

WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**GALLERY MALL
AL KHABEER CAPITAL**

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-5
Date: 25/12/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for the leasing right of Gallery Mall in Tabuk City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the Retail project (Gallery Mall) located in Tabouk 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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Member of the International Association of certified valuer
Member of the Arab Academy for Valuation
Senior Sworn Valuer in the Lebanese Ministry of Justice
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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from AL KHABEER CAPITAL dated on November 12, 2019 to proceed with the valuation service for Gallery Mall in Tabouk city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Retail
Property Name	Gallery Mall
Location	KSA, Tabouk City

1.2 CLIENT

The client to whom this report is prepared is AL KHABEER CAPITAL, a company working under the Saudi law and regulations.

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 **Discounted Cash Flow Approach (DCF)**

1.1 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 12, 2019.

1.2 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 15, 2019.

1.3 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 25, 2019.

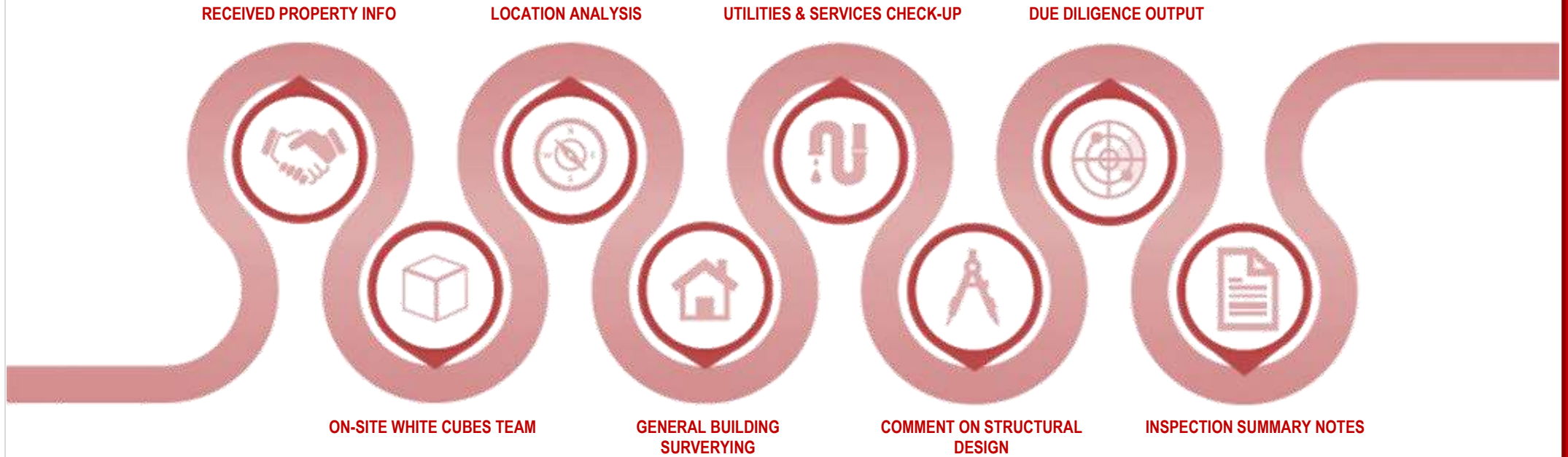
1.4 REPORT DATE

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 25, 2019.

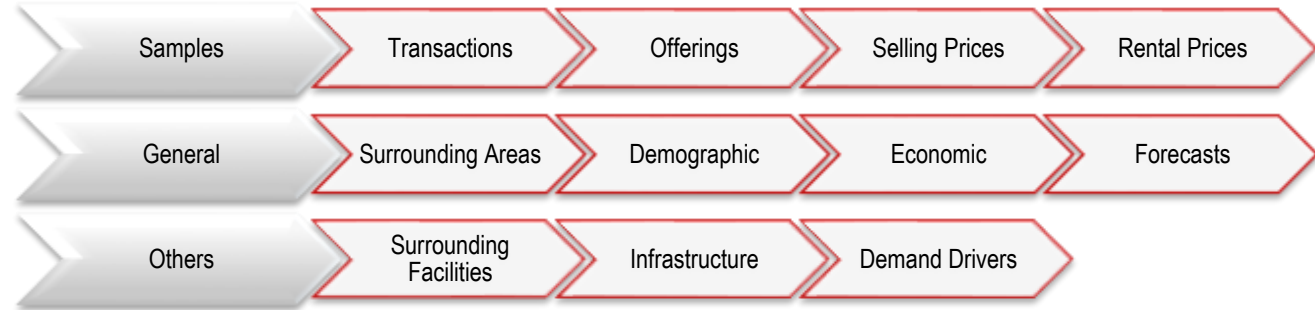
1.5 INSPECTION ROLE

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.



1.6 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.



1.7 REPORT CURRENCY

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



1.8 INSURANCE

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

1.9 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	-----	-----	✓

1.10 INFORMATION SOURCE

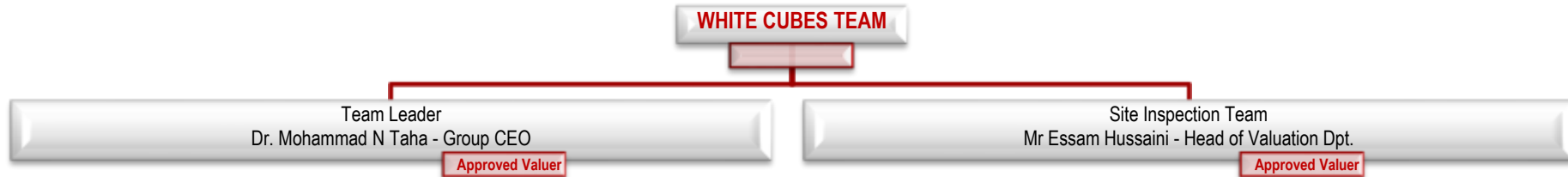
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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



1.11 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:



1.12 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

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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

1.13 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.

1.14 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)

1.15 BASIS 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;

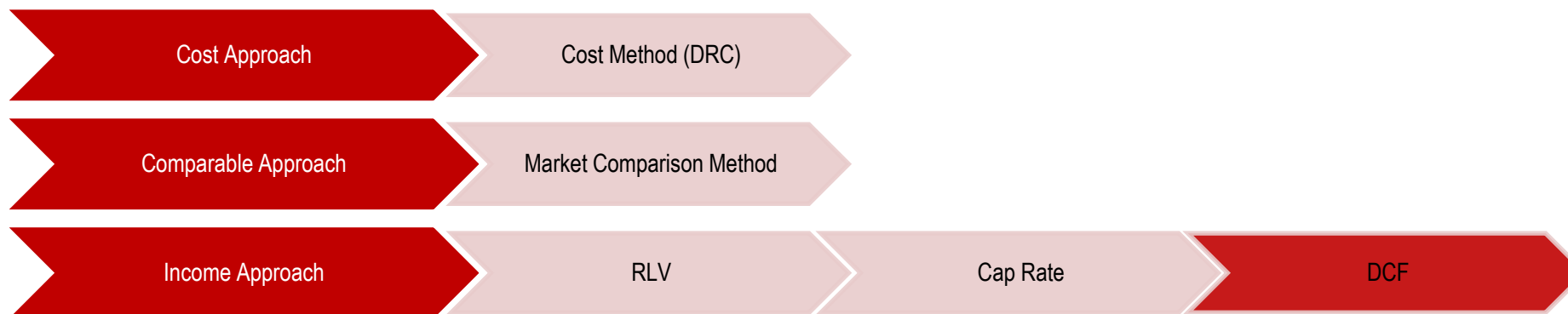
**AND
WITHOUT
COMPULSION**

'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.



1.16 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

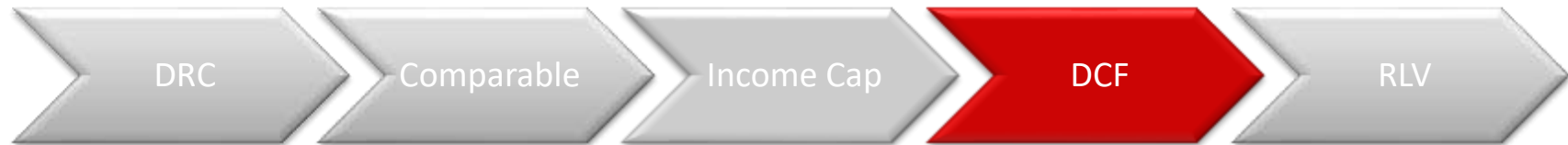


RESIDUAL LAND VALUE (RLV)

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	-----	-----	-----	✓	-----





1.17 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	
✓	Al Khabeer Capital	June 2019	-----
✓	-----	-----	-----
	-----	-----	-----

1.18 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.



1.19 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.

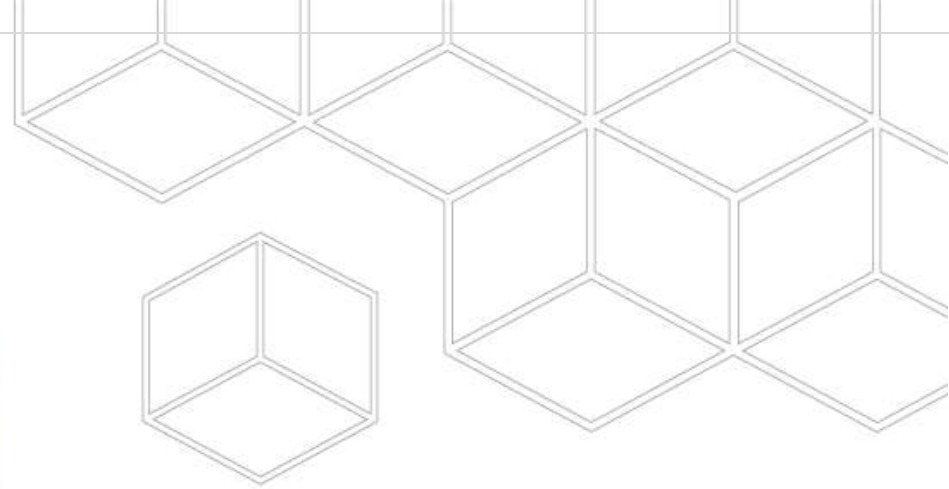
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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



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2.1 PROPERTY DESCRIPTION

The subject property is a lease hold Retail Project (Gallery Mall) located in Tabuk city. The building has a total land area of 41,630 Sqm, a total BUA of 43,624 Sqm. The project is open on 4 sides with a direct view on King Khaled Road where all the infrastructure facilities such as water, electricity, telecommunication and sewage are available in the surrounding and connected to the subject property.

Land	
Land Use	Commercial
Number of Streets	4
General Land Shape	Regular
Direct View on the Main Road	King Khaled Road
Direct View on an internal Street	Muin Ibn Zaidah Street
Land Status	Constructed
Infrastructural Facilities	
Water	Available and Connected to the subject property
Electricity	Available and Connected to the subject property
Sewage	Available and Connected to the subject property
Telecommunication	Available and Connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



2.4 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	-----

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	----- ✓
Industrial	-----
Residential	----- ✓
Agricultural	-----
Mix Use	----- ✓

2.5 INFRASTRUCTURE FACILITIES

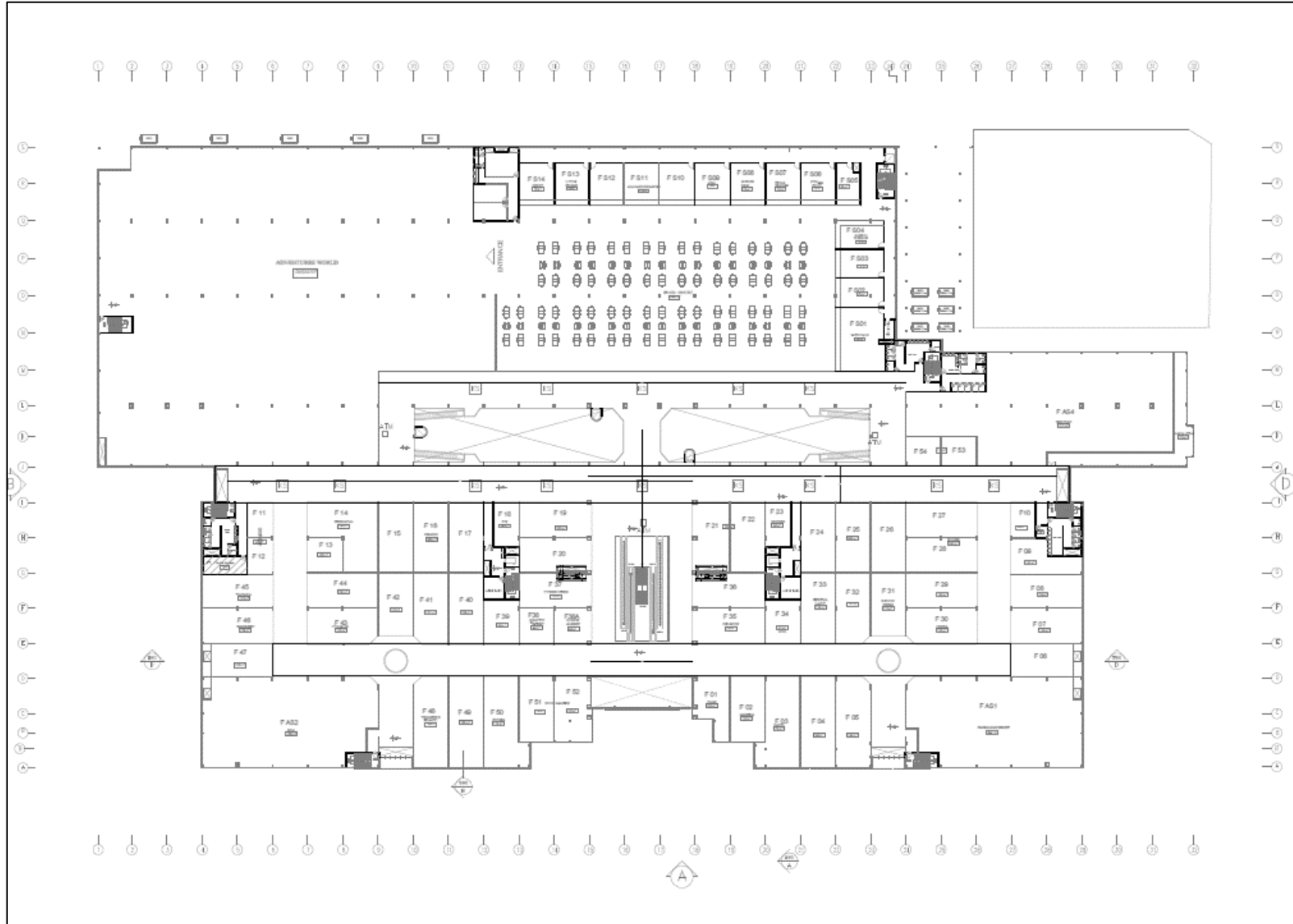
	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

All the infrastructural facilities are available in the surroundings and connected to the subject property.

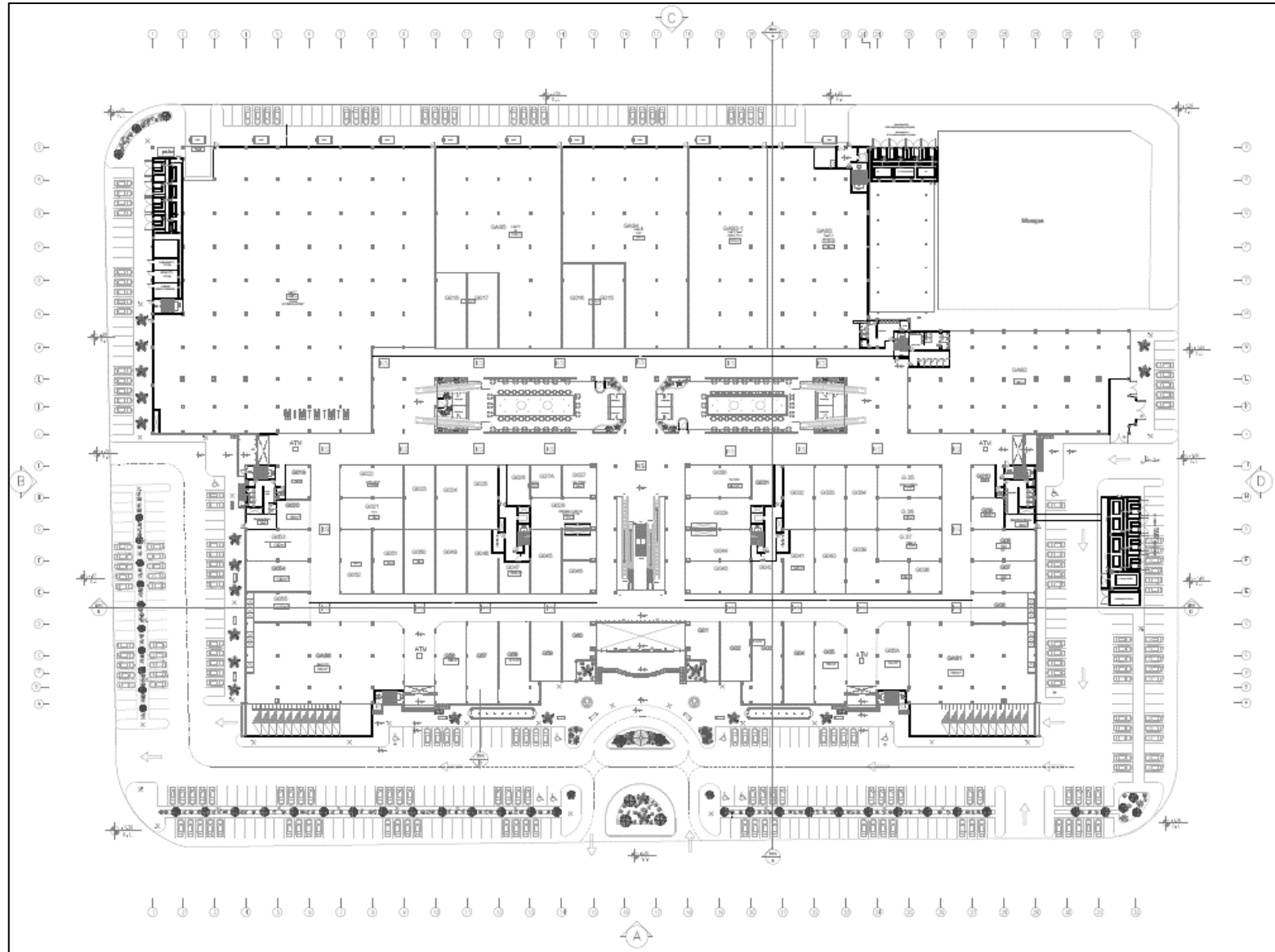


2.6 PROPERTY LAYOUTS

First Floor



Ground Floor



2.7 OCCUPANCY & VACANCY

As per the list of tenants received from the client, the subject property is partially leased to several tenants although the development process of the property is not completed yet. As per the provided contract dates, the subject project should be fully operated by early 2016 which did not happen until now. The overall expected actual and expected revenues of the project are as follows (Highlighted revenues in Gray are actual as per the signed contract).

GROUND FLOOR

C/R	Unit No.	Floor	Company / Customer Name	Size m2	Per Mt.	Total
1	G001	الأرضي		104	1,300	135,200
2	G002	الأرضي		133	1,300	172,900
3	G003	الأرضي		165	1,300	214,500
4	G004	الأرضي		167	1,650	275,550
5	G005	الأرضي	مؤسسة عبدالعزيز راشد الحميضي للتجارة	166	1,650	273,900
6	G005A	الأرضي		142	1,650	234,300
7	G006A	الأرضي		110	1,650	181,500
8	G006G007	الأرضي	مؤسسة نتيان عبدالعزيز الثنيان	237	1,200	284,400
9	G008	الأرضي	مؤسسة مروان علي باوزير للتجارة	128	1,300	166,400
10	G009	الأرضي	مؤسسة مختارات بنّي التجارية	65	2,000	130,000
11	G010	الأرضي	شركة ركن الجلديات للتجارة	50	1,300	65,000
12	G015G016	الأرضي	صيدلية الجمال السادسة الطبية	340	1,250	425,000
13	G017G018	الأرضي	شركة دلنا للتسويق المحدودة	300	1,500	450,000
14	G019	الأرضي	شركة ركن الجلديات للتجارة	50	1,300	65,000
15	G020	الأرضي	الشركة العربية لتجارة العود و العطورات الشرقية	63	2,500	157,500
16	G021	الأرضي		130	1,300	169,000
17	G022	الأرضي	شركة ركن الجلديات للتجارة	132	1,300	171,600
18	G023G024	الأرضي		256	1,300	332,800
19	G025	الأرضي		128	1,300	166,400
20	G026G027A	الأرضي	شركة الاكسبر المحدودة للتجارة	124	1,500	186,000
21	G027	الأرضي		69	2,500	172,500
22	G028	الأرضي	شركة ركن الجلديات للتجارة	132	1,300	171,600
23	G029G030G031	الأرضي	شركة فاروق للتعهدات و الأعمال التجارية المحدودة	324	1,250	405,000
24	G032	الأرضي		129	1,300	167,700
25	G033	الأرضي		129	1,300	167,700
26	G034	الأرضي		127	1,300	165,100
27	G035	الأرضي	شركة ركن الجلديات للتجارة	132	1,300	171,600
28	G036	الأرضي	مؤسسة نجوم العليا للعطورات	130	1,500	195,000
29	G037	الأرضي	محل عبدالله سليمان مشاط	132	1,500	198,000
30	G038	الأرضي	شركة نهج الخيال التجارية	66	1,300	85,800
31	G038AG039	الأرضي	شركة نهج الخيال التجارية	181	1,050	190,050
32	G040	الأرضي		129	1,300	167,700
33	G041	الأرضي		129	1,300	167,700
34	G042	الأرضي		83	1,300	107,900
35	G043G044	الأرضي		267	1,300	347,100
36	G045	الأرضي		127	1,300	165,100
37	G046	الأرضي		68	1,300	88,400
38	G046A	الأرضي		66	1,300	85,800
39	G047	الأرضي		83	1,300	107,900
40	G048	الأرضي		127	1,300	165,100

C/R	Unit No.	Floor	Company / Customer Name	Size m2	Per Mt.	Total
41	G049	الأرضي		128	1,300	166,400
42	G050	الأرضي		126	1,300	163,800
43	G051	الأرضي		130	1,300	169,000
44	G052	الأرضي		130	1,300	169,000
45	G053	الأرضي		130	1,300	169,000
46	G054G055	الأرضي	شركة امتياز العربية المحدودة	256	1,100	281,600
47	G056	الأرضي	شركة عبدالرحمن الدهام وشركاه	167	1,500	250,500
48	G057	الأرضي		167	1,500	250,500
49	G058	الأرضي		165	1,500	247,500
50	G059	الأرضي		133	1,500	199,500
51	G060	الأرضي		104	1,500	156,000
52	GAS1	الأرضي		641	550	352,550
53	GAS2	الأرضي		1380	550	759,000
54	GAS3	الأرضي		1195	550	657,250
55	GAS3A	الأرضي	شركة المربع التاسع للتجارة	1012	550	556,600
56	GAS4	الأرضي		1284	450	577,800
57	GAS5	الأرضي	شركة التجزئة الشرقية للموضة للملابس الجاهزة	1284	475	609,900
58	GAS6	الأرضي		782	475	371,450
59	GAS7	الأرضي	الشركة السعودية للتسويق المحدودة	4810	425	2,044,250
60	GK01	الأرضي	شركة درامة التجارية المحدودة	7.5	20,000	150,000
61	GK02	الأرضي	مؤسسة فراهية للتجارة	7.5	16,000	120,000
62	GK03	الأرضي		7.5	16,000	120,000
63	GK04	الأرضي		7.5	16,000	120,000
64	GK05	الأرضي		7.5	16,000	120,000
65	GK06	الأرضي	مؤسسة احمد صالح احمد العمودي	7.5	16,000	120,000
66	GK07	الأرضي	مؤسسة اطياب غناتي	7.5	17,333	130,000
67	GK08	الأرضي	مؤسسة أستاني للتجارة	7.5	18,667	140,000
68	GK09	الأرضي		7.5	18,000	135,000
69	GK10	الأرضي		7.5	18,000	135,000
70	GK11	الأرضي		7.5	18,000	135,000
71	GK12	الأرضي		7.5	18,000	135,000
72	GK13	الأرضي		7.5	18,000	135,000
73	GK14	الأرضي		7.5	18,000	135,000
74	GK15	الأرضي	شركة عبد العزيز ماطر الرشيد و شريكته	7.5	20,000	150,000
75	GK16	الأرضي		7.5	20,000	150,000
76	GK17	الأرضي		7.5	20,000	150,000
77	GK18	الأرضي		7.5	20,000	150,000
78	GK19	الأرضي		7.5	20,000	150,000
79	GK20	الأرضي		7.5	20,000	150,000
80	GK21	الأرضي		7.5	20,000	150,000
81	GK22	الأرضي		7.5	20,000	150,000
82	GK23	الأرضي		7.5	20,000	150,000
83	GK24	الأرضي		7.5	20,000	150,000
84	GK25	الأرضي	مؤسسة صبيح حمد الصبيح للتجارة	7.5	24,000	180,000
				19,832		19,411,300

