

8 Commercial Properties Updated Final Valuation Report



August 04, 2019



The Derayah Real
Estate Custody
Company



Tunuf Real Estate
Advisory



VREC 1905040

License 1210000503

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1. EXECUTIVE SUMMARY

TO: The Derayah Real Estate Custody Company

PO Box 286546, 2nd Floor, Olaya Centre, Olaya Street,

Riyadh, Saudi Arabia

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Email: Reit@derayah.com

Sunday, August 04, 2019

1.1. PROJECT BACKGROUND

With reference to your request to update the value for 8 commercial properties located in Riyadh, Jeddah, Dammam and Khobar, Saudi Arabia "Subject Properties", Tunuf herewith provides you with the Market Value for the "Subject Properties".

1.2. CLIENT

The Client to whom the valuation report will be prepared is The Derayah Real Estate Custody Company- ("the Client").

1.3. PURPOSE OF VALUATION

The valuation report is prepared for financial reporting purpose only as part of the CMA requirements for REITs.

1.4. INTENDED USERS

The Client, the Public

1.5. SUBJECT OF VALUATION

The following table shows the properties subject of valuation:

SN	Location	Type	Land Area (Sq. m.)	Built Up Area (Sq. m.)
1	Riyadh	Industrial Complex	214,597.78	96,768
2	Riyadh	Medical Center	2,500	4,416
3	Riyadh	School Building	5,593.59	11,645
4	Jeddah	Industrial Complex	40,026	25,828.26
5	Jeddah	Office Building	2,691.8	10,409
6	Dammam	Industrial Warehouses	6,000	3,672
7	Dammam	Labor Accommodation	2,163.38	4,637
8	Khobar	Commercial Building	2,187.5	6,492

Source: The Client

1.6. INTEREST OF VALUATION

The interests to be valued is the freehold interest of the subject properties, free of any encumbrances or third-party interests.

1.7. BASIS OF VALUATION

The basis of our valuation is Market Value, which is defined by the International Valuation Standards Council IVSC as (IVS):

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

1.8. DATE OF VALUATION

The Valuation date is June 30, 2019.

1.9. INSPECTION

The properties were inspected by Abdullah Al Harbi, Muhammad AlKurbi, Mohammed Alquaifil and Meshari AlKurbi between June 18 and 24, 2019. The following table highlights the inspections details. We note that our inspections were done on a visual and external basis only.

SN	Location	Type	Inspection By	Date of Inspection
1	Riyadh	Industrial Complex	Abdullah Al Harbi & Muhammad AlKurbi	June 19, 2019
2	Riyadh	Medical Center	Abdullah Al Harbi & Muhammad AlKurbi	June 19, 2019
3	Riyadh	School Complex	Mohammed Alquaifil	June 18, 2019
4	Jeddah	Industrial Complex	Meshari AlKurbi	June 24, 2019
5	Jeddah	Office Building	Meshari AlKurbi	June 24, 2019
6	Dammam	Industrial Warehouses	Meshari AlKurbi	June 23, 2019
7	Dammam	Labor Accommodation	Meshari AlKurbi	June 23, 2019
8	Khobar	Commercial Building	Meshari AlKurbi	June 23, 2019

Source: Tunuf – June 2019

1.10. STATE OF REPAIR AND CONDITION OF THE PROPERTIES

We have not been instructed to undertake a building survey. Our inspections were undertaken on a visual basis only. At the dates of inspections, the properties appeared to be well maintained and in a reasonable condition given their age and current use. Our opinion of value is based on the assumption that the subject properties have been maintained to a reasonable standard and do not

require any structural repairs or alterations. Should any substantial maintenance or repair works be required our opinion of value may be affected. Furthermore, we would recommend building surveys are conducted by a qualified professional to further establish the condition of the buildings.

1.11. SERVICES

We have assumed that the subject properties have the benefit of all standard services, amenities and utilities including Electricity, Water and Sewage available for each site. We will include a note on each of the subject properties detailed in the report enclosed when this is not the case.

1.12. CONTAMINATION AND HAZARDOUS MATERIALS

Our valuations have been prepared on the assumption that no contamination or hazardous material exists on site sufficient to affect value. We suggest that specialist investigations are undertaken by appropriately qualified consultants to confirm the same.

1.13. GROUND CONDITIONS FOR LAND PLOTS

We have made the assumption that ground conditions are suitable for the current buildings and structures or any future development/re-development.

1.14. PERSONNEL

This Valuation report has been prepared by Abdullah Al Harbi, Analyst and was reviewed by Ahmed Fathy, Consulting Manager under the supervision of Meshari AlKurbi, Acting CEO.

We confirm that the valuers responsible for this valuation are independent and qualified for the purpose of the valuation in accordance with Tageem and IVS.

1.15. STATUS

In preparing this valuation, we have acted as External Valuer, which is defined in the RICS Valuation Standards (2017) as

"A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment."

1.16. LIABILITY

With reference to the mutual agreement, our liability will be to the Client only, and not to any third party, and will be limited to the total fee payable for this valuation assignment.

1.17. NATURE AND SOURCE OF THE INFORMATION

We have relied on information provided by the Client in relation to the subject properties, which includes location layout plans, commercial contracts and title deeds.

We independently made enquiries in relation to the market conditions and outlook, pricing, sales rates, discount rates and development returns using a variety of sources including brokers and agents, developers, investment bankers, and government sources, as well as reputable publications and data providers.

1.18. APPROACH

We have mainly relied on the Income Approach (Investment Method) for the purpose of the valuation. We have also relied on the DRC Method as a benchmark.

1.19. DISCLOSURE

We are not aware of any existing conflicts or potential conflicts of interest, which would prevent us from providing an independent and objective opinion of value of any of the assets.

1.1. MARKET VALUE

Our opinion of the Market Value of the Subject Properties, as of June 30, 2019 are as follows:

SN	Location	Type	Market Value (SAR)
1	Riyadh	Industrial Complex	171,000,000
2	Riyadh	Medical Center	20,650,000
3	Riyadh	School Complex	41,000,000
4	Jeddah	Industrial Complex	41,000,000
5	Jeddah	Office Building	66,700,000
6	Dammam	Industrial Warehouses	18,560,000
7	Dammam	Labor Accommodation	10,600,000
8	Khobar	Commercial Building	38,700,000

Source: Tunuf – June 2019

Our opinion of Market Value is based on the Scope of Work and Valuation Assumptions attached.

Meshari AlKurbi, Taqem AR

Acting CEO (License No: 1210000503)

2. MARKET COMMENTARY

2.1. RIYADH INDUSTRIAL MARKET OVERVIEW

As the Saudi economy attempts to diversify from oil, great emphasis and resources are allocated to domesticate manufacturing, production lines, and logistics-based services. Industrial warehouses have witnessed a significant decrease in demand in recent years with the oil crisis since 2016 along with a steady new supply whether completed or scheduled. However, future demand is more likely to require a new type of warehouses that will provide a downward pressure on rental rates of conventional warehouses that do not meet new imposed regulations by the government, while iconic/quality compliant storage space would be in high demand. There are new global and regional trends that will be seen as developers compete to attract key high-profile tenants to achieve organically sustainable and profitable projects. Due to changing retailing dynamics as a result of online shopping and international companies gaining access to the Saudi Market, demand for quality warehouses is expected to grow optimizing storage space through the introduction of warehouses with higher ceiling, availability of logistical support services, proximity to major client groups, which is controlled by government regulations, and road network.

We believe that, given the introduction of new regulations, there is a demand for smaller storage space designated use within the city to facilitate and connect clients to various businesses while also providing storage solutions for individuals renting residential units that are getting smaller as a result of increasingly development and up keep costs.

Industrial Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government leading to additional costs associated with developing such properties.
- Economic uncertainty coupled with the lack of initiatives to stimulate the market would definitely lead to more business exiting the market resulting in lower demand.

2.2. RIYADH HEALTHCARE MARKET OVERVIEW

Healthcare is one of the more active sectors in the real estate market in recent years with the government focusing its goals of vision 2030 to elevate the health standards and services throughout the kingdom. Private healthcare services have witnessed a considerable increase in supply with higher demand for hospitals, clinics and medical centers in areas of the city where public healthcare is either inadequate or non-existing.

Healthcare Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government
- Higher operating expenses, because of inefficient management or an increase in labor cost

2.3. RIYADH EDUCATION MARKET OVERVIEW

Education is one of the more active sectors in the real estate market in recent years with the government focusing its goals of vision 2030 to elevate the education standards throughout the kingdom. Private education has witnessed a considerable increase in supply with higher demand for good quality education.

Education Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government
- Higher operating expenses, because of inefficient management or an increase in labor cost

2.4. JEDDAH INDUSTRIAL MARKET OVERVIEW

As the Saudi economy attempts to diversify from oil, great emphasis and resources are allocated to domesticate manufacturing, production lines, and logistics-based services. Industrial warehouses have witnessed a significant decrease in demand in recent years with the oil crisis since 2016 along with a steady new supply whether completed or scheduled. However, new demand trends show a shift to a new type of warehouses unlike current supply of conventional warehouses.

Industrial Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government leading to additional costs associated with developing such properties.
- Economic uncertainty coupled with the lack of initiatives to stimulate the market would lead to more business exiting the market resulting in lower demand.

2.5. JEDDAH OFFICE MARKET OVERVIEW

The Saudi economy has recently been through several changes which have had significant effect on the office market. The Saudi government has been trying to shift the economy away from its reliance on oil. Laws and initiatives have been put in place to optimize the economy. To survive the changes implemented by the Saudi government of vision 2030, businesses have been attempting to cut costs and downsize which effects the office space demand.

Office Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government leading to additional costs associated with developing such properties.
- Economic uncertainty coupled with the lack of initiatives to stimulate the market would definitely lead to more business exiting the market resulting in lower demand.

2.6. DAMMAM INDUSTRIAL MARKET OVERVIEW

As the Saudi economy attempts to diversify from oil, great emphasis and resources are allocated to domesticate manufacturing, production lines, and logistics-based services. Industrial warehouses have witnessed a significant decrease in demand in recent years with the oil crisis since 2016 along with a steady new supply whether completed or scheduled. However, the new demand may require a new type of warehouses not the conventional warehouses.

Industrial Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government leading to additional costs associated with developing such properties.
- Economic uncertainty coupled with the lack of initiatives to stimulate the market would lead to more business exiting the market resulting in lower demand.

2.7. DAMMAM LABOUR ACCOMMODATION MARKET OVERVIEW

Part of the Saudi Vision 2030 plan to attract foreign talent and specialized labor in addition to Saudization of key positions in the private and public sectors, the Saudi government has implemented few initiatives designed to increase the average cost of foreign labor bringing it closer to Saudization (employment of Saudi labor) encouraging small and medium business and the private sector in general to employ Saudi labor/talent. This has resulted in a considerable number of foreign outflows from the country resulting in lower demand for labor accommodation in the short term. However, as other initiatives and laws take place to attract specialized labor/talent, demand for affordable to good quality accommodations in key areas is expected to grow in the medium term.

Labor Accommodation Property Risks

- Downward pressure on rental rates as a result of additional supply in addition to new regulations imposed by the government leading to additional costs associated with developing such properties.
- Economic uncertainty coupled with the lack of initiatives to stimulate the market would lead to more business exiting the market resulting in lower demand.

2.8. KHOBAR OFFICE MARKET OVERVIEW

With new projects having been completed recently or in their final stages, office supply is expected to increase. The Saudi economy has recently been through several changes which have had great effect on the office market. The Saudi government has been trying to shift the economy away from its reliance on oil. Laws and initiatives have been put in place in an effort to optimize the economy as a whole. In an effort to survive the changes implemented by the Saudi government of vision 2030, businesses have been attempting to cut costs and downsize. As a direct result of the pressure felt by these changes, a downward pressure has been noted on office rental rates. In the long run, considering Aramco's plan to increase the localization of products and services, demand for office space could increase.

2.9. KHOBAR RETAIL MARKET OVERVIEW

With new projects having been completed recently or in their final stages, retail space is expected to increase. The Saudi economy has recently been through several changes which have had great effect on the office market. The Saudi government has been trying to shift the economy away from its reliance on oil. Laws and initiatives have been put in place in an effort to optimize the economy as a whole. In an effort to survive the changes implemented by the Saudi government of vision 2030, businesses have been attempting to cut costs and downsize. The value added tax law implemented by the government in 2017 has had a negative effect on retail sales and demand for retail space, but with the licensing of cinema theaters in Saudi, demand is expected to increase as it shifts from other Gulf countries. Rental rates and occupancy have remained relatively stable.

