

REAL ESTATE VALUATION



AL SALAM NMC HOSPITAL RIYADH CITY

PREPARED FOR
ALRAJHI REIT FUND

DECEMBER 2019





REF: WCRE-19-452
Date: 31/12/2019
M/S AIRajhi REIT Fund
Attn Mr. Abhay Kadaskar

Land Line: +966 11 211 9362
Email: KadaskarA@alrajhi-capital.com

Subject: Valuation Report for a medical property located in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on December 26, 2019 for valuation service of the medical project (Al Salam NMC Hospital) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Member of the Saudi Authority of Accredited Valuers (Taqeem)
Member of the International Association of certified valuer
Member of the Arab Academy for Valuation
Senior Sworn Valuer in the Lebanese Ministry of Justice
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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA



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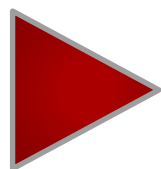
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INTRODUCTION

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



WHITE **CUBES**
REAL ESTATE



1.1 INSTRUCTION

We have received instruction from AlRajhi Capital dated on December 26, 2019 to proceed with the valuation service for Al Salam NMC Hospital in Riyadh city.

Valuation Type	Real Estate
Instructions From	AlRajhi Capital
Property Type	Medical
Property Name	Al Salam NMC Hospital
Location	KSA, Riyadh

1.2 CLIENT

The client to whom this report is prepared is AlRajhi REIT Fund:

Client Name	AlRajhi REIT Fund
Location	KSA, Riyadh
Contact Person	Abhay Kadaskar
Contact No.	+966 11 211 9362

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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

1.6 STRUCTURAL STABILITY (IF ANY)

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

1.7 OPINION OF VALUE

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

1.8 VALUATION STANDARDS

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



الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers



1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes

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

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

1.10 CLIENT APPROVAL DATE

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

December 26, 2019.

1.11 INSPECTION DATE

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

December 27, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.



1.14 INSPECTION ROLE

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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

COMMENT ON STRUCTURAL
DESIGN

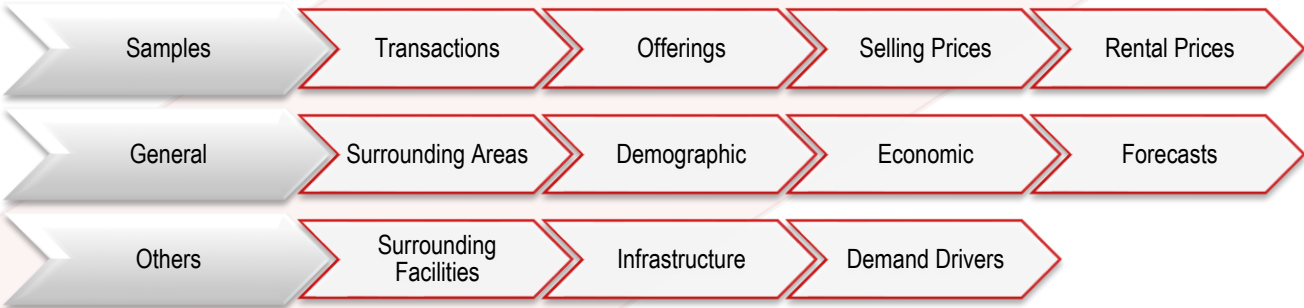
INSPECTION SUMMARY NOTES





1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

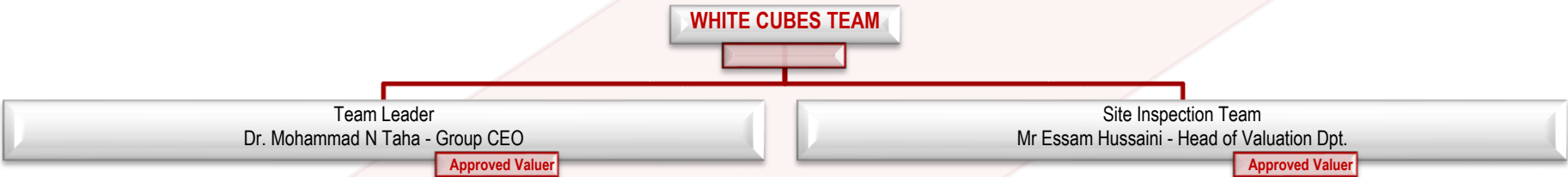
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASES OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

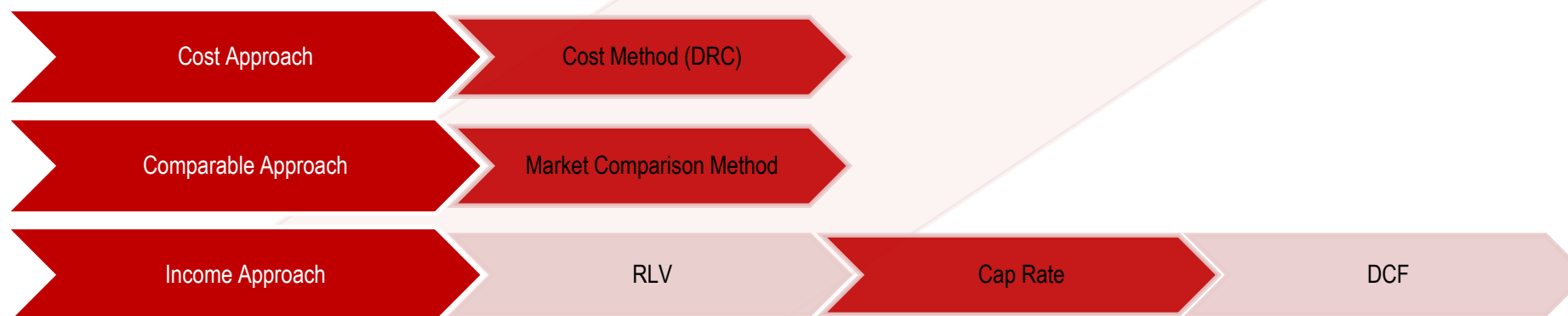
**AND
WITHOUT
COMPULSION**

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.



