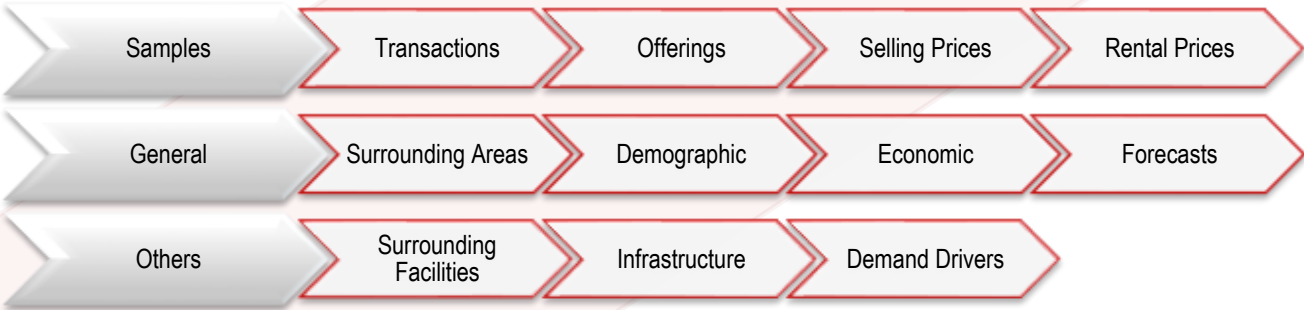
COMMENT ON STRUCTURAL
DESIGN

INSPECTION SUMMARY NOTES



1.15 MARKET SURVEY

During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.



1.16 REPORT CURRENCY

This report is using the currency of Saudi Arabian Riyals (SAR)



1.17 INSURANCE

We have not been provided with any insurance policy for the subject property.

1.18 LEGAL NOTICES

We are not aware of nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law.

	No Issues	Issues Noted	We have not been informed
Court Disputes	-----	-----	✓
Un Authorized Documents	-----	-----	✓
Conflict with Municipality Regulations and Law	-----	-----	✓
Mortgage and financing issues	-----	-----	✓

1.19 INFORMATION SOURCE

For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily active most known recent market activities. In addition, we have relied on the following sources in the valuation process.

- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

We confirm that the undersigned valuer(s) undertaking this instruction are suitably qualified and have the appropriate knowledge and skills to undertake this instruction. Even so, the valuer(s) acknowledge the significant assistance provided by the:



1.21 OUR ACCREDITED VALUERS IN TAQEEM

Our main accredited Valuers and officially authorized by White Cubes Real Estate to sign on any document published by us are as per the following:

- 1 Dr. Mohammad N Taha – Partner – CEO
License Number 1220000263
- 2 Mr. Essam M. Hussaini – Owner – Head of Valuation Team
License Number 1210000474

	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116
Valuer Name	Completed Courses in Taqeeem															
Dr. Mohammad N Taha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Essam M. Hussaini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						

1.22 VALUATION COMPLIANCE

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2014 Edition). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

1.23 VALUATION STANDARDS

The valuation approach done into this report took into consideration the valuation standards approved by the following associations.

- TAQEEM (Saudi Authority of Accredited Valuers).
- RICS (Royal Institution of chartered Surveyors)
- IACVA (International Association of Certified Valuers & Analysts)
- IVSC (International Valuation Standards Council)
- ARV (Arabic Academy of Valuation)

1.24 BASES OF VALUATION:

Market Value

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**

“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**

“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
WILLING
BUYER**

“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
WILLING
SELLER**

“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**

“in an arm's-length transaction” is one between parties who do not have a particular or special relationship, eg 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**

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to effect 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;



**KNOWLEDGEABLY
AND
PRUDENTLY**

‘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**

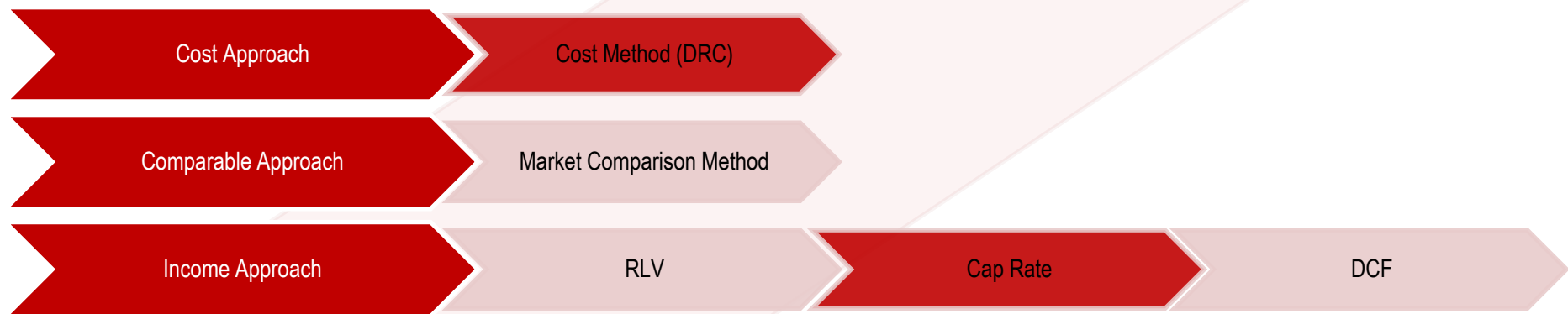
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties 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.





1.25 VALUATION APPROACH:

According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of real estate valuation Approach as follows:



DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for market value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and churches, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.



COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included, since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

DISCOUNTED CASH FLOW (DCF)

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property



RESIDUAL LAND VALUE (RLV)

The residual land value is a method used to determine the value and potential profitability of a piece of property less any expenses related to the land. Residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land. The application of the residual method of valuation is based on the principle that the price to be paid for a property that is suitable for development is equal to the difference between (i) the completed value of the highest and best form of permitted development and (ii) the total cost of carrying out that development. Thus, the net capital value of the completed development is assessed (after deducting any costs of sale) on the assumption that it has been developed for the most valuable form of development, and from that value is deducted the cost of all construction and building work required to carry out the development (including all ancillary costs, e.g. purchase costs, letting fees, finance, etc.), as well as an appropriate allowance for profit on the development

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	-----	-----	-----	-----
Building	-----	-----	-----	-----	-----
Overall Property	✓	-----	✓	-----	-----



We would like to bring to your attention the following:

1.27 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.28 ENVIRONMENTAL MATTERS

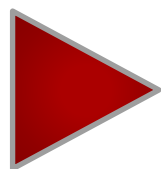
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

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 uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

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

No	If Yes	Remarks
	Client Date	
	Muscat Capital June 2018	
✓		
✓		



PROPERTY INFO & VALUATION

This section indicates full description of the subject property / properties that contains the legal documents info, location, components, status, condition and many other elements.



WHITE **CUBES**
REAL ESTATE

2.1 PROPERTY DESCRIPTION

The subject property is a hospitality tower composed of 20 floors located in Prince Abdullah Faisal district, Makkah city. The Property has a total land area of 1,382.73 Sqm. It is fully constructed and used as pilgrim's accommodation. As per the city's municipality rules and regulations, the subject property is zoned as Commercial and Hospitality type. It is open on one side with a direct view on Al-Rida street. The property has a basement used as parking spots. In addition, to one floor use as a restaurant and another used as a mosque. The subject property is currently fully leased to one tenant as per the following details of the leasing contract:

Leasing Contract for Eskin 5	
First Party	Machaer REIT For Real Estate.
Second Party	Eskin For Investment & Development.
Date of The Contract	09/04/1439 (27/12/2017).
Contract Period	15 years and can be cancelled with a written agreement of both parties after the first 4 years period.
Leasing Value	12,312,000 SAR/Year for the first 4 years and in case of renewal the leasing value remains the same (12,312,000SAR) with an increase of 10% every year.