Property Risks

- Lower occupancy and a downward pressure on rental rates as a result of delay in Aramco's initiatives execution and the new supply
- Higher operating expenses, as a result of inefficient management or an increase in labor cost

3. YIELD COMMENTARY

Considering the current economic conditions and recent events, real estate transactions have dropped in number for the last 2-4 years. Recent low oil prices, as a main source of income for the Saudi Arabian Economy despite the government's attempts to diversify income sources, has been a major role in slowing the economy wheel in recent years. Saudi Arabia has launched the transformation plan to achieve the Saudi Vision 2030, which entailed the introduction of a number of initiatives aimed at making and sustaining an efficient and self-reliant economy. Despite recent uplift in oil prices, uncertainty in the market is evident by the slowdown in developments of new projects, decline in foreign investments and the outflow/displacement of local cashflow abroad. Furthermore, considering the ambiguity in the real estate market, we have had relied on information that is available to us from previous work in the Market in addition to transactions and listings in the area surrounding the Subject Properties. From researching the area surrounding the Subject Properties, we understand that there are several factors that can affect the income producing properties for sale, these factors include the following:

- Tenancy
 - Number of Tenants
 - Weighted Average Remaining Lease Term
- Lease Rate
 - Service Charge
 - Escalations
- Lease agreement clauses
- Property Specifics
 - Location
 - Access
 - Parking Provision
 - Facilities and services available
- Market Conditions
 - Supply
 - Demand

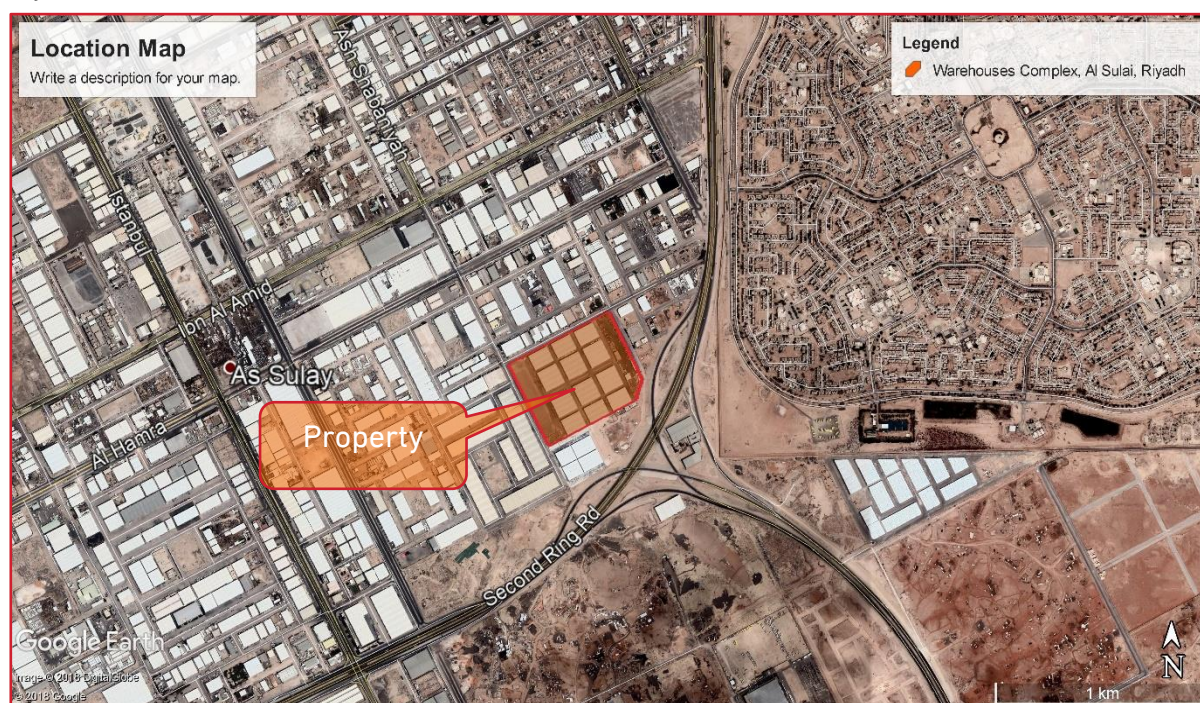
Since the subject properties are income-generating assets, we have relied on the Income Approach (Discounted Cashflows-DCF and investment methods), while using the Depreciated Replacement Method (DRC) for benchmarking purposes. We relied on the investment method in cases where the passing/contracted rent is in line with the market rent, while relying on the DCF method when there is a difference in income level between passing/contracted rent and market rent.

4. RIYADH INDUSTRIAL COMPLEX

4.1. LOCATION

The Subject Property is located along an internal street in Al Sulai District, Riyadh, Saudi Arabia.

The following map highlights the Subject Property location in relation to the south side of Riyadh city.



Source: Google Earth modified by Tunuf

4.2. DESCRIPTION

The property comprises gated industrial warehouses complex and a vacant land plot, which is leased to a third party, both on a land measuring 214,597.78 sq. m as per the title deed provided by the Client.

4.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Item	Description
Title Deed No.	410118040314
Title Deed Date	07-03-1440 H
Source	First Notary Office
Block #	38
Plot No.	South west part of Block 38 (N/A)
Land Area (Sq. m)	214,597.78

Source: The Client

4.4. BUILDING LEASE AGREEMENT

We have received a copy of the lease agreement in place for the Subject Property. The lease agreement is a 5 years triple net lease with a net operating income of SAR 18,230,000 per annum. Additionally, we understand that part of the Property is leased as a land plot to a third party for SAR 800,000 per annum for 10 years. We note that the previous owner of the subject property is the current tenant. We recommend an independent inquiry to verify the above. We have based our contracted income on the lease agreement information above. Tunuf reserves the right to amend the valuation incase the above-mentioned is not enforced.

4.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below

Item	Description
Floors	1 (G)
Total Built Up Area (Sq. m)	96,768
Number of warehouses	17

Source: Building Permit provided by the Client

4.6. WAREHOUSES MARKET RENT COMMENTARY

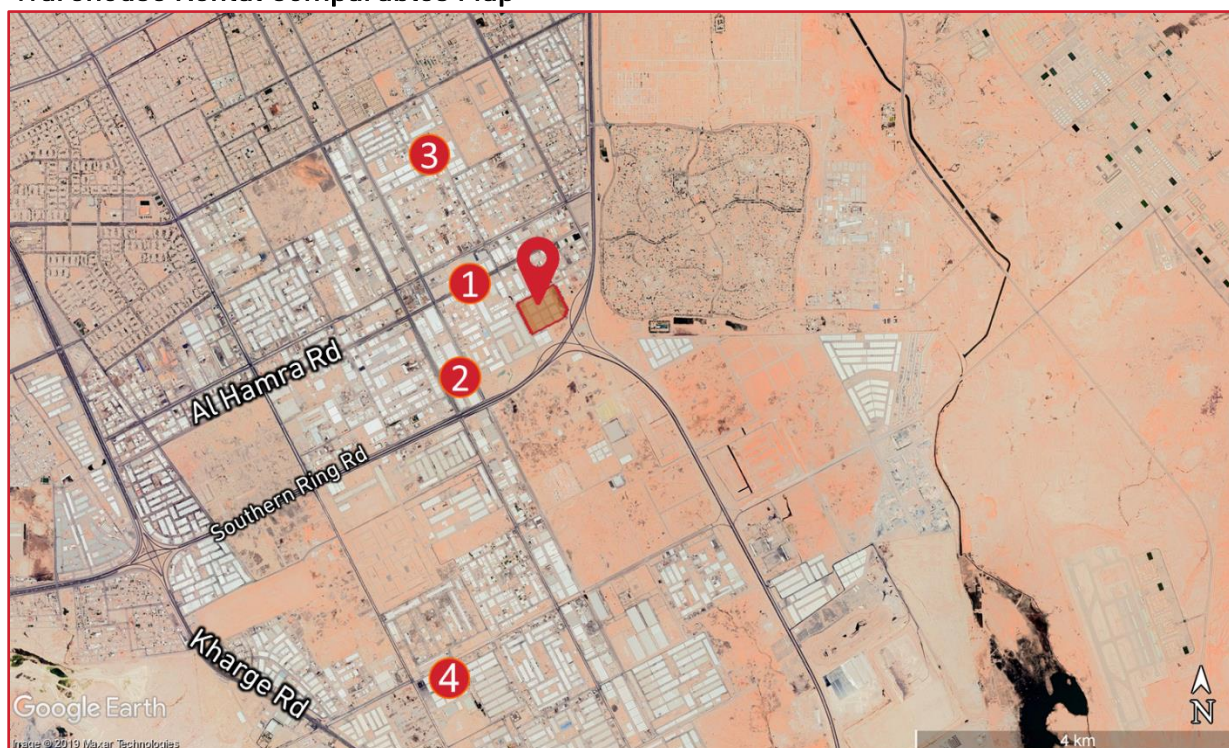
The property comprises gated industrial warehouses complex and a vacant land plot, which is leased to a third party, both on a land measuring 214,597.78 sq. m as per the title deed provided by the Client. We confirmed that warehouse rental prices in the area is between the range of 100 SAR per sqm up to 150 SAR per sqm. Below is the table shows the price range of the market rent for warehouses.

Warehouse Rental Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Warehouse For rent	6,930	Q2 2019	159	Commercial
2	Warehouse For rent	3,500	Q2 2019	129	Commercial
3	Warehouse For rent	54,075	Q2 2019	102	Commercial
4	Warehouse For rent	218,925	Q2 2019	91	Commercial

Source: Tunuf

Warehouse Rental Comparables Map



Source: Google Earth modified by Tunuf 2019

4.7. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

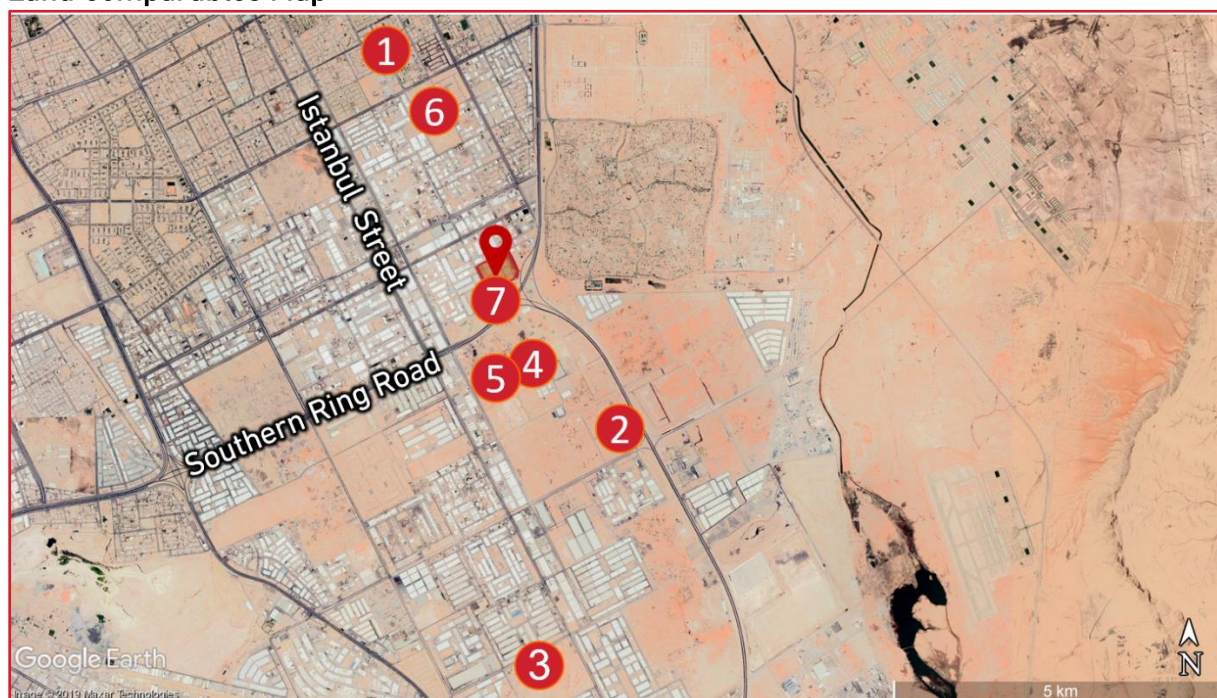
4.8. DRC VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m.)	Price (SAR/Sq. m.)	Date (G)	Use
1	For Sale	50,200	600	Q2 2019	Residential
2	For Sale	821,206	600	Q2 2019	Industrial
3	For Sale	155,310.92	400	Q2 2019	Industrial
4	For Sale	108,000	400	Q2 2019	Industrial
5	Transaction	216,300	700	12/05/2018	Industrial
6	Transaction	404,000	510	06/05/2017	Industrial
7	Transaction	32,100	1,816	10/06/2016	Industrial

Source: Tunuf Research Q2 2019

Land Comparables Map



Source: Google Earth, Modified by Tunuf Research Q2 2019

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 500 SAR per sq m up to 1,500 per Sq. m. We have based our land valuation on transaction number 3 and 4 and made some negative adjustments for land size and locations. We have applied the rate of 550 per sq m. Please note that we subtract the land lease agreement when assessing the land value while calculating depreciated replacement cost.

Depreciated Replacement Cost Method (DRC)

Item	Description
Land Area (Sq. m.)	214,598
Land Value (SAR/Sq. m.)	500
Land Value (SAR)	107,299,000
Land value after subtracting lease agreement (SAR)	92,299,000
Total BUA (Sq. m.)	96,768
Replacement Cost (SAR/Sq. m.)	950
Replacement Cost (SAR)	91,929,600
Effective age (Years)	9
Depreciation	30%
Building Useful Life (Years)	30
Depreciated Replacement Cost (SAR)	64,350,720
Total DRC (SAR)	156,649,720
Total Market Value (Rounded) (SAR)	156,650,000

Source: Tunuf

4.9. DISCOUNTED CASHFLOW METHOD VALUATION METRICS

We have had regard to the valuation of the Subject Property using the DCF method. The following table summarizes our assumptions and findings using the DCF method:

Item	Discription
Use	Year (1-5): Single Tenant
Lease	Year (1-5): Triple net lease
Lease Term	5 years
DCF Period (Semi Annual)	11
Annual Discount rate (%)	11%*
Reversion Yield (%)	9%
Cash flow	SAR 18,230,000 (year 1 to 5)-Contracted rent
Rental Income Growth (Inflation) (%)	1 st Year – 5 th Year = 0%
Exit Value (SAR)	166,496,560
Net Present Value (NPV)	171,186,336
Market Value (MV) (SAR)	171,000,000

Source: Tunuf

*Discount rate used reflects additional risk from contracted rent, which is higher than market rent.

**Market Rent includes Ground Rent for small land plot adjacent to the subject property.

As a result, the Market Value of the Subject Property is **SAR 171,000,000**.