1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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



RESIDUAL LAND VALUE (RLV)

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

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

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





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

No	If Yes		Remarks
	Client	Date	
✓	Al Rajhi Capital	November 2019	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.27 CONFIDENTIALITY

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

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

1.28 ENVIRONMENTAL MATTERS

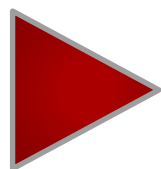
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

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

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

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





PROPERTY INFO & VALUATION

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



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2.1 PROPERTY DESCRIPTION

The subject property is a medical facility (Al Salam NMC Hospital) located in Al Salam district, Riyadh city. The hospital is owned by 4 title deeds with a total land area of 3,603.6 Sqm and a total BUA of 17,512.73 Sqm. It is composed of 2 basements used as parking areas, ground floor used as clinics, a mezzanine intended for commercial use, 5 upper floors and annexes used for clinics and fences. As per the site inspection done by our team, the subject property is open on 3 sides from the north, west and south with a direct view on Al Imam Al Shafii Road. The project is mostly surrounded by residential and commercial units where all infrastructural facilities such as water, telecommunication, electricity and sewage are available in the surroundings and connected to the subject property.

2.2 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed of the subject property which is owned by 4 title deeds. The details of the subject property:

Title Deed# 310116026298	
Title Deed Date	04/08/1433
Title Deed Value	60,580,000 SAR
Land Area (Sqm)	1,038.1
Plot No.	167
Block No.	15
Layout No.	2696
Ownership	Naser Bin Fonisan Bin Kaed Al Sayhani
Limitations of Document	Mortgaged

Title Deed# 510104026736	
Title Deed Date	03/08/1433
Title Deed Value	60,580,000 SAR
Land Area (Sqm)	1,190.5
Plot No.	168
Block No.	15
Layout No.	2696
Ownership	Naser Bin Fonisan Bin Kaed Al Sayhani
Limitations of Document	Mortgaged

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

Title Deed# 710116026297	
Title Deed Date	04/08/1433
Title Deed Value	60,850,000 SAR
Land Area (Sqm)	625
Plot No.	165
Block No.	15
Layout No.	2696
Ownership	Naser Bin Fonisan Bin Kaed Al Sayhani
Limitations of Document	Mortgaged

Title Deed # 310116026296	
Title Deed Date	04/08/1433
Title Deed Value	60,850,000 SAR
Land Area (Sqm)	750
Plot No.	166
Block No.	15
Layout No.	2696
Ownership	Naser Bin Fonisan Bin Kaed Al Sayhani
Limitations of Document	Mortgaged

We have to note that all title deeds related to the subject property have limitations (mortgaged), which we have no information about the due and/or clearance of such limitation. The impact of such limitation will not be reflected in the valuation process.

2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed Hospital composed of 9 floors. The Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

Subject Property

Construction Permit Type	Modification
Property Type	Medical
Construction Permit No.	1429/ 4972
Construction Permit Date	08/06/1432
Permit Expiry Date	08/06/1435

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

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

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

Description	No. of Units	Area (sqm)	Use
Mezzanine	0	1,072.39	Commercial
Ground Floor	1	1,440	Clinics
Second Basement	1	3,603.6	Parking
First Basement	1	3,603.6	Parking
First Floor	1	1,422.18	Clinics
Second Floor	1	1,430.65	Clinics
Third Floor	1	1,430.65	Clinics
Fourth Floor	1	1,398.03	Clinics
Fifth Floor	1	1,398.03	Clinics
Annex	1	713.6	Clinics
Fences	1	55	Fences
Total BAU (sqm)		17,512.73	

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







2.4 LAND SPECS

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

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

2.5 INFRASTRUCTURE FACILITIES

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

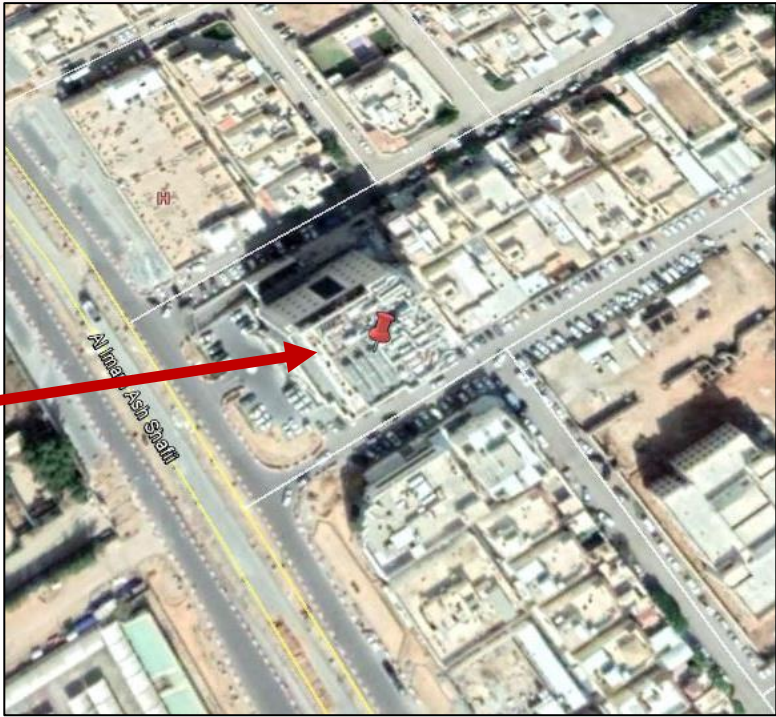


2.6 LOCATION

The subject property is located in Al Salam District in Riyadh city with a direct view on Al Imam Al Shafii Road. The location and coordinates of the subject property are as follows:



Source: White Cubes & Google Maps

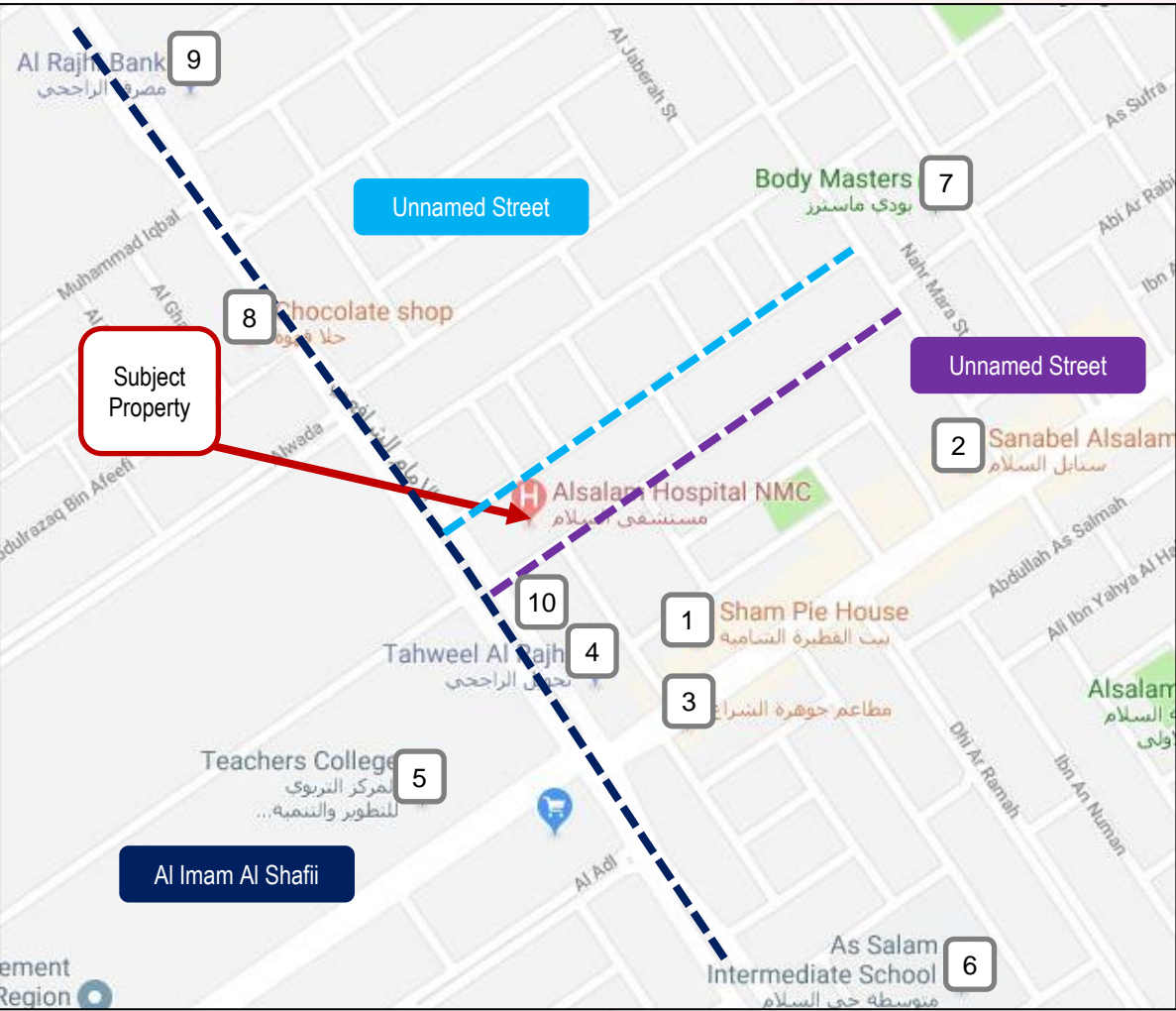


N Coordinates	24°42'13.88"
E Coordinates	46°48'7.79"
City	Riyadh
District	Al Salam
Street	Al Imam Al Shafii
Property Type	Constructed Land



2.7 ACCESS & LAND MARKS

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



ACCESS TO SUBJECT PROPERTY

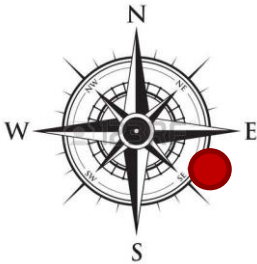
The subject property can be accessed through the following roads:

- North Side: Unnamed Street
- South Side: Unnamed Street
- West Side: Al Imam Al Shafii

LAND MARKS

- 1- Sham Pie House (Kilometres)
- 2- Sanabel Al Salam (Kilometres)
- 3- Jawhar Al Shiraa Restaurant (Kilometres)
- 4- Tahweel Al Rajhi (Kilometres)
- 5- Teachers College (Kilometres)
- 6- Al Salam intermediate School (Kilometres)
- 7- Body Masters (Kilometres)
- 8- Chocolate Shop (Kilometres)
- 9- Al Rajhi Bank (Kilometres)
- 10- Nabigha Library (Kilometres)