2.2 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed of the subject property which is owned by one title deed. The details of the subject property:

City	Makkah
District	Prince Abdullah Faisal
Title deed Type	Electronic
T.D No.	920121009575
T.D Date	09/04/1439 H. D
Title Deed Value	182,400,000
Date of Latest Transaction Issued by	N/A Makkah Notary
Property Type	Hospitality Tower
Land Area (Sqm)	1,382.73
Plot No.	166
Block No.	N/A
Layout No.	1/15/23/ب
Owners	Machaer REIT For Real Estate
Ownership	FreeHold
Limitations of Document	N/A
Notes	The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.3 BOUNDARIES

Plot# 165

Plot# 167

Plot# 168/6

Al Rida

	North	South	East	West
Pathway	-----	-----	-----	-----
Street	-----	-----	-----	-----
Plot	-----	-----	-----	-----
Block	-----	-----	-----	-----
Private Property	-----	-----	-----	-----
Mountain	-----	-----	-----	-----
Valley	-----	-----	-----	-----
Sea	-----	-----	-----	-----
River	-----	-----	-----	-----
Length	46 m	46 m	35 m	26 m
Direct View on	Plot# 165 – Plot# 167 – Plot# 168/6– Al Rida Street			
Sides Open	1			

1Side Open

2 Side Open

3 Side Open

4 Side Open



2.4 CONSTRUCTION & BUILDINGS:

The subject property is a fully constructed Hospitality Tower composed of 20 floors. The Client has provided us with a copy of the Construction Permit issued by Makkah Municipality with the below details:

Subject Property			
Construction Permit Type	New Permit		
Property Type	Residential commercial		
Construction Permit No.	68942		
Construction Permit Date	23/12/1434 H. D		

Description	No. of Units	Area (sqm)	Use
Basement	1	1,382.73	Parking Spots
Ground Floor	1	1,018.74	Reception + Commercial
Mezzanine	1	758.78	Reception
Restaurant Floor	1	1,016.88	Restaurant
Mosque Floor	1	1,016.88	Mosque
14 Typical Floors	14	12,780.6	Residential
Annex Floor	1	755.03	Residential
Stair Case & Elevators	1	44.19	Stair Case & Elevators
Sewage Tanks	1	6	Sewage Tanks
Total BAU (sqm)		19,905	

The client has provided us with copy of the Title Deed which was assumed to correct and authentic. It is not in our scope to run legal diagnoses to any legal document.

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



2.5 PILGRIMS PERMIT

The client has provided us with copy of the pilgrims permit which was assumed to be correct and authentic. We must note that it is not in our scope to run legal diagnoses to any legal document. The details are shown below:

Pilgrims Permit	
Permit No.	13702
Permit Issuance Date	02/07/1434 H. D
Total Number of Rooms	428
Number of Pilgrims	1976
Number of Elevators	6
Number of Internal Emergency Staircases	3
Number of Electrical Generators	1

Means of Safety Available in the property	
Automatic Sprinkler System	Fire Alarm System
Fire Extinguishing System	Fire Pump

2.6 STATUS & CONDITION

The subject property is a fully constructed hospitality tower. It is composed of 20 floors in total, 14 of which are typical residential floors with a total capacity of 428 rooms units. It has six elevators and three internal emergency staircases. The property is equipped with variety of safety means such as an automatic sprinkler system, fire alarm system, fire extinguishing system and a fire pump.






2.7 LAND SPECS

The subject property (Land Only) has the following criteria:

Current Land Status		Current Land Use		Current Land Grading		Current Surrounding Property	
Vacant	-----	Commercial	✓	Graded	✓	Commercial	✓
Constructed	✓	Industrial	-----	Semi-Graded	-----	Industrial	-----
Under Construction	-----	Residential	✓	Mountain	-----	Residential	✓
Excavated	-----	Agricultural	-----	Valley	-----	Agricultural	-----
Raw Land	-----	Mix Use	-----	Slope	-----	Mix Use	✓

2.8 INFRASTRUCTURE FACILITIES:

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	
			



2.9 LOCATION

The subject property is located in prince Abdullah Faisal District in Makkah city with a direct view on Al-Rida Road. The location and coordinates of the subject property are as follows:



Source: White Cubes & Google Maps

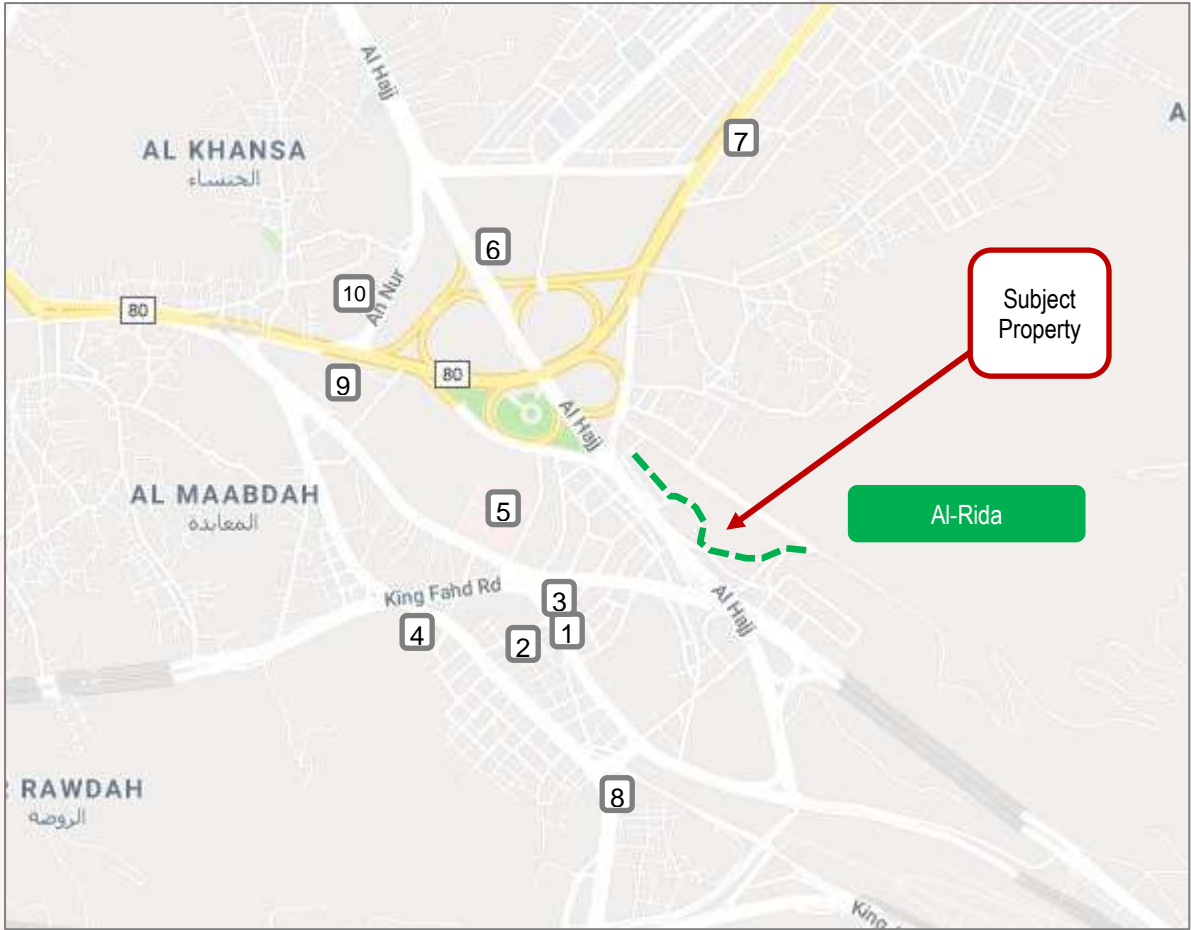


N Coordinates	21°26'5.43"
E Coordinates	39°51'34.76"
City	Makkah
District	Prince Abdullah Faisal
Street	Al-Rida
Property Type	Constructed Land



2.10 ACCESS & LAND MARKS

The subject property can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

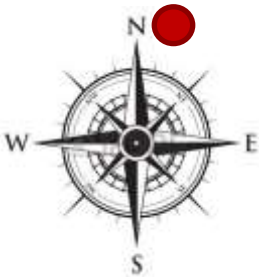
The subject property can be accessed through the following roads:

- East Side: Nabtat Sayf Street
West Side: Al-Masjid Al Haram Road

LAND MARKS

- 1- Faculty Alchp (0.5 Kilometre)
- 2- Makarim Albait (0.7 Kilometre)
- 3- Al Saad Flower Hotel 3 (0.5 Kilometre)
- 4- Retaj Al Rayyan (0.9 Kilometre)
- 5- King Faisal Hospital (0.6 Kilometre)
- 6- Zajil (0.7 Kilometre)
- 7- Jarir Bookstore (1 Kilometre)
- 8- Bin Dawood Shisha (1 Kilometre)
- 9- Makkah Province Emirate (1.1 Kilometres)
- 10- Noor (1.2 Kilometres)

Location of the subject property according to the City Center





2.11 PHOTO RECORD

Date of Photos: December 04, 2018





2.12 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Pilgrims Permit ✓
Location Link ✓	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Other

2.13 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.