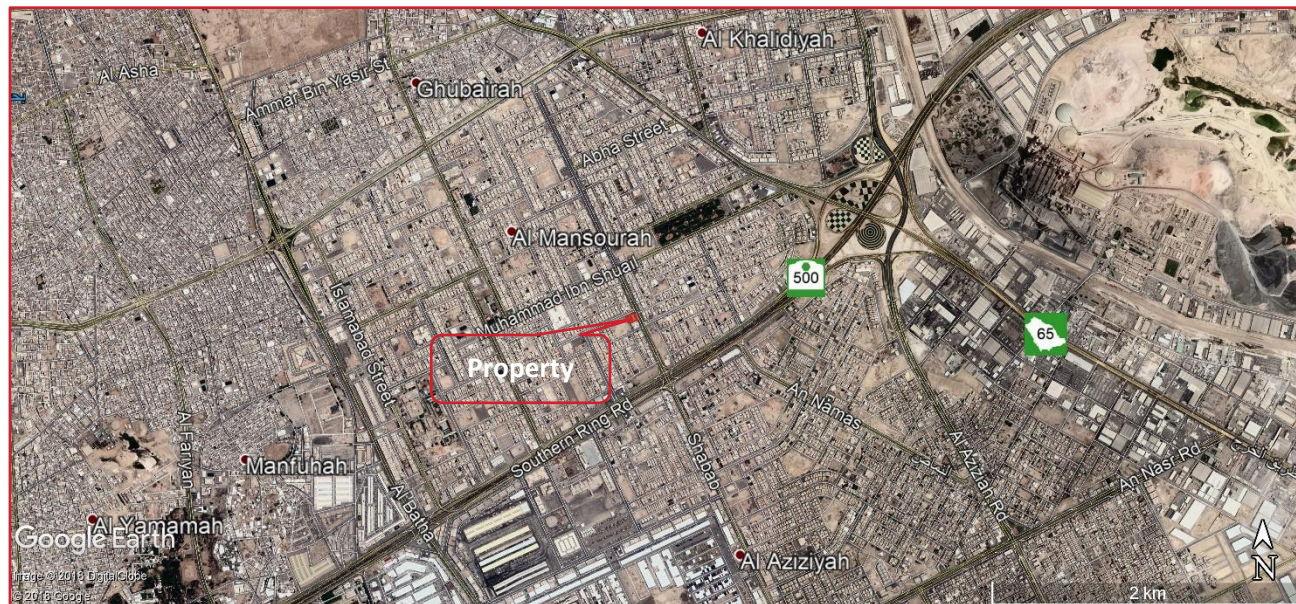
5. RIYADH MEDICAL CENTER

5.1. LOCATION

The Subject Property is located along Ma'an Ibn Za'idah Street, Al Mansourah District (Previously known as Khanshalilah), Riyadh, Saudi Arabia.

The following map highlights the Subject Property location in relation to Riyadh city.

Location Map



Source: Google Maps, Modified by Tunuf

5.2. DESCRIPTION

(B+G+1st+Annex) Commercial Building (Medical Center/Clinics) built on a land plot measuring 2,500 sq. m as per the information provided by the Client.

5.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Item	Description
Title Deed Number	310117040168
Title Deed Date	19/12/1439 H
Source	First Notary Office
Master Plan #	2303
Plot No.	1/1/518
Land Area (Sq. m)	2,500

Source: The Client

5.4. BUILDING LEASE AGREEMENT

We have received a copy of the main lease agreement in place for the Subject Property. We have summarized the lease agreement below:

Item	Description
Title Deed Number	310117040168
Land Area (Sq. m)	2,500
Building Permit Number	1428/9070
Building Permit Date (H)	3-12-1432
Lease Type	Triple Net Lease
Lease Term	20 Gregorian Years
Lease Start Date	15-12-2013
Lease Expiry Date	14-12-2033

Source: The Client

Years	Annual Rent (SAR)
1-5	1,690,000
6-10	1,859,000
11-15	2,044,900
16-20	2,249,390

Source: The Client

5.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below:

Description	Number of Units	Area (Sq. m)	Use
Basement	0	2,452	Parking
Ground Floor	1	680	Clinics
First Floor	1	856	Clinics
Roof Annex	1	428	Offices
Walls	0	150	Services

Source: Building Permit provided by the Client

5.6. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

5.7. VALUATION COMMENTARY AND ANALYSIS

Buildings Market Rent Commentary

The Subject Property comprises (B+G+1st+Annex) Commercial Building (Medical Center/Clinics) built on a land plot measuring 2,500 sq. m. The Subject Property is located along Ma'an Ibn Za'idah Street, Al Mansourah District, Riyadh, Saudi Arabia. Below is the table showing the price range of the buildings for Rent in the area:

Commercial Buildings for Rent

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Commercial Building For Rent	1,727	2019 Q2	362	Commercial
2	Commercial Building For Rent	2,700	2019 Q2	278	Commercial
3	Commercial Building For Rent	2,520	2019 Q2	250	Commercial
4	Commercial Building For Rent	2,880	2019 Q2	347	Commercial
5	Apartment Building For Rent	1,800	2019 Q2	417	Commercial

Source: Tunuf

Buildings for Rent Location Map



Source: Google Earth modified by Tunuf 2019

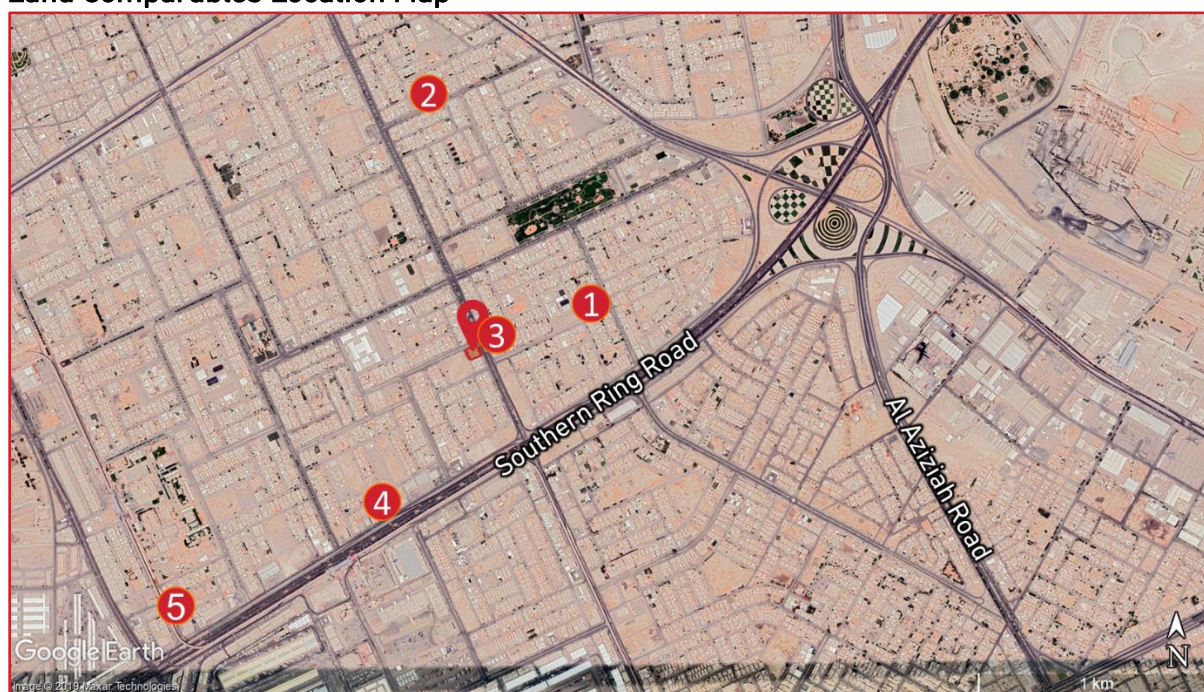
5.8. DRC VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	1,320	3/6/2019	1,856	Commercial
2	Transaction	520	3/6/2018	2,000	Commercial
3	Transaction	525	12/4/2018	2,667	Commercial
4	For Sale	1,440	2019 Q2	6500	Commercial

Source: Tunuf

Land Comparables Location Map



Source: Google Maps, Modified by Tunuf

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 2,500 SAR per sq m up to 3,500 per sq m. We based in our land valuation on transaction number 4 and made negative adjustments for land size, locations and negotiation of the deal. We have applied the rate of 2,800 per sq m.

Depreciated Replacement Cost Method

We have had regard to the valuation of the Subject Property using the Depreciated Replacement cost method. The following table summarizes our assumptions and findings:

Item	Description
Land Area (Sq. m.)	2,500
Land Value (SAR/Sq. m.)	2,700
Land Value (SAR)	6,750,000
Total BUA (Sq. m.)	4,416
Replacement Cost (SAR/Sq. m.)	3,000
Replacement Cost (SAR)	13,248,000
Building Age (Years)	8
Effective age (Years)	8
Depreciation	20%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	10,598,400
Total DRC	17,348,400
Rounded DRC	17,350,000

Source: Tunuf

5.9. DIRECT INCOME CAPITALIZATION METHOD VALUATION

We have had regard to the valuation of the Subject Property using the Direct Income Capitalization method. The following table summarizes our assumptions and findings:

Item	Discription
Type of Lease	Triple net lease
Tenancy	Single Tenant
Occupant	Tenant
Property Occupancy (%)	100%
Gross Annual Income (SAR)	1,859,000
OPEX (%)	0
Net Annual Income (SAR)	1,859,000
Cap Rate	9%
Market Value	SAR 20,655,566
Market Value Rounded	SAR 20,650,000

Source: Tunuf

6. RIYADH SCHOOL BUILDING

6.1. LOCATION

The Subject Property is located along an internal 40 m wide street street, Al Salmaniyah District, Diriyah, Riyadh, Saudi Arabia.



Source: Google Maps, Modified by Tunuf

6.2. DESCRIPTION

(B+G+1st+Annex) Commercial Building (Schools) built on a land plot measuring 5,593.59 sq. m as per the information provided by the Client.

6.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Item	Description
Title Deed No.	311607002453
Title Deed Date	16-1-1440 H
Source	Deriyaha Ministry of Justice Office
Subdivision No.	14/M
Plot No.	M17
City	Dereiyah
Land Area (Sqm)	5,593.59

Source: The Client

6.4. BUILDING LEASE AGREEMENT

We have received a copy of the main lease agreement in place for the Subject Property. We have summarized the lease agreement below:

Item	Description
Land Area (Sq. m)	5,593.59
Building Permit Number	214/1435
Building Permit Date (H)	17-09-1435
Lease Type	Triple Net Lease
Lease Term	25 Gregorian Years
Lease Start Date	2016 School Calendar Year
Lease Expiry Date	2041 School Calendar Year
Annual Rent (SAR)	3,500,000 per annum

Source: The Client

6.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below.

Description	Number of Units	Area (Sq. m)	Use
Basement	0	4,546	Services
Ground Floor	1	2,854	Education
First Floor	1	2,830	Education
Roof Annex	1	1,415	Education
Walls	0	307	Walls
BUA		11,645	

Source: Building Permit provided by the Client

6.6. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

6.7. VALUATION COMMENTARY AND ANALYSIS

Comparable of Buildings for sale

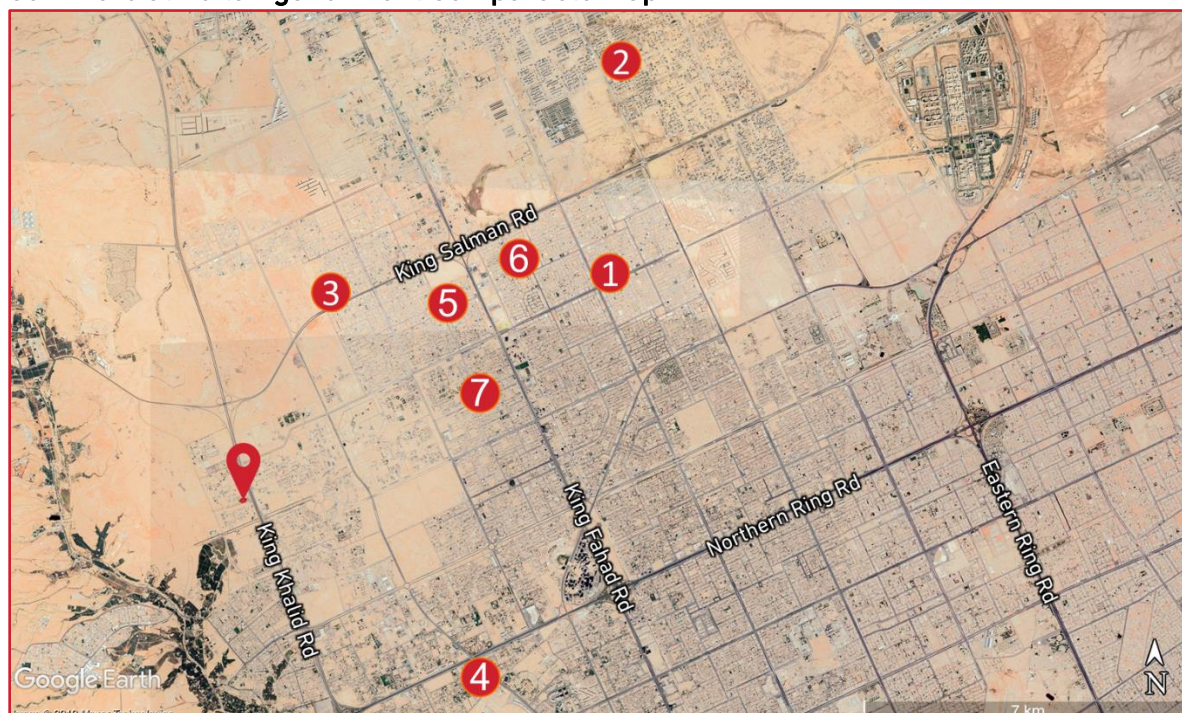
The Subject Property comprises a Commercial Building (Schools) built on a land plot measuring 5,593.59 sq m as per the title deed provided by the Client. Below is the table which shows the price range of the buildings for sale in the area:

Comparable Buildings for Rent

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Commercial Building For Rent	4,200	2019 Q2	667	Commercial
2	Commercial Building For Rent	3,653	2019 Q2	509	Commercial
3	Commercial Building For Rent	2,160	2019 Q2	694	Commercial
4	Commercial Building For Rent	3,000	2019 Q2	1,000	Commercial
5	Apartment Building For Rent	3,894	2019 Q2	231	Commercial
6	Apartment Building For Rent	4,940	2019 Q2	283	Commercial
7	Apartment Building For Rent	4,450	2019 Q2	247	Commercial

Source: Tunuf

Commercial Buildings for Rent Comparable Map



Source: Google Maps, Modified by Tunuf

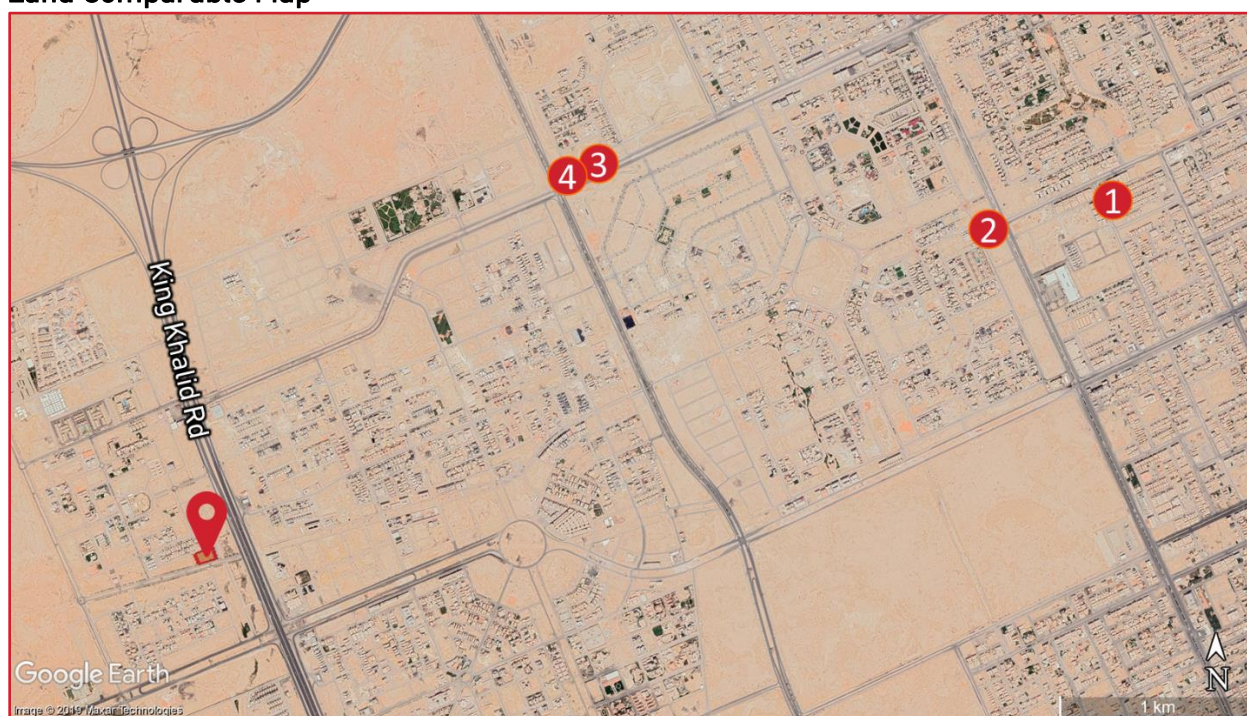
6.8. DRC VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	8,497	23/06/2019	3,000	Commercial
2	Transaction	4,494	13/05/2019	2,247	Residential
3	Transaction	2,026	10/3/2019	5,800	Commercial
4	Transaction	2,980	13/03/2019	6,930	Commercial
5	Transaction	1,019	4/26/2015	2,850	Residential
6	Transaction	2,951	5/27/2015	2600	Residential
7	Transaction	1,059	2/15/2016	2,437	Residential
8	Transaction	1250	8/28/2016	2,050	Residential
9	Transaction	1,029.57	12/26/2016	2,200	Residential

Source: Tunuf

Land Comparable Map



Source: Google Maps, Modified by Tunuf

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 1,800 SAR per Sq. m up to 2,500 per Sq. m. We based our land valuation on comparables number 4 and 5 and made some

adjustments for locations, accessibility and negotiation of the deal. We have applied the rate of 1,800 per sqm.

Depreciated Replacement Cost (DRC) Metrics

We have had regard to the valuation of the Subject Property using the Depreciated Replacement cost method. The following table summarizes our assumptions and findings

Item	Description
Land Area (Sq. m.)	5,593.59
Land Value (SAR/Sq. m.)	2,000
Land Value (SAR)	11,187,180
Total BUA (Sq. m.)	11,645
Replacement Cost (SAR/Sq. m.)	2,500
Replacement Cost (SAR)	29,112,500
Building Age (Years)	2.5
Effective age (Years)	2
Depreciation	5%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	27,656,875
Total DRC	38,844,055
Total DRC (SAR)(Rounded)	38,850,000

Source: Tunuf

6.9. DIRECT INCOME CAPITALIZATION METHOD VALUATION METRICS

We have had regard to the valuation of the Subject Property using the Direct Income Capitalization method. The following table summarizes our assumptions and findings:

Item	Description
Type of Lease	Triple net lease
Tenancy	Single Tenant
Occupant	Tenant
Property Occupancy (%)	100%
Gross Annual Income (SAR)	3,500,000
OPEX (%)	0
Net Annual Income (SAR)	3,500,000
Cap Rate	8.5%
Market Value (Rounded) (SAR)	SAR 41,000,000

Source: Tunuf

7. JEDDAH INDUSTRIALCOMPLEX

7.1. LOCATION

The Subject Property is located along an internal street east of King Faisal Road, Al Khumrah District, Jeddah, Saudi Arabia.



Source: Google Maps, Modified by Tunuf

7.2. DESCRIPTION

The property comprises a gated 5 warehouses complex. It built on a land measuring 40,026 sq. m as per the layout plans provided by the Client.

7.3. TENURE

We have not been provided with a copy of the Title Deed for the land plot where the Subject Property is built. However, we have assumed that the property is held free of any encumbrances or third-party interests.

7.4. BUILDING LEASE AGREEMENT

We have received a copy of the lease agreement in place for the Subject Property. The lease agreement is a 5 years triple net lease with a net operating income of SAR 4,060,000 per annum. We have based our contracted income on the lease agreement information above. Tunuf reserves the right to amend the valuation incase the above-mentioned is not enforced

7.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same.

7.6. LAYOUT PLANS

We have received a copy of the layout plans for the property, which includes areas for the warehouses/workshops on site. The following table summarizes the area schedule contained within the layout plans

Item	Area (Sq. m.)
Land Area	40,026
Warehouse 12	1,119.9
Warehouse 11	9,700
Warehouse 10	3,632.65
Warehouse 9	8,847.31
Warehouse 8	2,266.5
Workshop 13	188.8
Workshop 14	73.1
Total BUA	25,828.26

Source: The Client

7.7. JEDDAH WAREHOUSES MARKET RENT COMMENTARY

The property comprises a gated 5 warehouses complex. It built on a land measuring 40,026 sq. m as per the title deed provided by the Client. We confirmed that warehouse rental prices in Al-Khumrah area is between the range of 100 SAR per sqm up to 150 SAR per sqm per annum. The table below shows warehouses in the immediate vicinity of the Property. We have accounted for the facilities available at the Property when comparing it to the comparable table below and the specifications differences as well.

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Warehouse For rent	10,975	2019 Q2	109	Commercial
2	Warehouse For rent	4,851	2019 Q2	121	Commercial
3	Warehouse For rent	10,000	2019 Q2	60	Commercial
4	Warehouse For rent	1,200	2019 Q2	75	Commercial
5	Warehouse For rent	1,000	2019 Q2	85	Commercial

Source: Tunuf

Warehouse Rental Location Map



Source: Google Earth, Modified by Tunuf 2018

7.8. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

7.9. DRC VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	7,250	1/1/2018	1,250	Commercial
2	Transaction	9,581	26/12/2016	1,670	Commercial
3	Transaction	11,100	20/10/2016	1,073	Commercial
4	For Sale	10,000	2019 Q2	900	Commercial
5	For Sale	15,000	2019 Q2	700	Commercial

Source: Tunuf

Land Comparables Map



Source: Google Earth modified by Tunuf 20`9

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 600 SAR per sqm up to 1,600 per sq m. We have based our land valuation on comparables number 1 and 2 and have made some negative adjustments for the land size and negotiations of the deal. We have applied the rate of 800 per sqm.

Depreciated Replacement Cost (DRC) Metrics

Item	Description
Land Area (Sq. m.)	40,026
Land Value (SAR/Sq. m.)	650
Land Value (SAR)	26,016,900
Total BUA (Sq. m.)	25,828
Replacement Cost (SAR/Sq. m.)	850
Replacement Cost (SAR)	21,953,800
Effective age (Years)	15
Depreciation	50%
Building Useful Life (Years)	30
Depreciated Replacement Cost (SAR)	10,976,900
Total DRC (SAR)	36,993,800
Total DRC (SAR)(Rounded)	37,000,000

Source: Tunuf

We have used the Depreciated Replacement Cost Method for benchmarking purposes. We note that the total DRC of the Property is say, **SAR 37,000,000**.

7.10. DISCOUNTED CASHFLOW METHOD VALUATION METRICS

We have had regard to the valuation of the Subject Property using the Discounted Cashflow method. The following table summarizes our assumptions and findings:

Item	Description
Annual Contracted Income (SAR) @ SAR 157.19 / sq. m (1 st 5 years)	4,060,000
Annual Market Rent (end of lease – Single let) (SAR) @ SAR 144/ sq. m	3,707,143
Reversion Rate	9.5%
Discount Rate	12%*
NPV	40,955,476
Market Value (MV) (SAR)	41,000,000

Source: Tunuf

*Discount rate used reflects additional risk from contracted rent, which is higher than market rent.

7.11. VALUATION SUMMARY

We have had regards to the status of the Subject Property when assigning weight for each valuation method of the above. Since the subject property is generating income and complete as of the valuation date, we have adopted the market value using the DCF method. As a result, the Market Value of the Subject Property is **SAR 41,000,000**

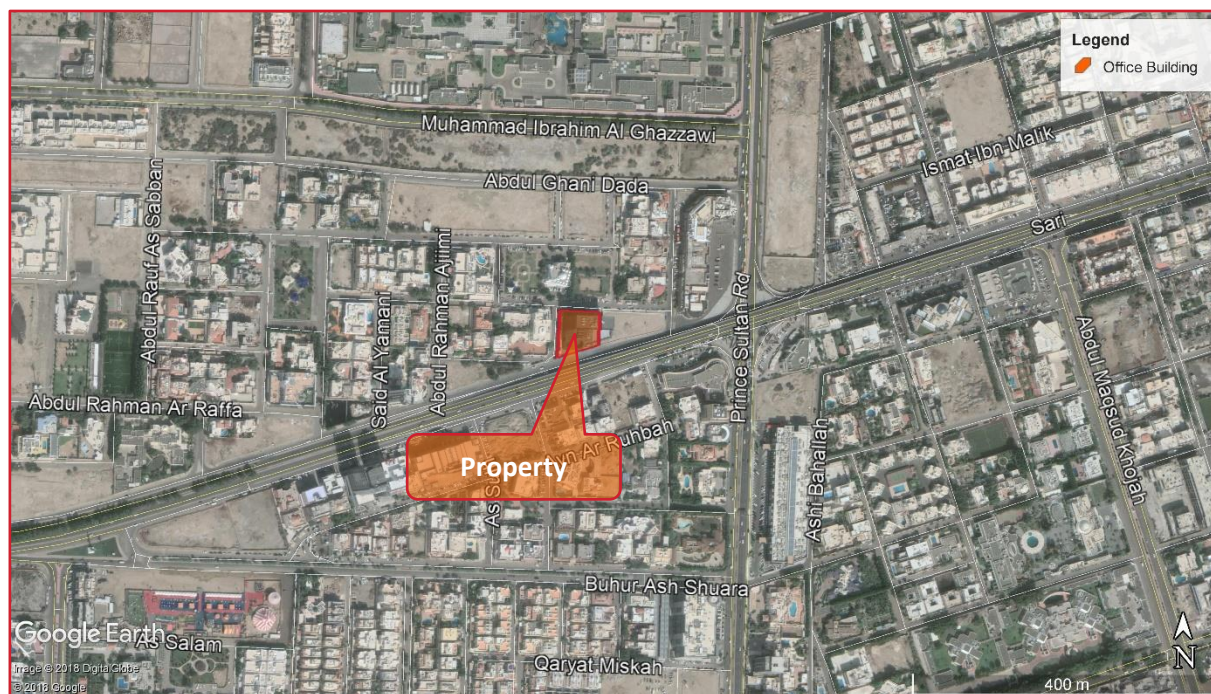
8. JEDDAH OFFICE BUILDING

8.1. LOCATION

The Subject Property is located along Sari Street, east of King Abdulaziz Road, west of Madinah Road and Prince Sultan Street, in Al Zahrah District, Jeddah, Saudi Arabia.

The following map highlights the Subject Property location.

Location Map



Source: Google Maps, Modified by Tunuf

8.2. DESCRIPTION

The Subject Property comprises an office building (B+G+M+4+Annex) built on a land plot measuring 2,507.29 sq. m.

8.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Item	Description
Title Deed No.	720230000381
Title Deed Date	22-2-1440 H
Source	First Notary Office, Jeddah
Subdivision	91/ب
Plot No.	503, 504,505,506
Land Area (Sq. m)	2,691.8
Owner	Derayah Real Estate Custody Co LTD

Source: Title Deed provided by The Client

8.4. BUILDING LEASE AGREEMENT

We have received a copy of the signed master lease agreement (MLA) for the Subject Property. The following table summarizes the key information within the lease agreement.