Location of the subject property according to the City Center





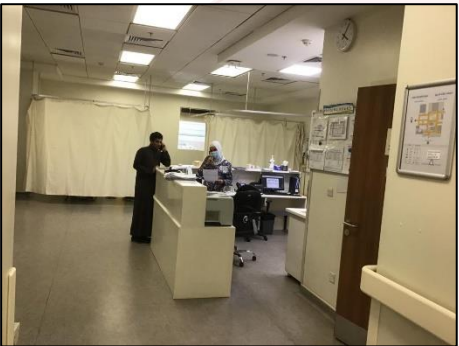
2.8 PHOTO RECORD

Date of Photos: December 27, 2019





Date of Photos: December 27, 2019





Date of Photos: December 27, 2019

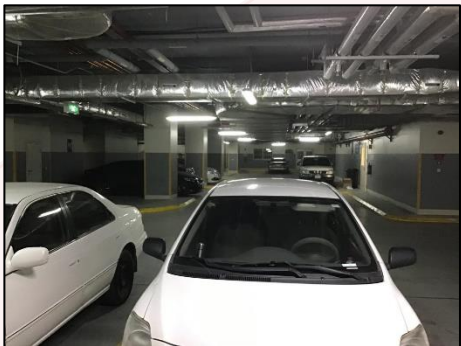




Date of Photos: December 27, 2019



Date of Photos: December 27, 2019





2.9 DOCUMENTS RECIEVED

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

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	Municipality License ✓
Civil Defense Certificate ✓	Presentation of the subject property	Location Map
Location Link	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX
Forecasts & Expectations	Income & Revenues	Others

2.10 GENERAL ASSUMPTIONS

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

2.11 RISK ANALYSIS

SECTOR ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	✓	-----	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	4	12	0	0
Risk Category 16 Risk Points - Medium Risk					

LAND ANALYSIS

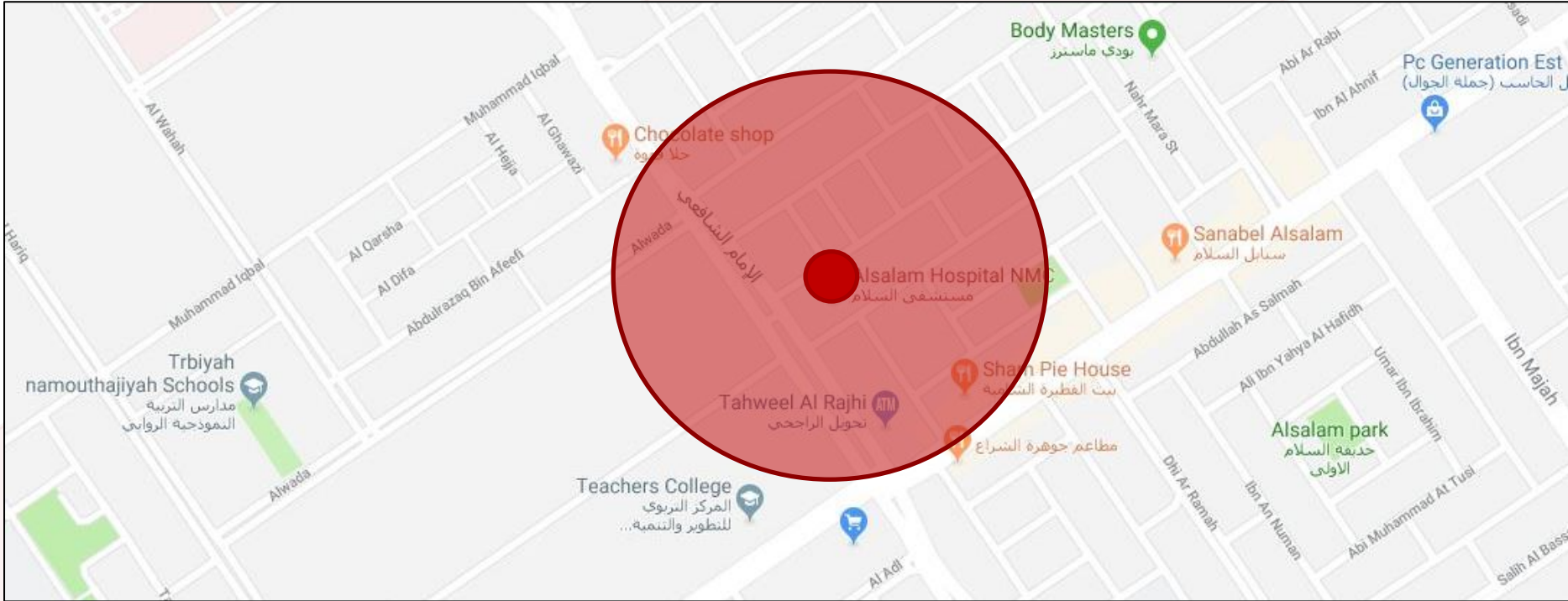
Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	✓	-----	-----	-----
Location	-----	✓	-----	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	-----	✓	-----	-----
Total Risk	0	6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

PROPERTY ANALYSIS

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

2.12 COMPARABLE APPROACH

AREA OF INSPECTION



According to the site inspection done by our team for the purpose of valuating the subject property, we were able to find several samples similar to the subject property and located in the surrounding areas. The average prices for similar properties fall in the range between SAR 3,500 to 4,500 SAR per Square Meter.

Title Deed No.	Location	Total Land Area (Sqm)	SAR/ Sqm	Total Value
310116026298	Al Salam District, Riyadh City	3,603.6	4,000	SAR 14,414,400
510104026736				
710116026297				
310116026296				

2.13 COST APPROACH (DRC)

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

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

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

LAND		
Land Area	SAR / Sqm	Total Value
3,603.60	SAR 4,000	SAR 14,414,400
Building		
	Unit	Total BUA
Mezzanine	Sqm	1,072.39
Ground Floor	Sqm	1,440.00
Second Basement	Sqm	3,603.60
First Basement	Sqm	3,603.60
First Floor	Sqm	1,422.18
Second Floor	Sqm	1,430.65
Third Floor	Sqm	1,430.65
Fourth Floor	Sqm	1,398.03
Fifth Floor	Sqm	1,398.03
Annex	Sqm	713.60
Fences	LM	55.00
Total (SQM)	17,512.73	
Fences (LM)	55.00	

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

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

As for the subject property, we will use 25% developer profit rate.