1st FLOOR

C/R	Unit No.	Floor	Company / Customer Name	Size m2	Per Mt.	Total
1	F001	الأول	مؤسسة دام الموضبة	104	1,200	124,800
2	F002	الأول	مؤسسة ركن انوش للملابس الجاهزة	133	900	119,700
3	F003	الأول		168	900	151,200
4	F004	الأول	مؤسسة نجوم العليا للعطورات	165	1,100	181,500
5	F005	الأول	شركة واحة الجلابية التجارية المحدودة	166	1,000	166,000
6	F006FAS1	الأول	شركة نوادر العرب	886	450	398,700
7	F007	الأول	الرشافة السعيدة للتجارة	130	1,200	156,000
8	F008	الأول		126	1,200	151,200
9	F009	الأول	مؤسسة عبد العزيز ابراهيم القرشي	100	1,400	140,000
10	F010	الأول	مؤسسة مختارات الجوارب التجارية	45	1,800	81,000
11	F011F012	الأول	مؤسسة مصطفى أحمد البار للتجارة	98	1,300	127,400
12	F013	الأول		133	1,300	172,900
13	F014	الأول		129	1,300	167,700
14	F015	الأول		127	1,300	165,100
15	F016	الأول		129	1,300	167,700
16	F017	الأول		129	1,300	167,700
17	F018	الأول	مؤسسة الأطفال الأربعة للتجارة	50	1,800	90,000
18	F019	الأول		135	1,300	175,500
19	F020	الأول		131	1,300	170,300
20	F021	الأول	شركة نهج الخيال التجارية	132	700	92,400
21	F022	الأول	شركة نهج الخيال التجارية	132	700	92,400
22	F023	الأول	شركة امتياز العربية المحدودة	60	850	51,000
23	F024F025	الأول		257	600	154,200
24	F026	الأول		126	600	75,600
25	F027028	الأول	شركة المربع التاسع للتجارة	264	700	184,800
26	F029	الأول		133	700	93,100
27	F030	الأول	مؤسسة اوبرا للتجارة	125	1,000	125,000
28	F031	الأول		110	1,000	110,000
29	F032	الأول		127	1,000	127,000
30	F033	الأول	مؤسسة خالد عبد الله محمد الحقبني	129	1,200	154,800
31	F034	الأول	مؤسسة فيفي الحديثة للملابس الجاهزة	81	900	72,900
32	F036F035	الأول	شركة المدعج التجارية المحدودة	264	1,200	316,800
33	F037	الأول	شركة دلنا للتسويق المحدودة	128	1,000	128,000
34	F038	الأول	شركة الصفا للادوية والمستلزمات الطبية	64	1,500	96,000
35	F038A	الأول	شركة زهور الريف التجارية	69	1,700	117,300
36	F039	الأول	شركة زينة السعودية لمواد التجميل	83	1,500	124,500
37	F040	الأول	مؤسسة ركن برونز للتجارة	129	900	116,100
38	F041	الأول		127	900	114,300
39	F042	الأول	شركة بدون اسم التجارية	114	1,200	136,800
40	F043	الأول		125	1,200	150,000
41	F044	الأول		133	1,200	159,600
42	F045	الأول	مؤسسة الوزن المثالي للتجارة	124	1,200	148,800
43	F046	الأول	شركة مادلين المحدودة	129	1,200	154,800
44	F047	الأول		106	1,200	127,200
45	F048	الأول	مؤسسة النواخذ التجارية	166	800	132,800
46	F049	الأول		165	800	132,000
47	F050	الأول		168	800	134,400
48	F051F052	الأول	مؤسسة نور ميسان للتجارة	237	1,000	237,000
49	FAS02	الأول	مؤسسة الزركون الذهبي التجارية	486	600	291,600



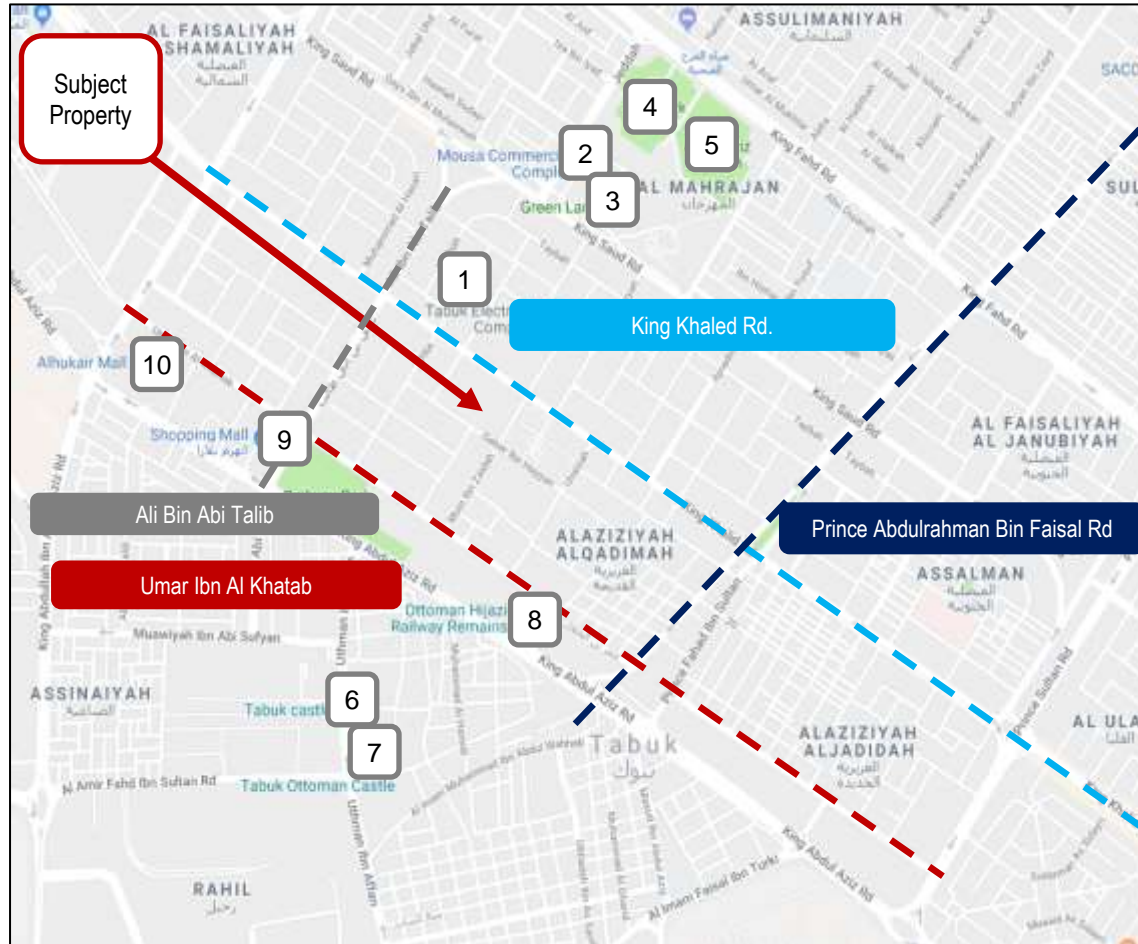
C/R	Unit No.	Floor	Company / Customer Name	Size m2	Per Mt.	Total
50	FAS03	الأول	الشركة السعودية للتسويق المحدودة	5900	375	2,212,500
51	FAS04	الأول	شركة جزيرة سمال للأزياء المحدودة	1212	400	484,800
52	FK01	الأول		6.25	12,000	75,000
53	FK02	الأول		6.25	12,000	75,000
54	FK03	الأول	شركة مصنع بوابة العطور	7.5	12,000	90,000
55	FK04	الأول		6.25	12,000	75,000
56	FK05	الأول		6.25	12,000	75,000
57	FK06	الأول		6.25	12,000	75,000
58	FK07	الأول		6.25	12,000	75,000
59	FK08	الأول		6.25	12,000	75,000
60	FK09	الأول		6.25	12,000	75,000
61	FK10	الأول	مطاعم عالم الذرة لتقديم الوجبات	6	11,667	70,000
62	FK11	الأول	شركة جزيرة الحلويات التجارية	4	17,500	70,000
63	FK12	الأول		6.25	12,000	75,000
64	FK13	الأول	مؤسسة عين وهذب التجارية	9	9,444	85,000
65	FK14	الأول	شركة خفيف الغذائية	6.25	10,400	65,000
66	FS01	الأول		75	1,300	97,500
67	FS02	الأول	شركة كودو للتغذية و الاعاشة	75	1,300	97,500
68	FS03	الأول		75	1,300	97,500
69	FS04	الأول	شركة جميرة التجارية المحدودة	75	1,100	82,500
70	FS05	الأول		55	1,300	71,500
71	FS06	الأول	مطعم فاكهة الرشاقة لتقديم الوجبات	75	1,000	75,000
72	FS07	الأول	شركة العليان للخدمات الغذائية المحدودة	75	1,300	97,500
73	FS08	الأول	شركة العليان للخدمات الغذائية المحدودة	75	1,300	97,500
74	FS09	الأول		75	1,300	97,500
75	FS10	الأول		75	1,300	97,500
76	FS11	الأول		75	1,300	97,500
77	FS12	الأول		75	1,300	97,500
78	FS13	الأول	شركة بزينة الدولية للتجارة	74	1,300	96,200
79	FS14	الأول	شركة هرفي للخدمات الغذائية	74	1,300	96,200
80	FS15	الأول		80	1,300	104,000
				15,886		12,380,800

TOTAL GLA	35,718
TOTAL ESTIMATED REVENUES	31,792,100
AVERAGE RENTAL RATE	890.10
Ground Floor	
TOTAL NO OF UNITS	84
TOTAL OCCUPIED UNITS	30
First Floor	
TOTAL NO OF UNITS	83
TOTAL OCCUPIED UNITS	43

Yet, the client will sign one tenant lease contract for an annual triple net lease of SAR 22,959,000 for 10 years of which 5 years are irrevocable. The land lease rent is SAR 1,579,000 which will be paid by the fund.

2.8 LOCATION

The subject property located in Al Salihiyah district, Tabuk City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

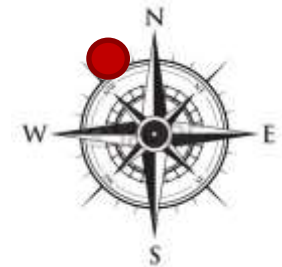
The subject property can be accessed through the following roads:

North Side:	King Khaled Road
South Side:	Umar Ibn Al Khatab
East Side:	Prince Abdulrahman Bin Faisal Road
West Side:	Ali Bin Abi Talib

LANDMARKS

- 1- Tabuk Electricity Company (0.4 Kilometres)
- 2- Mousa Commercial Complex (0.9 Kilometres)
- 3- Green Land (0.8 Kilometres)
- 4- Fun Park (1.1 Kilometres)
- 5- King Abdulaziz Garden (1.3 Kilometres)
- 6- Tabuk Castle (1.4 Kilometres)
- 7- Tabuk Ottoman Castle (1.6 Kilometres)
- 8- Ottoman Hijazi Railway Remains (1.4 Kilometres)
- 9- Al Haram Plaza (1 Kilometres)
- 10- Al Hukair Mall (1.5 Kilometres)

Location of the subject property according to the City Center



2.9 PHOTO RECORD





2.10 DOCUMENTS RECEIVED

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	Location Map
Location Link	Contact Details	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Others

2.11 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.

2.12 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - The subject property has a direct view on Muin Ibn Zaidah Street - The property has 4 sides open - Very Good Design - Good Quality of Exterior Finishing - Very Efficient Internal Circulation - Very Efficient Tenant Mix 	<p>Weakness</p> <ul style="list-style-type: none"> - High traffic Area (King Khaled Road)
<p>Opportunities</p> <ul style="list-style-type: none"> - Tabuk city is known as a tourism destination city within the kingdom. And since the existing shopping malls in the city are very few compared to high demand for such project (Tabuk city offers low GLA per capita compared to other cities), this can guarantee stability of revenues and support any increase provision in the future. 	<p>Threats</p> <ul style="list-style-type: none"> - Future similar development project - Any future and unexpected change in economy conditions

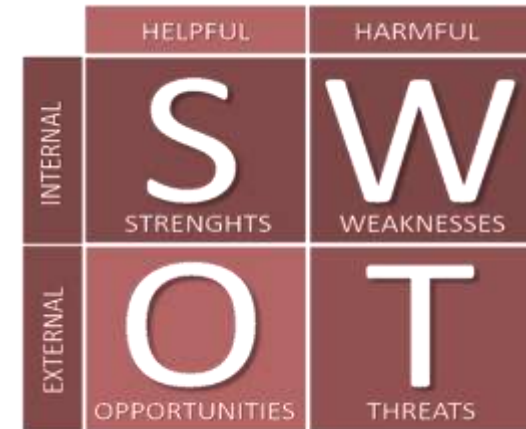
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.13 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.



- Indicator showing a decrease in the current performance comparing to the last year
- Indicator showing an increase in the current performance comparing to the last year
- Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019

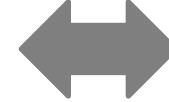


Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019

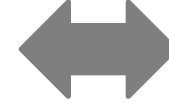


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

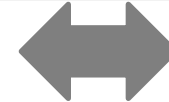


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

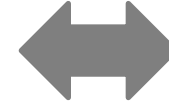


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.14 RISK 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	8	6	0	0
Risk Category	14 Risk Points - Medium Risk				

Sector Analysis

Risk Category- 14 Risk Points - Medium Risk

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	1	2	0	0	0
Risk Category	5 Risk Points – Very Low Risk				

Land Analysis

Risk Category- 5 Risk Points – Very Low Risk

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	1	4	0	0	0
Risk Category	5 Risk Points - Minimal Risk				

Property Analysis

Risk Category- 5 Risk Points – Minimal Risk

2.15 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



2.16 DISCOUNTED CASH FLOW APPROACH – BASED ON MULTIPLE TENANTS

Cash Flow	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450
	0	1	2	3	4	5	6	7	8	9
Increase Revision	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%
Expected Revenues										
Overall Revenues	31,792,100	31,792,100	32,586,903	32,586,903	32,586,903	32,586,903	32,586,903	33,401,575	33,401,575	33,401,575
Expenses										
Vacancy Rates	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Total	4,768,815	4,768,815	4,888,035	4,888,035	4,888,035	4,888,035	4,888,035	5,010,236	5,010,236	5,010,236
OPEX	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Land Rent	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Overall Expenses	11,116,630	11,116,630	11,355,071	11,355,071	11,355,071	11,355,071	11,355,071	11,599,473	11,599,473	11,599,473
NOI	20,675,470	20,675,470	21,231,832	21,231,832	21,231,832	21,231,832	21,231,832	21,802,103	21,802,103	21,802,103
Terminal Value @ ----->	0.0%									
Discount Rate	11.00%	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43
Present Value		20,675,470	18,626,550	17,232,231	15,524,533	13,986,065	12,600,059	11,351,404	10,501,166	9,460,510
Market Rate / Net Present Value										

Cash Flow	1451	1452	1453	1454	1455	1456	1457	1458	1459	
	10	11	12	13	14	15	16	17	18	
Increase Revision	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	
Expected Revenues										
Overall Revenues	33,401,575	33,401,575	34,236,615	34,236,615	34,236,615	34,236,615	34,236,615	35,092,530	35,092,530	
Expenses										
Vacancy Rates	15%	15%	15%	15%	15%	15%	15%	15%	15%	
Total	5,010,236	5,010,236	5,135,492	5,135,492	5,135,492	5,135,492	5,135,492	5,263,880	5,263,880	
OPEX	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Land Rent	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	
Overall Expenses	11,599,473	11,599,473	11,849,984	11,849,984	11,849,984	11,849,984	11,849,984	12,106,759	12,106,759	
NOI	21,802,103	21,802,103	22,386,630	22,386,630	22,386,630	22,386,630	22,386,630	22,985,771	22,985,771	
Terminal Value @ ----->	0.0%								0	
Discount Rate	11.00%	0.35	0.32	0.29	0.26	0.23	0.21	0.19	0.17	
Present Value		7,678,362	6,917,443	6,399,013	5,764,876	5,193,582	4,678,903	4,215,228	3,899,136	
Market Rate / Net Present Value										

	Discount Rate				
Discount Rate	9.00%	10.00%	11.00%	12.0%	13.0%
Market Value	208,497,896	196,494,038	186,740,251	175,892,155	167,027,746

2.17 DISCOUNTED CASH FLOW – BASED ON TRIPPLE NET LEASE

The land of the subject property is owned by Tabuk Municipality and rented for Al-Qudaibi and sons Company whom transferred it to “شركة أول الملقى العقارية” with leasing right for 25 years starting 1434 HD with annual lease rate of SAR 1,579,000. The client intends to acquire this remaining period of the leasing right (21 years), as for the first 5 years the client will lease back the project for Qudaibi & Sons for SAR 22,959,000 annually. Then, and after the five years, the client will lease the project based on market rates starting year six by applying the same rates in Point 1.16

Cash Flow	1441 0	1442 1	1443 2	1444 3	1445 4	1446 5	1447 6	1448 7	1449 8	1450 9
Increase Revision	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%
Expected Revenues										
Overall Revenues	22,959,000	22,959,000	22,959,000	32,586,903	32,586,903	32,586,903	32,586,903	33,401,575	33,401,575	33,401,575
Expenses										
Vacancy Rates				15%	15%	15%	15%	15%	15%	15%
Total				4,888,035	4,888,035	4,888,035	4,888,035	5,010,236	5,010,236	5,010,236
OPEX	15.0%			4,888,035	4,888,035	4,888,035	4,888,035	5,010,236	5,010,236	5,010,236
Land Rent				1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Overall Expenses	1,579,000	1,579,000	1,579,000	11,355,071	11,355,071	11,355,071	11,355,071	11,599,473	11,599,473	11,599,473
NOI	21,380,000	21,380,000	21,380,000	21,231,832	21,231,832	21,231,832	21,231,832	21,802,103	21,802,103	21,802,103
Terminal Value @ ----->	0.0%									
Discount Rate	11.00%									
Present Value	21,380,000	19,261,261	17,352,488	15,524,533	13,986,065	12,600,059	11,351,404	10,501,166	9,460,510	8,522,982
Market Rate / Net Present Value										

Cash Flow	1451 10	1452 11	1453 12	1454 13	1455 14	1456 15	1457 16	1458 17	1459 18
Increase Revision	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%
Expected Revenues									
Overall Revenues	33,401,575	33,401,575	34,236,615	34,236,615	34,236,615	34,236,615	34,236,615	35,092,530	35,092,530
Vacancy Rates	15%	15%	15%	15%	15%	15%	15%	15%	15%
Total	5,010,236	5,010,236	5,135,492	5,135,492	5,135,492	5,135,492	5,135,492	5,263,880	5,263,880
OPEX	15.0%			5,135,492	5,135,492	5,135,492	5,135,492	5,263,880	5,263,880
Land Rent				1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Overall Expenses	11,599,473	11,599,473	11,849,984	11,849,984	11,849,984	11,849,984	11,849,984	12,106,759	12,106,759
NOI	21,802,103	21,802,103	22,386,630	22,386,630	22,386,630	22,386,630	22,386,630	22,985,771	22,985,771
Terminal Value @ ----->	0.0%								0
Discount Rate	11.00%								0.15
Present Value	7,678,362	6,917,443	6,399,013	5,764,876	5,193,582	4,678,903	4,215,228	3,899,136	3,512,736
Market Rate / Net Present Value									188,199,748

The used discount rate (11%) based on the nature of the property itself in terms of location (Secondary City), economic risks and the stability of revenues

	Discount Rate				
Discount Rate	9.00%	10.00%	11.00%	12.0%	13.0%
Market Value	209,973,494	197,961,502	188,199,748	177,343,848	168,471,791



2.18 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology (DCF).

The used discount rate is based on the weighted average of three approaches:

- 1- CAPM (WACC) method
- 2- Economic inflation rate and market growth rate
- 3- Witnessing of several market transactions similar to the subject property

2.19 SUBJECT PROPERTY VALUE

We are of an opinion that the total value of the leasing right of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow Approach is:

Property Value: 186,740,251 SAR
Rounded Value: 186,750,000 SAR

One Hundred Eighty-Six Million and Seven Hundred Fifty 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)
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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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**PALLAZZO PLAZA
AL KHABEER CAPITAL**

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-7
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9378
Email: t.aql@alkhabeer.com

Subject: Valuation Report for Pallazzo Plaza in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the Commercial project (Pallazzo Plaza) located in Riyadh 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
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from AL KHABEER CAPITAL dated on November 12, 2019 to proceed with the valuation service for Pallazzo Pizza located in Riyadh city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Commercial
Property Name	Pallazzo Plaza
Location	KSA, Riyadh

1.2 CLIENT

The client to whom this report is prepared is AL KHABEER CAPITAL, a company working under the Saudi law and regulations.

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

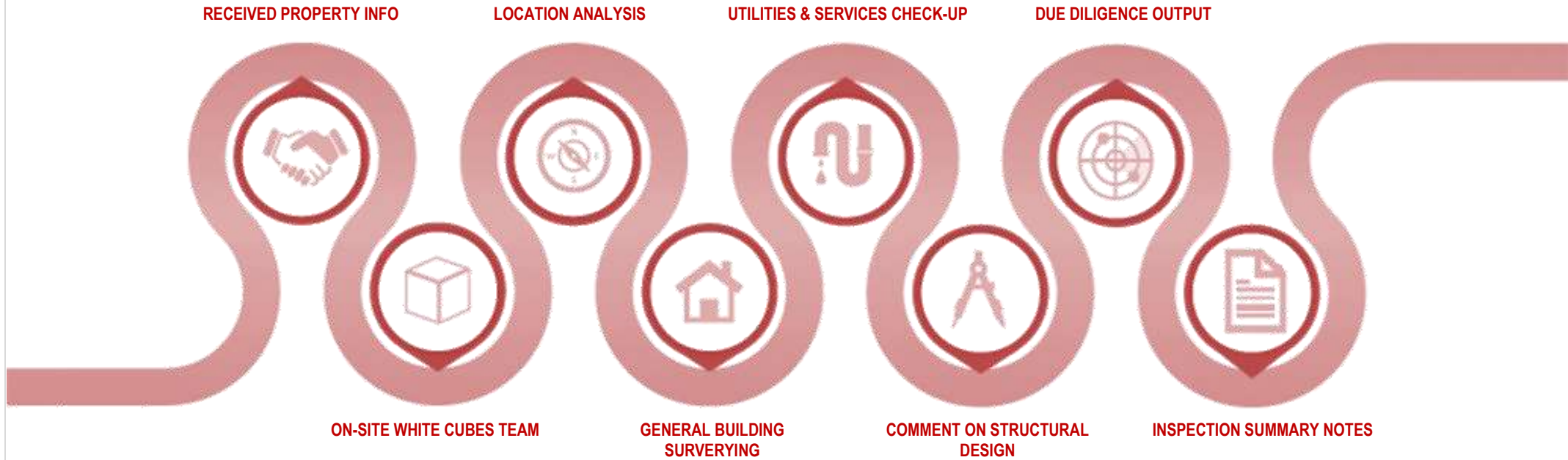
1.13 REPORT DATE

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.

November 21, 2019.

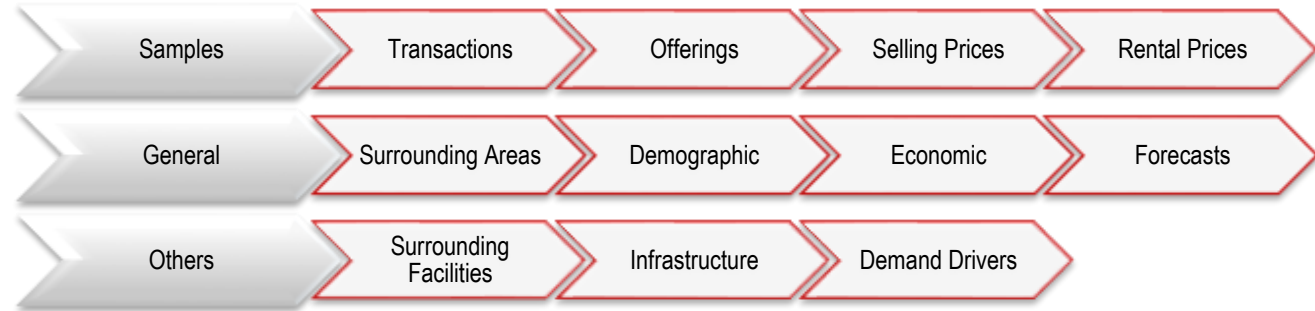
1.14 INSPECTION ROLE

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.



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

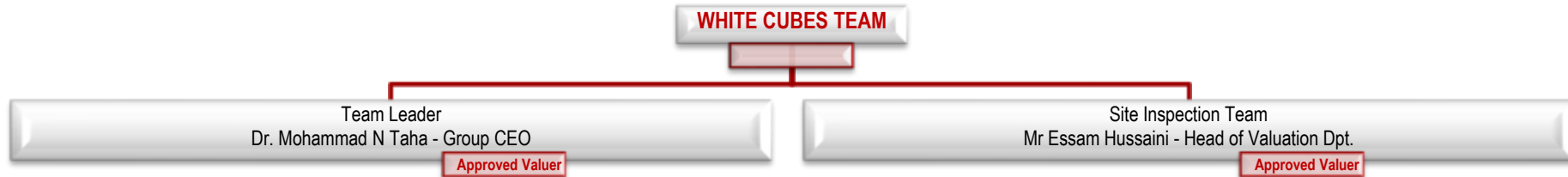
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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

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 BASIS 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;

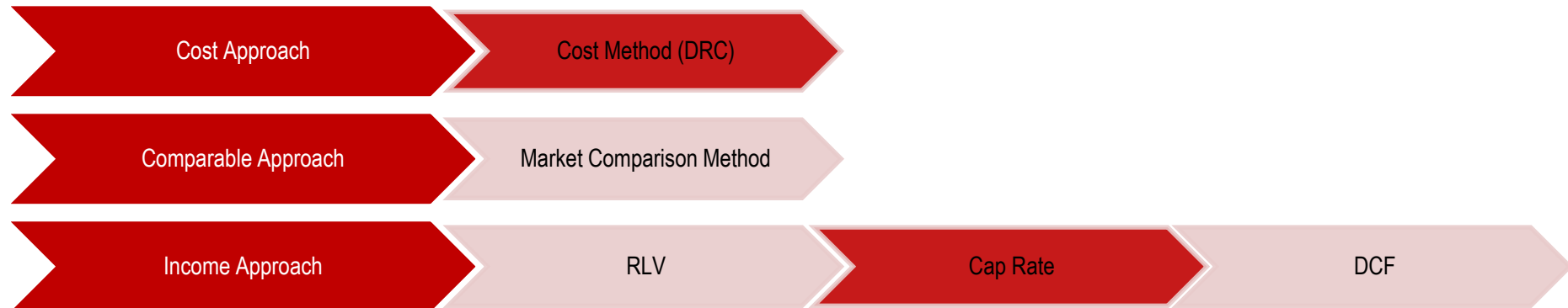
**AND
WITHOUT
COMPULSION**

'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	
✓	Al Khabeer Capital	June 2019	-----
✓	-----	-----	-----
	-----	-----	-----

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.