Item	Description
First Party	Derayah Real Estate Custody Company
Second Party	Master Tenant
Lease Agreement Date	22/10/2018
Lease Term	10 Gregorian Years
Escalation	10% every 4 years
Lease Start Date	22/10/2018
Lease Expiry Date	21/10/2028
Lease Amount (1 st 5 years)	SAR 3,825,000 per annum
Lease Amount (2 nd 5 years)	SAR 4,050,000 per annum
Total Lease Amount for Full Period	SAR 39,375,000
Payments	Once at beginning of each year
OPEX	Second Party
Lease Type	Triple Net Lease
Buy Back Option	6 months' notice before end of 5 th or 10 th year for SAR

Source: Lease Agreement provided by The Client, The Client requested not to mention the tenant name in the report

8.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below.

Item	Description
Building Permit #	506146
Building Permit Date	14/03/1433 H
Building Permit Expiry Date	14/03/1441 H
Title Deed #	2147
Title Deed Date	02/08/1403 H
Municipality	New Jeddah Municipality Branch
Subdivision #	91/B/99
Plot #	503, 504, 505, 506
District	Al Zahrah
Street Name	Unnamed
Plot Size	2,507.29 sq. m
Parking Spots	95*
Electricity Rooms	1

Source: Building Permit provided by the Client

*Current parking capacity is 47 based on our inspection.

Direction	Border	Dimension	Set Back
North	Internal Street	50.5+4.24	8.05
East	Plot # 507	41.7	2
South	Sari Service Street	47.28+5.81	5.48
West	Internal Street (15 m)	52.9	3.31

Source: Building Permit provided by the Client

Building Component	Residential		Commercial		Other		Total	
	#	Sq. m	#	Sq. m	#	Sq. m	#	Sq. m
Basement	0	0	0	0	0	925.64	0	925.64
Ground	0	0	1	607.42	0	981.26	1	1,588.68
Mezzanine	0	0	1	391.08	0	347.38	1	738.46
First	0	0	15	1,244.46	0	360.28	15	1,604.74
Second	0	0	15	1,244.46	0	360.28	15	1,604.74
Third	15	1,282.24	0	0	0	322.5	15	1,604.74
Fourth	15	1,282.24	0	0	0	322.5	15	1,604.74
Roof Annex	4	457.67	0	0	0	280	4	737.67
Total							66	10,409

Source: Building Permit provided by the Client

8.6. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

8.7. VALUATION COMMENTARY AND ANALYSIS

Office Market Rent Commentary

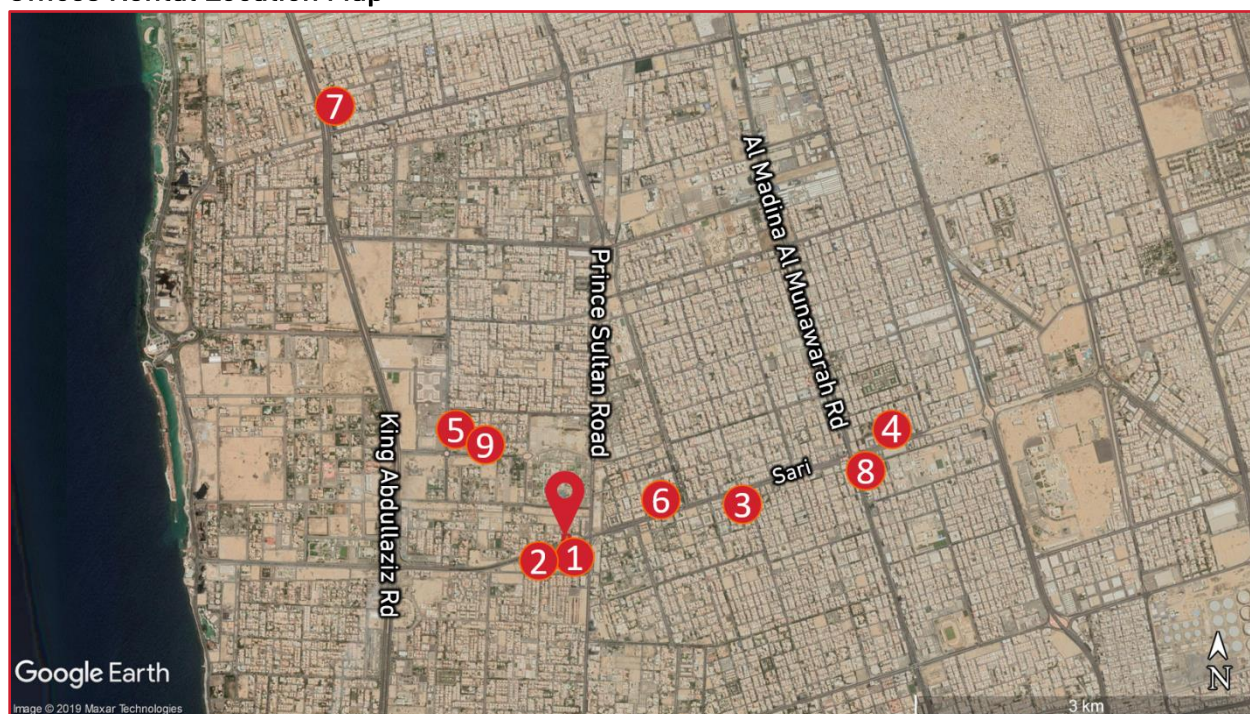
The Subject Property comprises an office building (B+G+M+4+Annex) built on a land plot measuring 2,507.29 sq. m. We confirmed that offices for rent in the area range between 500 SAR per sqm up to 700 SAR per sqm. The table below shows the price range of the market rent of the office.

Office Rental Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Office For Rent	94	2019 Q2	700	Commercial
2	Office For Rent	149	2019 Q2	500	Commercial
3	Office For Rent	100	2019 Q2	350	Commercial
4	Office For Rent	200	2019 Q2	500	Commercial
5	Office For Rent	205	2019 Q2	600	Commercial
6	Office For Rent	146	2019 Q2	550	Commercial
7	Commercial Building For Rent	14,400	2019 Q2	417	Commercial
8	Commercial Building For Rent	8,750	2019 Q2	371	Commercial
8	Apartment Building For Rent	2,250.00	2019 Q2	756	Commercial

Source: Tunuf

Offices Rental Location Map



Source: Google Map, Modified by Tunuf 2019

8.8. DRC VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	900	18/02/2014	13,000	Commercial
2	Transaction	2,915	08 /07/2014	6,800	Commercial
3	Transaction	3,600	10/9/2014	11,582	Commercial
4	Transaction	660	14/09/2014	12,424	Commercial
5	Transaction	20,819	14/09/2014	5,185	Commercial
6	For Sale	2,700	2019 Q2	12,500	Commercial
7	For Sale	875	2019 Q2	5,714	Commercial
8	For Sale	875	2019 Q2	5,714	Commercial
9	For Sale	4,484.00	2019 Q2	5,000	Commercial

Source: Tunuf

Land Comparables Location Map



Source: Google Map, Modified by Tunuf 2019

Land Market Value Rational

We based our land valuation on comparables number 1 & 2 and made negative adjustments for land size and negotiation of the deal. We have applied the rate of 8,380 SAR per sqm.

Depreciated Replacement Cost Method Valuation Metrics

We have had regards to the DRC method when assessing the Subject Property's Market Value. The following table summarizes our assumptions and findings using the DRC method:

Item	Description
Land Area (Sq. m.)	2,691
Land Value (SAR/Sq. m.)	8,700
Land Value (SAR)	23,411,700
Total BUA (Sq. m.)	10,409
Replacement Cost (SAR/Sq. m.)	4,400
Replacement Cost (SAR)	45,799,600
Building Age (Years)	3
Effective age (Years)	3
Depreciation	8%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	42,135,632
Total DRC (SAR)	65,547,332
Total DRC (SAR)(Rounded)	65,550,000

Source: Tunuf 2018

8.9. DIRECT INCOME CAPITALIZATION VALUATION METHOD

We have had regards to two different discount rates when calculating the present value of the cash flow from the subject property. We have applied a low risk associated discount rate to the cash flow for the duration of the lease agreement, while applying a market driven discount rate when finding the present value of the property on lease expiry. The table below shows our assumptions and findings.

Item	Description
Type of Lease	Triple net lease
Tenancy	Single Tenant
Occupant	Tenant
Property Occupancy (%)	100%
Gross Annual Income (SAR) – 1 st 5 Years	3,825,000
Gross Annual Income (SAR) – 2 nd 5 Years	4,050,000
Annual Market Rent (SAR) – June 30, 2019	7,200,000
Annual Market Rent (SAR) – On Lease Expiry	8,192,698
OPEX (%)	0
Lease Agreement Cash Flow Discount Rate	5.28%
Lease Expiry Cash Flow Discount Rate	9.28%
Exit Value Cap Rate	10.28%
Market Value	SAR 65,373,124
Market Value Rounded	SAR 65,373,000

Source: Tunuf

9. DAMMAM INDUSTRIAL WAREHOUSES

9.1. LOCATION

The Subject Property is located along an internal street street, Al Khaldiya District, Dammam, Saudi Arabia.

The following map highlights the Subject Property location.



Source: Google Map, Modified by Tunuf 2019

9.2. DESCRIPTION

The property comprises 3 industrial warehouses, warehouse (1) is not a dry warehouse, but has a claimant control A/C therefor is not consider a dry warehouse, with an office building (G+1), warehouse (2) and warehouse (3) on the other hand are dry warehouses. Both built on a land measuring 12,000 sq. m as per the title deed provided by the Client.

9.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Warehouse (1)

Item	Description
Title Deed No.	730112015030
Title Deed Date	13-04-1440 H
Source	Dammam First Notary Office
Block #	58/1
Plot No.	36/Z & 37/Z
Land Area (Sq. m)	6,000

Source: The Client

Warehouse (2 &3)

Item	Description
Title Deed No.	330112015031
Title Deed Date	13-04-1440 H
Source	Dammam First Notary Office
Block #	58/1
Plot No.	38/Z & 39/Z
Land Area (Sq. m)	6,000

Source: The Client

9.4. BUILDING LEASE AGREEMENT

We have received a copy of the lease agreement in place for the Subject Property. The lease agreement is a 5 years triple net lease with a lease amount of SAR 1,670,000 per annum. We note that the previous owner of the subject property is the current tenant. We have based our valuations on the lease agreement information. Tunuf reserves the right to amend the valuation incase the lease agreement is not enforced.

9.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below:

Warehouse (1)

Item	Description
Floors - Warehouse	G
Floors - Offices	G+1
Total Built Up Area (Sq. m) - Warehouses	3,420
Total Built Up Area (Sq. m) - Offices	252
Number of Units	1
Use	Warehouses

Source: Building Permit provided by the Client

Warehouse (2&3)

We have not been provided with a building permit for warehouses 2 & 3, but we understand from the layout plans provided by the Client that the total built up area is approximately 6,000 sq. m

9.6. WAREHOUSES MARKET RENT COMMENTARY

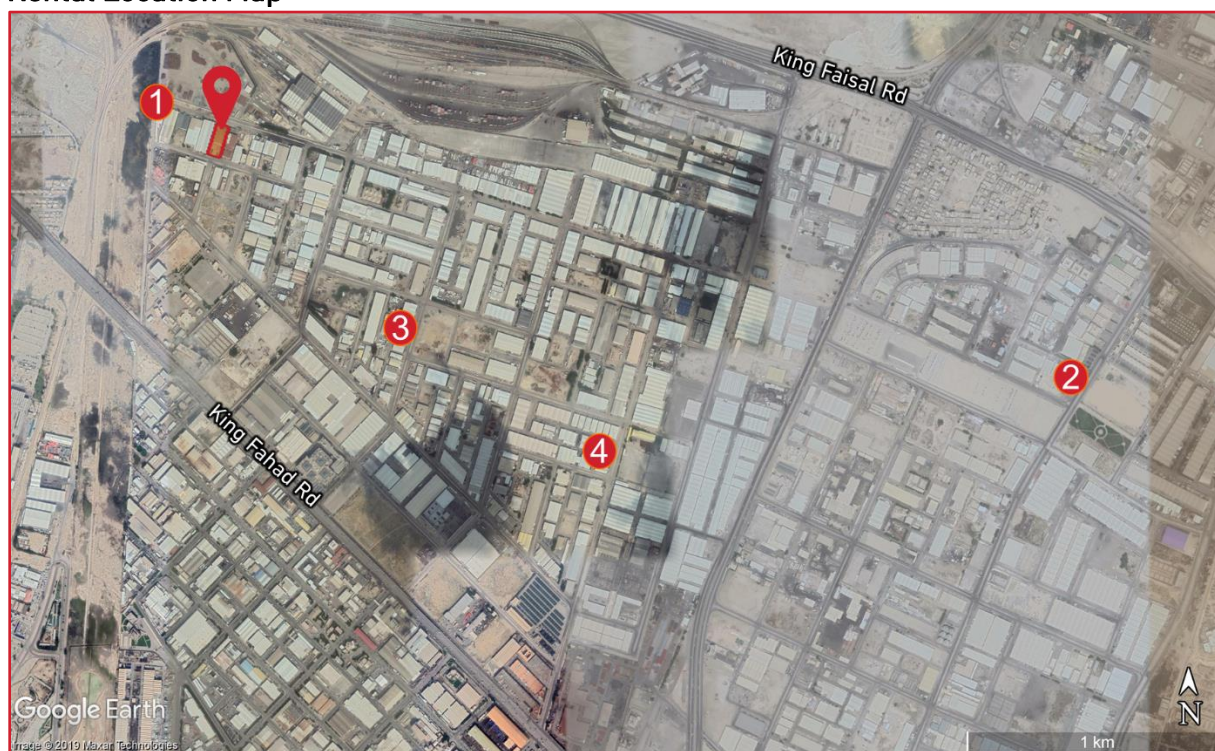
The Subject Property comprises 3 warehouses and an office building built on a land plot measuring 12,000 sq. m. We confirmed that warehouse rental prices in the area is between the range of 100 SAR per sqm up to 170 SAR per sqm. Below is the table shows the price range of the market rent for warehouses.