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	10,305.53	SAR 1,200	SAR 12,366,636	100%	SAR 12,366,636
Electro Mechanic	10,305.53	SAR 1,000	SAR 10,305,530	100%	SAR 10,305,530
Finishing	10,305.53	SAR 1,500	SAR 15,458,295	100%	SAR 15,458,295
Fit outs & Appliances	10,305.53	SAR 750	SAR 7,729,148	100%	SAR 7,729,148
Furniture	10,305.53	SAR 200	SAR 2,061,106	100%	SAR 2,061,106
Fences	55.00	SAR 250	SAR 13,750	100%	SAR 13,750
Site Improvement	3,603.60	SAR 120	SAR 432,432	100%	SAR 432,432
Total			SAR 48,366,897	100.00%	SAR 48,366,897
Hard Cost - Underground					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	7,207.20	SAR 1,800	SAR 12,972,960	100%	SAR 12,972,960
Electro Mechanic	7,207.20	SAR 1,200	SAR 8,648,640	100%	SAR 8,648,640
Finishing	7,207.20	SAR 500	SAR 3,603,600	100%	SAR 3,603,600
Total			SAR 25,225,200	100.00%	SAR 25,225,200
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 73,592,097	0.50%	SAR 367,960
Design			SAR 73,592,097	1.00%	SAR 735,921
Eng Consultant			SAR 73,592,097	2.00%	SAR 1,471,842
Management			SAR 73,592,097	5.00%	SAR 3,679,605
Contingency			SAR 73,592,097	5.00%	SAR 3,679,605
Others			SAR 73,592,097	0.00%	SAR 0
TOTAL				13.50%	SAR 9,934,933.03
Total Hard Cost	SAR 73,592,097		BUA	17,512.73	
Total Soft Cost	SAR 9,934,933.03		SAR / Sqm	SAR 4,770	
Total Construction Cost	SAR 83,527,029.53		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 83,527,030		Net Dep Rate		10.00%
			Dev Cost After Depreciation		SAR 75,174,327
Economic Age	50		Total Completion Rate		100.00%
Annual Dep Rate	2.00%		Developer Profit Rate		25.0%
Actual Age	5				
Total Dep Rate	10.00%		Dev. Profit Amount		SAR 18,793,582
Add Appr Rate	0.00%		Development Value		SAR 93,967,908
Net Dep Rate	10.00%				
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 93,967,908	SAR 14,414,400	SAR 108,382,308	SAR 108,380,000		

2.14 INCOME APPROACH – LEASING CONTRACT

REVENUES					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Medical Project			The subject property is Fully		SAR 11,710,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 11,710,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Medical Project			All expenses will be paid by the tenant		0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Medical Project	SAR 11,710,000		0.00%		SAR 11,710,000
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 11,710,000
Total Property Revenues					SAR 11,710,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 11,710,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 11,710,000.00		7.00%	167,285,714.29 SAR		167,290,000.00 SAR

The subject property is fully leased to one tenant. The used figure in terms of revenues was based on the leasing contract amount, terms and conditions. As for the OPEX rate, all expenses will be paid by the tenant.

2.15 DISCOUNTED CASH FLOW (DCF)

Cash Flow		0	1	2	3	4	5	
Increase Revision		0%	0%	0%	0%	0%	5%	
Expected Revenues								
Total Lease Value	SAR	11,710,000	11,710,000	11,710,000	11,710,000	11,710,000	12,295,500	
Overall Revenues		11,710,000	11,710,000	11,710,000	11,710,000	11,710,000	12,295,500	
Vacancy Rates								
Medical Project	0.0%	0	0	0	0	0	0	
Total		0	0	0	0	0	0	
Expenses								
OPEX	0.0%	0	0	0	0	0	0	
Overall Expenses		0	0	0	0	0	0	
NOI		11,710,000	11,710,000	11,710,000	11,710,000	11,710,000	12,295,500	
Terminal Value @ ----->		7.0%						
Discount Rate	9.50%	1.00	0.91	0.83	0.76	0.70	0.64	
Present Value		11,710,000	10,694,064	9,766,268	8,918,967	8,145,175	7,810,442	
Market Rate / Net Present Value								
6	7	8	9	10	11	12	13	14
0%	0%	0%	0%	5%	0%	0%	0%	0%
12,295,500	12,295,500	12,295,500	12,295,500	12,910,275	12,910,275	12,910,275	12,910,275	12,910,275
12,295,500	12,295,500	12,295,500	12,295,500	12,910,275	12,910,275	12,910,275	12,910,275	12,910,275
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
12,295,500	12,295,500	12,295,500	12,295,500	12,910,275	12,910,275	12,910,275	12,910,275	12,910,275
								184,432,500
0.58	0.53	0.48	0.44	0.40	0.37	0.34	0.31	0.28
7,132,824	6,513,994	5,948,853	5,432,743	5,209,479	4,757,515	4,344,763	3,967,820	55,389,005
								155,741,911
		Discount Rate						
Discount Rate		7.50%	8.50%	9.50%	10.5%	11.5%		
Market Value		182,431,510	168,302,959	155,741,911	144,550,763	134,558,982		

2.16 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 167,290,000	One Hundred Sixty-Seven Million and Two Hundred Ninety Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 108,380,000	One Hundred Eight Million and Three Hundred Eighty Thousand Saudi Riyals
DCF	Property	SAR 155,741,911	One Hundred Fifty-Five Million and Seven Hundred Forty-One Thousand and Nine Hundred Eleven Saudi Riyals

As we can notice, the value resulted from the discounted cash flow approach is less than the output value from the capitalization method. Yet, the income approach reflects the current revenues condition of the subject property not the future forecasts. Based on that we will choose the capitalization method to reflect the value of the subject property.