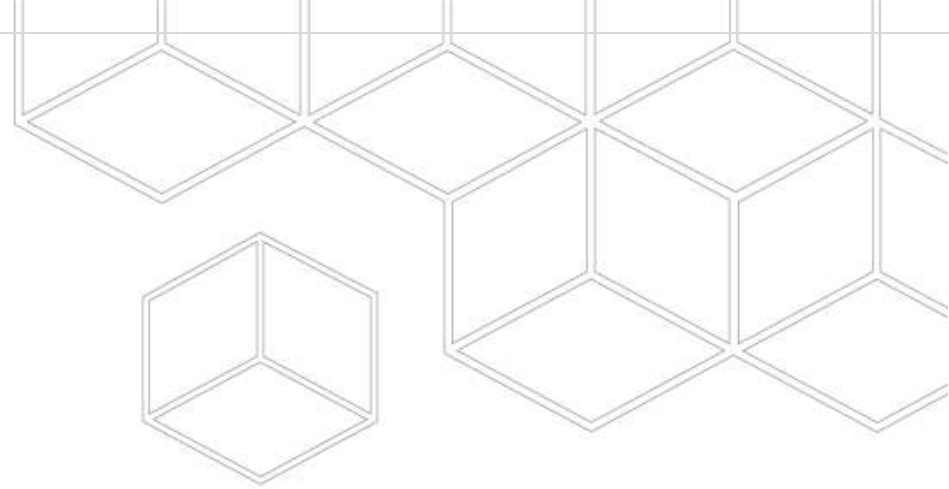
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a Commercial Project (Pallazzo Plaza) located in Riyadh city. Based on the provided copies of the title deed and the construction permit, the project has a total land area of 6,050 Sqm, and a total BUA of 5,648.24 Sqm. as per the site inspection done by our team for the purpose of valuation, the property is open on 4 sides with a direct view on King Muhammad V Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

Land	
Land Use	Commercial
Number of Streets	4
General Land Shape	Regular
Direct View on the Main Road	King Muhammad V Road.
Direct View on an internal Street	Ibn Rayyan Street
Land Status	Constructed
Infrastructural Facilities	
Water	Available and Connected to the subject property
Electricity	Available and Connected to the subject property
Sewage	Available and Connected to the subject property
Telecommunication	Available and Connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



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	Riyadh
District	Sulaymaniyah
T.D Type	Electronic
T.D Number	710116045124
T.D Date	27/04/1440
T.D Value	50,388,800 SAR
Date of Last Transaction	27/04/1440
Issue from	Riyadh Notary
Land Area	6,050
Plot No.	333 to 342
Block No.	35
Layout No.	690
Owner	شركة أول الملقا العقارية
Ownership Type	Freehold

Boundaries

North	King Muhammad Bin Abdulaziz Road (20m Length)
South	Prince Sultan Bin Abdulaziz Road (15m Length)
East	King Muhammad Road (30m Length)
West	Olaya Street (10m Length)

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 CONSTRUCTION & BUILDINGS

The subject property is newly constructed Commercial project composed of Ground floor and Mezanaine floor. The Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

Subject Property			
Construction Permit Type		Add Building Components	
Property Type		Commercial	
Construction Permit No.		1437/2925	
Construction Permit Date		17/02/1437 AH	
Permit Expiry Date		17/02/1440 AH	

Description	No. of Units	Area (sqm)	Use
Mezzanine	---	2,603.70	Commercial
Commercial Ground Floor	15	2,916.20	Commercial
Electricity Room	---	128,34	Services
Fences	---	171 m	Fences
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
Total BAU (sqm)		5,648.24	

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	-----		

2.4 OCCUPANCY & VACANCY

As per the list of tenants received from the client, the subject property is partially occupied to Several tenants. The overall occupancy rate of the subject property is 100% by multiple tenants.

Shop No	Tenant Name	Size SQM	Ex. Total Income		
			SR/SQM	Rent	Service Charge
1	Tea Basil	367.35	SAR 1,300	SAR 477,555	SAR 47,755.50
2	Crust Corner	366.18	SAR 1,300	SAR 476,034	SAR 47,603.40
3	Draft	370.68	SAR 1,300	SAR 481,884	SAR 24,094.00
4	Piedays	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
5	Brew92	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
6	Blue Sign	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
7	NUMU	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
8	KivaHan	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
9	KivaHan	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
10	Beet Root	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
11	Beet Root	415.25	SAR 1,200	SAR 498,300	SAR 49,830.00
12	Rip Yars	415.25	SAR 1,200	SAR 498,300	SAR 39,864.00
13	Lamis	366.18	SAR 1,300	SAR 476,034	SAR 47,603.40
14 +15	NilePalace	749.33	SAR 1,300	SAR 974,129	SAR 97,412.90
Total GLA		5,956.97		SAR 7,370,336	SAR 702,973
				SAR 8,073,309	

As we can see from the above table, the subject property is fully occupied except for unit No 7 still in vacant condition. The rental rates within the subject property is in accordance to the market average rates which falls in the range of 1,200 to 1,500 SAR / Sqm. Therefore, and in the valuation analysis, we will use the above-mentioned revenues

2.5 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	-----

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Hospitality	----- ✓

2.6 INFRASTRUCTURE FACILITIES

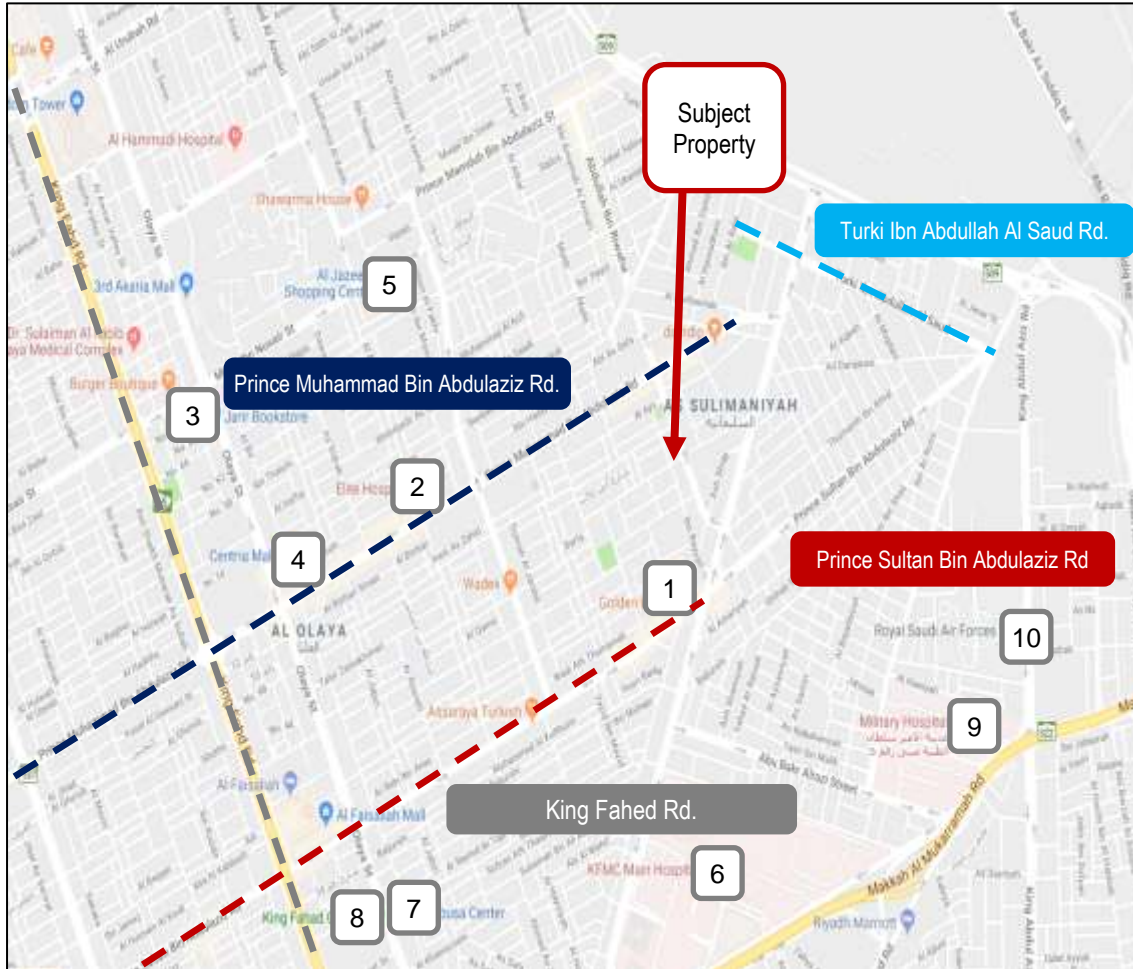
	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

All the infrastructural facilities are available in the surroundings and connected to the subject property,



2.7 LOCATION

The subject property located in Al Sulaymaniah, Riyadh City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

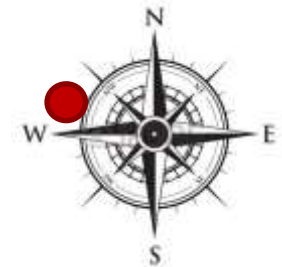
The subject property can be accessed through the following roads:

- | | |
|-------------|-------------------------------------|
| North Side: | Prince Muhammad Bin Abdulaziz Road. |
| South Side: | Prince Sultan Bin Abdulaziz Road |
| East Side: | Turki Ibn Abdullah Al Saud Road |
| West Side: | King Fahed Road |

LAND MARKS

- 1- Golden Brown (0.3 Kilometres)
- 2- Elite Hospital (1.1 Kilometres)
- 3- Jarir Bookstore (2.4 Kilometres)
- 4- Centria Mal (1.9 Kilometres)
- 5- Al Jazeera Shopping Center (1.5 Kilometres)
- 6- Military Hospital (1.3 Kilometres)
- 7- Al Mousa Center (1.9 Kilometres)
- 8- King Fahed Garden (2.2 Kilometres)
- 9- Military Hospital (1.2 Kilometres)
- 10- Royal Saudi Air Forces (1.2 Kilometres)

Location of the subject property according to the City Center



2.8 PHOTO RECORD



2.9 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	Location Map
Location Link	Contact Details	Costing & Budget
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Others

2.10 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.

2.11 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Newly constructed commercial project - Property open on 4 sides - Direct view on the main road 	<p>Weakness</p> <ul style="list-style-type: none"> - The sidewalks surrounding the subject property are under renovation.
<p>Opportunities</p> <ul style="list-style-type: none"> - Good level of demand of the commercial projects in the surrounding area 	<p>Threats</p> <ul style="list-style-type: none"> - Existing and upcoming similar projects

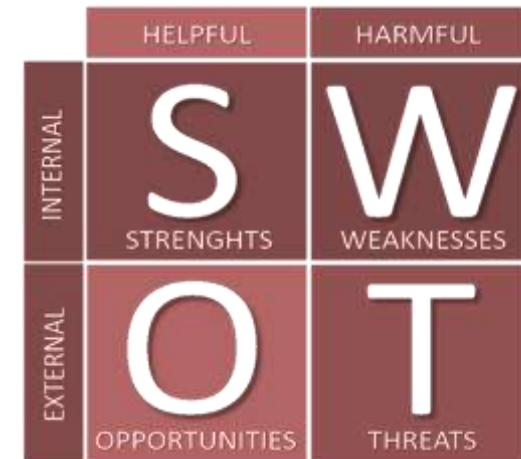
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.12 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.



- Indicator showing a decrease in the current performance comparing to the last year
- Indicator showing an increase in the current performance comparing to the last year
- Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations

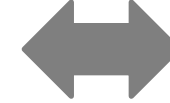


Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019



Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

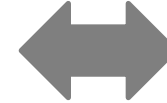


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.13 RISK 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				

Sector Analysis

Risk Category- 15 Risk Points - Medium Risk

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	2	4	0	0	0
Risk Category	6 Risk Points – Minimal Risk				

Land Analysis

Risk Category- 6 Risk Points - Minimal Risk

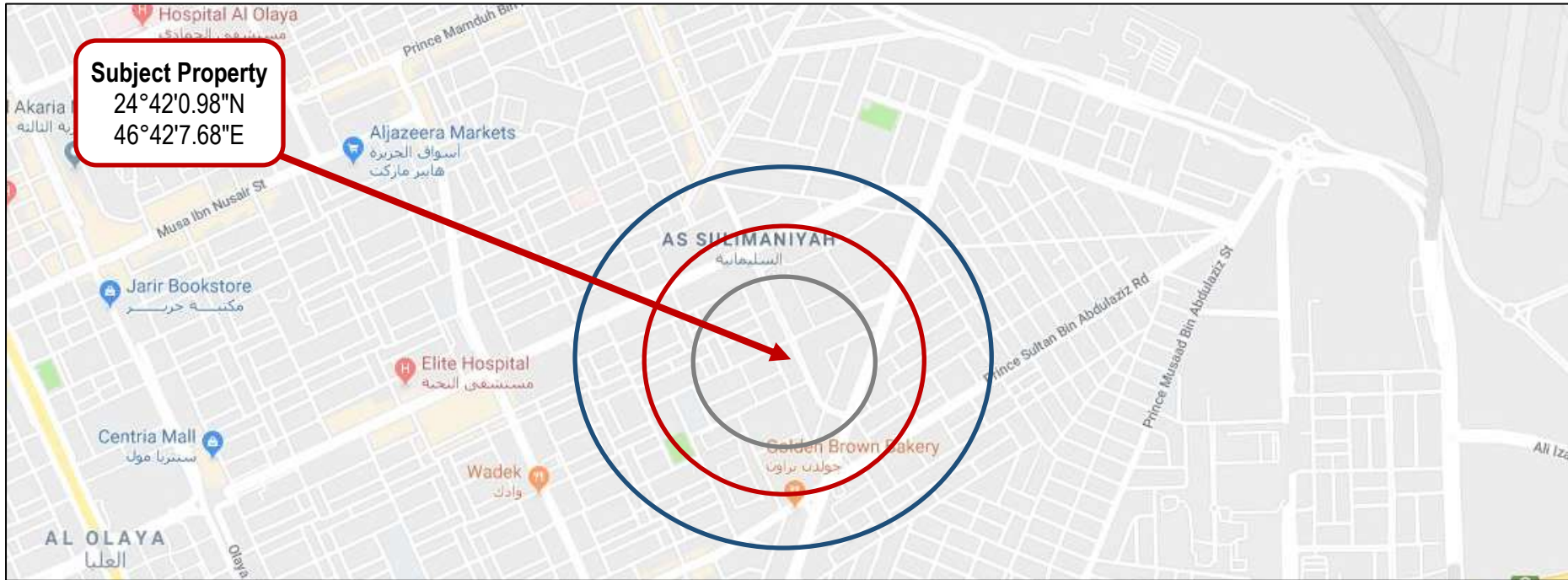
Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	-----	✓	-----	-----
Management Skills	-----	✓	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	4	3	0	0
Risk Category	7 Risk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

Property Analysis

Risk Category- 7 Risk Points - Medium Risk

2.14 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deed No.	Land Area (Sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
710116045124	6,050	From 7,500 to 8,500	8,150	SAR 49,307,500

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			
Land Area	SAR / Sqm	Total Value	
6,050.00	SAR 8,150	SAR 49,307,500	
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	3,044.54
Mezzanine	Sqm	1	2,603.70
Fences	Lm	----	171.00
Total (SQM)	5,648.24		

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 20% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,648.24	SAR 1,000	SAR 5,648,240	100%	SAR 5,648,240
Electro Mechanic	5,648.24	SAR 600	SAR 3,388,944	100%	SAR 3,388,944
Finishing	5,648.24	SAR 400	SAR 2,259,296	100%	SAR 2,259,296
Fit outs & Appliances	5,648.24	SAR 0	SAR 0	100%	SAR 0
Furniture	5,648.24	SAR 0	SAR 0	100%	SAR 0
Site Improvement	6,050.00	SAR 120	SAR 726,000	100%	SAR 726,000
Total			SAR 12,022,480	100.00%	SAR 12,022,480
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 12,022,480	0.10%	SAR 12,022
Design			SAR 12,022,480	1.00%	SAR 120,225
Eng Consultant			SAR 12,022,480	1.00%	SAR 120,225
Management			SAR 12,022,480	5.00%	SAR 601,124
Contingency			SAR 12,022,480	5.00%	SAR 601,124
Others			SAR 12,022,480	0.00%	SAR 0
TOTAL				12.10%	SAR 1,454,720.08
Total Hard Cost	SAR 12,022,480		BUA	5,648.24	
Total Soft Cost	SAR 1,454,720.08		SAR / Sqm	SAR 2,386	
Total Construction Cost	SAR 13,477,200.08		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 13,477,200		Net Dep Rate		2.00%
			Dev Cost After Depreciation		SAR 13,207,656
Economic Age	50		Total Completion Rate		100.00%
Annual Dep Rate	2.00%		Developer Profit Rate		20.0%
Actual Age	1		Dev. Profit Amount		SAR 2,641,531
Total Dep Rate	2.00%		Development Value		SAR 15,849,187
Add Appr Rate	0.00%				
Net Dep Rate	2.00%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 15,849,187	SAR 49,307,500	SAR 65,156,687	SAR 65,160,000		



2.16 INCOME APPROACH

REVENUES					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Show Rooms	0	0	SAR 0	SAR 0	SAR 8,073,309
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 8,073,309
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Show Rooms	2.50%	0.00%	2.50%	0.00%	5.00%
-----	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		
Show Rooms	SAR 8,073,309	5.00%	SAR 7,669,644		
-----	SAR 0	0.00%	SAR 0		
-----	SAR 0	0.00%	SAR 0		
Total			SAR 7,669,644		
Total Property Revenues			SAR 8,073,309		
Total Property Expenses			-SAR 403,665		
Net Operating Income			SAR 7,669,643.55		
Net Operating Income	Cap Rate	Property Value	Rounded Value		
SAR 7,669,643.55	8.25%	92,965,376.36 SAR	92,970,000.00 SAR		

The rental rates within the subject property is in accordance to the market average rates which falls in the range of 1,200 to 1,500 SAR / Sqm. Therefore, and in the valuation analysis, we have used the above-mentioned revenues (Section 2.4).

2.17 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 92,970,000	Ninety-Two Million and Nine Hundred Seventy Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 65,160,000	Sixty-Five Million and One Hundred Sixty Thousand Saudi Riyals



2.18 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology (DCF).

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 is:

Property Value: 92,970,000 SAR
Ninety-Two Million and Nine Hundred Seventy 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



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WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**MALGA COMPOUND
AL KHABEER CAPITAL**

RIYADH CITY

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-2
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for residential compound (Malga Compound) in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the residential project (Malga Compound) located in Riyadh 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
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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
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from Al Khabeer Capital dated on November 12, 2019 to proceed with the valuation service for Malga Compound in Riyadh city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Residential
Property Name	Malga Compound
Location	KSA, Riyadh

1.2 CLIENT

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

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

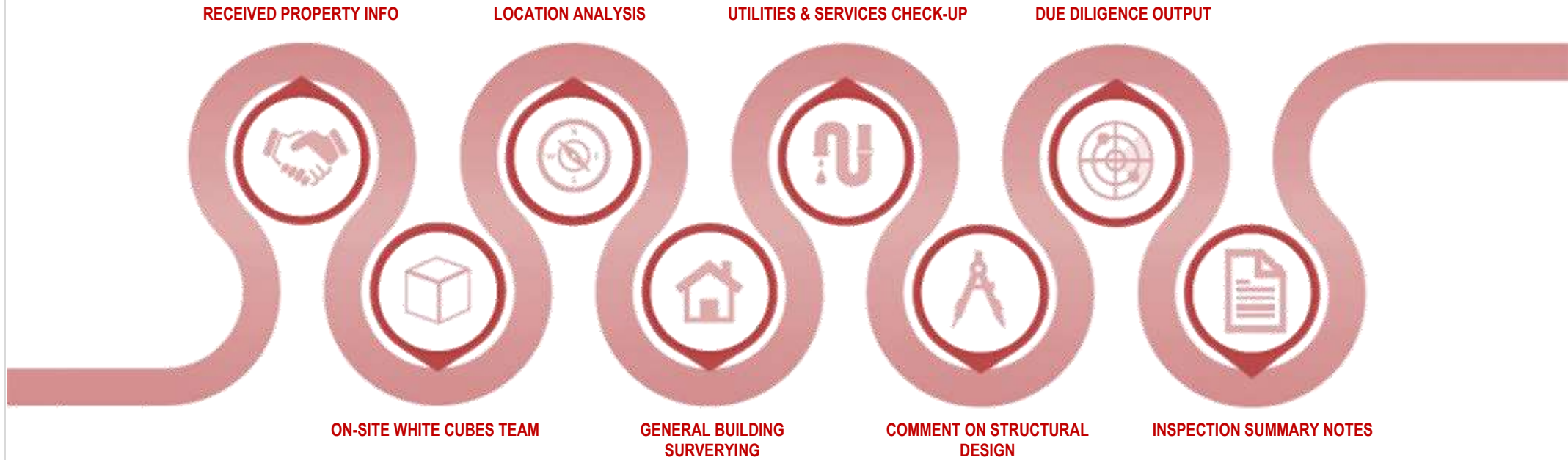
1.13 REPORT DATE

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.

November 21, 2019.

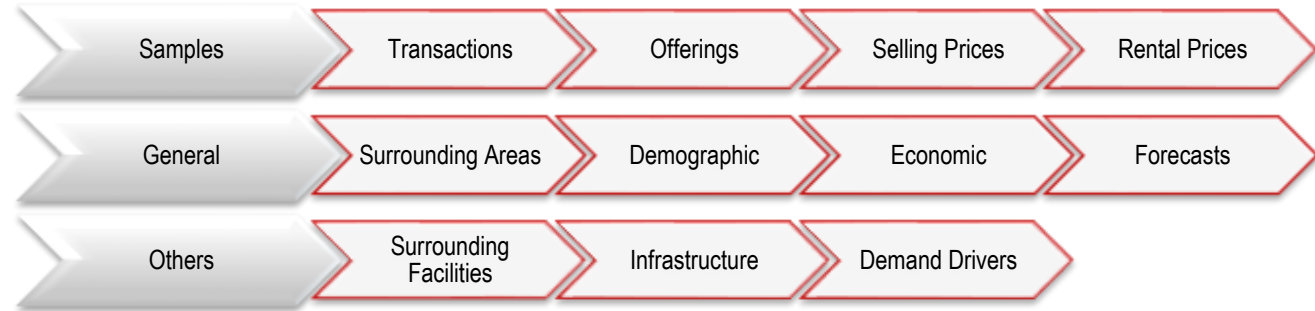
1.14 INSPECTION ROLE

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.



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

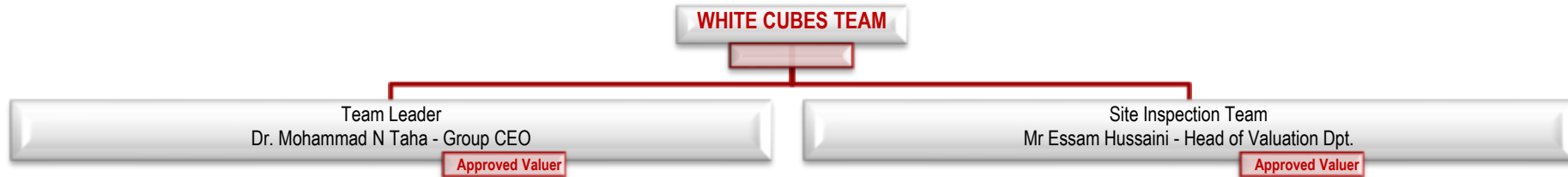
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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

Valuer Name	Completed Courses in Taqem															
	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 BASIS 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;

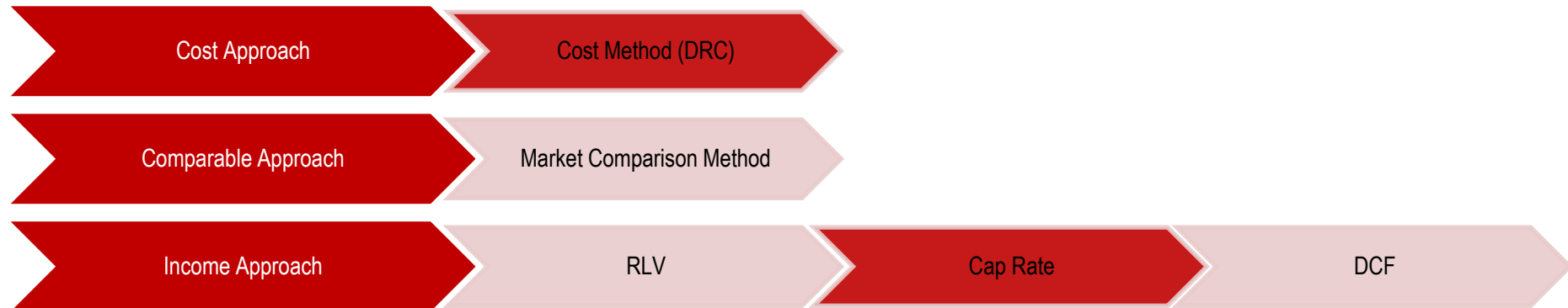
**AND
WITHOUT
COMPULSION**

'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

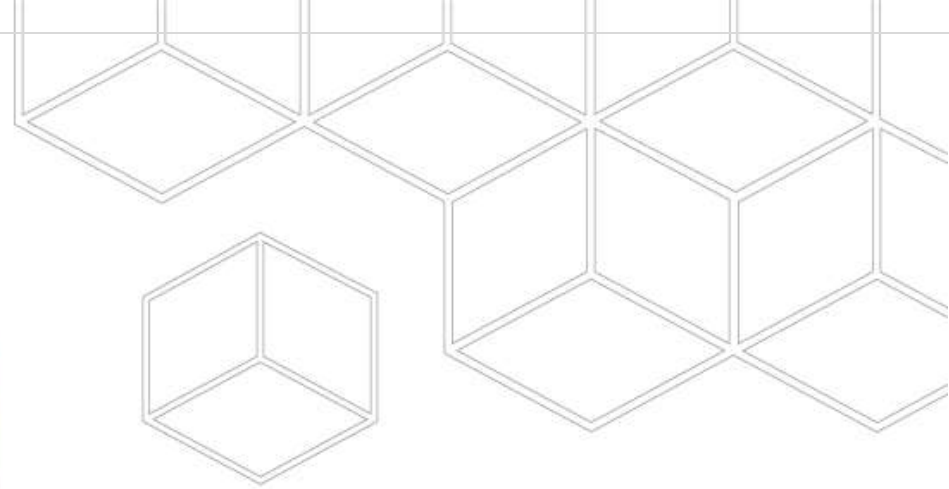
With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

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



PROPERTY INFO

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



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VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a residential compound located in Al Malga district, Riyadh city. The Property has a total land area of 15,924.68 Sqm, a total BUA of 41,362 Sqm and composed of 252 residential apartment units and 38 studio units. As per the site inspection done by our team, the project is open on 4 sides with a direct view on Hajar Valley Road from the north side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Land	
Land Use	Residential
Number of Streets	4
General Land Shape	Regular
Direct View on the Main Road	Hajar Valley
Direct View on an internal Street	Unnamed Streets
Land Status	Constructed
Infrastructural Facilities	
Water	Available and connected to the subject property
Electricity	Available and connected to the subject property
Sewage	Available and connected to the subject property
Telecommunication	Available and connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



2.2 TITLE DEED & OWNERSHIP

We were provided with copies of the title deeds of the subject property which is owned by four title deeds. The details of the subject property:

City District	Riyadh Al Malga	Riyadh Al Malga	Riyadh Al Malga	Riyadh Al Malga
Title deed Type	Electronic	Electronic	Electronic	Electronic
T.D No.	310121045168	310121045166	310812001407	310121045167
T.D Date	22/06/1440	22/06/1440	21/06/1440	22/06/1440
Title Deed Value	57,500,000	57,500.000	57,500.000	57,500.000
Date of Latest Transaction Issued by	22/06/1440 Riyadh Notary	22/06/1440 Riyadh Notary	21/06/1440 Riyadh Notary	22/06/1440 Riyadh Notary
Property Type	Residential	Residential	Residential	Residential
Land Area (Sqm)	5,481,45	3,481,1	3,481,9	3,480,23
Plot No.	2333/2334	1/2336	1/2337	1/2335
Block No.	N/A	N/A	N/A	N/A
Layout No.	3114	3114	3114	3114
Owners	شركة أول الملقا العقارية	شركة أول الملقا العقارية	شركة أول الملقا العقارية	شركة أول الملقا العقارية
Ownership	Freehold	Freehold	Freehold	Freehold
Limitations of Document	None	None	None	None
Notes	The client has provided us with copies of the Title Deeds which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.			