Warehouse Rental Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Warehouse For rent	4,500	2019 Q2	89	Commercial
2	Warehouse For rent	3,040	2019 Q2	115	Commercial
3	Warehouse For rent	9,420	2019 Q2	127	Commercial
4	Warehouse For rent	1,000	2019 Q2	140	Commercial

Source: Tunuf

Rental Location Map



Source: Google Earth modified by Tunuf

9.7. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

9.8. DRC METHOD VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	5,830	12/7/2018	1,029	Commercial
2	Transaction	3,000	26/03/2018	1,200	Commercial
2	Transaction	13,989	18/03/2018	3,350	Commercial
4	Transaction	5,144	12/3/2018	1,944	Commercial
5	For Sale	28,050	2019 Q2	2,150	Commercial
6	For Sale	3,000	2019 Q2	1,300	Commercial

Source: Tunuf

Land Comparables Map



Source: Google Earth modified by Tunuf

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 1,000 SAR per sqm up to 1,500 per sq m. We based our land valuation on comparable numbers 3 and 5 and

made some negative adjustments for land size and locations. We have applied the rate of 1,000 per sqm.

Depreciated Replacement Cost Method Valuation Metrics (DRC)

The deprecated replacement cost is not suitable for our subject property which is an income-generating asset. However, we used the DRC method for benchmarking purposes only as follows:

Item	Description
Land Area (Sq. m.)	12,000
Land Value (SAR/Sq. m.)	850
Land Value (SAR)	10,200,000
Total BUA (Sq. m.)	9,672
Replacement Cost (SAR/Sq. m.)	1,600
Replacement Cost (SAR)	15,475,200
Effective age (Years)	25
Depreciation	62.50%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	5,803,200
Total DRC (SAR)	16,003,200
Total DRC (SAR)(Rounded)	16,000,000

Source: Tunuf

9.9. DIERCT CAPITLAIZTION METHOD VALUATION METRICS

We have had regard to the valuation of the Subject Property using Income Capitalization (Cap Rate). The following table summarizes our assumptions and findings using this method:

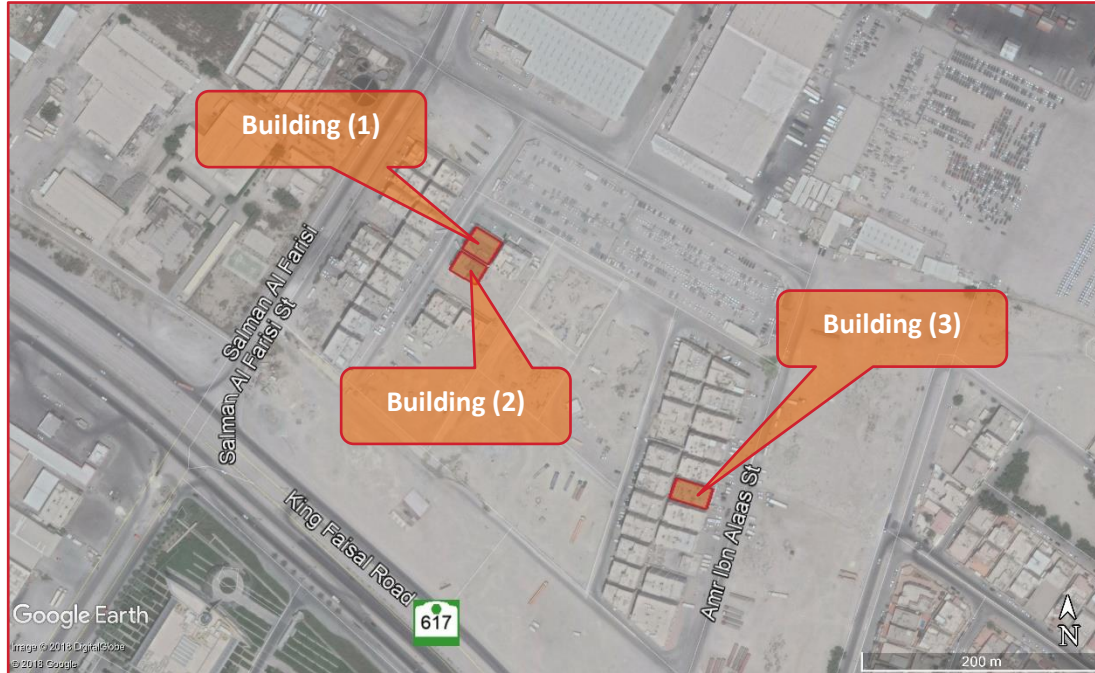
Description	Area	Rate / Unit	Total (SAR)
warehouses	12,000	139	1,670,000
Operational Costs			1,670,000
Less Maintenance		0%	0
Less Vacancy		0%	0
Net Operating Income			SAR 1,670,000
Capitalization Rate			
Capital Value		9.0%	SAR 18,555,556
Market Value			SAR 18,560,000
Revenue	area	Rate / Unit	Potential Total Rent (SAR)
warehouses	12,000	139	1,670,000
Operational Costs			1,670,000
Less Maintenance		0%	0
Less Vacancy		0%	0
Net Operating Income			SAR 1,670,000
Capitalization Rate			
Capital Value		9.0%	SAR 18,555,556
Market Value			SAR 18,560,000

Source: Tunuf

10. DAMMAM LABOR ACCOMODATION

10.1. LOCATION

The Subject Property is located in King Abdulaziz Port District, Dammam, Saudi Arabia.



Source: Google Maps, Modified by Tunuf

10.2. DESCRIPTION

The Subject Property comprises the following:

- Residential building (1) (G+2) built on a land plot measuring 768.88 sq. m. located along 2 intersecting internal streets.
- Residential building (2) (G+2) built on a land plot measuring 600 sq. m. located along an internal street.
- Residential building (3) (G+2) built on a land plot measuring 794.5 sq. m. located along Amr Ibn Al A'as Street.

10.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Residential Building (1)

Item	Description
Title Deed No.	330106024848
Title Deed Date	23-04-1440 H
Source	Dammam First Notary Office
Subdivision #	239
Plot No.	45
Land Area (Sq. m)	768.88

Source: The Client

Residential Building (2)

Item	Description
Title Deed No.	330106024847
Title Deed Date	23-04-1440 H
Source	Dammam First Notary Office
Subdivision #	239
Plot No.	47
Land Area (Sq. m)	600

Source: The Client

Residential Building (3)

Item	Description
Title Deed No.	330106024846
Title Deed Date	23-04-1440 H
Source	Dammam First Notary Office
Subdivision #	239
Plot No.	85
Land Area (Sq. m)	794.5

Source: The Client

10.4. BUILDING LEASE AGREEMENT

We have received a copy of the lease agreement in place for the Subject Property. The lease agreement is a 5 years triple net lease with a net operating income of SAR 1,060,000 per annum. We note that the previous owner of the subject property is the current tenant.

10.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below.

Residential Building (1)

Description	Number of Units	Area (Sq. m.)	Use
Ground	6	285.54	Commercial/Retail
Ground	Continuation	124	Services
Mezzanine	Continuation	139	Commercial/Retail
First	4	468.76	Residential
Second	4	468.76	Residential
Third	Continuation	115.51	Residential Annex

Source: Building Permit provided by the Client

Residential Building (2)

Description	Number of Units	Area (Sq. m.)	Use
Ground	Continuation	116	Car Parking
Ground	3	177	Commercial/Retail
Mezzanine	Continuation	152	Services
First	3	384	Residential
Second	3	384	Residential
Roof Annex	1	188	Residential

Source: Building Permit provided by the Client

Residential Building (3)

Description	Number of Units	Area (Sq. m.)	Use
Ground	4	136	Commercial/Retail
Ground	Continuation	74.8	Commercial/Retail
Ground	1	272.8	Residential
Mezzanine	Continuation	272.8	Residential
First	2	508	Residential
Second	2	508	Residential
Third	1	254	Residential Annex

Source: Building Permit provided by the Client

10.6. MARKET RENT COMMENTARY

The Subject Property is located in King Abdulaziz Port District, Dammam, Saudi Arabia and comprises of Residential building (1), built on a land plot measuring 768.88 sq. m. located along intersecting internal streets. Residential building (2), built on a land plot measuring 600 sq. m. located along an internal street. Residential building (3), built on a land plot measuring 794.5 sq. m. located along Amr Ibn Al A'as Street. The client stated that the total net operating income of the properties is SAR 1,060,000 per annum. The table below shows apartments for rent in the immediate vicinity of the Property.

Apartment Rental Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Apartment Building For Rent	300	2019 Q2	567	Commercial
2	Commercial Building For Rent	750	2019 Q2	507	Commercial
3	Apartment Building For Rent	600	2019 Q2	433	Commercial
4	Apartment Building For Rent	318	2019 Q2	409	Commercial
5	Commercial Building For Rent	600	2019 Q2	650	Commercial

Source: Tunuf

Apartments Rental Location Map



Source: Google Maps, Modified by Tunuf

10.7. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

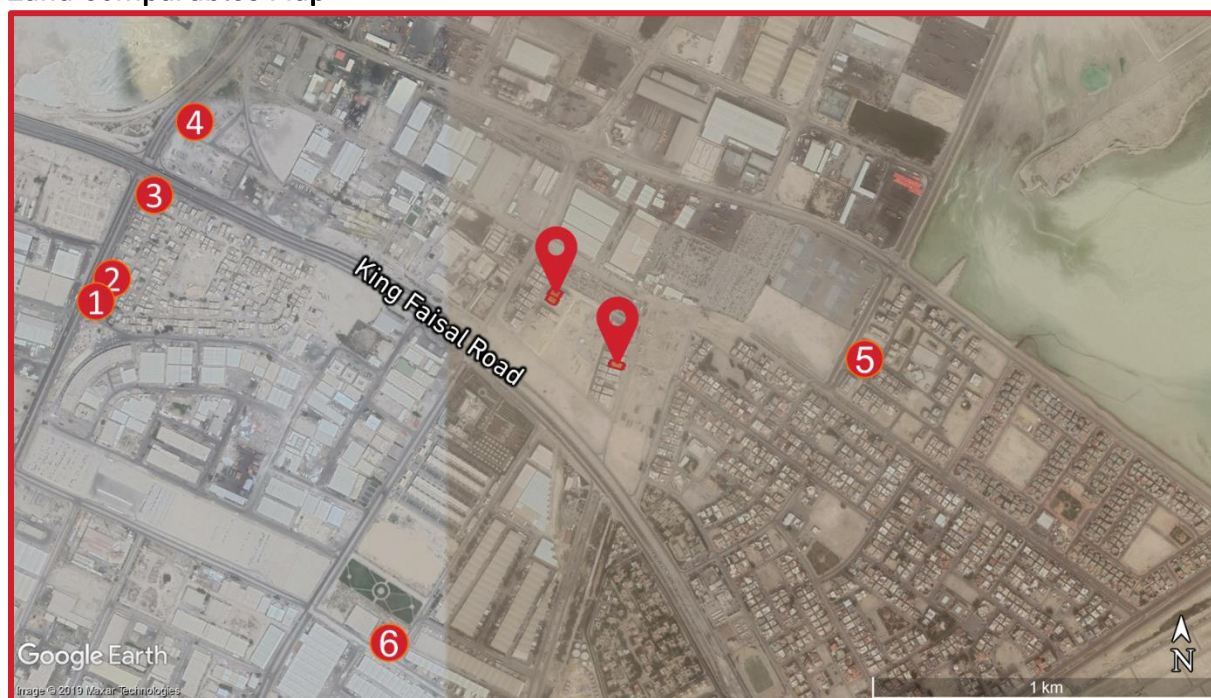
Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

Land Plots Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	344	3/5/2015	4,355	Commercial
2	Transaction	350	3/11/2015	3,072	Commercial
3	Transaction	375	3/3/2014	3,867	Commercial
4	For Sale	2,150	2019 Q2	1,627	Commercial
5	For Sale	810	2019 Q3	1,950	Commercial
6	For Sale	6,200	2019 Q3	1,700	Commercial

Source: Tunuf

Land Comparables Map



Source: Google Earth modified by Tunuf

Land Market Value Commentary

We were able to confirm that the land prices in the area range between 1,800 SAR per sqm up to 2,500 per sqm. We have based our land valuation on comparable numbers 3 and 4 and made some

negative adjustments for the land size, location and negotiations. We have applied the rate of 2,300 per sqm.

Depreciated Replacement Cost Method (DRC) Valuation Metrics

The depreciated replacement cost is not suitable for the properties since they are income generating assets. However, we used (DRC) method for benchmarking purposes only as follows:

Item	Description
Land Area (Sq. m.)	2,163
Land Value (SAR/Sq. m.)	2,000
Land Value (SAR)	4,326,000
Total BUA (Sq. m.)	5,029
Replacement Cost (SAR/Sq. m.)	1,800
Replacement Cost (SAR)	8,549,300
Effective age (Years)	15
Depreciation	38%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	5,300,566
Total DRC (SAR)	9,626,566
Total DRC (SAR)(Rounded)	9,625,000

Source: Tunuf

10.8. DIRECT INCOME CAPITALIZATION METHOD VALUATION METRICS

We have had regard to the valuation of the Subject Property using the Direct Income Capitalization method. The following table summarizes our assumptions and findings:

Item	Description
Rental Income Growth (%)	0%
Occupancy (%)	100%
OPEX	0%
ANNUAL INCOME (SAR)	1,060,000
Yield (%)	10%
MARKET VALUE	10,600,000
Market Value (MV) (SAR)	10,600,000

Source: Tunuf

11. KHOBAR COMMERCIAL BUILDING

11.1. LOCATION

The Subject Property is located along Salahaddin Al Ayoubi Street, Al Bustan District, Khobar, Saudi Arabia.

The following map highlights the Subject Property location in relation to the Dammam Greater Area (DMA).