2.14 RISK ANALYSIS

SECTOR ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	✓	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	6	9	0	0
Risk Category	15 Risk Points - Medium Risk				

LAND ANALYSIS

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	-----	✓	-----	-----
Location	-----	-----	✓	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	-----	✓	-----	-----
Total Risk	0	2	9	0	0
Risk Category	11 Risk Points – Medium Risk				

PROPERTY ANALYSIS

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	✓	-----	-----	-----
Management Skills	-----	✓	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	6	0	0	0
Risk Category	6 Risk Points - Minimal Risk				

2.15 COST APPROACH (DRC)

In the cost approach we will evaluate the subject property as 2 different assets; land valuation based on comparable method and construction valuation based on the depreciated replacement cost. After estimating the current construction replacement cost, we will take into consideration the actual age of the construction and apply the proper depreciation rate based on the economic age of the construction as well as its current condition. Then, a developer (Owner) profit shall be added on the net depreciated value of the construction based on the actual completion rate of such construction.

Our cost estimate analysis assumptions were based on the market average rates and normal practices. Yet, the status, condition, quality, performance, etc of all the construction's components will have direct impact on driving our estimates. The following shows some notes about these estimates:

- Since the underground floors include the base, main columns, and the foundation of any building, usually the skeleton works of these floors cost almost 1.5x of the upper floors cost.
- The used electro mechanic cost rates cover the electricity infrastructure, drainage, water infrastructure and telecommunication infrastructure of the building. In addition to that, the estimated costs take into consideration the quantity and quality of other electrochemical systems such as Fire Alarm sys, Fire Fighting Systems, Surveillance Systems, BMS, Elevators, Power Generators, Etc.
- The costs estimate of the furniture, fitouts, and finishing are based on the quality of such.
- The site improvement cost estimates cover the lighting, external decorations and any other elements if available and installed in the external areas of the building itself.
- As for the soft cost, the estimated ratio covers all the expenses may occur before even starting the design phase of the project. Such as, cost of issuing legal documents, feasibility study, valuation and any other advisory service.

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
920121009575	1,382.73	SAR 15,000	SAR 20,740,950
Building			
	Unit	No of Floors	Total BUA
Basement	Sqm	1	1,382.73
Ground Floor	Sqm	1	1,018.74
Mezzanine	Sqm	1	758.78
Restaurant Floor	Sqm	1	1,016.88
Mosque Floor	Sqm	1	1,016.88
14 Typical Floors	Sqm	14	12,780.60
Annex Floor	Sqm	1	755.03
Stair Case & Elevators	Sqm	1	44.19
Sewage	Sqm	1	6
Tanks	Sqm	1	1,125.17
Total (SQM)	19,905.00		

The developer (owner) profit is usually based on the market norms and transaction which is usually falls in the range of 20% to 25% depending on the size of the project itself.

On the other hand, the full owner profit ratio is bounded by the completion rate of the property itself. In other words, if the owner profit is 20% in case of 100%, then it will be 10% in case of 50% completion.

As for the subject property, we will use 30% developer profit rate.



HARD COSTS ESTIMATES					
G + M + Upper Floors + Annex					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	18,522.27	SAR 1,000	SAR 18,522,270	100%	SAR 18,522,270
Electro Mechanic	18,522.27	SAR 500	SAR 9,261,135	100%	SAR 9,261,135
Finishing	18,522.27	SAR 1,000	SAR 18,522,270	100%	SAR 18,522,270
Fit outs & Appliances	18,522.27	SAR 300	SAR 5,556,681	100%	SAR 5,556,681
Furniture	18,522.27	SAR 800	SAR 14,817,816	100%	SAR 14,817,816
Total			SAR 66,680,172	100.00%	SAR 66,680,172
Underground					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	1,382.73	SAR 1,500	SAR 2,074,095	100%	SAR 2,074,095
Electro Mechanic	1,382.73	SAR 500	SAR 691,365	100%	SAR 691,365
Finishing	1,382.73	SAR 400	SAR 553,092	100%	SAR 553,092
Total			SAR 3,318,552	100.00%	SAR 3,318,552
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	1,382.73	SAR 80	SAR 110,618	100%	SAR 110,618
External Landscape	363.99	SAR 200	SAR 72,798	100%	SAR 72,798
Fences	0.00	SAR 250	SAR 0	100%	SAR 0
Site Improvements	363.99	SAR 300	SAR 109,197	100%	SAR 109,197
Total			SAR 292,613	100.00%	SAR 292,613
	Actual Completion %			Total BUA	19,905.00
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 70,291,337
Under Ground	100.00%			Average SAR / Sqm	SAR 3,531
General Site Dev.	100.00%			Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 70,291,337	0.10%	SAR 70,291.34
Design			SAR 70,291,337	0.50%	SAR 351,456.69
Eng Consultant			SAR 70,291,337	1.00%	SAR 702,913.37
Management			SAR 70,291,337	5.00%	SAR 3,514,566.87
Contingency			SAR 70,291,337	5.00%	SAR 3,514,566.87
Others			SAR 70,291,337	0.00%	SAR 0.00
TOTAL					SAR 8,153,795.14
DEVELOPMENT VALUE					
Hard Cost		SAR 70,291,337		Economic Age	50
Soft Cost		SAR 8,153,795		Annual Dep Rate	2.00%
Total Dev Cost		SAR 78,445,133			
				Actual Age	4
Net Dep Rate		8.00%		Total Dep Rate	8.00%
Dev Cost After Depreciation		SAR 72,169,522		Add Appr Rate	0.00%
				Net Dep Rate	8.00%
Total Completion Rate		100.00%			
Developer Profit Rate @ 20%		30.0%			
Dev. Profit Amount		SAR 21,650,857			
Development Value		SAR 93,820,379			
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 93,820,379	SAR 20,740,950	SAR 114,561,329		SAR 114,560,000	



2.16 INCOME APPROACH – PILGRIMS PROJECT – BASED ON MARKET

REVENUES						
	Quantity		Revenues			
Season Type	Unit	Quantity	Rate	Revenue Type	No of Days	Total Revenues
Hajj Season	Pilgrims	1,976	SAR 1,900	Seasonal	10	SAR 3,754,400
Ramadan (20 Days)	Keys	428	SAR 175	Daily	20	SAR 1,498,000
Ramadan (10 Days)	Keys	428	SAR 350	Daily	10	SAR 1,498,000
Other Seasons	Keys	428	SAR 150	Daily	325	SAR 20,865,000
Total Revenues						SAR 27,615,400
EXPENSES						
Season Type	Management	Utilities	Maintenance	Others	Vacancy	Total Deduction
Hajj Season	5.00%	2.00%	3.00%	0.00%	0.00%	10.00%
Ramadan (20 Days)	5.00%	2.00%	3.00%	0.00%	20.00%	30.00%
Ramadan (10 Days)	5.00%	2.00%	3.00%	0.00%	10.00%	20.00%
Other Seasons	5.00%	2.00%	3.00%	0.00%	50.00%	60.00%
Showrooms	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%
NET OPERATING INCOME						
Season Type	Total Revenues			Total Deduction		NOI
Hajj Season	SAR 3,754,400			10.00%		SAR 3,378,960
Ramadan (20 Days)	SAR 1,498,000			30.00%		SAR 1,048,600
Ramadan (10 Days)	SAR 1,498,000			20.00%		SAR 1,198,400
Other Seasons	SAR 20,865,000			60.00%		SAR 8,346,000
Showrooms	SAR 0			2.50%		SAR 0
Total						SAR 13,971,960
Revenues						SAR 27,615,400
Deductions						-SAR 13,643,440
Net Operating Income						SAR 13,971,960.00
Net Operating Income	Cap Rate	Property Value			Rounded Value	
SAR 13,971,960.00	7.25%	192,716,689.66 SAR			192,717,000.00 SAR	

Due to the market survey done by our team to collect market data and insights for the hospitality sector in Makkah city in terms of ADR, Pilgrim rate, occupancy rates, etc. in the surrounding areas of the subject property, the following shows description for the used assumptions in the calculation model above.