2.17 SUBJECT PROPERTY VALUE

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

Property Value: 167,290,000 SAR
One Hundred Sixty-Seven Million and Two Hundred Ninety Thousand Saudi Riyals

2.18 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.19 DISCLAIMER

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

2.20 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

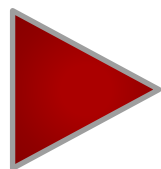
Essam Hussaini
Site Inspection Check



Member of (Taqeem)
License No. 1210000474

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





DOCUMENTS



WHITE **CUBES**
REAL ESTATE

Title Deed# 310116026298

Title Deed# 510104026736

الرقم: ٣١٠١١٦٠٢٦٢٩٨
التاريخ: ١٤٣٣ / ٨ / ٤ هـ

كتابة العدل الأولى بالرياض

صكك رهن وتملك عقار

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

فإن قطعة الأرض رقم ١٦٨ من الملك رقم ١٥ من المخطط رقم ٢٦٩٦ الواقعة في حي السلام بمدينة الرياض، وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٥ م	بطول: (٤١,٦) واحد و أربعون متر و ستون سنتيمتر
جنوباً: قطعة رقم ١٦٨	بطول: (٤١,٤٥) واحد و أربعون متر و خمسة و أربعون سنتيمتر
شرقاً: قطعة رقم ١٦٥	بطول: (٢٥) خمسة و عشر ون متر
غرباً: شارع عرض ٤ م	بطول: (٢٥) خمسة و عشر ون متر

ومساحتها ١٠٠٣٨,١٣ ألف و ثمانية و ثلاثون متر مربعاً و عشرة سنتيمتر مربعاً فقط حسب خطاب وزارة المالية رقم ٢٤٣٧ في ١٨ / ٤ / ١٤٣٣ المقيّد برقم ٢٢٧٨١٤ / ٥ في ٢٢ / ٤ / ١٤٣٣ هـ.

المملوكة لـ: ناصر بن قتيبان بن فهد السبيعي سعودي الجنسية بموجب سجل مدني رقم ١٠٠٠١٥٦١٥٦ بالصف السادس من هذه الإدارة برقم ١٠٠٠١٥٦١٥٦ في ١٨ / ٤ / ١٤٣٣ هـ، قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / وزارة المالية ضماناً لوفائه بـ جزء من القرض الكامل المبلغ مليون وخمسمائة وثمانون ألف ريال وتسدّد على أقساط سنوية على عشرين قسطاً سنوياً تبدأ بعض مئتي خمس سنوات على توقيع عقد القرض لدى وزارة المالية.

وبما حالة عدم السداد فلتعثرهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال ما يلزم شرعاً.

وعليه جرى التصديق تحريراً في ٤ / ٨ / ١٤٣٣ هـ.

ومضى الله على نبيّنا محمد وآله وصحبه وسلم.

الختم الرسمي

مكتب العدل

مكتب العدل

صفحة ١ من ١

تمتلك هذا الصك

مصلحة مبيعات العقارات - ٢٨٩١١٤

الرقم: ٥١٠١٠٤٠٢٦٧٣٦
التاريخ: ١٤٣٣ / ٨ / ٣ هـ

كتابة العدل الأولى بالرياض

صكك رهن وتملك عقار

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

فإن قطعة الأرض رقم ١٦٨ من الملك رقم ١٥ من المخطط رقم ٢٦٩٦ الواقع في حي السلام بمدينة الرياض، وحدودها وأطوالها كالتالي:

شمالاً: قطعة رقم ١٦٧	بطول: (٤١,١٥) واحد و أربعون متر و خمسة و أربعون سنتيمتر
جنوباً: شارع عرض ٢٠ م	بطول: (٣١,٢٥) واحد و ثلاثون متر و خمسة و عشرون سنتيمتر
شرقاً: قطعة رقم ١٦٦	بطول: (٢٠) ثلاثون متر
غرباً: قطعة رقم ١٠	بطول: (٢٠) عشرون متر ثم ينحصر بطول ١١,٢٠ م

ومساحتها ١٠,١٩٠,٥٣ ألف و مائة و تسعون متر مربعاً و خمسون سنتيمتر مربعاً فقط.

المملوكة لـ: ناصر بن قتيبان بن فهد السبيعي سعودي الجنسية بموجب سجل مدني رقم ١٠٠٠١٥٦١٥٦ بالصف السادس من هذه الإدارة برقم ١٠٠٠١٥٦١٥٦ في ١٨ / ٤ / ١٤٣٣ هـ، قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / وزارة المالية ضماناً لوفائه بـ جزء من قيمة كامل الرهن مليون وخمسمائة وثمانون ألف ريال وتسدّد على أقساط سنوية على عشرين قسطاً سنوياً تبدأ بعض مئتي خمس سنوات على توقيع عقد القرض لدى وزارة المالية.

وبما حالة عدم السداد فلتعثرهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال ما يلزم شرعاً.

وعليه جرى التصديق تحريراً في ٣ / ٨ / ١٤٣٣ هـ.

ومضى الله على نبيّنا محمد وآله وصحبه وسلم.