Location Map



Source: Google Maps, Modified by Tunuf

11.2. DESCRIPTION

The Subject Property comprises of a (B+G+M+4+Annex) five story Commercial Building (Offices and Showrooms) built on a land plot measuring 2,187.5 sq m per the information provided by the Client.

11.3. TENURE

We have been provided with a copy of the Title Deed for the land plot where the Subject Property is built. The Title Deed relevant details are summarized below:

Deed Number	Deed Date	Plot #	District	Land Area (Sq m)
930209001884	06-07-1437H	3	Al Rawabi	2,187.5

Source: The Client

11.4. BUILDING LEASE AGREEMENT

We have received a copy of the main lease agreement in place for the Subject Property. We have summarized the lease agreement as below:

Item	Description
Building Component	B (Parking)+G+M (Showrooms on G&M) +4 Floors (20 Offices) +Annex (2
Net Leasable Area	5,980 Sq. m.
Building Condition	Shell and Core (Offices and Showrooms only), AC's and Fire Fighting Systems
Lease Term	10 Gregorian Years – Original Lease Agreement
Lease Start Date	30 th of June, 2017
Lease Expiry	30 th of June 2027
Lease Annual Amount	SAR 3,290,000 per annum for Firs 5 Years
Rent Escalation	+5% to original annual rent for the Second 5 Years
Payment Frequency	2 (every 6 months)
Utilities and Maintenance	Second Party Responsibility (Cone Elevators Maintenance)
Lease Agreement Renewal	Automatic unless a notice to was sent by either parties

Source: The Client

We have also received a copy of an addendum to the lease agreement that shows the following:

- Addendum Starts at June 30, 2027 - end of original lease - and expires on June 29, 2032
- Rental Amount is as follows:
 - 1st to 5th year is SAR 3,290,000 p.a.
 - 6th to 10th year is SAR 3,454,500 p.a.
 - 11th to 15th year is SAR 3,627,225p.a.

We note from inspecting the Property that the tenancy is as follows:

- Showrooms (1 leased and 2 vacant)
- Offices (Ground Floor Lobby and Floors 1-4)
- Annex Floor (1 small office occupied by the main tenant, while the remaining office space is leased to sub tenant)
- Mezzanine (one unit is occupied by the main tenant, another is used as a mosque, and remaining units are vacant)

11.5. PLANNING AND ZONING

We received a copy of the Building Permit from the Client for the Subject Property. For the purpose of the valuation, we have assumed that the Subject Property complies with all relevant authority planning and zoning requirements. We would recommend that the client undertake further investigations to confirm the same. We have summarized the Building Permit key information below.

Description	Number of Units	Area (Sq m)	Use
Basement	25	2,187	Car Parking
Ground	13	390	Car Parking
Ground	Cont.	424	Services
Ground	3	316	Showroom
Mezzanine	Cont.	316	Commercial
Mezzanine	Cont.	760	Services
First Floor	5	1,371.58	Offices
Second Floor	5	1,371.58	Offices
Third Floor	5	1,371.58	Offices
Fourth Floor	5	1,371.58	Offices
Fifth Floor	2	690	Offices
Total	25	10,569	

Source: Building Permit, the Client

According to the Eastern Province Amana Website (Interactive Map), building regulations for the Subject Property are as follows:

Item	Description
Land Coverage Ratio	60%
FAR	3
Number of Floors (above ground)	5 (G+4)
Total BUA (based on an FAR of 3)	6,562.74

Source: Eastern Province Municipality Website (www.eamana.gov.sa)

11.6. APPROACHES

In arriving at our opinion of Market Value of the freehold interest in the subject property, we have adopted one or more of the following valuation methodologies:

Comparable Method

The market approach derives the value of the Property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the time has passed between the transaction and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example, a rate per square foot/meter of land/buildings. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality and specification, permitted use etcetera and any instructions received which are specific to the assignment.

Investment Method (Income Capitalization)

The Investment Method derives Market Value from the capitalization of a property's net income. The method requires a market derived projection of annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalized in perpetuity (or lease expiry in the case of leasehold property) using a market derived capitalization rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

Discounted Cashflow (DCF)

DCF is a financial modelling technique based on explicit assumptions regarding the current contracted and prospective market cash flow generated from a property. DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the future income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted.

Depreciated Replacement Cost Method (DRC)

Depreciated Replacement Cost is defined (RICS, 2005: Glossary) as "The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

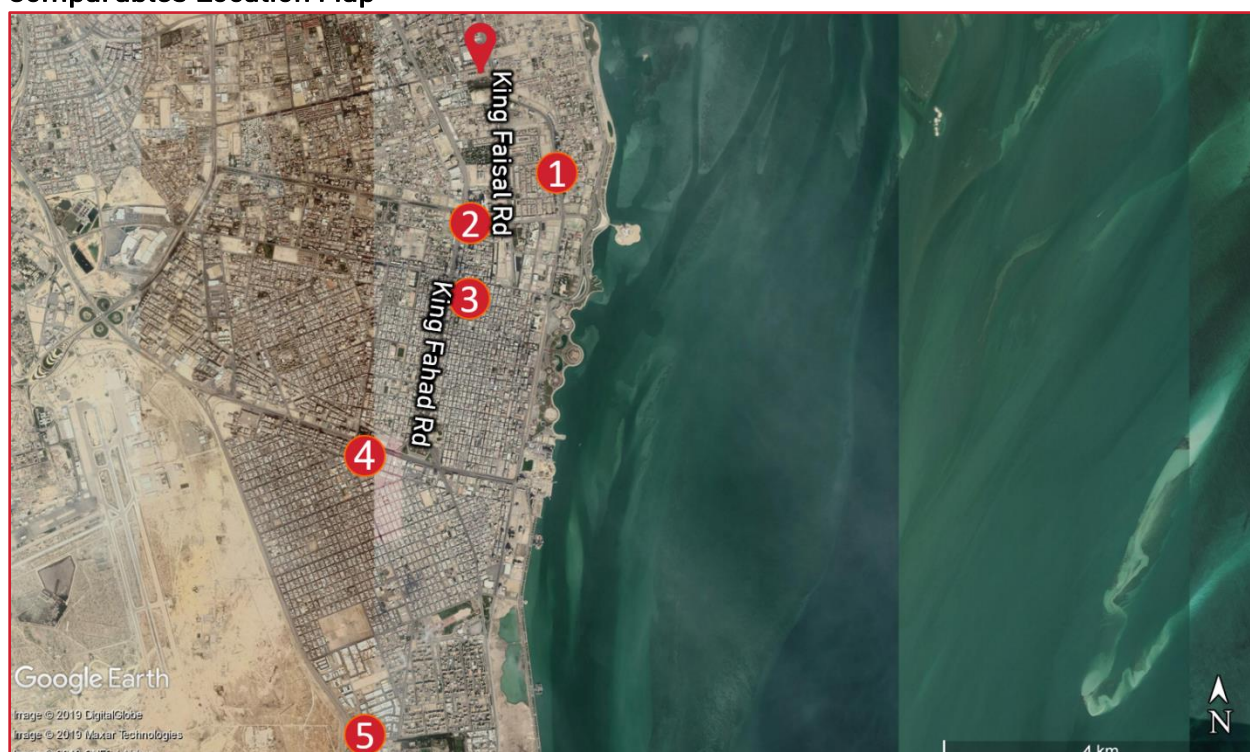
11.7. VALUATION COMMENTARY AND ANALYSIS

Commercial Building Comparables for Rent

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Commercial Building For Rent	2,000	2019 Q2	1,000	Commercial
2	Commercial Building For Rent	4,000	2019 Q2	875	Commercial
3	Commercial Building For Rent	1,400	2019 Q2	714	Commercial
4	Commercial Building For Rent	840	2019 Q2	405	Commercial
5	Commercial Building For Rent	6,000	2019 Q2	490	Commercial

Source: Tunuf

Comparables Location Map

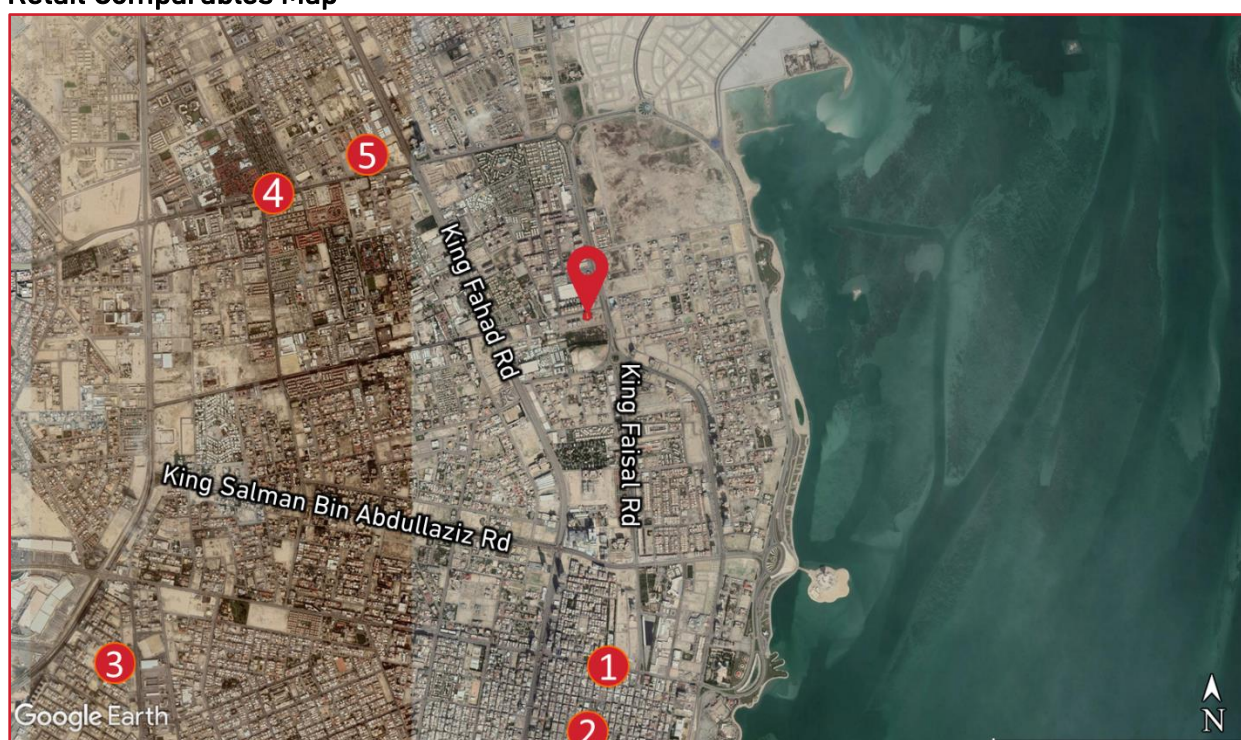


Source: Google Maps, Modified by Tunuf

Retail Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Shop For rent	200	2019 Q2	550	Commercial
2	Shop For rent	120	2019 Q2	500	Commercial
3	Showroom For rent	267	2019 Q2	1,500	Commercial
4	Shop For rent	100	2019 Q2	1,700	Commercial
5	Showroom For rent	867	2019 Q2	1,500	Commercial

Source: Tunuf

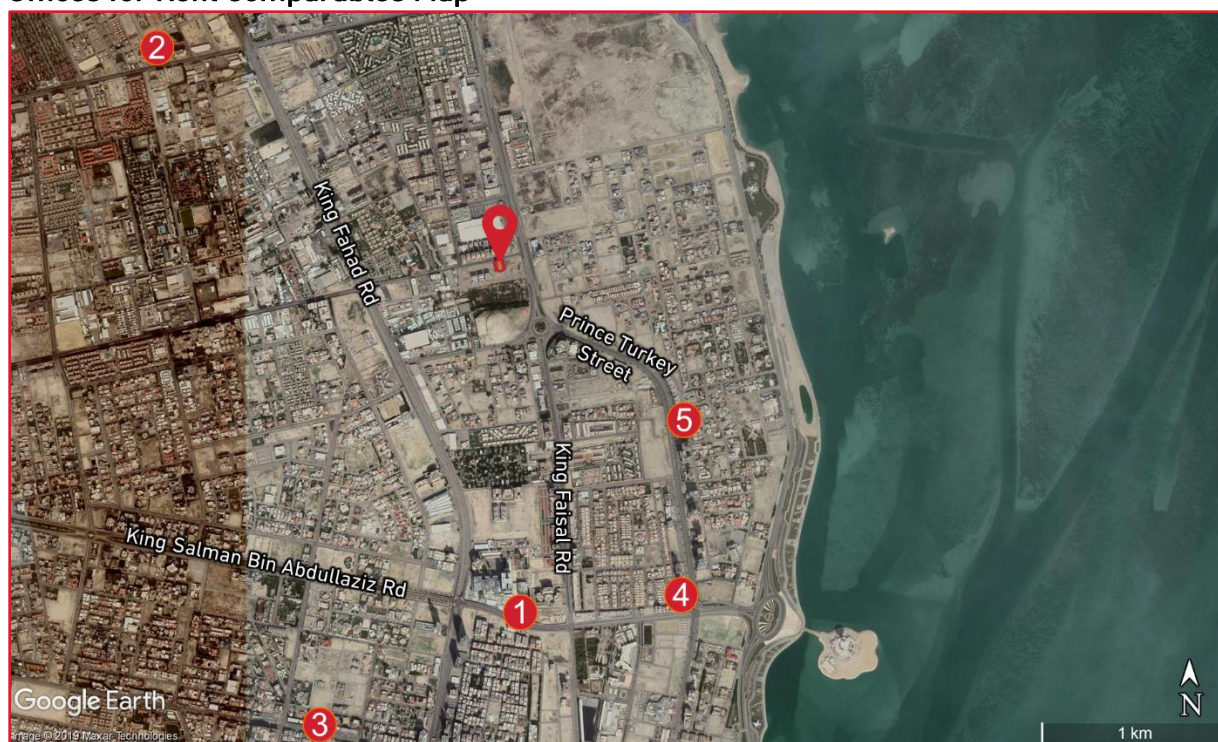
Retail Comparables Map

Source: Google Map, Modified by Tunuf 2019

Offices for Rent Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Offices For rent	484	2019 Q2	550	Commercial
2	Offices For rent	470	2019 Q2	750	Commercial
3	Offices For rent	157	2019 Q2	600	Commercial
4	Offices For rent	140	2019 Q2	900	Commercial
5	Offices For rent	138	2019 Q2	700	Commercial

Source: Tunuf

Offices for Rent Comparables Map

Source: Google Earth modified by Tunuf

11.8. DRC METHOD VALUATION COMMENTARY AND ANALYSIS

Table of Land Comparables

SN	Type	Area (Sq. m)	Date (G)	Price (SAR/Sq. m)	Use
1	Transaction	1,980	4/14/2016	5,200	Commercial
2	For Sale	1,980	2019 Q2	4,800	Commercial
3	Transaction	1,447	4/14/2016	4,700	Commercial
4	Transaction	3,996.50	10/15/2014	7,000	Commercial
5	Transaction	4,000.51	9/16/2014	6,500	Commercial
6	For Sale	3,060	2019 Q2	6,000	Commercial
7	For Sale	1,100	2019 Q2	4,200	Commercial

Source: Tunuf

Land Comparables Map



Source: Google Maps, Modified by Tunuf

Land Market Value Rationale

We were able to confirm that the land prices in the area range between 4,500 SAR per sq. m up to 5,500 per sq. m. We based our land valuation on comparables number 1 & 2 and made positive adjustments for land size and locations. We have applied the rate of 5,000 per sq. m.