**PILGRIMS – HAJJ SEASON**

We have noted that the average market rate for the Hajj season in the surrounding areas of the subject property falls in the range of SAR 1,800 to SAR 2,000, which we have applied the rate of SAR 1,900 for conservative basis. In addition, and according to the market current performance, we have assumed 100% occupancy rate in Hajj season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (20 DAYS)

The Average Daily Rates for the hospitality sector depend on the category of the property itself (no of Stars). Since the subject property is a 3 stars project, the average ADR falls in the range of SAR 150 to SAR 200 as rooms daily rates for the first 20 days of Ramadan Season. In addition, and according to the market current performance, we have assumed 80% occupancy rate for the same mentioned season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (10 DAYS)

The average ADR of the last 10 days of Ramadan season falls in the range of SAR 300 to SAR 400 in the surrounding areas of the subject property, in addition to occupancy rate of 90%.

AVERAGE DAILY RATE (ADR) – OTHER SEASONS

The overall estimated occupancy rate of the hospitality sector in Makkah for the remaining days of the year, and in the year of 2018, is almost 45%. Yet we have assumed 50% occupancy rate due to the property's location with an ADR of SAR 150 / Night.



2.17 INCOME APPROACH – LEASING CONTRACT

As per the received copy of the leasing contract, the subject property is fully leased to one tenant with an annual triple net lease of SAR 12,312,000. As for the OPEX rate, which is being paid by the Tenant, no expenses were calculated.

REVENUES					
		Quantity	Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
-----		The subject property is Fully / leased to 1 tenant			SAR 12,312,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 12,312,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
-----		All expenses are paid by the tenant.			0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
-----	SAR 12,312,000		0.00%		SAR 12,312,000
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 12,312,000
Total Property Revenues					SAR 12,312,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 12,312,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 12,312,000.00		6.75%	182,400,000.00 SAR		182,400,000.00 SAR

2.18 SUMMARY OF VALUES

Method	Property Value
Cost Approach	SAR 114,560,000
Income Approach – Market Rates	SAR 192,717,000
Income Approach – Leasing Contract	SAR 182,400,000

2.19 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach based on the leasing contract is:

Property Value: 182,400,000 SAR
One Hundred Eighty-Two Million and Four Hundred Thousand Saudi Riyals

2.20 REPORT USE

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 authorized.

2.21 DISCLAIMER

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may 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.

2.22 CONCLUSION:

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. 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. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

Essam Hussaini
Site Inspection Check



Member of (Taqeem)
License No. 1210000474

WHITE CUBES REAL ESTATE
Dr. Mohammad Taha – CEO
Member of the Saudi Authority of Accredited Valuers (Taqeem)
PHD, CVA, AEC
License No. 1220000263



REAL ESTATE VALUATION



ESKAN TOWER 6 MAKKAH CITY

PREPARED FOR
MUSCAT CAPITAL

DECEMBER 2018





REF: WCRE-18-320
Date: 30/12/2018
M/S Muscat Capital
Attn Mr. Saud Al Otaibi

Land No: +966 11 279 9546
Email: saud@muscatcapital.com.sa

Subject: Valuation Report for Eskan Tower 6 in Makkah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 28, 2018 for valuation service of the hospitality project (Eskan Tower 6) located in Makkah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

Member of the Saudi Authority of Accredited Valuers (Taqeem)
Member of the International Association of certified valuer
Member of the Arab Academy for Valuation
Senior Sworn Valuer in the Lebanese Ministry of Justice
Member of the American Institute for Valuation

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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





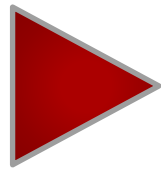
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INTRODUCTION

This section is to express disclosures, disclaimers and general statements about the limitations of the valuation procedures.



WHITE **CUBES**
REAL ESTATE





1.1 INSTRUCTION

We have received instruction from Muscat Capital dated on November 28, 2018 to proceed with the valuation service for Eskan Tower 6 in Makkah city.

Valuation Type	Real Estate
Instructions From	Muscat Capital
Property Type	Hospitality
Property Name	Eskan Tower 6
Location	KSA, Makkah

1.2 CLIENT

The client to whom this report is prepared is Muscat Capital, a company working under the Saudi law and regulations.

Client Name	Muscat Capital
Domain	Investment Firm
Location	KSA, Riyadh
Contact Person	Mr. Saud Al Otaibi

1.3 INTEREST TO BE VALUED

We are instructed that the Subject Property should be valued as freehold, free from any encumbrances or third-party interests. We have not made any investigation on the title and have assumed that any such investigation would not identify any discrepancies in ownership.

1.4 STATUS OF CONSULTANT / VALUER

We confirm that the Valuer / Consultant has no material connection or involvement with the subject of the valuation or with the Client and can provide an objective and unbiased valuation. We confirm the Valuer is competent to undertake the valuation assignment and has sufficient skills and knowledge of the respective market to undertake the valuation.

1.5 INDEPENDENT CONSULTANT

An External Valuer is defined in the RICS Standards as; *"A valuer who, together with any associates, has no material links with the client company or the subject of the assignment."*

We confirm that we are an independent contractor for the subject service, and nothing contained in this agreement shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between the client & White Cubes staff. We also confirm that we have no conflict of interest to the client's property.

1.6 STRUCTURAL STABILITY (IF ANY)

Our scope of service does not include any technical testing of structure for stability and strength measurements. However, and in case of any visually observed and noted deficiencies within the structure, we will note them in our report and to be reflect in the estimation of value.

1.7 OPINION OF VALUE

All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.8 VALUATION STANDARDS

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (2014 edition) and Rules of Conduct for members. In addition to recently published International Valuation Standards issued by IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers).



الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers



1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust Purposes

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes
Government expropriation Purposes	Losses& Damages Purposes	Others.

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **The Income Approach & Depreciated Replacement Cost**.

1.10 CLIENT APPROVAL DATE

The client approval date reflects the green light given to use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 28, 2018.

1.11 INSPECTION DATE

The inspection date reflects the exact date of the property's inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

December 04, 2018.

1.12 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2018.

1.13 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size and location of the subject property.

December 30, 2018.



1.14 INSPECTION ROLE

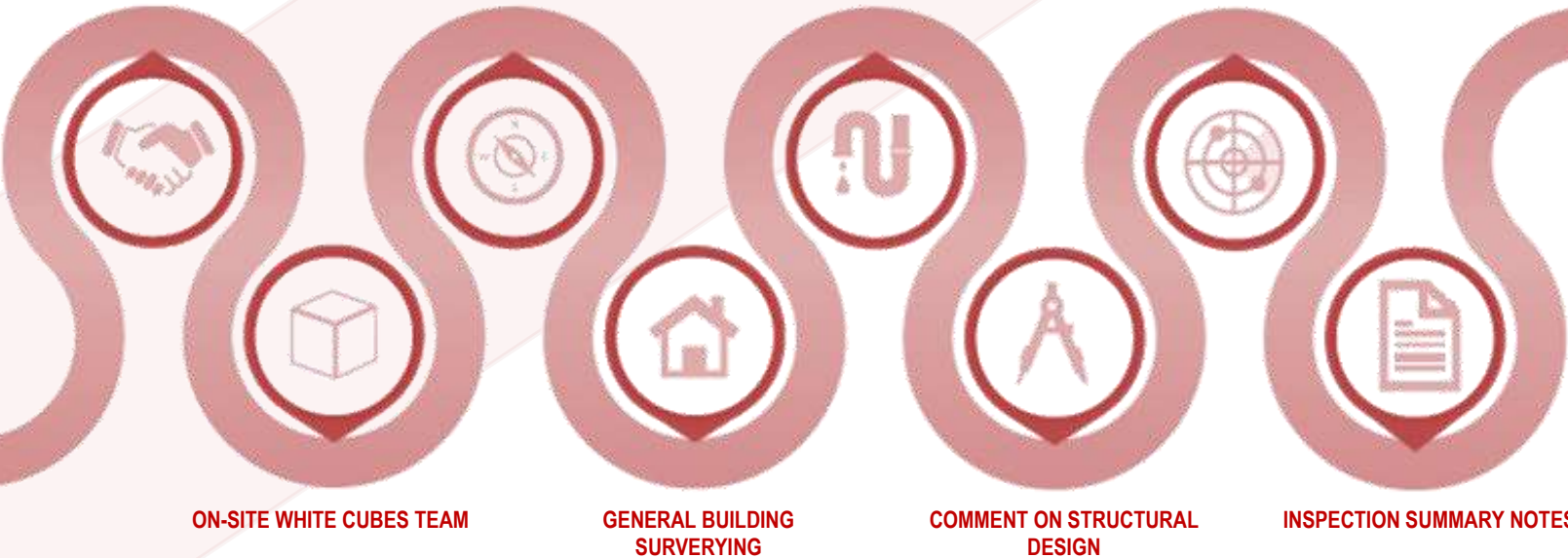
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