2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed Residential compound composed of 3 floors. The Client has provided us with a copy of the Construction Permit with the following details.

Subject Property	CP 1	CP 2	CP 3	CP 4
Construction Permit Type	Modification of building plan	Separation	Separation	Separation
Property Type	Residential	Residential	Residential	Residential
Construction Permit No.	1432/5259	1433/15270	1433/15269	1433/15265
Construction Permit Date	26/03/1432	21/08/1433	21/08/1433	21/08/1433
Permit Expiry Date	26/03/1435	21/08/1436	21/08/1436	21/08/1436

Description	CP 1	CP 2	CP 3	CP 4
	Area (Sqm)	Area (sqm)	Area (Sqm)	Area (Sqm)
Basement	2,052.89	2,052.89	2,052.89	2,052.89
Residential Ground Floor	2,088.00	2,088.20	2,088.00	2,088.00
First Residential Floor	2,555.78	2,555.78	2,555.78	2,555.78
Second Residential Floor	2,380.22	2,380.22	2,380.22	2,380.22
Annex Floor	1,263.56	1,263.56	1,263.56	1,263.56
----	----	----	----	----
----	----	----	----	----
----	----	----	----	----
----	----	----	----	----
----	----	----	----	----
Total BAU (sqm)	10,340,45	10,340.65	10,340,45	10,340,45

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	

2.4 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	-----
Industrial	-----
Residential	----- ✓
Agricultural	-----
Mix Use	-----

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	-----
Industrial	-----
Residential	----- ✓
Agricultural	-----
Mix Use	-----

2.5 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

All the infrastructural facilities are available in the surroundings and connected to the subject property,

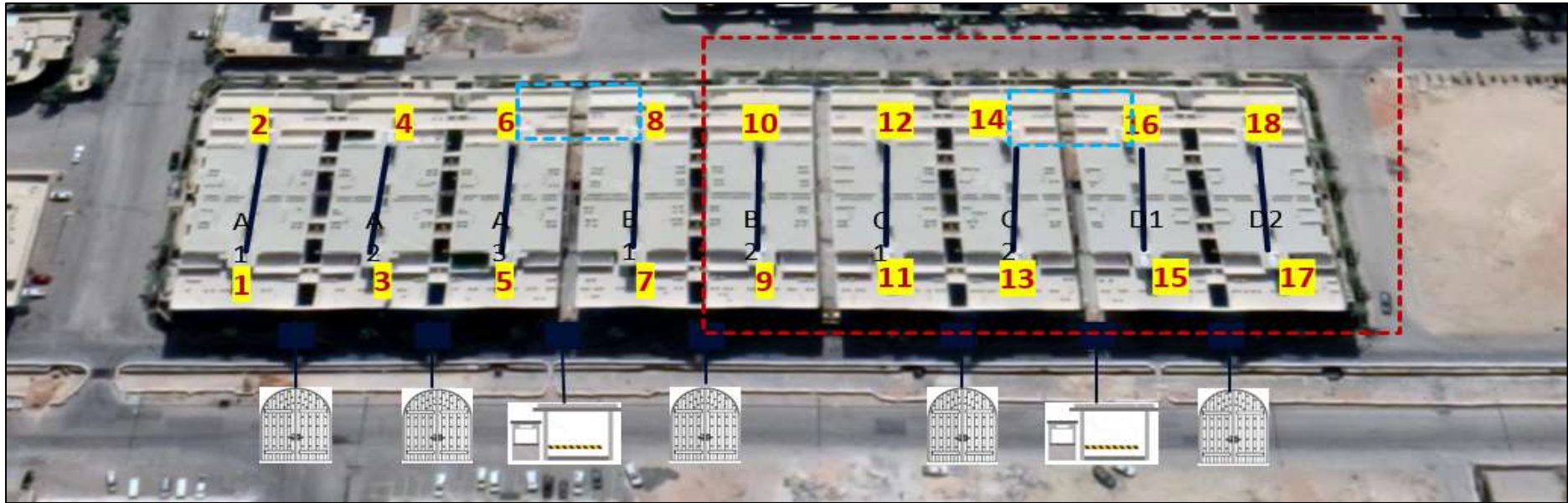


2.6 OCCUPANCY & VACANCY

The subject property is a fully constructed and furnished residential complex. It is fully leased to one tenant, as shown below in the table:

Tenant	King Faisal Specialist Hospital & Research Centre
Contract Effective Date	10/01/2016 AD – 30/03/1437 AH
Contract Period	3 years
Contract Type	Automatically Renewable
Contract Value (per year)	SAR 27, 950,000
Total Contract Value (three years)	SAR 83,850,000
Management Expenses	Paid by the Tenant
Operational, Utilities and Maintenance Expenses	Paid by the Owner

However, as of 10/01/2019, the buildings **9 to 18** will be excluded from the contract. Therefore, only 8 buildings will be included for the renting amount of **SAR 12,422,222**. The below is a representation of the building's distribution:



2.7 PROJECT COMPONENTS & LAYOUTS

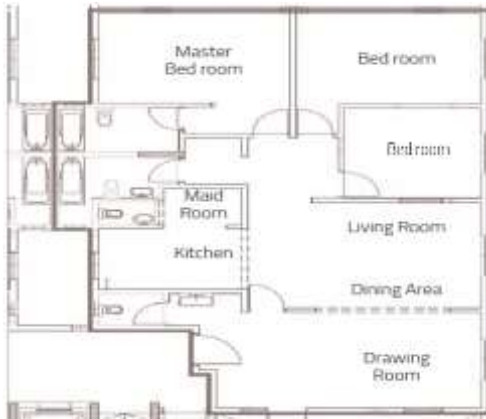
2 BEDROOM – 3 BATHS
AREA: 112 – 128 sqm



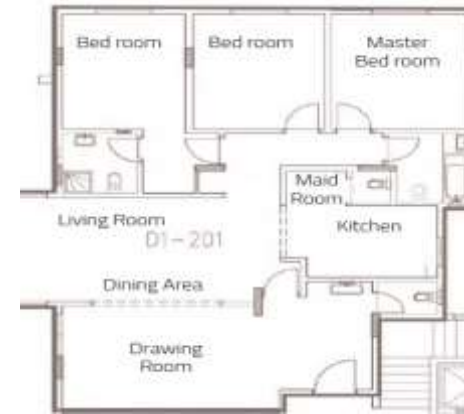
3 BEDROOM & 3 BATHS
Area: 112 – 172 sqm



3 BEDROOM – 4 BATH & Maid room
Area: 136 – 174 sqm



PENTHOUSE: 3 BEDROOM – 4 BATH & MAIDROOM
Area: 180 – 200 SQM





All the apartment units within the subject property are based on 4 main layouts as shown above. In addition, the subject property is composed of 252 apartments with the following details

Type	No. of Bedroom	No. of Bathroom	Size	Buildings 9-18	Buildings 1-8	Total
2-Bedroom	2	3	112	2	2	4
	2	3	118	3	2	5
	2	3	128	1	0	1
	3	3	112	2	2	4
	3	3	118	7	4	11
3-Bedroom	3	3	128	5	6	11
	3	3	150	0	0	0
	3	3	152	0	1	1
	3	3	158	0	0	0
	3	3	160	0	1	1
	3	3	172	0	0	0
	3	4	136	14	6	20
	3	4	146	6	10	16
	3	4	150	24	16	40
	3	4	152	8	3	11
3-Bedroom (With Maid Room)	3	4	158	26	18	44
	3	4	160	22	9	31
	3	4	170	0	2	2
	3	4	172	0	10	10
	3	4	174	0	8	8
	3	4	180	3	3	6
	3	4	184	2	0	2
3-Bedroom (Penthouse)	3	4	190	8	6	14
	3	4	194	2	0	2
	3	4	200	5	3	8
Total / Average			154	140	112	252

On the other hand, all the apartment units are offered for tenant as fully furnished units containing the following elements.

- Living area
- Dining Area
- Split air conditioning units
- Flat screen TV
- Washer and Dryer units
- Fully equipped kitchen including fridge, microwave, oven, and cabinets.
- Quality durable scratch proof and water-resistant furniture.
- Dish Cabinet



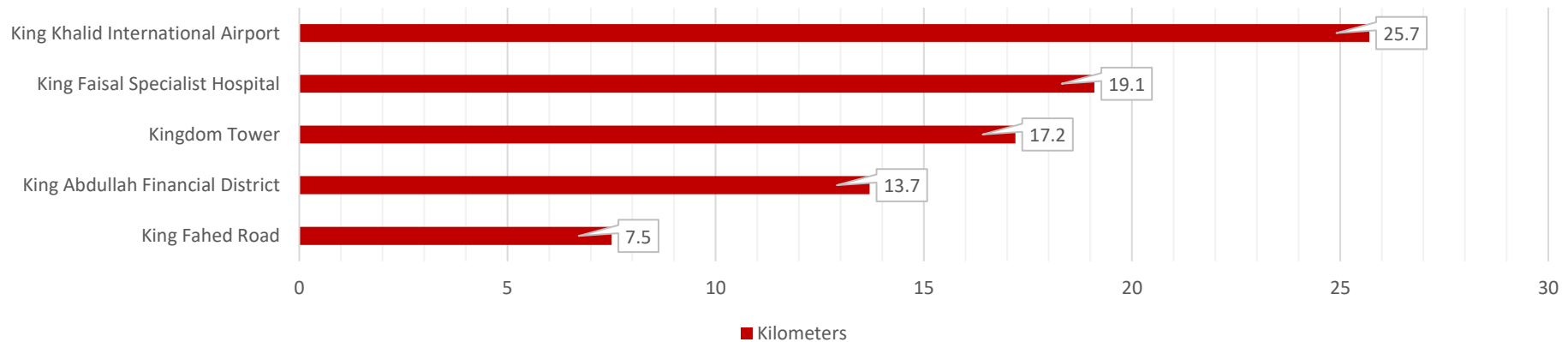
2.8 FACILITIES, AMENITIES AND SERVICES

Facilities	
2 Gymnasiums (For Men and Women)	18 Elevators with VVVF System
Services & Amenities	
Pest Control	Security Services
Cleaning Services	General Maintenance
Plumbing Works	Electric Works
Mechanical Works	Home Appliances Maintenance

2.9 PROXIMITY OF DISTANCE

The following shows the approximate distance from the Subject Property to several main roads and landmarks in the surrounding area:

Roads and Landmarks	Distance from Subject Property (Km)
King Fahd Road	7.5
King Abdullah Financial District	13.7
Kingdom Tower	17.2
King Faisal Specialist Hospital and Research Center	19.1
King Khalid International Airport	25.7



2.10 LOCATION

The subject property is located in Al Malga District, Riyadh City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

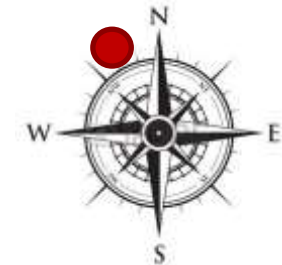
The subject property can be accessed through the following roads:

North Side:	King Salman Road
South Side:	Anas Ibn Malik Road
East Side:	King Fahd Road
West Side:	Prince Muhammad Ibn Saad Ibn Abdulaziz Rd

LANDMARKS

- 1- AlShabab Saudi Club (1.8 Kilometres)
- 2- Saudi German Hospital (2 Kilometres)
- 3- Tamimi Markets (1 Kilometres)
- 4- Wafa Insurance (1.6 Kilometres)
- 5- Burj Rafal Hotel Kempinski Riyadh (2.2 Kilometres)
- 6- Farm Superstores (3.2 Kilometres)
- 7- Al-Sadhan Hyper Markets Sahafah (1.4 Kilometres)
- 8- Tamkeen Tower (0.9 Kilometres)

Location of the subject property according to the City Center



2.11 PHOTO RECORD



2.12 DOCUMENTS RECEIVED

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 ✓	Location Map ✓
Location Link	Contact Details	Costing & Budget
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Others

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

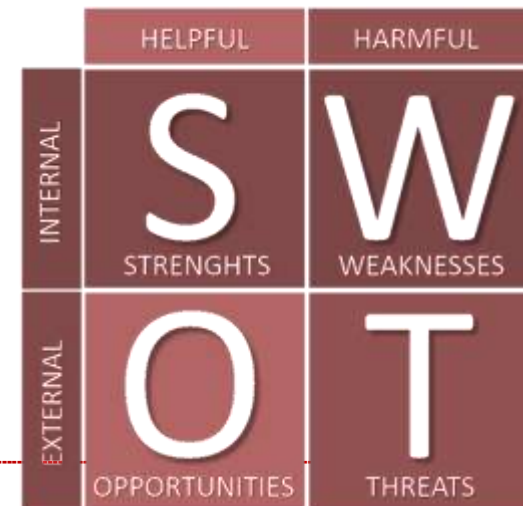
<p>Strength</p> <ul style="list-style-type: none"> - Premium Location - Surrounded by several main streets - High-end quality of residential complex - Close to the city airport - Leased to One Tenants 	<p>Weakness</p> <ul style="list-style-type: none"> - The subject property is far from the city downtown - The residential compound market is currently in slow progress and facing economic issues.
<p>Opportunities</p> <ul style="list-style-type: none"> - Skilled management, quality of facilities, proper maintenance, etc. are elements which the operator of the facility needs to maintain high quality level to guarantee the customer satisfaction over other competitors. 	<p>Threats</p> <ul style="list-style-type: none"> - Economic conditions for Expats - Existing and upcoming similar projects

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.15 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to the last year
-  Indicator showing an increase in the current performance comparing to the last year
-  Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019

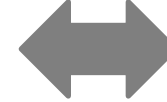


Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019



Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

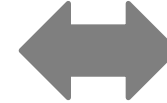


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.16 RISK 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	2	9	4	5

Risk Category 20 Risk Points - Elevated Risk

Sector Analysis

Risk Category- 20 Risk Points - Elevated Risk

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	3	2	0	0	0

Risk Category 5 Risk Points – Very Low Risk

Land Analysis

Risk Category- 5 Risk Points – Very Low Risk

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	1	4	0	0	0

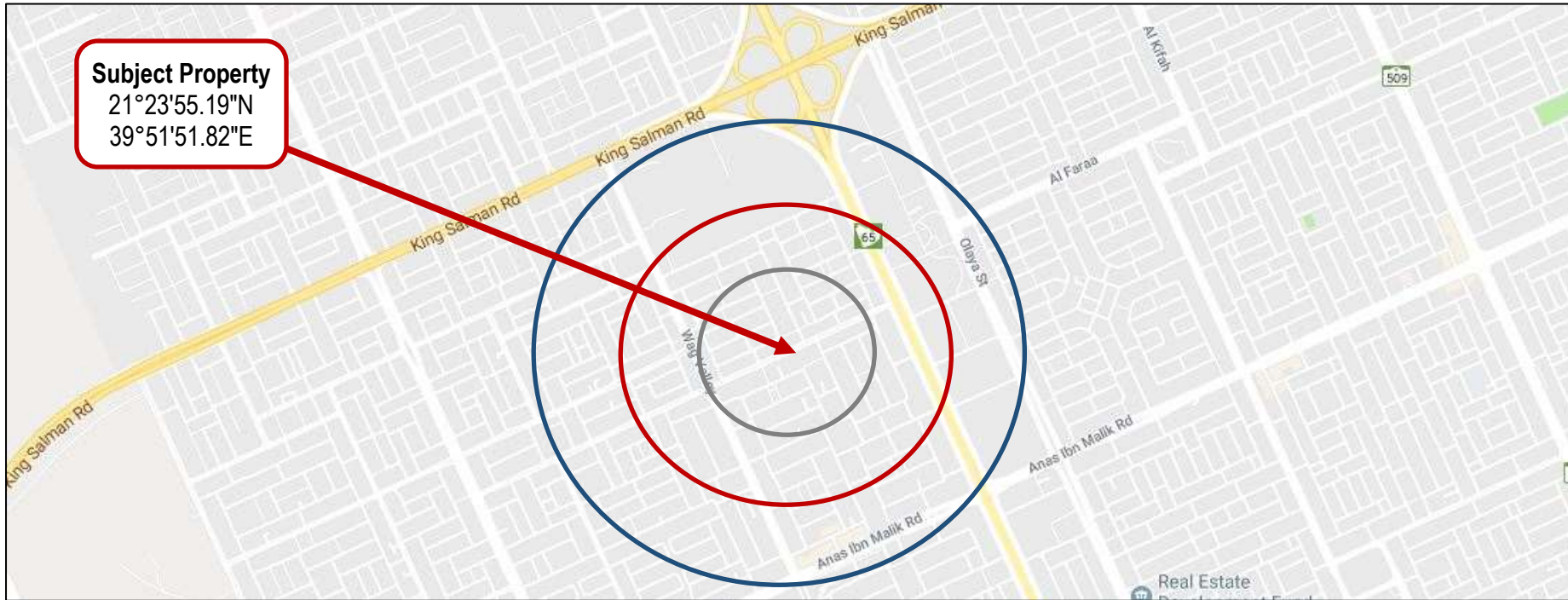
Risk Category 5 Risk Points - Minimal Risk

Property Analysis

Risk Category- 5 Risk Points - Minimal Risk

2.17 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deed	Land Area (Sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
The property is owned by 4 TDs	15,924.68	3,000 to 3,500	3,250	SAR 51,755,210

2.18 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			
Land Area	SAR / Sqm	Total Value	
15,924.68	SAR 3,250	SAR 51,755,210	
Building			
	Unit	No of Floors	Total BUA
Underground	Sqm	----	8,211.56
Ground Floor	Sqm	----	8,352.20
Upper Floors	Sqm	----	19,744.00
Annex	Sqm	----	5,054.24
Fences	Sqm	----	477.7
Total (SQM)	41,362.00		

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 25% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	33,150.44	SAR 900	SAR 29,835,396	100%	SAR 29,835,396
Electro Mechanic	33,150.44	SAR 500	SAR 16,575,220	100%	SAR 16,575,220
Finishing	33,150.44	SAR 800	SAR 26,520,352	100%	SAR 26,520,352
Fit outs & Appliances	33,150.44	SAR 1,000	SAR 33,150,440	100%	SAR 33,150,440
Furniture	33,150.44	SAR 800	SAR 26,520,352	100%	SAR 26,520,352
Site Improvement	15,924.68	SAR 200	SAR 3,184,936	100%	SAR 3,184,936
Total			SAR 135,786,696	100.00%	SAR 135,786,696
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	8,211.56	SAR 1,350	SAR 11,085,606	100%	SAR 11,085,606
Electro Mechanic	8,211.56	SAR 700	SAR 5,748,092	100%	SAR 5,748,092
Finishing	8,211.56	SAR 200	SAR 1,642,312	100%	SAR 1,642,312
Total			SAR 18,476,010	100.00%	SAR 18,476,010
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 154,262,706	0.10%	SAR 154,263
Design			SAR 154,262,706	1.00%	SAR 1,542,627
Eng Consultant			SAR 154,262,706	1.00%	SAR 1,542,627
Management			SAR 154,262,706	5.00%	SAR 7,713,135
Contingency			SAR 154,262,706	5.00%	SAR 7,713,135
Others			SAR 154,262,706	0.00%	SAR 0
TOTAL				12.10%	SAR 18,665,787.43
Total Hard Cost	SAR 154,262,706		BUA	41,362.00	
Total Soft Cost	SAR 18,665,787.43		SAR / Sqm	SAR 4,181	
Total Construction Cost	SAR 172,928,493.43		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 172,928,493		Net Dep Rate		12.00%
			Dev Cost After Depreciation		SAR 152,177,074
Economic Age	50		Total Completion Rate		100.00%
Annual Dep Rate	2.00%		Developer Profit Rate		25.0%
Actual Age	6				
Total Dep Rate	12.00%		Dev. Profit Amount		SAR 38,044,269
Add Appr Rate	0.00%		Development Value		SAR 190,221,343
Net Dep Rate	12.00%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 190,221,343	SAR 51,755,210	SAR 241,976,553	SAR 241,980,000		



2.19 MARKET RATES AND ESTIMATED REVENUES

Based on the overall GLA for the residential units (provided to us by the client), and according to the site inspection and market knowledge, below are the rates corresponding to the type of the units:

Bedrooms	Total GLA (Sqm)	SAR/Sqm
2	856	SAR 1,250
3	16,764	SAR 1,100
4	3,816	SAR 1,050

Thus, the total estimated revenues for the units not included in the leasing contract will be SAR 35,939,422 in case of 100% occupancy for the buildings 9 to 18. As for the revenues for buildings 1 to 8, as stated in the contract, the revenues will be SAR 12,422,222.

OPEX:

As for the operational expenses for such projects covering the maintenance, management, operation, etc. it is usually calculated as 15% from the total expected revenues of the subject property.

2.20 INCOME APPROACH

REVENUES						
Unit Type	Total GLA	Quantity	No of Units	SAR / Sqm	Revenues	Total Revenues
2 Bed Apt	856		0	SAR 1,250	SAR 10	SAR 1,070,000
3 Bed Apt	16,764		0	SAR 1,100	SAR 0	SAR 18,440,400
4 Bed Apt	3,816		0	SAR 1,050	SAR 0	SAR 4,006,800
8 Buildings	0		0	SAR 0	SAR 0	SAR 12,422,222
Total Revenues						SAR 35,939,422
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses	
2 Bed Apt	5.00%	5.00%	5.00%	15.00%	30.00%	
3 Bed Apt	5.00%	5.00%	5.00%	15.00%	30.00%	
4 Bed Apt	5.00%	5.00%	5.00%	15.00%	30.00%	
8 Buildings	5.00%	5.00%	5.00%	0.00%	15.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses	NOI			
2 Bed Apt	SAR 1,070,000	30.00%	SAR 749,000			
3 Bed Apt	SAR 18,440,400	30.00%	SAR 12,908,280			
4 Bed Apt	SAR 4,006,800	30.00%	SAR 2,804,760			
8 Buildings	SAR 12,422,222	15.00%	SAR 10,558,889			
Total Property Revenues		Total	SAR 39,443,151			
Total Property Expenses			SAR 35,939,422			
Net Operating Income			-SAR 8,918,493			
			SAR 27,020,928.70			
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 27,020,928.70	8.50%	317,893,278.82 SAR	317,900,000.00 SAR			



2.21 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 317,900,000	Three Hundred Seventeen Million and Nine Hundred Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 241,980,000	Two Hundred Forty-One Million and Nine Hundred Eighty Thousand Saudi Riyals

2.22 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

The used discount rate is based on the weighted average of three approaches:

- 1- CAPM (WACC) method
- 2- Economic inflation rate and market growth rate
- 3- Witnessing of several market transactions similar to the subject property

2.23 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 is:

Property Value: 317,900,000 SAR
Three Hundred Seventeen Million and Nine Hundred Thousand Saudi Riyals

2.24 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.

2.25 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.

2.26 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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WHITE CUBES REAL ESTATE
Dr. Mohammad Taha – CEO
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WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

HOMEWORKS
AL KHABEER CAPITAL

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-4
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for HomeWorks (Retail Center) in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the Commercial project (HomeWorks) located in Riyadh 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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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from AL KHABEER CAPITAL dated on November 12, 2019 to proceed with the valuation service for HomeWorks in Riyadh city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Commercial
Property Name	HomeWorks
Location	KSA, Riyadh

1.2 CLIENT

The client to whom this report is prepared is AL KHABEER CAPITAL, a company working under the Saudi law and regulations.

Client Name	Mr. Yahya Ghamrawi
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 **Discounted Cash Flow (DCF)** & **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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

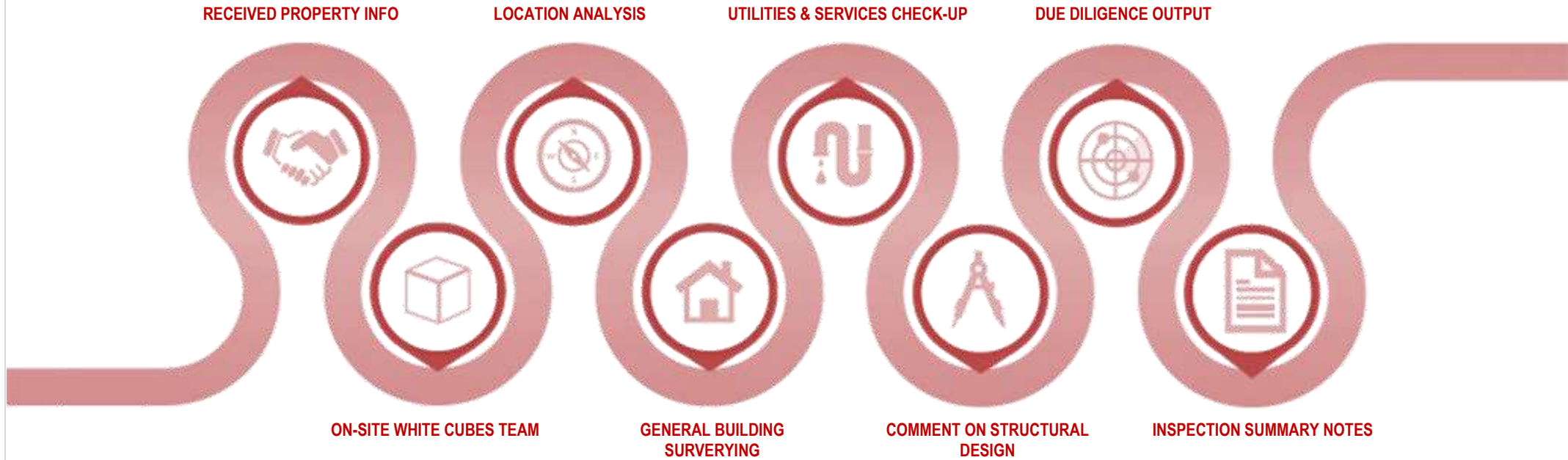
1.13 REPORT DATE

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.