Depreciated Replacement Cost Method (DRC) Valuation Metrics

Item	Description
Land Area (Sq. m.)	2,188
Land Value (SAR/Sq. m.)	5,000
Land Value (SAR)	10,937,500
Total BUA (Sq. m.)	10,569.32
Replacement Cost (SAR/Sq. m.)	2,100
Replacement Cost (SAR)	22,195,572
Building Age (Years)	3
Effective age (Years)	2
Depreciation	5%
Building Useful Life (Years)	40
Depreciated Replacement Cost (SAR)	21,085,793
Total DRC (SAR)	32,023,293
Total DRC (SAR)(Rounded)	32,000,000

Source: Tunuf

11.9. DIRECT INCOME CAPITALIZATION METHOD

We have had regard to the valuation of the Subject Property using Income Capitalization (Cap Rate). The following table summarizes our assumptions and findings using this method:

Item	Description
Type of Lease	Triple net lease
Tenancy	Single Tenant
Occupant	Tenant
Property Occupancy (%)	100%
Gross Annual Income (SAR)	3,290,000
OPEX (%)	0
Net Annual Income (SAR)	3,290,000
Cap Rate	8.50%
Market Value	38,705,882
Market Value Rounded	38,700,000

Source: Tunuf

12. VALUATION

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject properties as at June 30, 2019 is, say

SN	Location	Type	Market Value (SAR)
1	Riyadh	Warehouses Complex	171,000,000
2	Riyadh	Medical Center	20,650,000
3	Riyadh	School Complex	41,000,000
4	Jeddah	Warehouses Complex	41,000,000
5	Jeddah	Office Building	80,000,000
6	Dammam	Industrial Warehouses	18,560,000
7	Dammam	Labor Accommodation	10,600,000
8	Khobar	Commercial Building	38,700,000

Source: Tunuf – June 2019

12.1. CONFIDENTIALITY

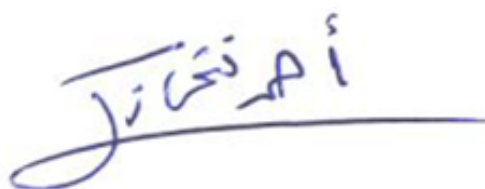
Finally, and in accordance with our normal practice we confirm that the report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours faithfully



Meshari AlKurbi, Taqueem AR
Chief Executive Manager (CEO)
Taqueem Membership no. 1210000503

Yours faithfully



Ahmed Fathy, Taqueem AR
Consulting Manager
Taqueem Membership no. 1220000058

13. APPENDIX (1)

13.1. GENERAL TERMS AND CONDITIONS

The below general terms and conditions are applied to all clients we provide our professional services to, and are highlighting the standard terms of business:

- Information, analysis and recommendations gathered or prepared by Tunuf are prepared in good faith and reflects Tunuf's objective and conclusions based on information provided by the client and obtained from elsewhere during the period of the assignment. Since the achievement of recommendations, forecasts and valuations depends on factors outside Tunuf's control, no statement made by Tunuf may be deemed in any circumstances to be a representation, or a warranty, and Tunuf cannot accept any liability should such statements prove to be inaccurate or based on incorrect premises.
- Any kind of projections in this report are proposed only to demonstrate specific points of argument and are not considered forecasts of actual performance.
- The analysis, investigations and recommendations available within the report are based on an evaluation of the current market conditions of the area surrounding the subject property.
- Tunuf's guidance does not account for any uncontrolled or unexpected rise or decline in the local, national or global economy or other unforeseen circumstances that effectively affect the success and/or the feasibility of the project. Tunuf takes no responsibility for the effect of such events that arise after our report has been prepared and issued.
- The forecasts of profits and/or losses in this report are based on the data available to us, our knowledge and the experience of our team. These financial statements may in no way be considered as a guarantee that the proposed property will actually achieve the results projected.
- Where the report includes an estimation of value, our report is subject to Tunuf's Standard Terms and Conditions for Valuation, in place at the date of our report and available on request.
- The Client acknowledges that Tunuf constitutes a professional and independent consulting entity, and in the course of preparing the study, it is guided exclusively by an independent assessment of obtained data and fair analysis based on historic, current and perceived future market conditions. Accordingly, if the client disagrees with key conclusions contained in the study, that cannot serve as grounds for declining services rendered.
- Tunuf will rely upon the information provided by the client, which will be identified, together with the source, in the relevant sections of our report. Unless stated otherwise, we will assume that the information provided is accurate and that we have been supplied with all the information that has a substantial effect upon the financial projections.

In accordance with the Information Protection Act, we will not disclose to any party any data without your expressed written consent to do so.

14. APPENDIX (2)

14.1. MARKET VALUE (IVS)

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

30. The definition of market value shall be applied in accordance with the following conceptual framework:

(a) "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;

(b) "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;

(c) "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 actual market state and circumstances as at the valuation date, not those at any other date.

(d) "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";

(e) "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;

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

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

(h) “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;

(i) “and without compulsion” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

31. The concept of market value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers or could be one characterized by a limited number of market participants. The

market in which the asset is exposed for sale is the one in which the asset being exchanged is normally exchanged.

32. The market value of an asset will reflect its highest and best use. The highest and best use is the use of an asset that maximizes its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

Transaction Costs

35. 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.

15. TUNUF'S BACKGROUND

Tunuf real estate consultancy is a local firm, backed by its founders and top selected team, has an accumulated experience of more than 25 years in the market.

Tunuf Real Estate Consultancy offers a variety of specialized services that include but not limited to the following:

- Valuation & Appraisals
- Feasibility studies
- Highest and best use studies
- Real estate portfolio Strategy studies
- Site Selection
- Real Estate Due Diligence
- Projects Special Care
- Real-Estate Portfolio Management Strategy
- Leasing Advisory Services

Tunuf brings attributes to this assignment that confirm our strengths in the local real estate sector through our extensive coverage of valuations, and the work we have done for clients such as CBRE, MINA Real Estate Company, Dar Al Arkan Real Estate Company, El Ajou Group, Al Bilad Capital, Al Jazira Capital, ENPI Group and Jadwa Investment.

Ability to mobilize a team with a single point of contact and the necessary local market knowledge, experience and technical skills to ensure that the project is carried out to the highest international standards and local regulations.

Ability to provide analysis and high-quality reporting outputs tailored to your specific needs in both English and Arabic formats.

16. APPENDIX (3) - TUNUF'S TEAM

Meshari AlKurbi, Acting CEO

Meshari brings onboard extensive experience in real estate advisory having worked with Tunuf Real Estate Consultancy and JLL as a real estate valuer. He has engaged in various valuation exercises of various real estate asset types including large parcels of land (raw, serviced), commercial buildings (e.g., office, retail, industrial) in addition to portfolio advisory.

Having engaged in several key portfolio advisory projects, Meshari has comprehensive knowledge of the Saudi Real Estate Market.

Meshari is a Taqueem Accredited Valuer, having completed Taqueem Trainers Program courses 101 – 107. Meshari holds a bachelor's degree in Finance from King Fahd University of Petroleum and Minerals.

Ahmed Fathy, Consulting Manager

Ahmed has over 17 years of experience in real estate development and fixed assets valuation, including five years in Saudi Arabia. He also worked as a consultant for Al-Ajlan Global, to develop their real estate portfolio.

He is a member at IACVA with a CVA designation and a member of the Egyptian real estate valuation experts' commission. He also acquired the CIB certificate, which is an internationally recognized Islamic finance certificate.

Mr. Ahmed holds a bachelor's degree in Economics & Political Science.

Abdullah AlHarbi, Analyst

Abdullah is currently working to complete his degree as an architectural engineer from King Saud University. He has been working with Tunuf as an analyst and excelling in his work in research in the retail, industrial, and education sectors, transactions and case studies of mega and iconic projects, valuation of residential and commercial land plots along with residential and commercial buildings, collaborating in feasibility studies of multi-use developments, and highest and best use studies. Abdullah holds a student real estate valuer membership from Saudi Authority for Accredited Valuers, Taqueem, and has completed courses 101 through 105 as part of the program to become a fellow valuer upon completing courses 106 through 116 as he gains on the job experience to meet Taqueem requirements.

17. APPENDIX (4) – TUNUF TAQEEM LICENSE

PROFESSIONAL LICENSE



وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000503 تاريخ إصداره 1440/11/4 هـ تاريخ انتهائه 1445/11/5 هـ

يرخص لمشاري مبروك سالم الكربي (سعودي الجنسية) سجل مدني رقم 107756870 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (43/م) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (42/ 2ق/ 40) وتاريخ 1440/11/1 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبد الله الرويند

ختم الوزارة

وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية



COMMERCIAL REGISTRATION

وزارة التجارة والاستثمار
Ministry of Commerce and Investment

شهادة تسجيل فرع مؤسسه

الرقم: ٧٠٠٣٨٤٠٦٨٨
التاريخ: ١٤٣٧/٠٣/١٩ هـ

اسم التاجر: مشاري مبروك سالم الكربي
رقم السجل المدني / بطاقة الأحوال: ١٠٧٧٧٥٦٨٧٠
المركز الرئيسي: الرياض

الجنسية: سعودي
تاريخه: ١٤٣٧/٠٣/٠٩ هـ
مصدره: احوال الرياض

ص.ب: ١٢٩٣٤
هاتف: ٠١١٢٨٠٠٢٧٧
فاكس:

رقم سجل المركز الرئيسي: ١٠١٤٧٤٢٣٦
الاسم التجاري للفرع: مكتب طنوف للتقييم العقاري
العنوان: الرياض حي العقيق شارع الريان
ص.ب: ١٢٩٣٤
هاتف: ٠١١٢٨٠٠٢٧٧
فاكس:

النشاط: خدمات تقييم العقارات *
لا يحق لغير السعوديين ممارسة الأنشطة العقارية في مكة المكرمة والمدينة المنورة

*النشاط يتطلب الحصول على ترخيص من وزارة التجارة والاستثمار هيئة المقيمين المعتمدين

رأس المال: ٢٥٠٠٠
خمسة وعشرون ألف ريال فقط لا غير

اسم المدير أو الوكيل المفوض: مشاري مبروك سالم الكربي

الجنسية: سعودي
رقم السجل المدني - الإقامة: ١٠٧٧٧٥٦٨٧٠
تاريخه: ١٤٣٧/٠٣/٠٩ هـ
مصدره: احوال الرياض

سلطات المدير: يشهد مكتب السجل التجاري بحديثه الرياض
وتنتهي صلاحية الشهادة في ١٤٤١/٠٤/١٦ هـ بموجب الإبطال رقم: ٣٦٢٦٤٤٦
و تاريخ: ١٤٤٠/٠٤/٢٧ هـ

مدير السجل التجاري: نيفس صالح الطاسان
التوقيع:

الختم

وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية

To Verify the information of this certificate visit <http://v.mci.gov.sa> 

ACTIVE MEMBERSHIPS



الهيئة السعودية للمقيّمين المعتمدين
Saudi Authority for Accredited Valuers

تقويم
TAQEEEM



اسم العضو: مشاري مبروك الكري
رقم العضوية: 1210000503
فئة العضوية: معتمد
فرع التقييم: العقار
تاريخ الانتهاء: 1441/05/7

معتمد



الهيئة السعودية للمقيّمين المعتمدين
Saudi Authority for Accredited Valuers

تقويم
TAQEEEM



اسم العضو: احمد فتحى حسين
رقم العضوية: 1220000058
فئة العضوية: معتمد
فرع التقييم: العقار
تاريخ الانتهاء: 1441/04/2

معتمد



الهيئة السعودية للمقيّمين المعتمدين
Saudi Authority for Accredited Valuers

تقويم
TAQEEEM



اسم العضو: عبدالله فيصل الحربي
رقم العضوية: 1210001305
فئة العضوية: طالب
فرع التقييم: العقار
تاريخ الانتهاء: 1441/08/28

طالب

18. APPENDIX (6) – PROPERTIES PICTURES

18.1. RIYADH INDUSTRIAL COMPLEX



18.2. RIYADH MEDICAL CENTER



18.3. RIYADH SCHOOL BUILDING



18.4. JEDDAH INDUSTRIAL COMPLEX





18.5. JEDDAH OFFICE BUILDING





18.6. DAMMAM INDUSTRIAL WAREHOUSES





18.7. DAMMAM LABOR ACCOMMODATION





18.8. KHOBAR COMMERCIAL BUILDING