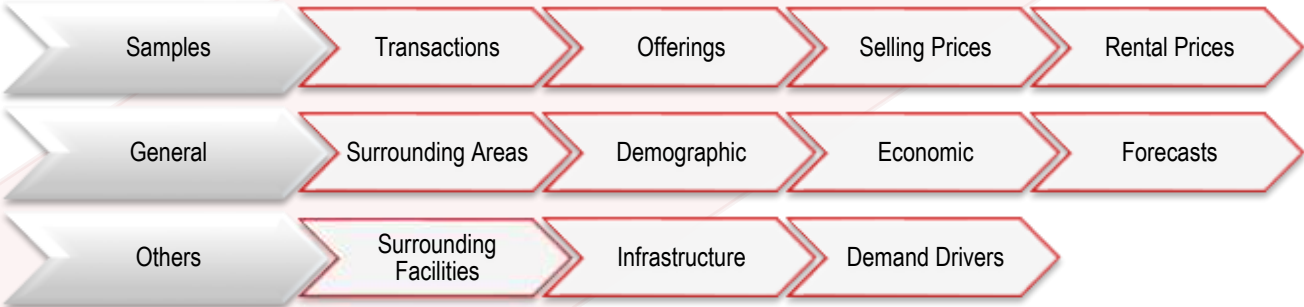
DUE DILIGENCE OUTPUT





1.15 MARKET SURVEY

During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.



1.16 REPORT CURRENCY

This report is using the currency of Saudi Arabian Riyals (SAR)



1.17 INSURANCE

We have not been provided with any insurance policy for the subject property.

1.18 LEGAL NOTICES

We are not aware of nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law.

	No Issues	Issues Noted	We have not been informed
Court Disputes	_____	_____	✓
Un Authorized Documents	_____	_____	✓
Conflict with Municipality Regulations and Law	_____	_____	✓
Mortgage and financing issues	_____	_____	✓

1.19 INFORMATION SOURCE

For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily active most known recent market activities. In addition, we have relied on the following sources in the valuation process.

- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

We confirm that the undersigned valuer(s) undertaking this instruction are suitably qualified and have the appropriate knowledge and skills to undertake this instruction. Even so, the valuer(s) acknowledge the significant assistance provided by the:



1.21 OUR ACCREDITED VALUERS IN TAQEEM

Our main accredited Valuers and officially authorized by White Cubes Real Estate to sign on any document published by us are as per the following:

- 1 Dr. Mohammad N Taha – Partner – CEO
License Number 1220000263
- 2 Mr. Essam M. Hussaini – Owner – Head of Valuation Team
License Number 1210000474

	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116
Valuer Name	Completed Courses in Taqeeem															
Dr. Mohammad N Taha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Essam M. Hussaini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						

1.22 VALUATION COMPLIANCE

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2014 Edition). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

1.23 VALUATION STANDARDS

The valuation approach done into this report took into consideration the valuation standards approved by the following associations.

- TAQEEM (Saudi Authority of Accredited Valuers).
- RICS (Royal Institution of chartered Surveyors)
- IACVA (International Association of Certified Valuers & Analysts)
- IVSC (International Valuation Standards Council)
- ARV (Arabic Academy of Valuation)

1.24 BASES OF VALUATION:

Market Value

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

“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

“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 WILLING BUYER

“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 WILLING SELLER

“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

“in an arm's-length transaction” is one between parties who do not have a particular or special relationship, eg 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

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to effect 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;



**KNOWLEDGEABLY
AND
PRUDENTLY**

‘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**

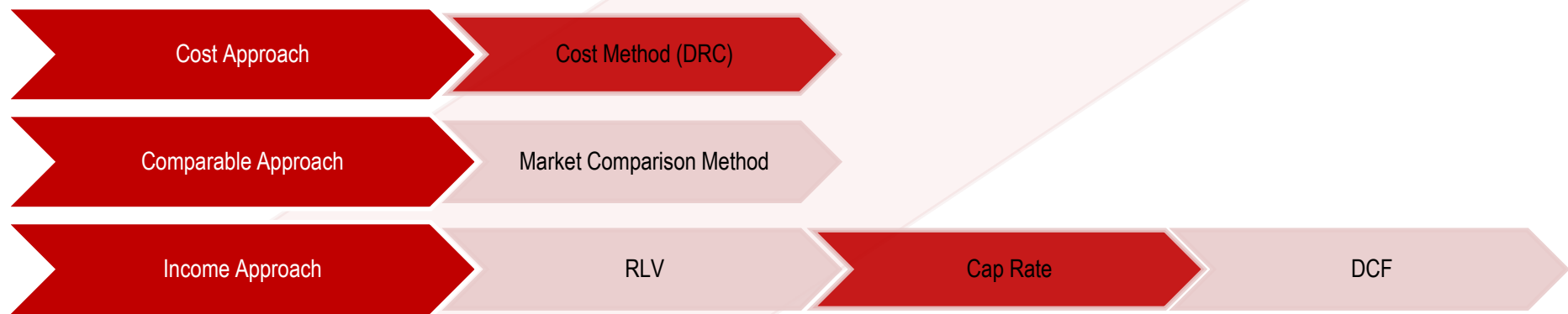
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties 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.





1.25 VALUATION APPROACH:

According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of real estate valuation Approach as follows:



DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for market value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and churches, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.



COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included, since it is not an operating expense. Hence, it does not include mortgage and interest, since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

DISCOUNTED CASH FLOW (DCF)

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property



RESIDUAL LAND VALUE (RLV)

The residual land value is a method used to determine the value and potential profitability of a piece of property less any expenses related to the land. Residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land. The application of the residual method of valuation is based on the principle that the price to be paid for a property that is suitable for development is equal to the difference between (i) the completed value of the highest and best form of permitted development and (ii) the total cost of carrying out that development. Thus, the net capital value of the completed development is assessed (after deducting any costs of sale) on the assumption that it has been developed for the most valuable form of development, and from that value is deducted the cost of all construction and building work required to carry out the development (including all ancillary costs, e.g. purchase costs, letting fees, finance, etc.), as well as an appropriate allowance for profit on the development

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land					
Building	✓				
Overall Property			✓		



We would like to bring to your attention the following:

1.27 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.28 ENVIRONMENTAL MATTERS

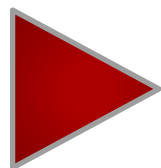
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

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 uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

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

No	If Yes	Remarks
	Client Date	
✓	Muscat Capital June 2018	
✓		



PROPERTY INFO & VALUATION

This section indicates full description of the subject property / properties that contains the legal documents info, location, components, status, condition and many other elements.



WHITE **CUBES**
REAL ESTATE

2.1 PROPERTY DESCRIPTION

The subject property is a hospitality tower composed of 18 floors located in Azaziah district, Makkah city. The Property has a total land area of 1,458 Sqm. It is fully constructed and used as pilgrim's accommodation. As per the city's municipality rules and regulations, the subject property is zoned as Commercial and Hospitality type. The asset is open on two sides with a direct view on Al-Masjid Al Haram road and Al Tamour street. The property has parking spots in the basement level and has the ground floor and the mezzanine used for reception and commercial use. The subject property is currently fully leased to one tenant as per the following details of the leasing contract:

Leasing Contract for Eskin 6	
First Party	Machaer REIT For Real Estate.
Second Party	Eskin For Investment & Development.
Date of The Contract	09/04/1439 (27/12/2017).
Contract Period	15 years and can be cancelled with a written agreement of both parties after the first 5 years period.
Leasing Value	13,500,000 SAR/Year for the first 5 years and in case of renewal the leasing value remains the same (13,500,000SAR) with an increase of 10% every year.