November 21, 2019.

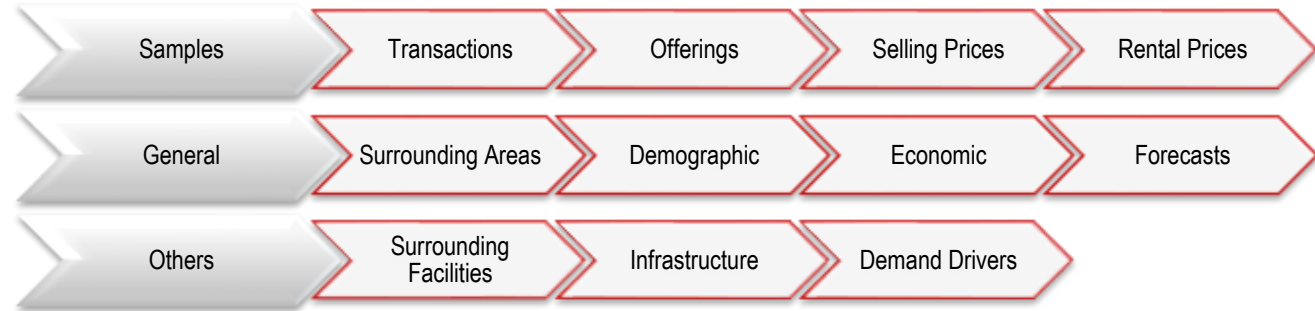
1.14 INSPECTION ROLE

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.



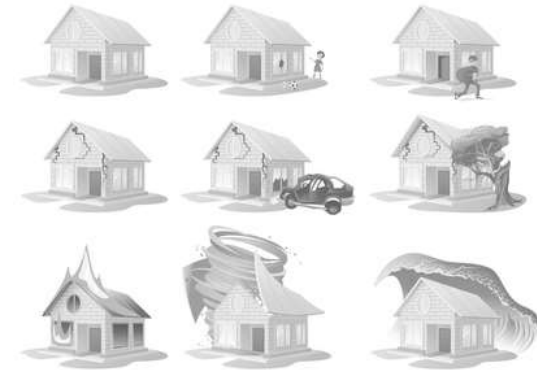
1.15 MARKET SURVEY

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

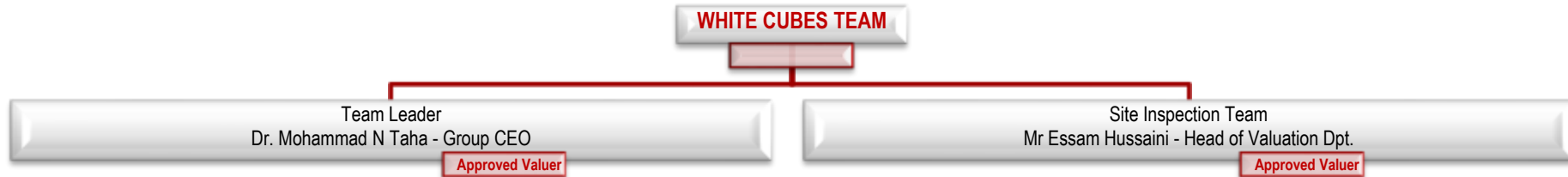
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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

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 BASIS 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;

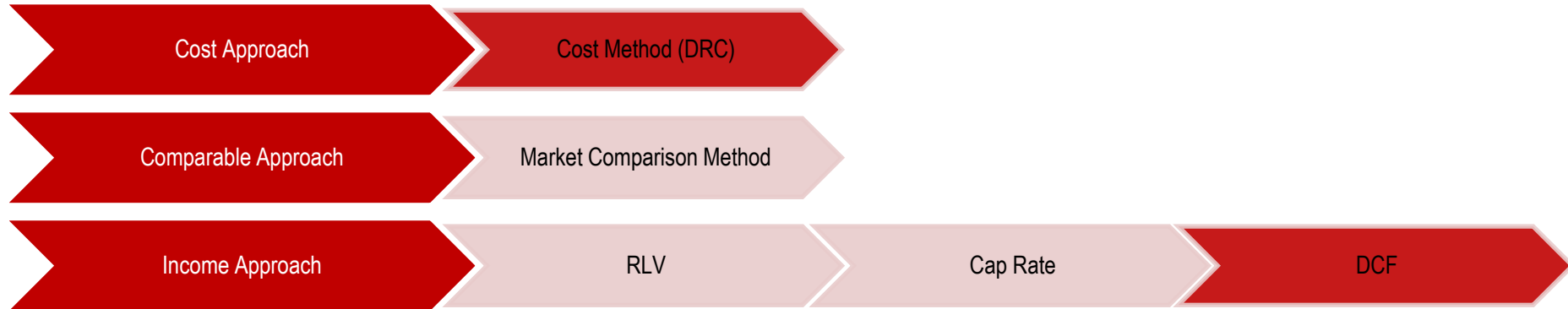
**AND
WITHOUT
COMPULSION**

'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

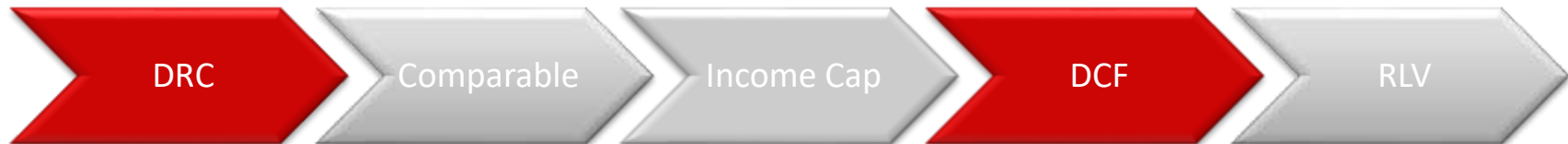


RESIDUAL LAND VALUE (RLV)

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	
✓	Al Khabeer Capital	June 2019	-----
✓	-----	-----	-----
	-----	-----	-----

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.

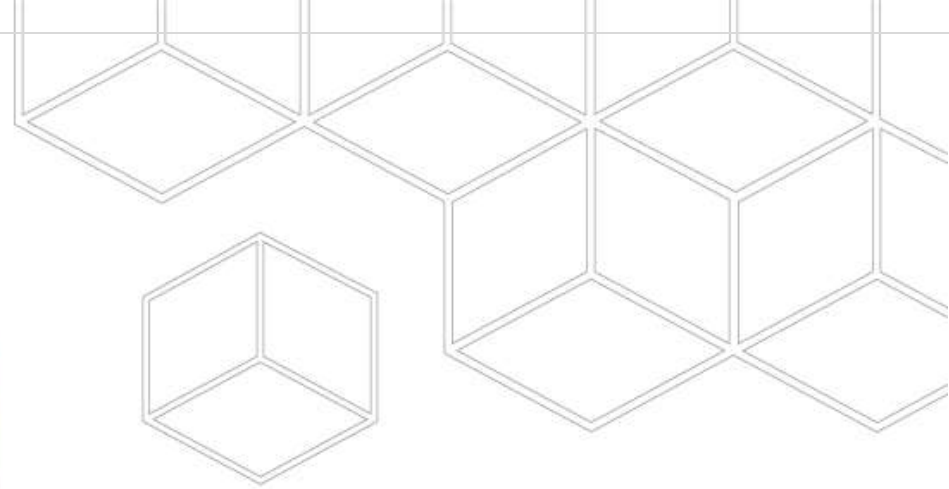
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a Retail Project (HomeWorks) located in Riyadh city. The building has a total land area of 7,000 Sqm, and a total BUA of 9,181 Sqm and was constructed 18 years ago. The project is open on 3 sides from the north, south and east with a direct view on King Abdullah Road where all the infrastructure facilities such as water, telecommunication, sewage and electricity are available in the surrounding and connected to the subject property.

Land	
Land Use	Commercial
Number of Streets	3
General Land Shape	Regular
Direct View on the Main Road	King Abdullah Road
Direct View on an internal Street	Abi Ishaq Al Harbi Street
Land Status	Constructed
Infrastructural Facilities	
Water	Available and Connected to the subject property
Electricity	Available and Connected to the subject property
Sewage	Available and Connected to the subject property
Telecommunication	Available and Connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



2.2 TITLE DEED & OWNERSHIP

We were provided with copies of the title deeds of the subject property which is owned by 3 title deed. The details of the subject property:

City	Riyadh		
District	King Fahed		
T.D Type	Electronic	Electronic	Electronic
T.D Number	310111052642	410106060097	510108048507
T.D Date	27/04/1440	27/04/1440	27/04/1440
T.D Value	30,000,000 SAR	18,000,000 SAR	30,000,000 SAR
Date of Last Transaction	27/04/1440	27/04/1440	27/04/1440
Issue from	Riyadh Notary	Riyadh Notary	Riyadh Notary
Land Area	2,625	1,750	2,625
Plot No.	37 to 40	33, 34	39 to 42
Block No.	4	N/A	4
Layout No.	1324	1324	1324
Owner	شركة أول الملقى العقارية		
Ownership Type	Freehold	Freehold	Freehold

Boundaries

North	Shaikh Uthman AlBarahim Road (12m Length)
South	King Abdullah Road (80m Length)
East	Abi Ishaq Al Harbi Road (20m Length)
West	Plots No. 35+36

Notes

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

The total land area of the subject property is 7,000 Sqm

2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed Commercial composed of 2 floors. The Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

Subject Property	
Construction Permit Type	New Permit
Property Type	Commercial
Construction Permit No.	9/1/7/27
Construction Permit Date	20/02/1419 AH
Permit Expiry Date	20/02/1422 AH

Description	No. of Units	Area (sqm)	Use
Basement	---	3,906	Parking
Ground Floor	---	3,906	Showrooms
First Floor	---	1,369	Offices
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
---	---	---	---
Total BAU (sqm)		9,181	

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

2.4 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	-----

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	----- ✓
Industrial	-----
Residential	----- ✓
Agricultural	-----
Mix Use	----- ✓

2.5 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

All the infrastructural facilities are available in the surroundings and connected to the subject property.





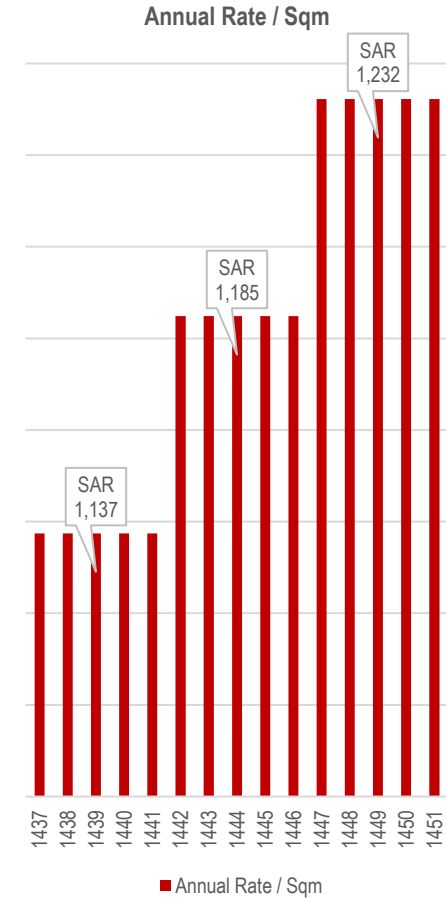
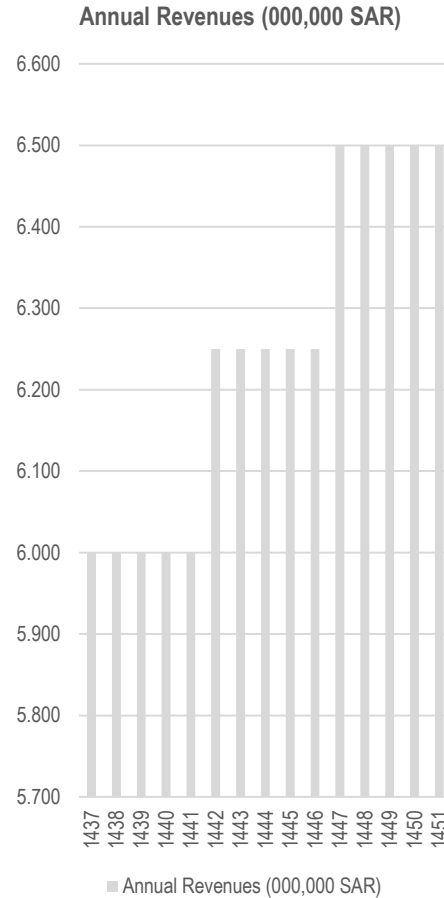
2.6 OCCUPANCY & VACANCY

As per the leasing contract received from the client, the subject property is fully leased to one tenant under the name of HOMEWORKS Retail Center (Department Store)

First Party	Abed El Kader Al Chaiba Al Hamad
Second Party	Al Futtaim International Trading Company
Contract Date	23/8/1436
Contract Duration	15 years
Contract Effective Date	23/8/1451
Contract Value	93,750,000
Opex	Paid by The Tenant

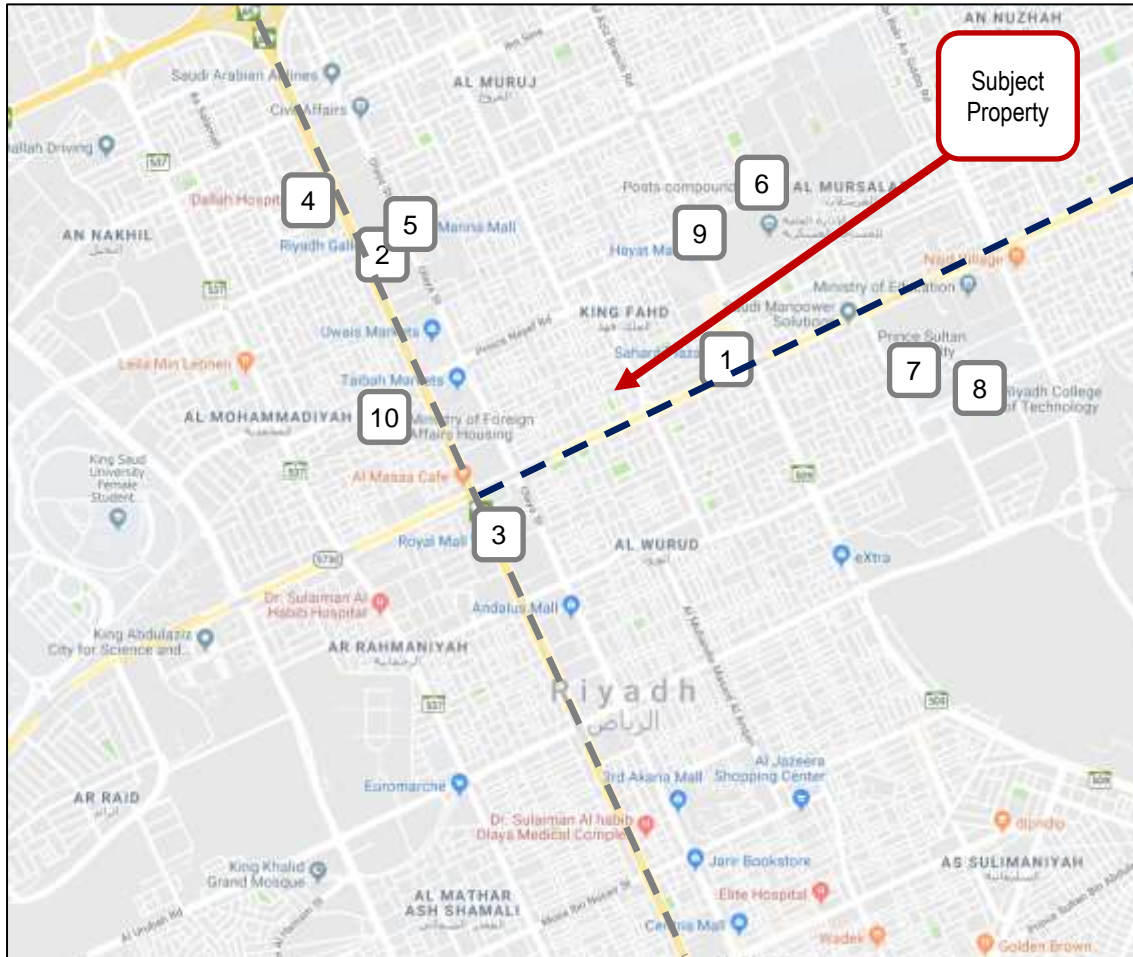
SN	Year	Amount
1	1437	6,000,000
2	1438	6,000,000
3	1439	6,000,000
4	1440	6,000,000
5	1441	6,000,000
6	1442	6,250,000
7	1443	6,250,000
8	1444	6,250,000
9	1445	6,250,000
10	1446	6,250,000
11	1447	6,500,000
12	1448	6,500,000
13	1449	6,500,000
14	1450	6,500,000
15	1451	6,500,000
Total		93,750,000

The contract period is for 15 years which include increase provision every 5 years by SAR 250,000. Based on the first-year revenue, the lease rate per Sqm (SAR 6,000,000 / 5,275 GLA) is: SAR 1,137 / Sqm.



2.7 LOCATION

The subject property located in King Fahed district, Riyadh city and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

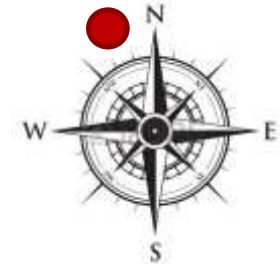
The subject property can be accessed through the following roads:

South Side: King Abdullah Road
 West Side: King Fahed Road

LANDMARKS

- 1- Sahara Plaza (1.4 Kilometres)
- 2- Riyadh Gallery (2.00 Kilometres)
- 3- Royal Mall (1.1 Kilometres)
- 4- Dallah Hospital (2.6 Kilometres)
- 5- Marina Mall (1.8 Kilometres)
- 6- Posts Compound (2.15 Kilometres)
- 7- Prince Sultan University (3.1 Kilometres)
- 8- Riyadh College of Technology (3.1 Kilometres)
- 9- Hayat Mall (2 Kilometres)
- 10- Ministry of Foreign Affairs Housing (1.1 Kilometres)

Location of the subject property according to the City Center



2.8 PHOTO RECORD



2.9 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	Location Map
Location Link	Contact Details	Costing & Budget
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX
Forecasts & Expectations ✓	Income & Revenues	Others

2.10 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.

2.11 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Direct view on King Abdullah Branch Road - The subject property has 3 sides open - The subject property is leased to one tenant and secured for 15 years (14 Years remaining). In addition, revenues of the subject property are subject to an increase by 4% every 5 years. 	<p>Weakness</p> <ul style="list-style-type: none"> - None.
<p>Opportunities</p> <ul style="list-style-type: none"> - The retail sector in Riyadh city is very much stable compared to other real estate sectors. Which grant good level of demand for the subject property. 	<p>Threats</p> <ul style="list-style-type: none"> - Since the subject property is leased for 15 years to one tenant, this can be also considered as a threat once the tenant decides to terminate the leasing contract, especially when the property is customized for the tenant use.

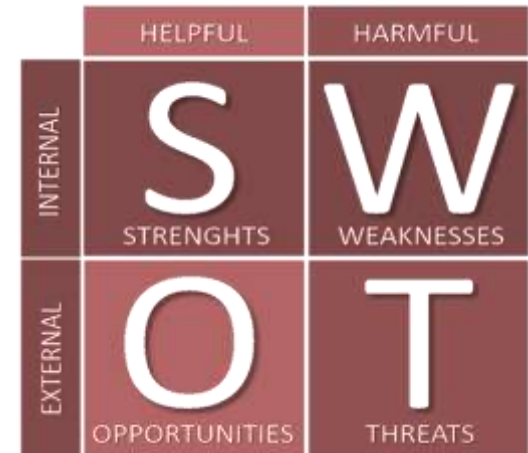
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.12 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.



- Indicator showing a decrease in the current performance comparing to the last year
- Indicator showing an increase in the current performance comparing to the last year
- Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

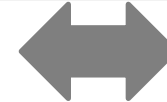


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

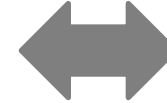


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.13 RISK 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	1	6	6	0	0
Risk Category	13 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 13 Risk Points - Medium Risk

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	2	4	0	0	0
Risk Category	6 Risk Points – Minimal Risk				

Land Analysis

Risk Category- 6 Risk Points - Minimal Risk

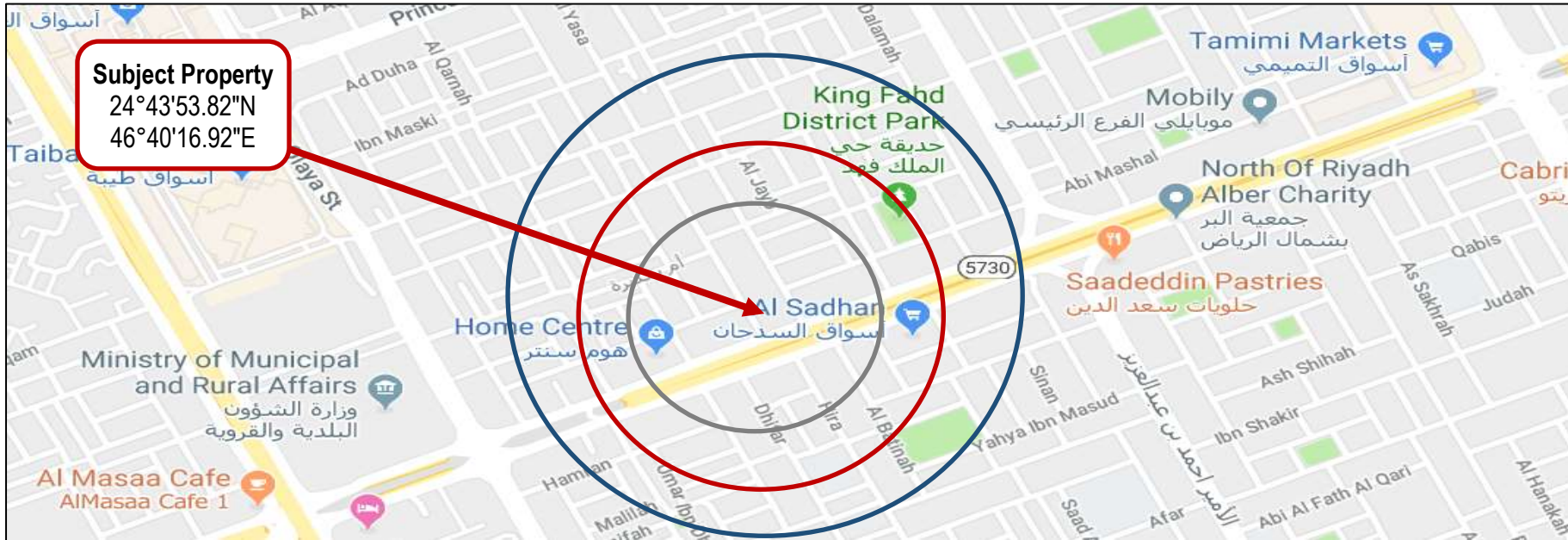
Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities			✓		
Management Skills	✓				
Overall Condition		✓			
Total Risk	1	2	3	0	0
Risk Category	6 Risk Points - Minimal Risk				

Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

2.14 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deeds No.	Land Area (sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
310111052642, 410106060097, 510108048507	7,000	From 7,500 to 8,500	8,150	SAR 57,050,000

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			
Land Area	SAR / Sqm	Total Value	
7,000.00	SAR 8,150	SAR 57,050,000	
Building			
	Unit	No of Floors	Total BUA
Basement	Sqm	1	3,906.00
Ground Floor	Sqm	1	3,906.00
Upper Floors	Sqm	1	1,369.00
Fences	Lm	----	70.00
Total (SQM)	9,181.00		

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 20% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,275.00	SAR 1,000	SAR 5,275,000	100%	SAR 5,275,000
Electro Mechanic	5,275.00	SAR 600	SAR 3,165,000	100%	SAR 3,165,000
Finishing	5,275.00	SAR 500	SAR 2,637,500	100%	SAR 2,637,500
Fit outs & Appliances	5,275.00	SAR 0	SAR 0	100%	SAR 0
Furniture	5,275.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	7,000.00	SAR 120	SAR 840,000	100%	SAR 840,000
Total			SAR 11,917,500	100.00%	SAR 11,917,500
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,906.00	SAR 1,500	SAR 5,859,000	100%	SAR 5,859,000
Electro Mechanic	3,906.00	SAR 500	SAR 1,953,000	100%	SAR 1,953,000
Finishing	3,906.00	SAR 300	SAR 1,171,800	100%	SAR 1,171,800
Total			SAR 8,983,800	100.00%	SAR 8,983,800
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 20,901,300	0.10%	SAR 20,901
Design			SAR 20,901,300	1.00%	SAR 209,013
Eng Consultant			SAR 20,901,300	1.00%	SAR 209,013
Management			SAR 20,901,300	5.00%	SAR 1,045,065
Contingency			SAR 20,901,300	5.00%	SAR 1,045,065
Others			SAR 20,901,300	0.00%	SAR 0
TOTAL				12.10%	SAR 2,529,057.30
Total Hard Cost	SAR 20,901,300		BUA	9,181.00	
Total Soft Cost	SAR 2,529,057.30		SAR / Sqm	SAR 2,552	
Total Construction Cost	SAR 23,430,357.30		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 23,430,357		Net Dep Rate		38.00%
			Dev Cost After Depreciation		SAR 14,526,822
Economic Age	50		Total Completion Rate		100.00%
Annual Dep Rate	2.00%		Developer Profit Rate		20.0%
Actual Age	19		Dev. Profit Amount		SAR 2,905,364
Total Dep Rate	38.00%		Development Value		SAR 17,432,186
Add Appr Rate	0.00%				
Net Dep Rate	38.00%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 17,432,186	SAR 57,050,000	SAR 74,482,186	SAR 74,480,000		



2.16 DISCOUNTED CASH FLOW- LEASING CONTRACT

Cash Flow	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	0	1	2	3	4	5	6	7	8	9
Increase Revision	0%	0%	4%	0%	0%	0%	0%	4%	0%	0%
Expected Revenues										
Overall Revenues	6,000,000	6,000,000	6,240,000	6,240,000	6,240,000	6,240,000	6,240,000	6,489,600	6,489,600	6,489,600
Expenses										
OPEX	0.0%	0	0	0	0	0	0	0	0	0
Overall Expenses	0	0	0	0	0	0	0	0	0	0
NOI	6,000,000	6,000,000	6,240,000	6,240,000	6,240,000	6,240,000	6,240,000	6,489,600	6,489,600	6,489,600
Terminal Value @ ----->	7.5%									86,528,000
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54
Present Value	6,000,000	5,555,556	5,349,794	4,953,513	4,586,586	4,246,839	3,932,258	3,786,619	3,506,129	46,531,958
Market Rate / Net Present Value										88,449,253

The rental rate for the subject property, and as per the signed leasing contract, is almost 1,150 SAR / Sqm. The current market leasing rates for similar properties falls in the range from 900 to 1,200 SAR / Sqm. Since the leasing rate of the subject property fall in the same range and has a duration of 15 years, therefore we will depend on the leasing contract value in our DCF analysis

	Discount Rate				
Discount Rate	6.00%	7.00%	8.00%	9.0%	10.0%
Market Value	99,902,273	93,932,723	88,449,253	83,406,780	78,764,825

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.