الختم الرسمي

مكتب العدل

مكتب العدل

صفحة ١ من ١

Title Deed# 710116026297

الرقم : ٧١٠١٦٠٢٦٢٩٧ / ١
التاريخ : ١٤٤٣ هـ

كاتب العدل الأول بالرياض

صك رهن وتملك عقار

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

إن قطعة الأرض رقم ١٦٤ من البلك رقم ١٥ من المخطط رقم ٢١٩٦ الواقع في حي السلام بمدينة الرياض وجزوعها وأصولها كالتالي:

شمالاً: شارع عرض ١٠م	بطول: (٢٥) خمسة و عشر ون متر
جنوباً: قطعة رقم ١٦٦	بطول: (٢٥) خمسة و عشر ون متر
شرقاً: قطعة رقم ١٦٣	بطول: (٢٥) خمسة و عشر ون متر
غرباً: قطعة رقم ١٦٦	بطول: (٢٥) خمسة و عشر ون متر

ومساحتها : (٢٢٥) ستمائة وخمسة و عشر ون متر مربعاً فقط حسب خطاب وزارة المالية رقم ٢١٣٢٧ في ١٨ / ٤ / ١٤٣٣ التقيده برقم ٣٢٧٩١٥١٥ / ٢٢ في ٢٠ / ٤ / ١٤٣٣ هـ.

للمعلومية / ناصر بن فتيسان بن قميذ السبحاني سعودي الجنسية بموجب سجل مدني رقم ١٠٠١٥٦٦٥٦ بالمسك الصادر من هذه الإدارة برقم ٥١٠١١٠٠٠١١٣٧ في ٢٧ / ١ / ١٤٢٩ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / وزارة المالية ضماناً لوفائه بأجزاء من قبة ككامل الرهن سنون مليون وخمسمائة وثمانون ألف ريال وتسدد على أقساط سنوية على عشرين قسطاً سنوياً تبدأ بعض مئتي خمس سنوات على توقيع عقد القرض لدى وزارة المالية وفي حالة عدم السداد فللمقرض بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما يبق من الرهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال ما ياتزم شرعاً.

وعليه جرى التصديق تحريراً في ٤ / ٨ / ١٤٣٣ هـ.

وعلى الله تعالى نبينا محمد وآله وصحبه وسلم.

الختم الرسمي

عائشة العدل

ماجد بن عبد الله التركي

صفحة ١ من ١

Title Deed# 310116026296

الرقم : ٣١٠١٦٠٢٦٢٩٦ / ١
التاريخ : ١٤٣٣ هـ

كاتب العدل الأول بالرياض

صك رهن وتملك عقار

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

إن بقية قطعة الأرض رقم ١٦٦ من البلك رقم ١٥ من المخطط رقم ٢١٩٦ الواقع في حي السلام بمدينة الرياض وجزوعها وأصولها كالتالي:

شمالاً: قطعة رقم ١٦٤	بطول: (٢٥) خمسة و عشر ون متر
جنوباً: شارع عرض ١٠م	بطول: (٢٥) خمسة و عشر ون متر
شرقاً: قطعة رقم ١٦٤	بطول: (٢٠) ثلاثون متر
غرباً: قطعة رقم ١٦٨	بطول: (٢٠) ثلاثون متر

ومساحتها : (٧٥٠) سبعمائة وخمسون متر مربعاً فقط حسب خطاب وزارة المالية رقم ٢١٣٢٧ في ١٨ / ٤ / ١٤٣٣ التقيده برقم ٣٢٧٩١٥١٥ / ٢٢ في ٢٠ / ٤ / ١٤٣٣ هـ.

للمعلومية / ناصر بن فتيسان بن قميذ السبحاني سعودي الجنسية بموجب سجل مدني رقم ١٠٠١٥٦٦٥٦ بالمسك الصادر من هذه الإدارة برقم ٩١٠١٠٠٠١١٧٨٥ في ٩ / ١ / ١٤٢٩ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / وزارة المالية ضماناً لوفائه بأجزاء من قبة ككامل الرهن سنون مليون وخمسمائة وثمانون ألف ريال وتسدد على أقساط سنوية على عشرين قسطاً سنوياً تبدأ بعض مئتي خمس سنوات على توقيع عقد القرض لدى وزارة المالية وفي حالة عدم السداد فللمقرض بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما يبق من الرهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال ما ياتزم شرعاً.

وعليه جرى التصديق تحريراً في ٤ / ٨ / ١٤٣٣ هـ.

وعلى الله تعالى نبينا محمد وآله وصحبه وسلم.

الختم الرسمي

عائشة العدل

ماجد بن عبد الله التركي

صفحة ١ من ١

Mr. Essam Hussaini



KSA – ECONOMIC & REAL ESTATE OVERVIEW

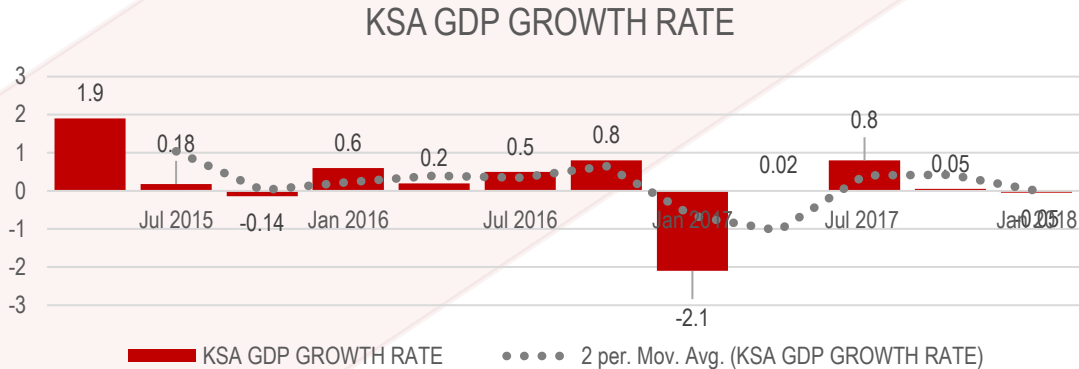
Real estate sector's performance is bounded to the economic conditions and factors. In this section, we will state some economic current facts and future estimations to be used as decision making tools from an investor point of view, in addition to the major aspects of the real estate market in Saudi Arabia which they can have big influence on the real estate market as an overall.