2.2 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed of the subject property which is owned by two title deeds. The details of the subject property:

	Title Deed 1	Title Deed 2
City	Makkah	Makkah
District	Azaziah	Azaziah
Title deed Type	Electronic	Electronic
T.D No.	220121009602	220121009603
T.D Date	10/04/1439 H. D	10/04/1439 H. D
Title Deed Value	100,000,000	100,000,000
Date of Latest Transaction	N/A	N/A
Issued by	Makkah Notary	Makkah Notary
Property Type	Hospitality Tower	Hospitality Tower
Land Area (Sqm)	720	738
Plot No.	12/3	11/3
Block No.	N/A	N/A
Layout No.	1 /21 /2/ج	1 /21 /2/ج
Owners	Machaer REIT For Real Estate	Machaer REIT For Real Estate
Ownership	Freehold	Freehold
Limitations of Document	N/A	N/A

Notes The client has provided us with copy of the Title Deed which was assumed to be correct and authentic.
It is not in our scope to run legal diagnosis on any legal document.

2.3 BOUNDARIES

Plot# 12/3

Plot# 3/10

Al Tamour Street

Al-Masjid Al Haram Road

	North	South	East	West
Pathway	-----	-----	-----	-----
Street	-----	✓	✓	-----
Plot	✓	-----	-----	✓
Block	-----	-----	-----	-----
Private Property	-----	-----	-----	-----
Mountain	-----	-----	-----	-----
Valley	-----	-----	-----	-----
Sea	-----	-----	-----	-----
River	-----	-----	-----	-----

Direct View on

Plot# 12/3 – Al Masjid Al Haram Road – Al Tamour Street– Plot# 3/10

Sides Open

2

1 Side Open

2 Side Open

3 Side Open

4 Side Open



2.4 CONSTRUCTION & BUILDINGS:

The subject property is a fully constructed Hospitality Tower composed of 18 floors. The Client has provided us with a copy of the Construction Permit issued by Makkah Municipality with the below details:

Subject Property	
Construction Permit Type	Renewal
Property Type	Residential commercial
Construction Permit No.	70879
Construction Permit Date	24/08/1433 H. D

The client has provided us with copy of the Title Deed which was assumed to correct and authentic. It is not in our scope to run legal diagnoses to any legal document.

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

Description	Units	Area (sqm)	Use
Basement	1	1,248.49	Parking Spots
Ground Floor	6	689.4	Reception + Commercial
Mezzanine	6	396.27	Reception + Commercial
Restaurant Floor	1	647.96	Restaurant
Mosque Floor	1	832.07	Mosque
Service Floor	1	825.5	Services
12 Typical Floors	21	9,307.56	Residential
Annex	6	213.66	Residential
Stairs & Elevators	1	177.22	Stairs & Elevators
Tanks	1	862.58	Tanks
		15,200.71	

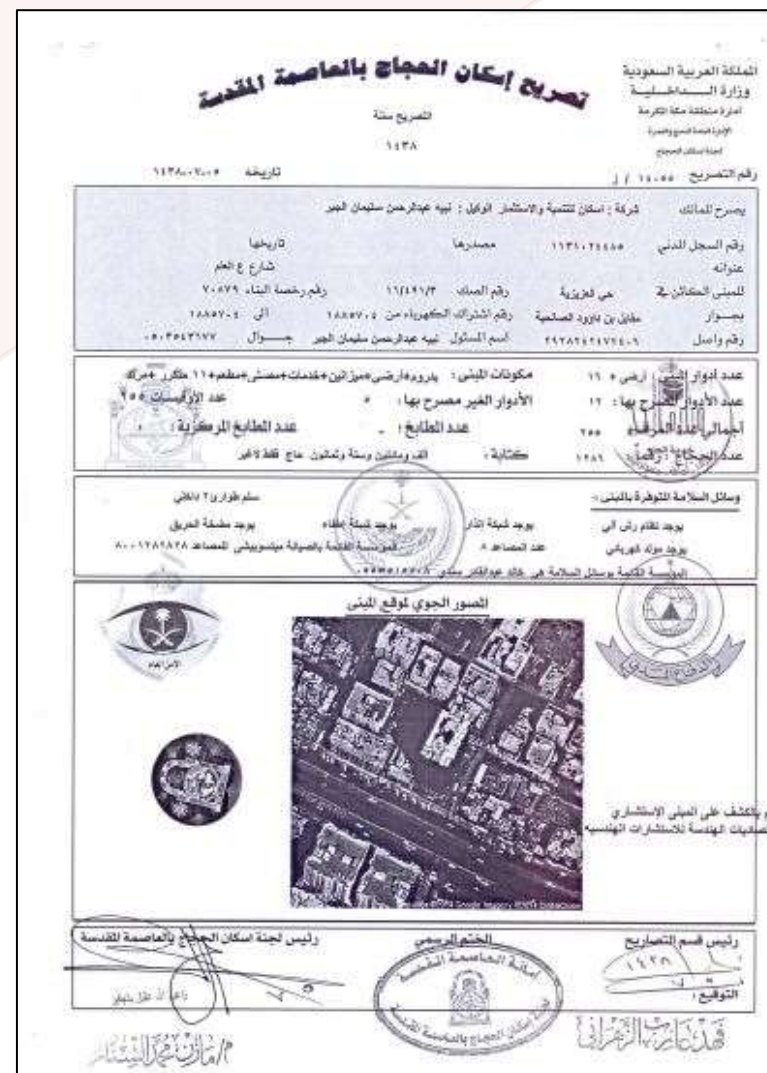
Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		

2.5 PILGRIMS LICENSE

The client has provided us with copy of the pilgrim's license that has the following details:

License Number	14055/ز
License Date	11/04/1435
District	Azaziah
Issued By	Holly City of Makkah Municipality
Title Deed No	16/491/3
Construction Permit No	70879
Electricity Meter No.	From 1885704 to 1885704
Wasel No.	2928242477406
Validity	3 years
Total No of Floors	16 + Ground Floor
Used no Of Floors	12
Building Components	B + G + Me + R + Mo + S + 11 Typical Floors + Annex
No of Central Kitchens	0
No of Kitchens	0
No of Rooms	255
Allowed No of Pilgrims	1286
Fire alarm system	Available
Fire Fighting Systems	Available
Electricity Generator	Available
No of Elevators	8

The client has provided us with copy of the pilgrims' certificate which was assumed to correct and authentic. We must note that it is not in our scope to run legal diagnoses to any legal document. As in the valuation process, we will use the number of pilgrims and number of keys mentioned in this certificate.






2.6 LAND SPECS

The subject property (Land Only) has the following criteria:

Current Land Status		Current Land Use		Current Land Grading		Current Surrounding Property	
Vacant	-----	Commercial	✓	Graded	✓	Commercial	✓
Constructed	✓	Industrial	-----	Semi-Graded	-----	Industrial	-----
Under Construction	-----	Residential	✓	Mountain	-----	Residential	✓
Excavated	-----	Agricultural	-----	Valley	-----	Agricultural	-----
Raw Land	-----	Mix Use	-----	Slope	-----	Mix Use	✓

2.7 INFRASTRUCTURE FACILITIES:

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	
			

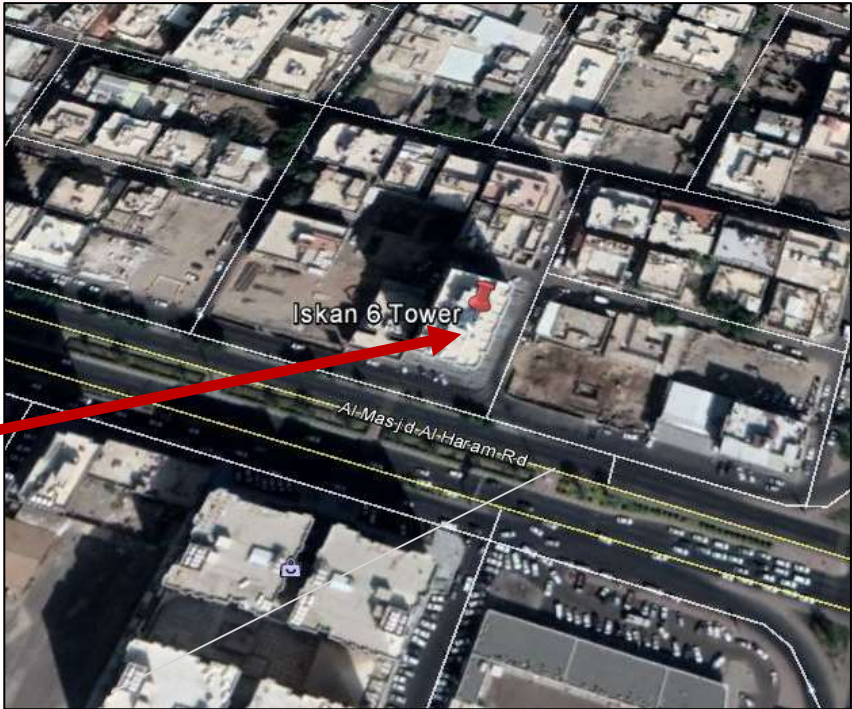


2.8 LOCATION

The subject property is located in Azaziah District in Makkah city with a direct view on Al-Masjid Al Haram Road. The location and coordinates of the subject property are as follows:



Source: White Cubes & Google Maps



N Coordinates	21°23'58.82"
E Coordinates	39°52'59.88"
City	Makkah
District	Azaziah
Street	Al-Masjid Al Haram Road
Property Type	Constructed Land



2.9 ACCESS & LAND MARKS

The subject property can be accessed through the following main streets as shown in the map below.