2.17 DISCOUNTED CASH FLOW- MARKET RATES

Cash Flow		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		0	1	2	3	4	5	6	7	8	9
Increase Revision		0%	0%	0%	5%	0%	0%	5%	0%	0%	5%
Expected Revenues											
Showrooms	Sqm	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275
Rate (SAR)	SAR	1,350	1,350	1,350	1,418	1,418	1,418	1,488	1,488	1,488	1,563
Total	SAR	7,121,250	7,121,250	7,121,250	7,477,313	7,477,313	7,477,313	7,851,178	7,851,178	7,851,178	8,243,737
Overall Revenues		7,846,250	7,846,250	7,846,250	8,238,563	8,238,563	8,238,563	8,650,491	8,650,491	8,650,491	9,083,015
Vacancy Rates											
Showrooms	5.0%	356,063	356,063	356,063	373,866	373,866	373,866	392,559	392,559	392,559	412,187
Total		392,313	392,313	392,313	411,928	411,928	411,928	432,525	432,525	432,525	454,151
Expenses											
OPEX	15.0%	1,176,938	1,176,938	1,176,938	1,235,784	1,235,784	1,235,784	1,297,574	1,297,574	1,297,574	1,362,452
Overall Expenses		1,569,250	1,569,250	1,569,250	1,647,713	1,647,713	1,647,713	1,730,098	1,730,098	1,730,098	1,816,603
NOI		5,884,688	5,884,688	5,884,688	6,178,922	6,178,922	6,178,922	6,487,868	6,487,868	6,487,868	6,812,261
Terminal Value @ ----->	7.5%										90,830,152
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50
Present Value		5,884,688	5,448,785	5,045,171	4,905,027	4,541,692	4,205,270	4,088,457	3,785,609	3,505,193	48,845,516
Market Rate / Net Present Value											90,255,408
Discount Rate											
Discount Rate		6.00%		7.00%		8.00%		9.0%		10.0%	
Market Value		102,126,564		95,937,966		90,255,408		85,031,859		80,225,096	

The subject property is rented to multiple tenants. The used rate per unit type was based on the market average rental rates for comparable properties and in the surrounding areas of the subject property. As for the OPEX rate, which assumed to be paid by the Owner, we have assumed total rate of 15% based on the market rates.



2.18 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 74,480,000	Seventy-Four Million and Four Hundred Eighty Thousand Saudi Riyals
DCF- Contract	Property	SAR 88,450,000	Eighty-Eight Million and Four Hundred Fifty Thousand Saudi Riyals
DCF- Market	Property	SAR 90,255,000	Ninety Million and Two Hundred Fifty-Five Thousand Saudi Riyals

2.19 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology (DCF).

The used discount rate is based on the weighted average of three approaches:

- 1- CAPM (WACC) method
- 2- Economic inflation rate and market growth rate
- 3- Witnessing of several market transactions similar to the subject property

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 DCF Approach is:

Property Value: 88,450,000 SAR
Eighty-Eight Million and Four Hundred Fifty Thousand 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)
License No. 1210000474

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

ELITE CENTRE

AL KHABEER CAPITAL

JEDDAH CITY

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-4
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for commercial Centre (Elite Centre) in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the commercial project (Elite Centre) located in Jeddah 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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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
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from Al Khabeer Capital dated on November 12, 2019 to proceed with the valuation service for Elite Centre in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Commercial
Property Name	Elite Centre
Location	KSA, Jeddah

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.

1.5 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.

1.2 CLIENT

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

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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.

1.6 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).





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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

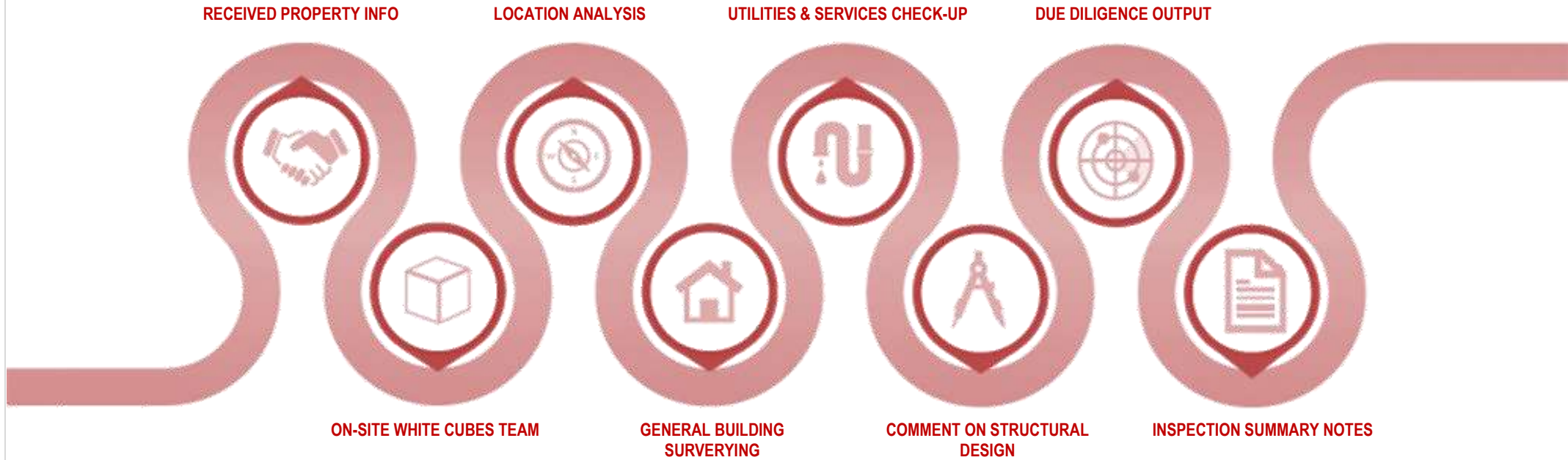
1.13 REPORT DATE

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.

November 21, 2019.

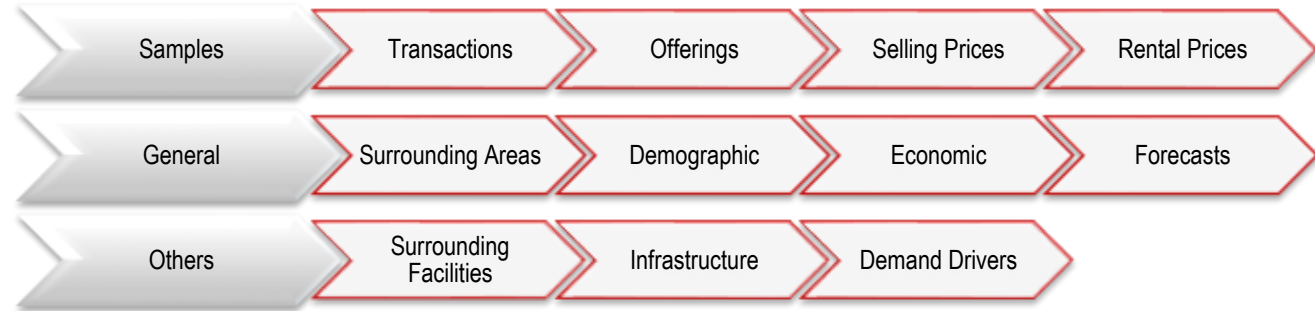
1.14 INSPECTION ROLE

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.



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

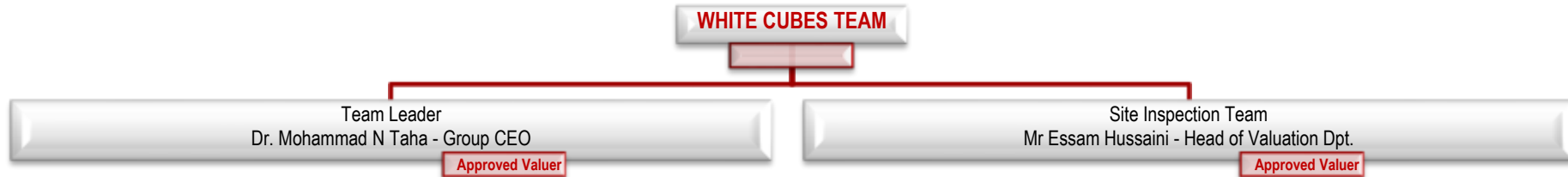
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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

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 BASIS 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;

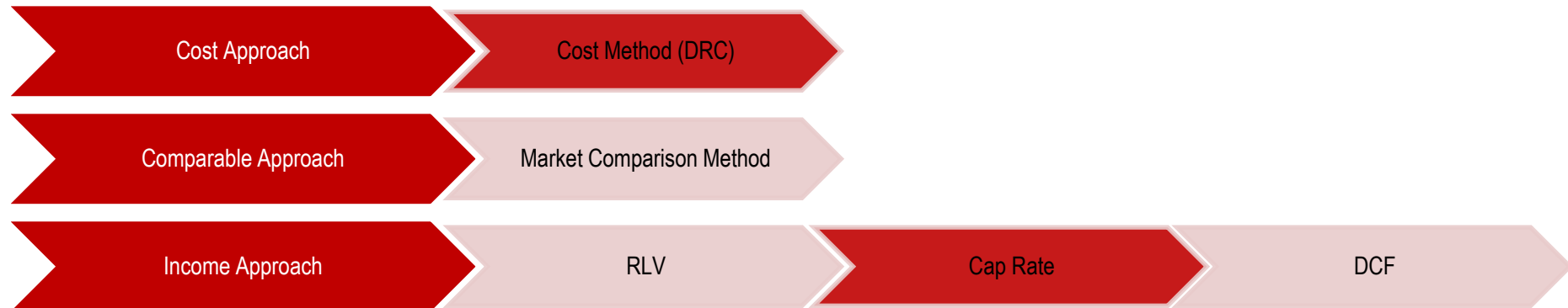
**AND
WITHOUT
COMPULSION**

'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	
✓	Al Khabeer Capital	June 2019	-----
✓	-----	-----	-----
	-----	-----	-----

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.

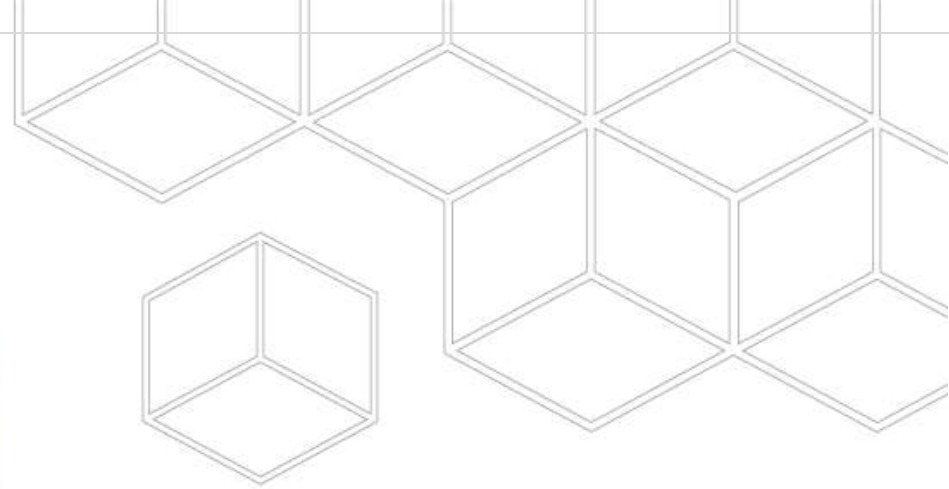
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a commercial project located in Al Andalos district, Jeddah city. The Property has a total land area of 4,319.75 Sqm, a total BUA of 15,709 Sqm and composed of 7 offices floors and retail unit in the ground floor. As per the site inspection done by our team, the project is open on 3 sides with a direct view on Prince Mohammad Bin Abdulaziz Road from the north side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Land	
Land Use	Commercial
Number of Streets	3
General Land Shape	Regular
Direct View on the Main Road	Prince Mohammad Bin Abdulaziz
Direct View on an internal Street	Unnamed Streets
Land Status	Constructed
Infrastructural Facilities	
Water	Available and connected to the subject property
Electricity	Available and connected to the subject property
Sewage	Available and connected to the subject property
Telecommunication	Available and connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



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	Jeddah
District	Al Andalos
T.D Type	Electronic
T.D Number	620214028215
T.D Date	15/06/1440
T.D Value	160,000,000
Date of Last Transaction	15/06/1440
Issue from	Jeddah Notary
Land Area	4,319.75
Plot No.	1/2
Block No.	N/A
Layout No.	ت.س/ 860
Owner	شركة أول الملقا العقارية
Ownership Type	Freehold
Limitation of Document	N/A
Boundaries	
North	Prince Mohammad Bin Abdulaziz
South	Unnamed Street
East	Unnamed Road
West	Unnamed Street

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 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed mix use center composed of 7 upper floors in addition to the ground floor. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

Subject Property	
Construction Permit Type	New Permit
Property Type	Mix use
Construction Permit No.	35218
Construction Permit Date	18/10/1430 AH
Permit Expiry Date	09/04/1438 AH

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	No. of Units	Area (sqm)	Use
Ground Floor	--	2,467	Showrooms
Basement#1	--	-----	-----
Basement#2	--	-----	-----
First Floor	--	2,385	Offices
Second Floor	--	2,468	Offices
Third Floor	---	2,468	Offices
Typical Floors	---	4910	Offices
Stair Case	---	---	---
Annex	---	1,011	Offices
Total BAU (sqm)		15,709	

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	-----		

2.4 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	----- ✓

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	----- ✓

2.5 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	----- ✓	----- ✓
Electricity	----- ✓	----- ✓
Tele-Communication	----- ✓	----- ✓
Sewage	----- ✓	----- ✓

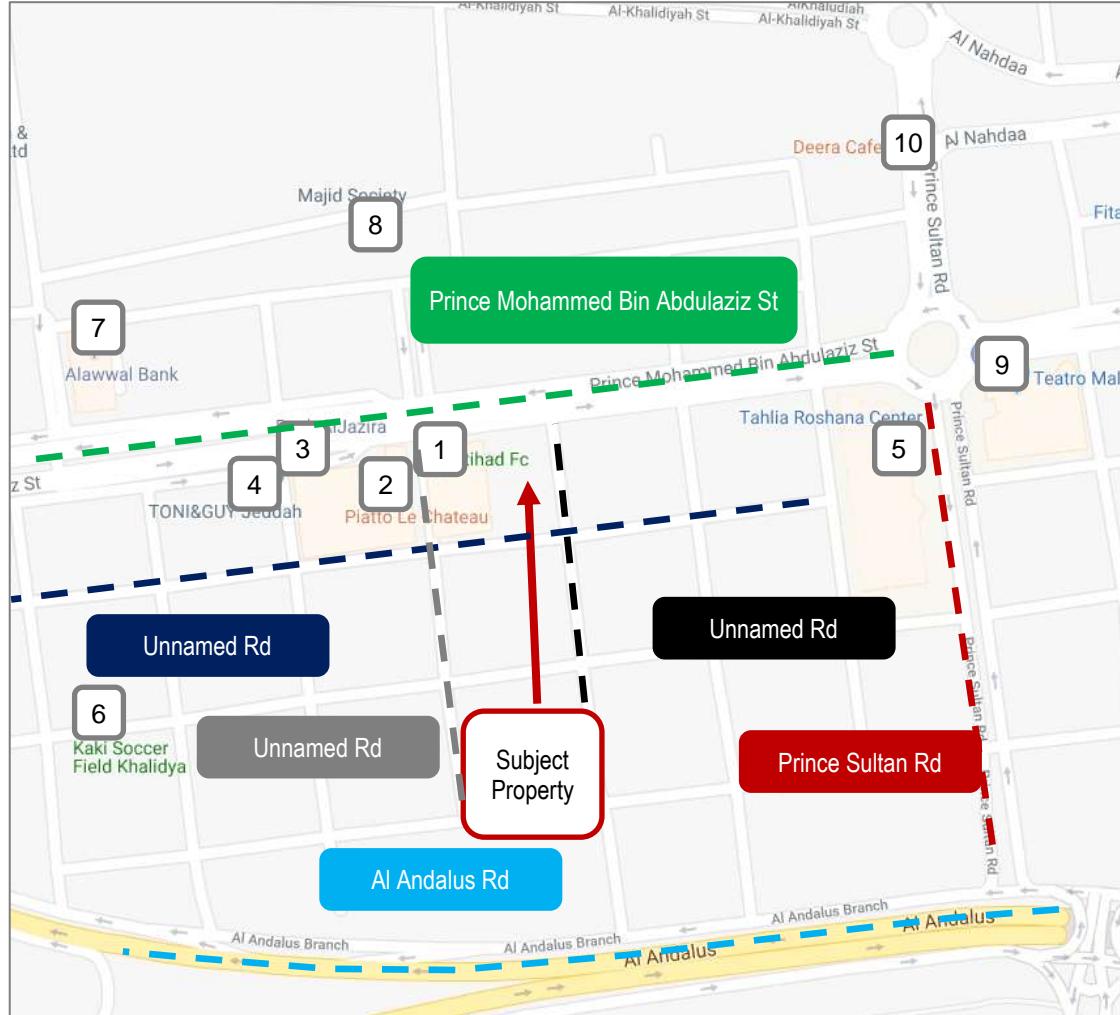
All the infrastructural facilities are available in the surroundings and connected to the subject property,

2.6 OCCUPANCY & VACANCY

As per the site inspection done by our team, the subject property is semi occupied by several tenants. Yet, and as per the client, the client intends to acquire the subject property as an income generating property rented to the previous owner by triple net lease of SAR 16,000,000 annually which increases every 5 years.

2.7 LOCATION

The subject property located in Al Andalus district, Jeddah City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

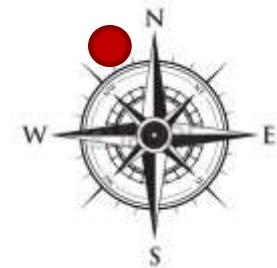
The subject property can be accessed through the following roads:

North Side:	Prince Mohammed Bin Abdulaziz St.
South Side:	Unnamed Rd - Al Andalus Rd
East Side:	Unnamed Rd - Prince Sultan Rd
West Side:	Unnamed Rd

LAND MARKS

- 1- Ittihad Fc (0.05 Kilometres)
- 2- Piatto Le Chateau (0.08 Kilometres)
- 3- Bank Al Jazira (0.1 Kilometres)
- 4- Toni & Guy Jeddah (0.1 Kilometres)
- 5- Tahlia Roshana Center (0.3 Kilometres)
- 6- Kaki Soccer Field Khalidya (0.45 Kilometres)
- 7- Alawwal Bank (0.4 Kilometres)
- 8- Majid Society (0.2 Kilometres)
- 9- Teatro Mal (0.4 Kilometres)
- 10- Deera Café (0.6 Kilometres)

Location of the subject property according to the City Center



2.8 PHOTO RECORD



2.9 DOCUMENTS RECIEVED

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

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

2.10 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.

2.11 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Open on 3 sides - Have a direct view on the main street - Near the seashores 	<p>Weakness</p> <ul style="list-style-type: none"> - None
<p>Opportunities</p> <ul style="list-style-type: none"> - Mostly surrounded by several residential units 	<p>Threats</p> <ul style="list-style-type: none"> - Existing and upcoming similar projects

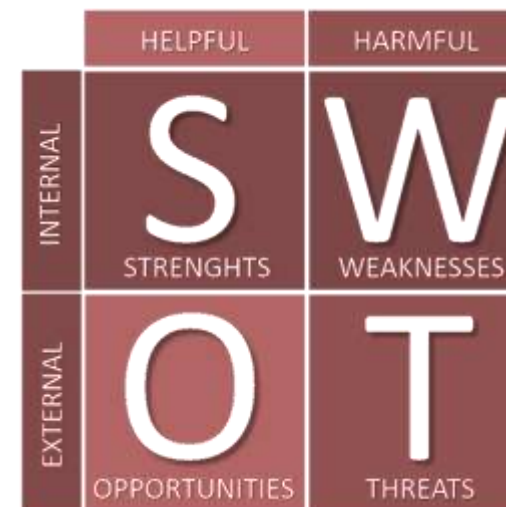
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.12 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.



- Indicator showing a decrease in the current performance comparing to the last year
- Indicator showing an increase in the current performance comparing to the last year
- Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

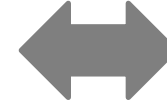


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019



Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.13 RISK 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	4	12	0	0

Risk Category 18 Risk Points - Medium Risk

Sector Analysis

Risk Category- 18 Risk Points - Medium Risk

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	8	0	0	0

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points – Minimal Risk

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	2	6	0	0

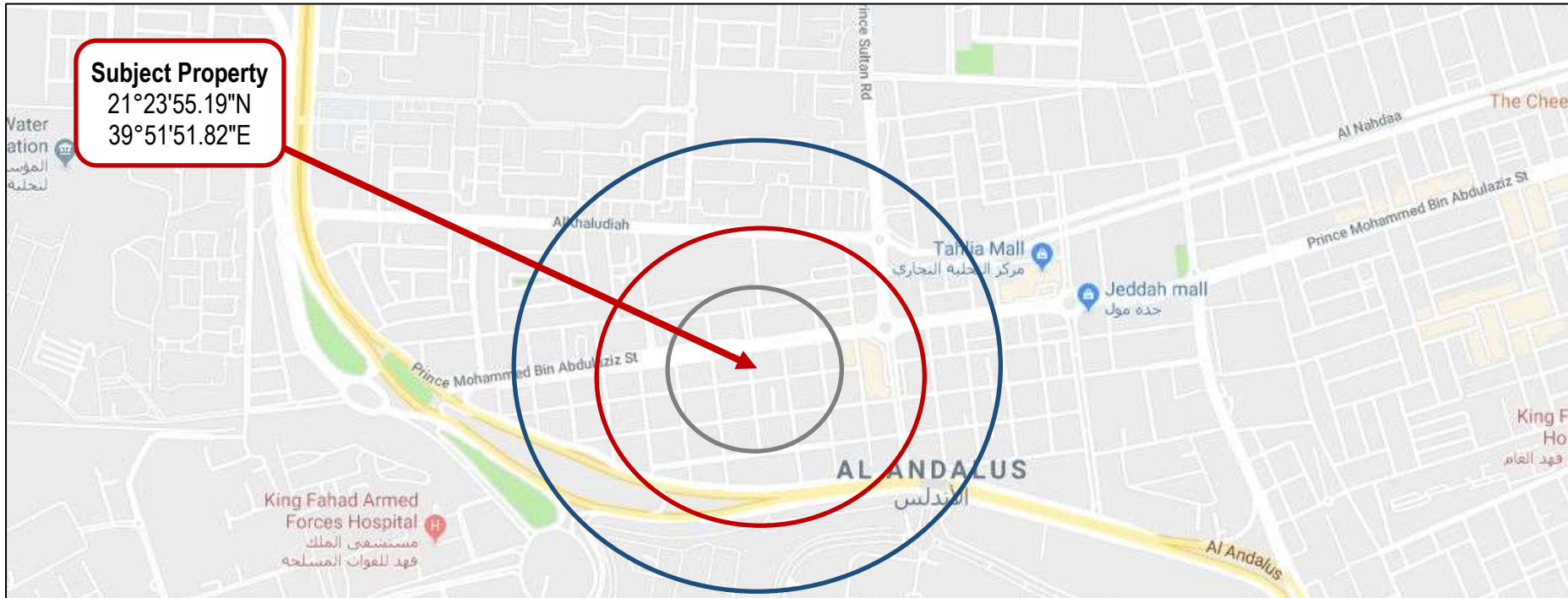
Risk Category 8 Risk Points - Medium Risk

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

2.14 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deed No.	Land Area (Sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
620214028215	4,319.75	From 12,500 to 13,500	13,100	SAR 56,588,725

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			
Land Area	SAR / Sqm	Total Value	
4,319.75	SAR 13,100	SAR 56,588,725	
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	----	2,467.00
Upper Floors	Sqm	----	12,231.00
Annex	Sqm	----	1,011.00
Fences	Lm	----	69.00
Total (SQM)	15,709.00		

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 20% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	15,709.00	SAR 1,000	SAR 15,709,000	100%	SAR 15,709,000
Electro Mechanic	15,709.00	SAR 400	SAR 6,283,600	100%	SAR 6,283,600
Finishing	15,709.00	SAR 1,300	SAR 20,421,700	100%	SAR 20,421,700
Fit outs & Appliances	15,709.00	SAR 0	SAR 0	100%	SAR 0
Furniture	15,709.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	4,319.75	SAR 100	SAR 431,975	100%	SAR 431,975
Total			SAR 42,846,275	100.00%	SAR 42,846,275
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 42,846,275	0.10%	SAR 42,846
Design			SAR 42,846,275	0.50%	SAR 214,231
Eng Consultant			SAR 42,846,275	1.00%	SAR 428,463
Management			SAR 42,846,275	5.00%	SAR 2,142,314
Contingency			SAR 42,846,275	5.00%	SAR 2,142,314
Others			SAR 42,846,275	0.00%	SAR 0
TOTAL				11.60%	SAR 4,970,167.90
Total Hard Cost	SAR 42,846,275		BUA	15,709.00	
Total Soft Cost	SAR 4,970,167.90		SAR / Sqm	SAR 3,044	
Total Construction Cost	SAR 47,816,442.90		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 47,816,443		Net Dep Rate		17.50%
			Dev Cost After Depreciation		SAR 39,448,565
Economic Age	40		Total Completion Rate		100.00%
Annual Dep Rate	2.50%		Developer Profit Rate		20.0%
Actual Age	7		Dev. Profit Amount		SAR 7,889,713
Total Dep Rate	17.50%		Development Value		SAR 47,338,278
Add Appr Rate	0.00%				
Net Dep Rate	17.50%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 47,338,278	SAR 56,588,725	SAR 103,927,003	SAR 103,930,000		



2.16 INCOME APPROACH- MARKET RATES

REVENUES						
	Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Show Rooms	2,169	0	SAR 2,850	SAR 10	SAR 6,181,650	
Offices	9,882	0	SAR 920	SAR 0	SAR 9,091,440	
Mezzanine	1,715	0	SAR 1,500	SAR 0	SAR 2,572,500	
Total Revenues					SAR 17,845,590	
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Show Rooms	3.00%	3.00%	5.00%	0.00%	11.00%	
Offices	3.00%	3.00%	5.00%	0.00%	11.00%	
Mezzanine	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues		Total Expenses		NOI	
Show Rooms	SAR 6,181,650		11.00%		SAR 5,501,669	
Offices	SAR 9,091,440		11.00%		SAR 8,091,382	
Mezzanine	SAR 2,572,500		0.00%		SAR 2,572,500	
Total					SAR 16,165,550	
Total Property Revenues					SAR 17,845,590	
Total Property Expenses					-SAR 1,680,040	
Net Operating Income					SAR 16,165,550.10	
Net Operating Income		Cap Rate	Property Value		Rounded Value	
SAR 16,165,550.10		9.50%	170,163,685.26 SAR		170,160,000.00 SAR	

The average market rates for the retail shops located within retail centres in the surrounding areas fall in the range between 2,400 to 2,900 SAR/ Sqm. While the office rates have bigger range from 700 to 1,000 SAR/ Sqm. The client has provided us with the GLA for the subject property as shown in the above calculation analysis.

As for the OPEX rate, the assumption used in the above model, is based on the market rates and the requirements of the project itself. In addition, the cap rate is 9.5% reflects the current market risks and conditions.



2.17 INCOME APPROACH- LEASING CONTRACT

REVENUES						
Unit Type	Quantity	Revenues				
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Commercial Building		The subject property is Fully leased to 1 tenant				SAR 16,000,000
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
Total Revenues					SAR 16,000,000	
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Commercial Building	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	
Commercial Building	SAR 16,000,000	0.00%			SAR 16,000,000	
-----	SAR 0	0.00%			SAR 0	
-----	SAR 0	0.00%			SAR 0	
Total					SAR 16,000,000	
Total Property Revenues					SAR 16,000,000	
Total Property Expenses					SAR 0	
Net Operating Income					SAR 16,000,000.00	
Net Operating Income	Cap Rate	Property Value		Rounded Value		
SAR 16,000,000.00	9.50%	168,421,052.63 SAR		168,420,000.00 SAR		

The subject property is fully leased to 1 tenant. The used figure of revenues was based on the leasing contract amount, terms and conditions.

2.18 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 170,160,000	One Hundred Seventy Million and One Hundred Sixty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 103,930,000	One Hundred Three Million and Nine Hundred Thirty Thousand Saudi Riyals
Income- Contract	Property	SAR 168,420,000	One Hundred Sixty-Eight Million and Four Hundred Twenty Thousand Saudi Riyals



2.19 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

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 market rates is:

Property Value: 170,160,000 SAR
One Hundred Seventy Million and One Hundred Sixty Thousand 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)
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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

BIN 2 PLAZA

AL KHABEER CAPITAL

JEDDAH CITY

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-3
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for commercial center (Bin 2 Plaza) in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the commercial project (Bin 2 Plaza) located in Jeddah 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
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from Al Khabeer Capital dated on November 12, 2019 to proceed with the valuation service for Bin 2 Plaza in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Commercial
Property Name	Bin 2 Plaza
Location	KSA, Jeddah

1.2 CLIENT

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

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

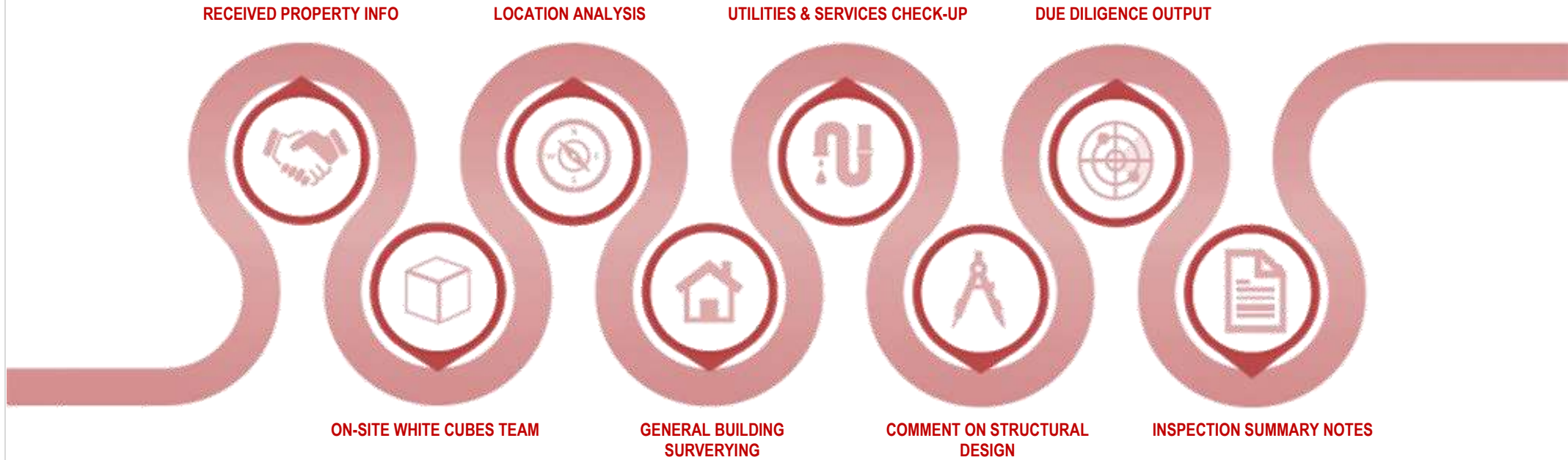
1.13 REPORT DATE

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.

November 21, 2019.

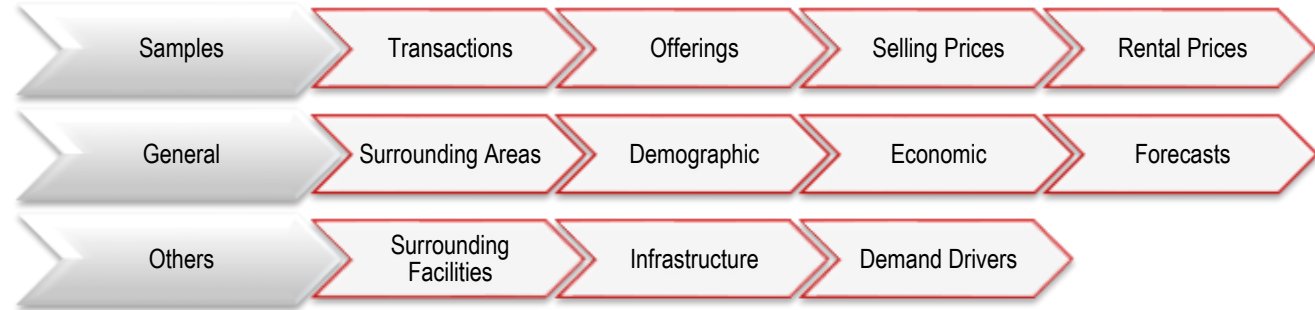
1.14 INSPECTION ROLE

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.



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

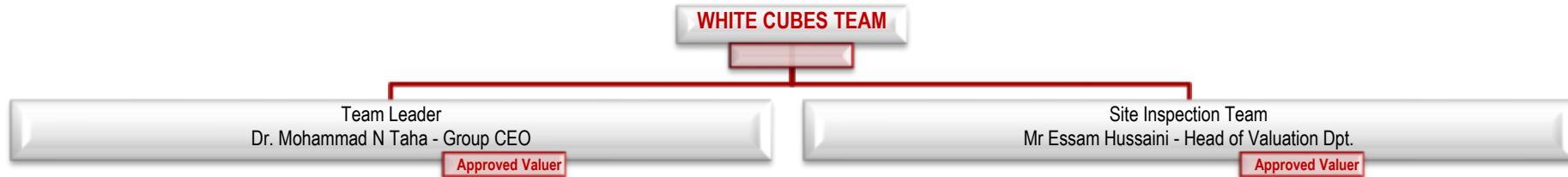
For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily 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

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 BASIS 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;

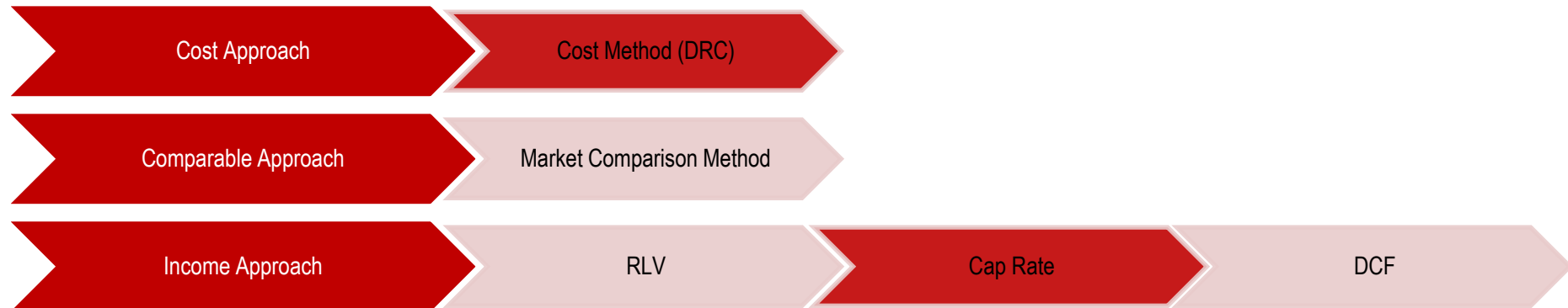
**AND
WITHOUT
COMPULSION**

'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	
✓	Al Khabeer Capital	June 2019	-----
✓	-----	-----	-----
	-----	-----	-----

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.

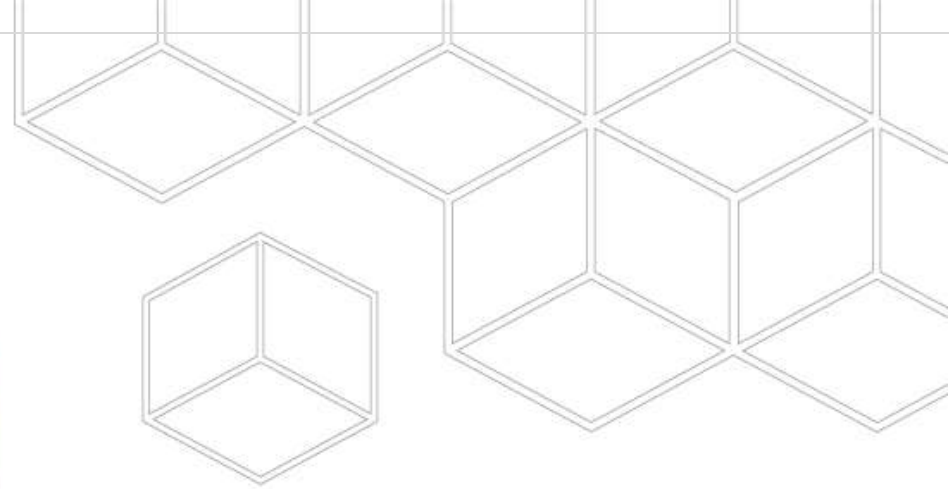
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a commercial project located in Al Amwaj district, Jeddah city. The Property has a total land area of 20,641.74 Sqm, a total BUA of 21,305.3 Sqm. As per the site inspection done by our team, the project is open on 4 sides with a direct view on an unnamed Road from the east side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Land	
Land Use	Commercial
Number of Streets	4
General Land Shape	Regular
Direct View on the Main Road	Unnamed Road
Direct View on an internal Street	Unnamed Streets
Land Status	Constructed
Infrastructural Facilities	
Water	Available and connected to the subject property
Electricity	Available and connected to the subject property
Sewage	Available and connected to the subject property
Telecommunication	Available and connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



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	Jeddah
District	Al Amwaj
T.D Type	Electronic
T.D Number	920210026381
T.D Date	19/06/1440
T.D Value	50,000,000
Date of Last Transaction	19/06/1440
Issue from	Jeddah Notary
Land Area	20,641.74
Plot No.	35 to 63
Block No.	N/A
Layout No.	ج.س/420
Owner	شركة أول الملحق العقارية
Ownership Type	Freehold
Limitation of Document	N/A

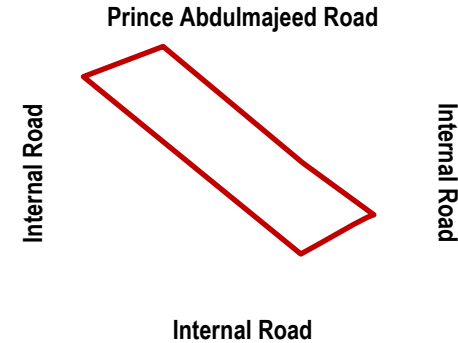
Boundaries

North	Unnamed Street
South	Unnamed Street
East	Unnamed Road
West	Unnamed Street

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



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

Direct View on Sides Open	Prince Abdulmajeed Road- Internal Roads	4
---------------------------	---	---

Length	55.06 m	55.40 m	377.1 m	373.66 m
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2.4 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed commercial center composed of Ground Floor, Mezzanine and first floor. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

Subject Property			
Construction Permit Type			New Permit
Property Type			Mix use property
Construction Permit No.			505232
Construction Permit Date			29/02/1431 AH
Permit Expiry Date			29/02/1434 AH

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	7928.6	Showrooms
Mezzanine	1	4727.9	Showrooms
Basement	---	---	---
First Floor	1	8,648.8	Offices
Service Floor	---	---	---
Service Floor	---	---	---
Typical Floors	---	---	---
Stair Case	---	---	---
Tanks	---	---	---
Total BAU (sqm)		21,305.30	

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 LAND SPECS

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

Current Land Status	
Vacant	-----
Constructed	----- ✓
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	----- ✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	----- ✓

Current Land Grading	
Graded	----- ✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	----- ✓
Industrial	-----
Residential	----- ✓
Agricultural	-----
Mix Use	----- ✓

2.6 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	----- ✓	----- ✓
Electricity	----- ✓	----- ✓
Tele-Communication	----- ✓	----- ✓
Sewage	----- ✓	----- ✓

All the infrastructural facilities are available in the surroundings and connected to the subject property,

2.7 OCCUPANCY & VACANCY

As per the site inspection done by our team, the subject property is semi occupied by several tenants. Yet, and as per the client, the client intends to acquire the subject property as an income generating property rented to the previous owner by triple net lease of SAR 9,000,000 annually for 15 years which increases every 5 years by 5%.

2.8 LOCATION

The subject property located in Al Amwaj District, Jeddah and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

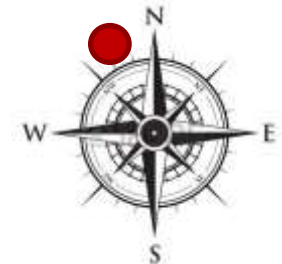
The subject property can be accessed through the following roads:

North Side:	Prince Abdulmajeed Rd
South Side:	Prince Naif Rd
East Side:	Unnamed Rd
West Side:	Unnamed Rd

LANDMARKS

- 1- Mosque (0.2 Kilometres)
- 2- Helens Bakery Jedda, Central Kitchen (0.2 Kilometres)
- 3- Grocery Store (0.4 Kilometres)
- 4- Cottage Café Northern (0.3 Kilometres)
- 5- TASK Gas Station (0.45 Kilometres)
- 6- BMB Chocolate (0.25 Kilometres)
- 7- Dar Lavina Residentials Units (0.45 Kilometres)
- 8- Mosque (0.3 Kilometres)
- 9- Ultra-Shine Auto Salon (0.4 Kilometres)
- 10- Technical Guide Engineering (0.4 Kilometres)

Location of the subject property according to the City Center



2.9 PHOTO RECORD



2.10 DOCUMENTS RECEIVED

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 ✓	Location Map ✓
Location Link ✓	Contact Details ✓	Costing & Budget ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX ✓
Forecasts & Expectations ✓	Income & Revenues ✓	Others ✓

2.11 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.




2.12 SWOT ANALYSIS

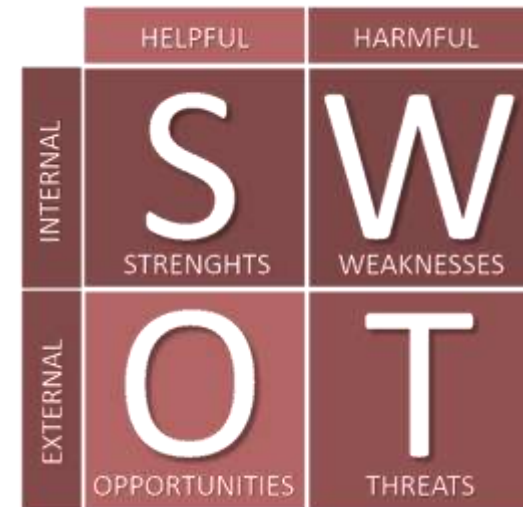
Strength <ul style="list-style-type: none"> - Open on 4 sides - Close to the main road (Prince Abdul Majeed) 	Weakness <ul style="list-style-type: none"> - None
Opportunities <ul style="list-style-type: none"> - Mostly surrounded by residential units 	Threats <ul style="list-style-type: none"> - Existing and upcoming similar projects

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.13 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to the last year
-  Indicator showing an increase in the current performance comparing to the last year
-  Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations

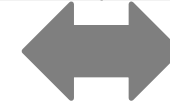


Sector rental Income

From 2018 to 2019

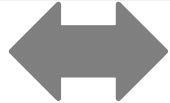


Future Expectations



Sector Demand

From 2018 to 2019

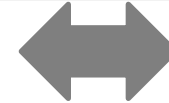


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

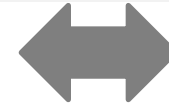


Future Expectations

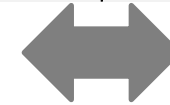


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.14 RISK 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	4	12	0	0

Risk Category 18 Risk Points - Medium Risk

Sector Analysis

Risk Category- 18 Risk Points - Medium Risk

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	8	0	0	0

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points – Minimal Risk

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	2	6	0	0

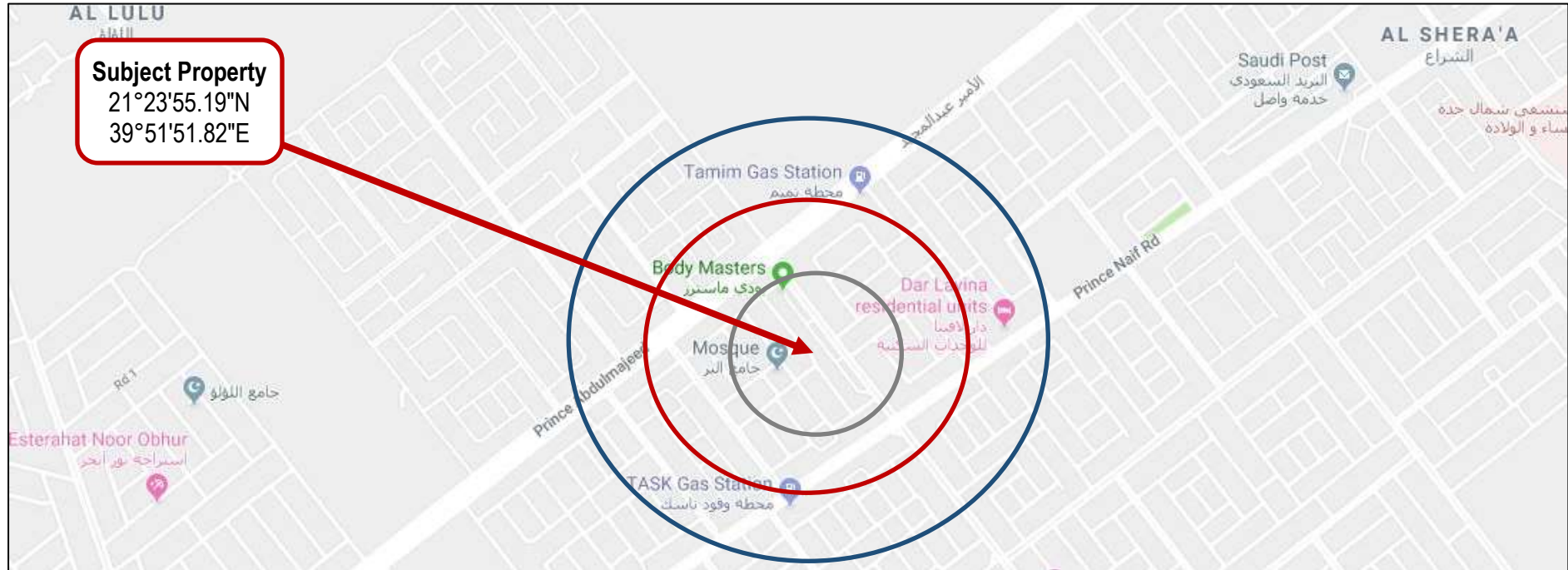
Risk Category 8 Risk Points - Medium Risk

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

2.15 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deed No.	Land Area (Sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
920210026381	20,641.74	From 1,300 to 2,000	1,650	SAR 34,058,871

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			
Land Area	SAR / Sqm	Total Value	
20,641.74	SAR 1,650	SAR 34,058,871	
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	7,928.60
Mezzanine	Sqm	1	4,727.90
Upper Floors	Sqm	1	8,648.80
Total (SQM)	21,305.30		

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 20% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	21,305.30	SAR 800	SAR 17,044,240	100%	SAR 17,044,240
Electro Mechanic	21,305.30	SAR 300	SAR 6,391,590	100%	SAR 6,391,590
Finishing	21,305.30	SAR 700	SAR 14,913,710	100%	SAR 14,913,710
Fit outs & Appliances	21,305.30	SAR 0	SAR 0	100%	SAR 0
Furniture	21,305.30	SAR 0	SAR 0	100%	SAR 0
Site Improvement	20,641.74	SAR 150	SAR 3,096,261	100%	SAR 3,096,261
Total			SAR 41,445,801	100.00%	SAR 41,445,801
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 41,445,801	0.10%	SAR 41,446
Design			SAR 41,445,801	0.50%	SAR 207,229
Eng Consultant			SAR 41,445,801	1.00%	SAR 414,458
Management			SAR 41,445,801	5.00%	SAR 2,072,290
Contingency			SAR 41,445,801	5.00%	SAR 2,072,290
Others			SAR 41,445,801	0.00%	SAR 0
TOTAL				11.60%	SAR 4,807,712.92
Total Hard Cost	SAR 41,445,801		BUA	21,305.30	
Total Soft Cost	SAR 4,807,712.92		SAR / Sqm	SAR 2,171	
Total Construction Cost	SAR 46,253,513.92		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 46,253,514		Net Dep Rate		23.33%
			Dev Cost After Depreciation		SAR 35,461,027
Economic Age	30		Total Completion Rate		100.00%
Annual Dep Rate	3.33%		Developer Profit Rate		20.0%
Actual Age	7		Dev. Profit Amount		SAR 7,092,205
Total Dep Rate	23.33%		Development Value		SAR 42,553,233
Add Appr Rate	0.00%				
Net Dep Rate	23.33%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 42,553,233	SAR 34,058,871	SAR 76,612,104	SAR 76,610,000		



2.17 INCOME APPROACH- MARKET RATES

REVENUES						
	Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Show Rooms	11,391	0	SAR 920	SAR 0	SAR 10,479,720	
Offices	6,919	0	SAR 410	SAR 0	SAR 2,836,790	
-----	0	0	SAR 0	SAR 0	SAR 0	
Total Revenues					SAR 13,316,510	
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Show Rooms	5.00%	3.00%	5.00%	0.00%	13.00%	
Offices	5.00%	3.00%	5.00%	0.00%	13.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues		Total Expenses		NOI	
Show Rooms	SAR 10,479,720		13.00%		SAR 9,117,356	
Offices	SAR 2,836,790		13.00%		SAR 2,468,007	
-----	SAR 0		0.00%		SAR 0	
Total					SAR 11,585,364	
Total Property Revenues					SAR 13,316,510	
Total Property Expenses					-SAR 1,731,146	
Net Operating Income					SAR 11,585,363.70	
Net Operating Income	Cap Rate	Property Value		Rounded Value		
SAR 11,585,363.70	9.50%	121,951,196.84 SAR		121,950,000.00 SAR		

The average market rates for the retail shops located within retail centres in the surrounding areas fall in the range between 800 to 1,000 SAR/ Sqm. While the office rates from 300 to 500 SAR/ Sqm.

As for the OPEX rate, the assumption used in the above model, is based on the market rates and the requirements of the project itself. In addition, the cap rate is 9.5% reflects the current market risks and conditions.



2.18 INCOME APPROACH- LEASING CONTRACT

REVENUES					
Unit Type	Quantity	Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Commercial Building		The subject property is Fully leased to 1 tenant			SAR 9,000,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 9,000,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Commercial Building	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	
Commercial Building	SAR 9,000,000	0.00%		SAR 9,000,000	
-----	SAR 0	0.00%		SAR 0	
-----	SAR 0	0.00%		SAR 0	
Total				SAR 9,000,000	
Total Property Revenues				SAR 9,000,000	
Total Property Expenses				SAR 0	
Net Operating Income				SAR 9,000,000.00	
Net Operating Income	Cap Rate	Property Value		Rounded Value	
SAR 9,000,000.00	9.50%	94,736,842.11 SAR		94,740,000.00 SAR	

The subject property is fully leased to 1 tenant. The used figure of revenues was based on the leasing contract amount, terms and conditions.

2.19 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 121,950,000	One Hundred Twenty-One Million and Nine Hundred Fifty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 76,610,000	Seventy-Six Million and Six Hundred Ten Thousand Saudi Riyals
Income- Contract	Property	SAR 94,740,000	Ninety-Four Million and Seven Hundred Forty Thousand Saudi Riyals



2.20 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

2.21 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: 94,740,000 SAR
Ninety-Four Million and Seven Hundred Forty Thousand Saudi Riyals

2.22 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.

2.23 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.