ACCESS TO SUBJECT PROPERTY

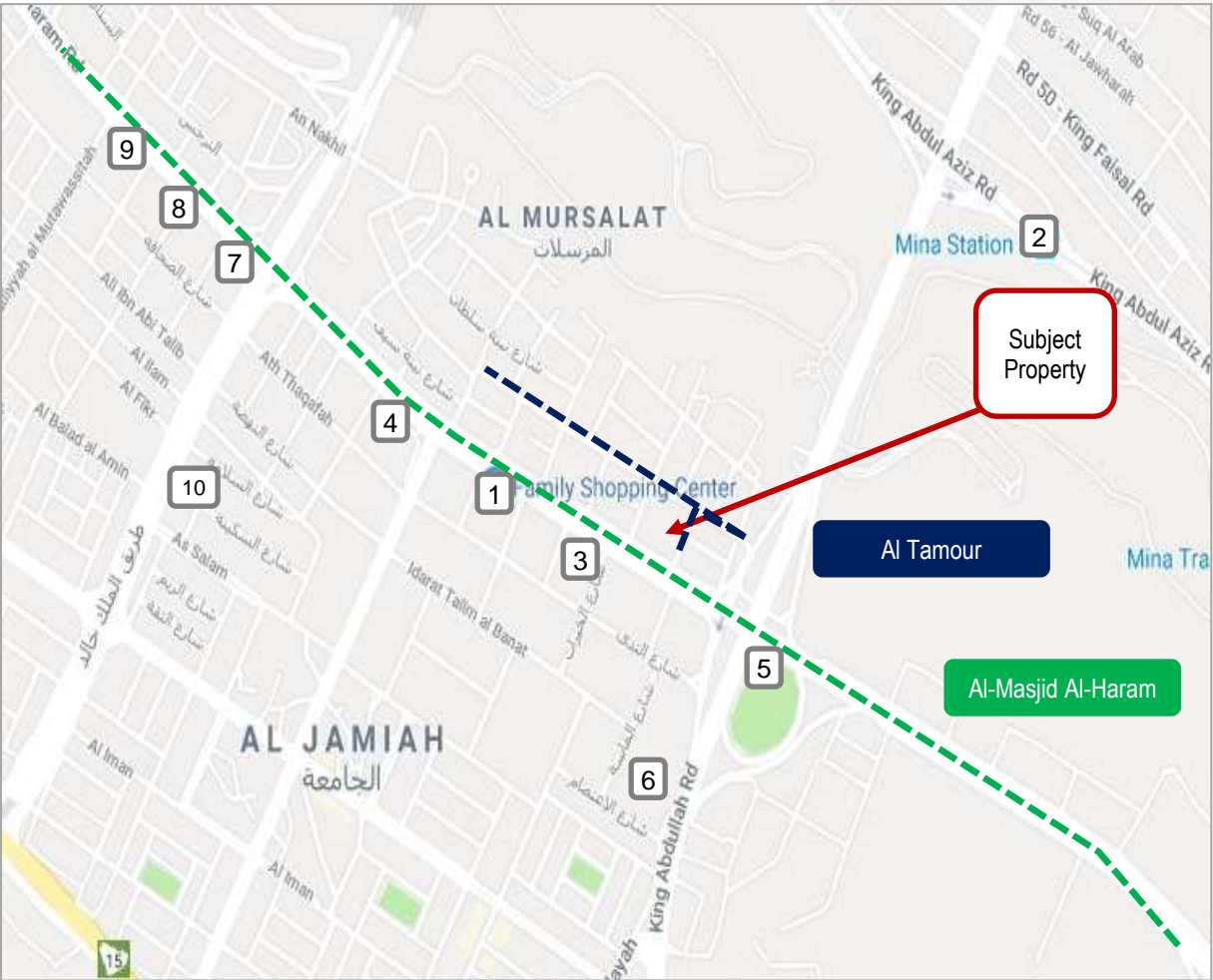
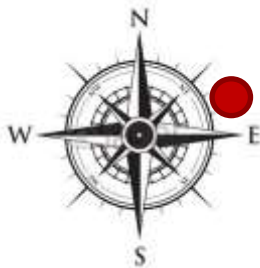
The subject property can be accessed through the following roads:

East Side: Al Tamour Street
South Side: Al-Masjid Al Haram Road

LAND MARKS

- 1- Family Shopping Center (0.5 Kilometre)
- 2- Mina Station (1 kilometre)
- 3- Barawith Plaza (0.2kilometre)
- 4- Alqaraat Mall (0.7 Kilometre)
- 5- Amid Almouhilat (0.3 Kilometre)
- 6- Azaziah Industry (0.4 Kilometre)
- 7- Centrepont (1.1 Kilometres)
- 8- Azaziah Market (1.3 Kilometres)
- 9- Salam Commercial Market (1.5 Kilometres)
- 10- Retaj (1.1 Kilometres)

Location of the subject property according to the City Center





2.10 PHOTO RECORD

Date of Photos: December 04, 2018



2.11 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Pilgrims Permit
Location Link ✓	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Other

2.12 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.
- We assumed that the date of the construction permit is the same as the date of the official signage of the construction permit.



2.13 RISK ANALYSIS

SECTOR ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	✓	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	6	9	0	0
Risk Category	15 Risk Points - Medium Risk				

LAND ANALYSIS

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	✓	-----	-----	-----
Location	-----	-----	✓	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	✓	-----	-----	-----
Total Risk	0	6	3	0	0
Risk Category	9 Risk Points – Minimal Risk				

PROPERTY ANALYSIS

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	✓	-----	-----	-----
Management Skills	-----	✓	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	6	0	0	0
Risk Category	6 Risk Points - Minimal Risk				

2.14 COST APPROACH (DRC)

In the cost approach we will evaluate the subject property as 2 different assets; land valuation based on comparable method and construction valuation based on the depreciated replacement cost. After estimating the current construction replacement cost, we will take into consideration the actual age of the construction and apply the proper depreciation rate based on the economic age of the construction as well as its current condition. Then, a developer (Owner) profit shall be added on the net depreciated value of the construction based on the actual completion rate of such construction.

Our cost estimate analysis assumptions were based on the market average rates and normal practices. Yet, the status, condition, quality, performance, etc of all the construction's components will have direct impact on driving our estimates. The following shows some notes about these estimates:

- Since the underground floors include the base, main columns, and the foundation of any building, usually the skeleton works of these floors cost almost 1.5x of the upper floors cost.
- The used electro mechanic cost rates cover the electricity infrastructure, drainage, water infrastructure and telecommunication infrastructure of the building. In addition to that, the estimated costs take into consideration the quantity and quality of other electrochemical systems such as Fire Alarm sys, Fire Fighting Systems, Surveillance Systems, BMS, Elevators, Power Generators, Etc.
- The costs estimate of the furniture, fitouts, and finishing are based on the quality of such.
- The site improvement cost estimates cover the lighting, external decorations and any other elements if available and installed in the external areas of the building itself.
- As for the soft cost, the estimated ratio covers all the expenses may occur before even starting the design phase of the project. Such as, cost of issuing legal documents, feasibility study, valuation and any other advisory service.