2.24 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



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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

AHLAN COURT

AL KHABEER CAPITAL

JEDDAH CITY

NOVEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-384-1
Date: 21/11/2019
M/S Al Khabeer Capital
Attn Mr. Tarek Aql

Land Line: +966 12 612 9361
Email: t.aql@alkhabeer.com

Subject: Valuation Report for retail project (Ahlan Court) in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 12, 2019 for valuation service of the retail project (Ahlan Court) located in Jeddah 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
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from Al Khabeer Capital dated on November 12, 2019 to proceed with the valuation service for Ahlan Court in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al Khabeer Capital
Property Type	Retail
Property Name	Ahlan Court
Location	KSA, Jeddah

1.2 CLIENT

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

Client Name	Al Khabeer Capital
Domain	Asset Management Company
Location	KSA, Jeddah
Contact Person	Tarek Aql
Contact No.	+966 12 612 9361

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).





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 12, 2019.

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.

November 14, 2019.

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

November 21, 2019.

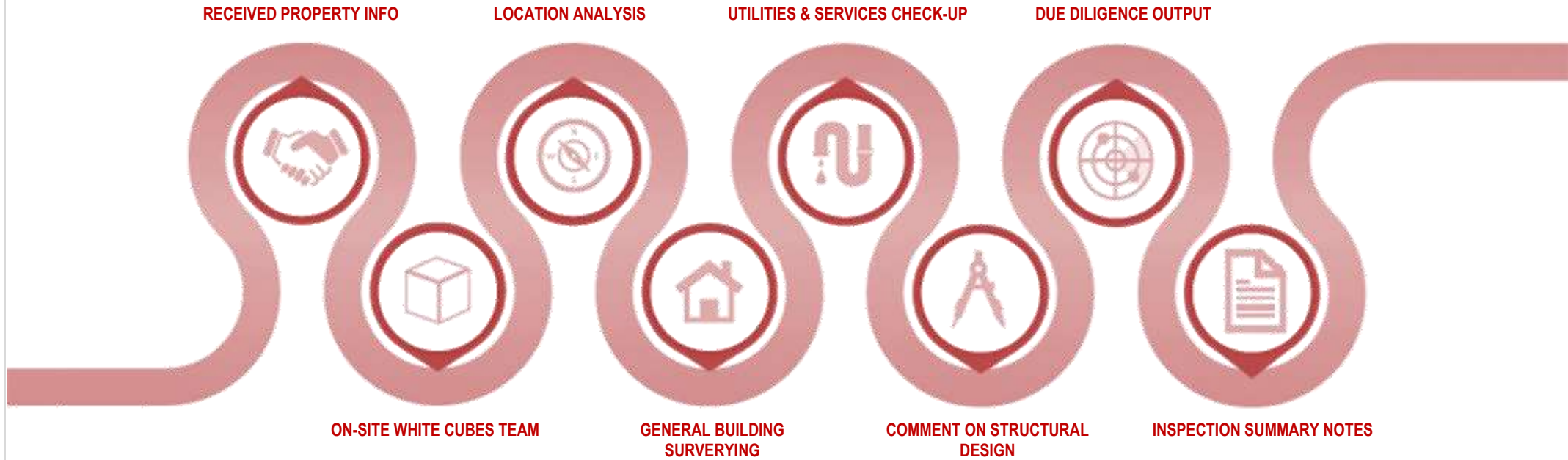
1.13 REPORT DATE

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.

November 21, 2019.

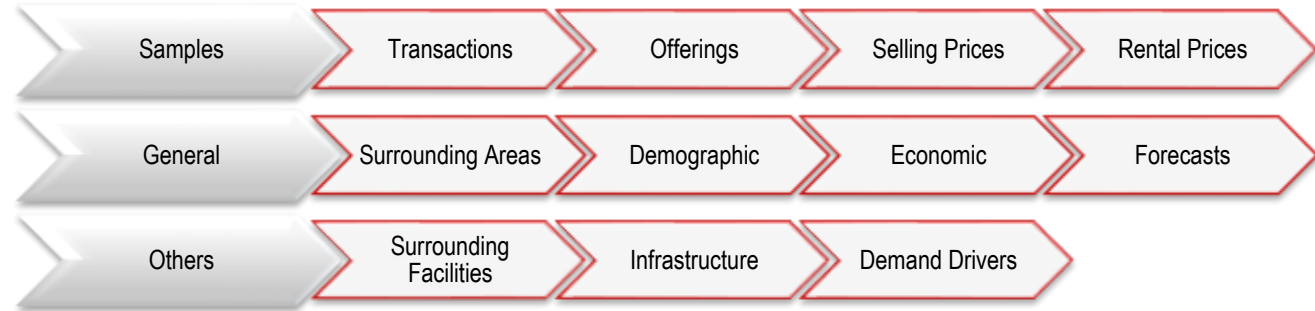
1.14 INSPECTION ROLE

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.



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.

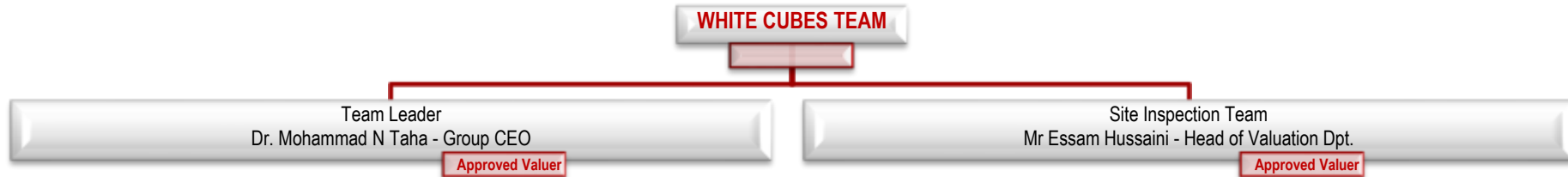
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





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

Valuer Name	Completed Courses in Taqem															
	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 BASIS 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;

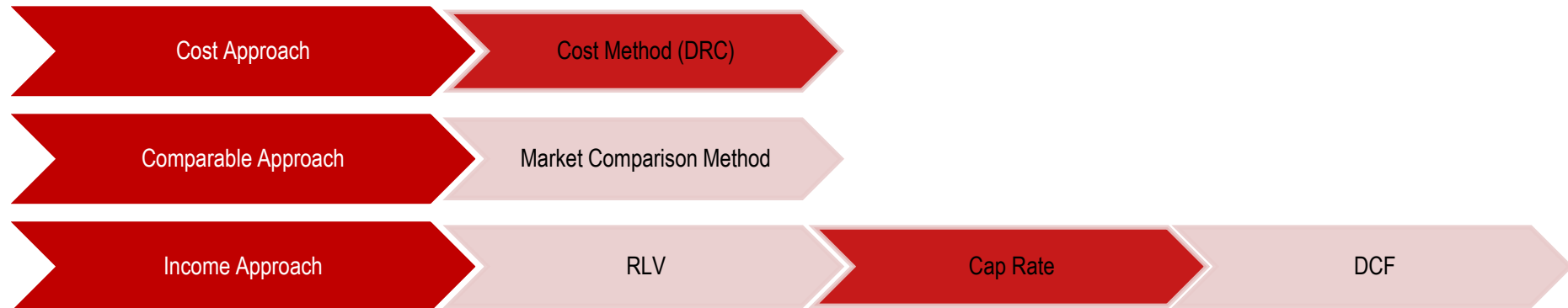
**AND
WITHOUT
COMPULSION**

'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

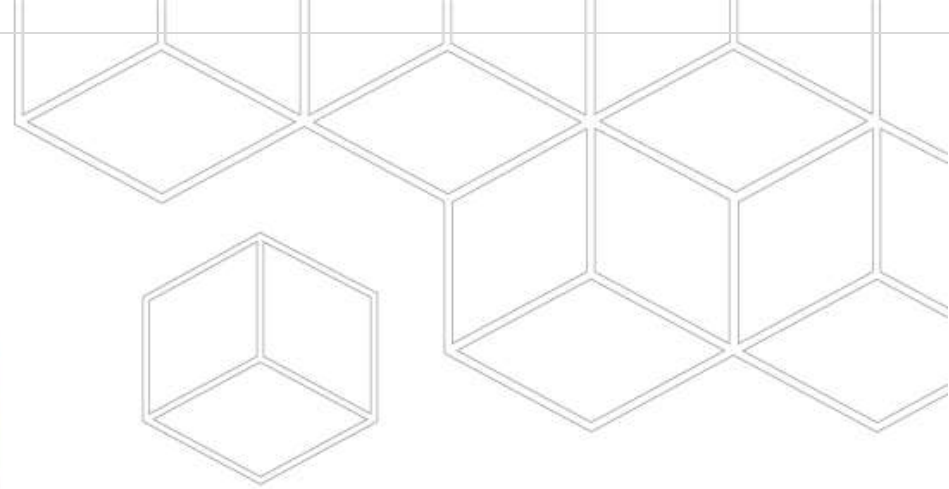
With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the market value of the subject property:

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



PROPERTY INFO

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a constructed property located in Al Andalos district, Jeddah city. The Property has a total land area of 4,342.25 Sqm, and a total BUA of 2,758.3 Sqm. The subject property is a commercial retail building. As per the site inspection done by our team, the project is open on 3 sides from the north east and south with a direct view on Prince Mohammad Bin Abdulaziz Road. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Land	
Land Use	Commercial
Number of Streets	3
General Land Shape	Regular
Direct View on the Main Road	Prince Mohammad Bin Abdulaziz
Direct View on an internal Street	Unnamed Streets
Land Status	Constructed
Infrastructural Facilities	
Water	Available and connected to the subject property
Electricity	Available and connected to the subject property
Sewage	Available and connected to the subject property
Telecommunication	Available and connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good



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	Jeddah
District	Al Andalos
T.D Type	Electronic
T.D Number	420210026380
T.D Date	19/06/1440
T.D Value	32,000,000 SAR
Date of Last Transaction	19/06/1440
Issue from	Jeddah Notary
Land Area	4,342.25
Plot No.	1
Block No.	N/A
Layout No.	ت.س/860
Owner	شركة أول الملقا العقارية
Ownership Type	Freehold
Limitation of Document	-----
Boundaries	
North	Prince Mohammad Bin Abdulaziz
South	Unnamed Street
East	Unnamed Street
West	Private Property

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 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed Commercial building composed of 2 floors which was constructed 11 years ago. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

Subject Property			
Construction Permit Type			New Permit
Property Type			Commercial
Construction Permit No.			427000307
Construction Permit Date			1427
Permit Expiry Date			1430

Description	No. of Units	Area (sqm)	Use
Ground Floor	6	1,774.3	Restaurant
Mezzanine	---	---	---
Basement	---	---	---
First Floor	1	984	Restaurant
Service Floor	---	---	---
Service Floor	---	---	---
Typical Floors	---	---	---
Stair Case	---	---	---
Tanks	--	---	---
Total BAU (sqm)		2,758.3	

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	-----		



2.4 LAND SPECS

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

Current Land Status	
Vacant	✓
Constructed	-----
Under Construction	-----
Excavated	-----
Raw Land	-----

Current Land Use	
Commercial	✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	-----

Current Land Grading	
Graded	✓
Semi-Graded	-----
Mountain	-----
Valley	-----
Slope	-----

Current Surrounding Property	
Commercial	✓
Industrial	-----
Residential	-----
Agricultural	-----
Mix Use	✓

2.5 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

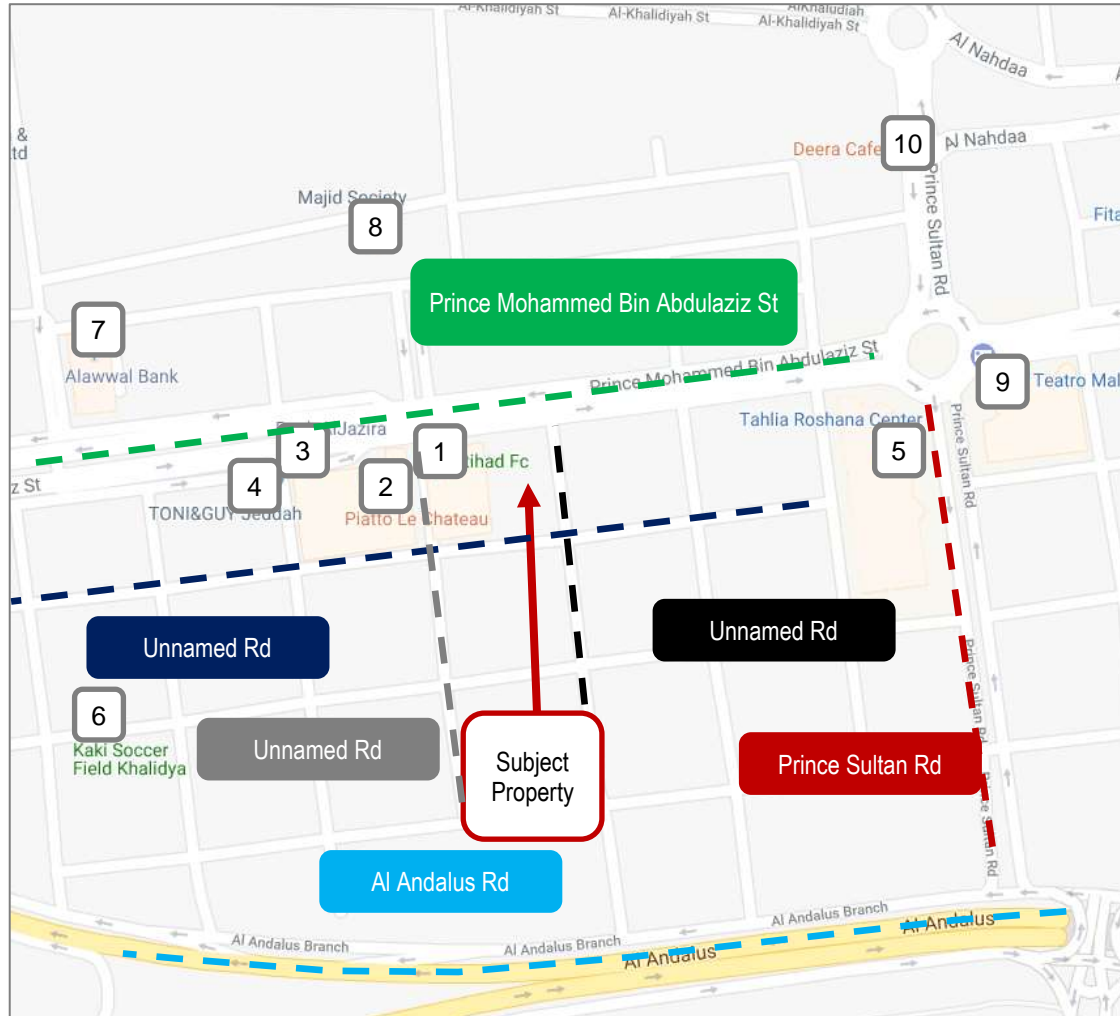
All the infrastructural facilities are available in the surroundings and connected to the subject property.

2.6 OCCUPANCY & VACANCY

As per the site inspection done by our team, the subject property is semi occupied by several tenants. Yet, and as per the client, the client intends to acquire the subject property as an income generating property rented to the previous owner by triple net lease of SAR 7,000,000 annually which increases every 5 years.

2.7 LOCATION

The subject property located in Al Andalus district, Jeddah city and 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:

North Side:	Prince Mohammed Bin Abdulaziz St.
South Side:	Unnamed Rd - Al Andalus Rd
East Side:	Unnamed Rd - Prince Sultan Rd
West Side:	Unnamed Rd

LAND MARKS

- 1- Ittihad Fc (0.05 Kilometres)
- 2- Piatto Le Chateau (0.08 Kilometres)
- 3- Bank Al Jazira (0.1 Kilometres)
- 4- Toni & Guy Jeddah (0.1 Kilometres)
- 5- Tahlia Roshana Center (0.3 Kilometres)
- 6- Kaki Soccer Field Khalidya (0.45 Kilometres)
- 7- Alawwal Bank (0.4 Kilometres)
- 8- Majid Society (0.2 Kilometres)
- 9- Teatro Mall (0.4 Kilometres)
- 10- Deera Café (0.6 Kilometres)

Location of the subject property according to the City Center



2.8 PHOTO RECORD



2.9 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 -----	Location Map ✓
Location Link -----	Contact Details ✓	Costing & Budget -----
Tenant List -----	Income & Revenues ✓	Operational Cost - OPEX -----
Forecasts & Expectations -----	Others -----	Others -----

2.10 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.

2.11 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Open on 3 sides - Have a direct view on the main street - Near the seashores 	Weakness <ul style="list-style-type: none"> - None
Opportunities <ul style="list-style-type: none"> - Surrounded by several residential units 	Threats <ul style="list-style-type: none"> - Similar and upcoming projects

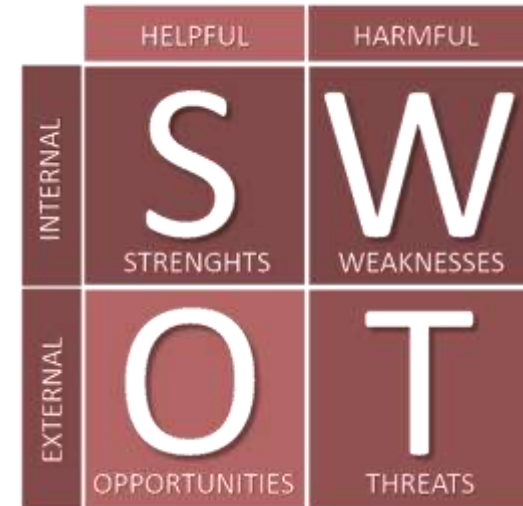
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.12 SECTOR BRIEF

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side; In addition to some current economic changes in general.



Indicator showing a decrease in the current performance comparing to the last year
 Indicator showing an increase in the current performance comparing to the last year
 Indicator showing a stable position in the current performance comparing to the last year





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations

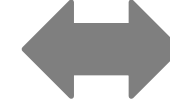


Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

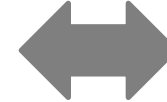


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

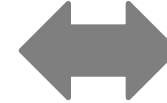


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.13 RISK 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	4	12	0	0

Risk Category 18 Risk Points - Medium Risk

Sector Analysis

Risk Category- 18 Risk Points - Medium Risk

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	8	0	0	0

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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	2	6	0	0

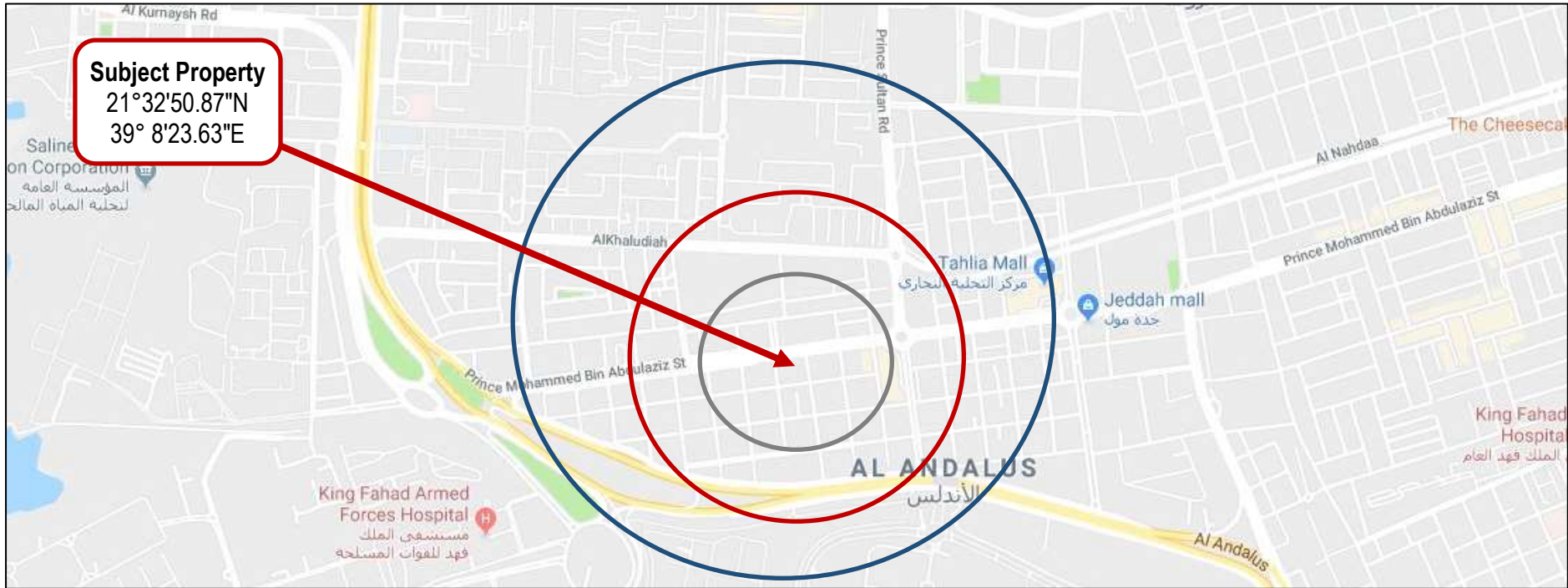
Risk Category 8 Risk Points - Medium Risk

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

2.14 INPUT EVALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

Title Deed No.	Land Area (Sqm)	SAR/ Sqm	Average SAR/ Sqm	Total Value
420210026380	4,342.25	From 12,500 to 13,500	13,100	SAR 56,883,475

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			
Land Area	SAR / Sqm	Total Value	
4,342.25	SAR 13,100	SAR 56,883,475	
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	1,774.30
First Floor	Sqm	1	984.00
Total (SQM)	2,758.30		

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 20% developer profit rate.



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	2,758.30	SAR 800	SAR 2,206,640	100%	SAR 2,206,640
Electro Mechanic	2,758.30	SAR 200	SAR 551,660	100%	SAR 551,660
Finishing	2,758.30	SAR 400	SAR 1,103,320	100%	SAR 1,103,320
Fit outs & Appliances	2,758.30	SAR 0	SAR 0	100%	SAR 0
Furniture	2,758.30	SAR 0	SAR 0	100%	SAR 0
Site Improvement	4,342.25	SAR 200	SAR 868,450	100%	SAR 868,450
Total			SAR 4,730,070	100.00%	SAR 4,730,070
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 4,730,070	0.10%	SAR 4,730
Design			SAR 4,730,070	0.50%	SAR 23,650
Eng Consultant			SAR 4,730,070	1.00%	SAR 47,301
Management			SAR 4,730,070	5.00%	SAR 236,504
Contingency			SAR 4,730,070	5.00%	SAR 236,504
Others			SAR 4,730,070	0.00%	SAR 0
TOTAL				11.60%	SAR 548,688.12
Total Hard Cost	SAR 4,730,070		BUA	2,758.30	
Total Soft Cost	SAR 548,688.12		SAR / Sqm	SAR 1,914	
Total Construction Cost	SAR 5,278,758.12		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 5,278,758		Net Dep Rate		36.67%
			Dev Cost After Depreciation		SAR 3,343,213
Economic Age	30		Total Completion Rate		100.00%
Annual Dep Rate	3.33%		Developer Profit Rate		20.0%
Actual Age	11		Dev. Profit Amount		SAR 668,643
Total Dep Rate	36.67%		Development Value		SAR 4,011,856
Add Appr Rate	0.00%				
Net Dep Rate	36.67%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 4,011,856	SAR 56,883,475	SAR 60,895,331	SAR 60,900,000		



2.16 INCOME APPROACH – MARKET RATES

REVENUES						
	Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Show Rooms	1,774	0	SAR 3,200	SAR 0	SAR 5,676,800	
Offices	984	0	SAR 880	SAR 0	SAR 865,920	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 6,542,720
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Show Rooms	2.00%	2.00%	2.00%	0.00%	6.00%	
Offices	2.00%	2.00%	2.00%	0.00%	6.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues		Total Expenses		NOI	
Show Rooms	SAR 5,676,800		6.00%		SAR 5,336,192	
Offices	SAR 865,920		6.00%		SAR 813,965	
-----	SAR 0		0.00%		SAR 0	
					Total	SAR 6,150,157
Total Property Revenues						SAR 6,542,720
Total Property Expenses						-SAR 392,563
Net Operating Income						SAR 6,150,156.80
Net Operating Income	Cap Rate	Property Value			Rounded Value	
SAR 6,150,156.80	8.50%	72,354,785.88 SAR			72,400,000.00 SAR	

The average market rates for the retail shops located within retail centres in the surrounding areas fall in the range between 3,000 to 3,300 SAR / Sqm. While the office rates are (From 700 to 900 SAR / Sqm).

As for the OPEX rate, the assumption used in the above shown model, is based on the market rates and the requirements of the project itself. In addition, the cap rate of 8.5% reflects the current market risks and condition.



2.17 INCOME APPROACH – LEASING CONTRACT

REVENUES						
Unit Type	Quantity	Revenues				
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Retail Project		The subject property is Fully leased to 1 tenant			SAR 7,000,000	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 7,000,000
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Retail Project	5.00%	0.00%	0.00%	0.00%	5.00%	
-----	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			
Retail Project	SAR 7,000,000	5.00%	SAR 6,650,000			
-----	SAR 0	0.00%	SAR 0			
-----	SAR 0	0.00%	SAR 0			
			Total	SAR 6,650,000		
Total Property Revenues				SAR 7,000,000		
Total Property Expenses				-SAR 350,000		
Net Operating Income				SAR 6,650,000.00		
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 6,650,000.00	8.50%	78,235,294.12 SAR	78,240,000.00 SAR			

The subject property is fully leased to one tenants. The used figure in terms of revenues was based on the leasing contract amount, terms and conditions.

2.18 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 72,400,000	Seventy-Two Million and Four Hundred Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 60,900,000	Sixty Million and Nine Hundred Thousand Saudi Riyals
Income- Contract	Property	SAR 78,240,000	Seventy-Eight Million and Two Hundred Forty Thousand Saudi Riyals



2.19 VALUATION NOTES

As the purpose of valuation is REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

The used discount rate is based on the weighted average of three approaches:

- 1- CAPM (WACC) method
- 2- Economic inflation rate and market growth rate
- 3- Witnessing of several market transactions similar to the subject property

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 using market rates is:

Property Value: 72,400,000 SAR
Seventy-Two Million and Four Hundred Thousand 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

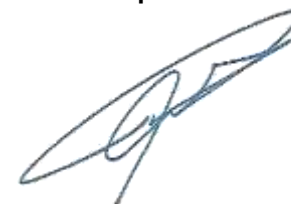
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Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

Essam Hussaini
Site Inspection Check



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WHITE CUBES REAL ESTATE
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