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
220121009602 & 220121009603	1,458.00	SAR 50,000	SAR 72,900,000
Building			
	Unit		Total BUA
Basement	Sqm		1,248.49
Ground Floor	Sqm		689.4
Mezzanine	Sqm		396.27
Restaurant Floor	Sqm		647.96
Mosque Floor	Sqm		832.07
Service Floor	Sqm		825.5
12 Typical Floors	Sqm		9,307.56
Annex	Sqm		213.66
Stairs & Elevators	Sqm		177.22
Tanks	Sqm		862.58
Total (SQM)	15,200.71		

The developer (owner) profit is usually based on the market norms and transaction which is usually falls in the range of 20% to 25% depending on the size of the project itself.

On the other hand, the full owner profit ratio is bounded by the completion rate of the property itself. In other words, if the owner profit is 20% in case of 100%, then it will be 10% in case of 50% completion.

As for the subject property, we will use 30% developer profit rate.



HARD COSTS ESTIMATES					
G + M + Upper Floors + Annex					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	13,952.22	SAR 1,000	SAR 13,952,220	100%	SAR 13,952,220
Electro Mechanic	13,952.22	SAR 600	SAR 8,371,332	100%	SAR 8,371,332
Finishing	13,952.22	SAR 1,000	SAR 13,952,220	100%	SAR 13,952,220
Fit outs & Appliances	13,952.22	SAR 300	SAR 4,185,666	100%	SAR 4,185,666
Furniture	13,952.22	SAR 800	SAR 11,161,776	100%	SAR 11,161,776
Total			SAR 51,623,214	100.00%	SAR 51,623,214
Underground					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	1,458.00	SAR 1,500	SAR 2,187,000	100%	SAR 2,187,000
Electro Mechanic	1,458.00	SAR 500	SAR 729,000	100%	SAR 729,000
Finishing	1,458.00	SAR 400	SAR 583,200	100%	SAR 583,200
Total			SAR 3,499,200	100.00%	SAR 3,499,200
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	1,458.00	SAR 80	SAR 116,640	100%	SAR 116,640
External Landscape	768.60	SAR 200	SAR 153,720	100%	SAR 153,720
Fences	0.00	SAR 250	SAR 0	100%	SAR 0
Site Improvements	768.60	SAR 300	SAR 230,580	100%	SAR 230,580
Total			SAR 500,940	100.00%	SAR 500,940
	Actual Completion %			Total BUA	15,200.71
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 55,623,354
Under Ground	100.00%			Average SAR / Sqm	SAR 3,659
General Site Dev.	100.00%			Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 55,623,354	1.00%	SAR 556,233.54
Design			SAR 55,623,354	1.50%	SAR 834,350.31
Eng Consultant			SAR 55,623,354	1.00%	SAR 556,233.54
Management			SAR 55,623,354	5.00%	SAR 2,781,167.70
Contingency			SAR 55,623,354	5.00%	SAR 2,781,167.70
Others			SAR 55,623,354	0.00%	SAR 0.00
TOTAL					SAR 7,509,152.79
DEVELOPMENT VALUE					
Hard Cost		SAR 55,623,354		Economic Age	40
Soft Cost		SAR 7,509,153		Annual Dep Rate	2.50%
Total Dev Cost		SAR 63,132,507			
				Actual Age	3
Net Dep Rate		7.50%		Total Dep Rate	7.50%
Dev Cost After Depreciation		SAR 58,397,569		Add Appr Rate	0.00%
				Net Dep Rate	7.50%
Total Completion Rate		100.00%			
Developer Profit ate @ 20%		20.0%			
Dev. Profit Amount		SAR 11,679,514			
Development Value		SAR 70,077,083			
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 70,077,083	SAR 72,900,000	SAR 142,977,083		SAR 143,000,000	



2.15 INCOME APPROACH – PILGRIMS PROJECT – BASED ON MARKET

REVENUES						
	Quantity		Revenues			
Season Type	Unit	Quantity	Rate	Revenue Type	No of Days	Total Revenues
Hajj Season	Pilgrims	1,286	SAR 2,250	Seasonal	10	SAR 2,893,500
Ramadan (20 Days)	Keys	255	SAR 350	Daily	20	SAR 1,785,000
Ramadan (10 Days)	Keys	255	SAR 550	Daily	10	SAR 1,402,500
Other Seasons	Keys	255	SAR 250	Daily	325	SAR 20,718,750
Total Revenues						SAR 26,799,750
EXPENSES						
Season Type	Management	Utilities	Maintenance	Others	Vacancy	Total Deduction
Hajj Season	5.00%	2.00%	3.00%	0.00%	0.00%	10.00%
Ramadan (20 Days)	5.00%	2.00%	3.00%	0.00%	20.00%	30.00%
Ramadan (10 Days)	5.00%	2.00%	3.00%	0.00%	10.00%	20.00%
Other Seasons	5.00%	2.00%	3.00%	0.00%	45.00%	55.00%
Showrooms	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%
NET OPERATING INCOME						
Season Type	Total Revenues		Total Deduction		NOI	
Hajj Season	SAR 2,893,500		10.00%		SAR 2,604,150	
Ramadan (20 Days)	SAR 1,785,000		30.00%		SAR 1,249,500	
Ramadan (10 Days)	SAR 1,402,500		20.00%		SAR 1,122,000	
Other Seasons	SAR 20,718,750		55.00%		SAR 9,323,438	
Showrooms	SAR 0		2.50%		SAR 0	
Total						SAR 14,299,088
Revenues						SAR 26,799,750
Deductions						-SAR 12,500,663
Net Operating Income						SAR 14,299,087.50
Net Operating Income	Cap Rate	Property Value			Rounded Value	
SAR 14,299,087.50	7.25%	197,228,793.10 SAR			197,230,000.00 SAR	

Due to the market survey done by our team to collect market data and insights for the hospitality sector in Makkah city in terms of ADR, Pilgrim rate, occupancy rates, etc. in the surrounding areas of the subject property, the following shows description for the used assumptions in the calculation model above.

**PILGRIMS – HAJJ SEASON**

We have noted that the average market rate for the Hajj season in the surrounding areas of the subject property falls in the range of SAR 2,000 to SAR 2,500, which we have applied the rate of SAR 2,250 for conservative basis. In addition, and according to the market current performance, we have assumed 100% occupancy rate in Hajj season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (20 DAYS)

The Average Daily Rates for the hospitality sector depend on the category of the property itself (no of Stars). Since the subject property is a 4 stars project, the average ADR falls in the range of SAR 300 to SAR 400 as rooms daily rates for the first 20 days of Ramadan Season. In addition, and according to the market current performance, we have assumed 80% occupancy rate for the same mentioned season.

AVERAGE DAILY RATE (ADR) – RAMADAN SEASON (10 DAYS)

The average ADR of the last 10 days of Ramadan season falls in the range of SAR 500 to SAR 600 in the surrounding areas of the subject property, in addition to occupancy rate of 90%.

AVERAGE DAILY RATE (ADR) – OTHER SEASONS

The overall estimated occupancy rate of the hospitality sector in Makkah for the remaining days of the year, and in the year of 2018, is almost 45%. Same rate will be applied on the subject property with an ADR of SAR 250 / Night.



2.16 INCOME APPROACH – LEASING CONTRACT

As per the received copy of the leasing contract, the subject property is fully leased to one tenant with an annual triple net lease of SAR 13,500,000. As for the OPEX rate, which is being paid by the Tenant, no expenses were calculated.

REVENUES					
		Quantity	Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
-----		The subject property is Fully leased to 1 tenant			SAR 13,500,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 13,500,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
-----		All expenses are paid by the tenant			0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
-----	SAR 13,500,000		0.00%		SAR 13,500,000
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 13,500,000
Total Property Revenues					SAR 13,500,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 13,500,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 13,500,000.00		6.75%	200,000,000.00 SAR		200,000,000.00 SAR

2.17 SUMMARY OF VALUES

Method	Property Value
Cost Approach	SAR 143,000,000
Income Approach – Market Rates	SAR 197,230,000
Income Approach – Leasing Contract	SAR 200,000,000

2.18 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach based on the leasing contract is:

Property Value: 200,000,000 SAR
Two Hundred Million Saudi Riyals

2.19 REPORT USE

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 authorized.

2.20 ISCLAIMER

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may 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.

2.21 CONCLUSION:

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. 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. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



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Essam Hussaini
Site Inspection Check



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