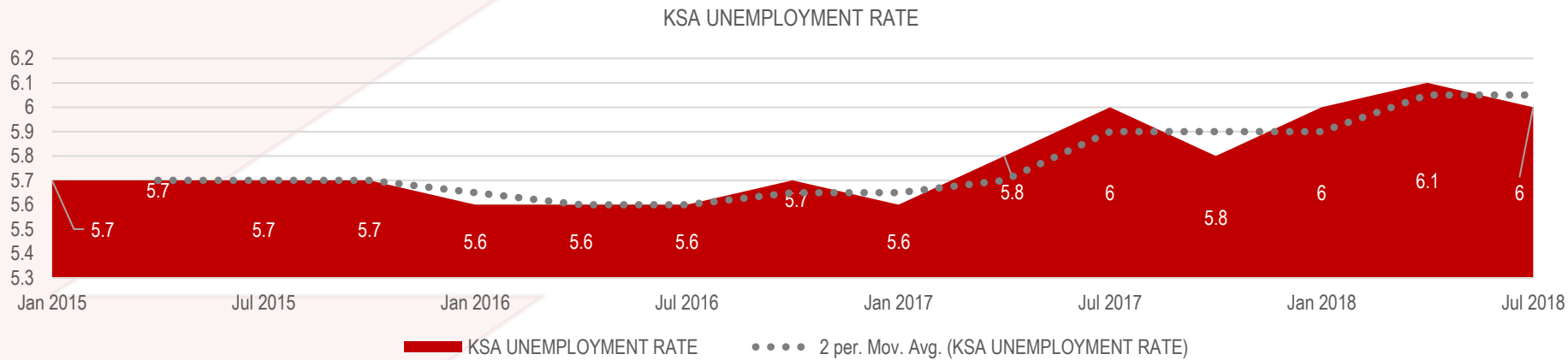
3.1 GROSS DOMESTIC PRODUCTS (GDP)

Saudi Arabia has an oil-based economy. Shipments of oil account for 87 percent of total exports and for 46 percent of GDP. In recent years, in order to diversify the economy, the government has been investing in telecommunications, petrochemicals, natural gas exploitation and power generation sectors. The Gross Domestic Product (GDP) in Saudi Arabia contracted 0.05 percent in the first quarter of 2018 over the previous quarter. GDP Growth Rate in Saudi Arabia averaged 0.96 percent from 2010 until 2018, reaching an all-time high of 8.50 percent in the fourth quarter of 2010 and a record low of -2.10 percent in the first quarter of 2017. **Source: Trading Economics**



3.2 UNEMPLOYMENT RATES

Unemployment Rate in Saudi Arabia decreased to 6 percent in the second quarter of 2018 from 6.10 percent in the first quarter of 2018. Unemployment Rate in Saudi Arabia averaged 5.61 percent from 1999 until 2018, reaching an all-time high of 6.30 percent in the fourth quarter of 2006 and a record low of 4.35 percent in the fourth quarter of 1999. **Source: Trading Economics**

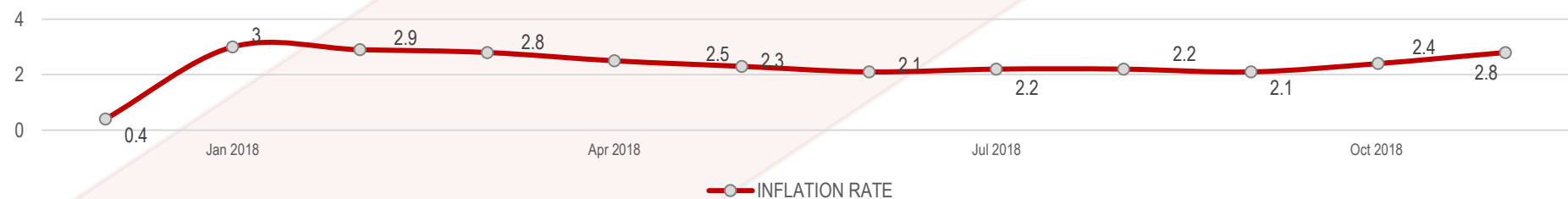




3.3 INFLATION RATES

The annual inflation rate in Saudi Arabia rose to a nine-month high of 2.8% in November of 2018 from 2.4% in the previous month. Prices increased faster for: food & beverage (7.7% from 7.3% in October); transport (12.0% from 11.5%); furniture & household equipment (4.6% from 2.8%); recreation & culture (3.8% from 3.2%); miscellaneous goods & services (0.6% from 0.1%). In addition, prices fell less than in a month earlier for both housing & utilities (-3.1% from -3.6%) and clothing & footwear (-4.5% from -5%). On the other hand, inflation was steady for: tobacco (at 10.2%); education (at 0.2%); health (at 4%). Meanwhile, prices went up softer for: restaurant & hotels (8.6% from 8.7%); communication (1.3% from 1.4%). On a monthly basis, consumer prices went down 0.2%, after a 0.3% drop in October. Inflation Rate in Saudi Arabia averaged 2.63 percent from 2000 until 2018, reaching an all time high of 11.10 percent in July of 2008 and a record low of -2 percent in January of 2001.

Source: Trading Economics



3.4 INTEREST RATES

The Saudi Arabian Monetary Agency raised the official repo rate by 25bps to 3.00 percent on 19 December 2018, following the Fed decision to increase its target range for the federal funds interest rate by a quarter point, to between 2.25 percent and 2.50 percent. The reverse repo rate was also hiked by 25bps to 2.50 percent. Saudi Arabia follows the Fed policy because its currency is pegged to the dollar. Policymakers said the rate adjustments aim to maintain monetary stability amid global financial developments. Interest Rate in Saudi Arabia averaged 3.69 percent from 1992 until 2018, reaching an all time high of 7 percent in May of 2000 and a record low of 1.50 percent in March of 2004.

Source: Trading Economics

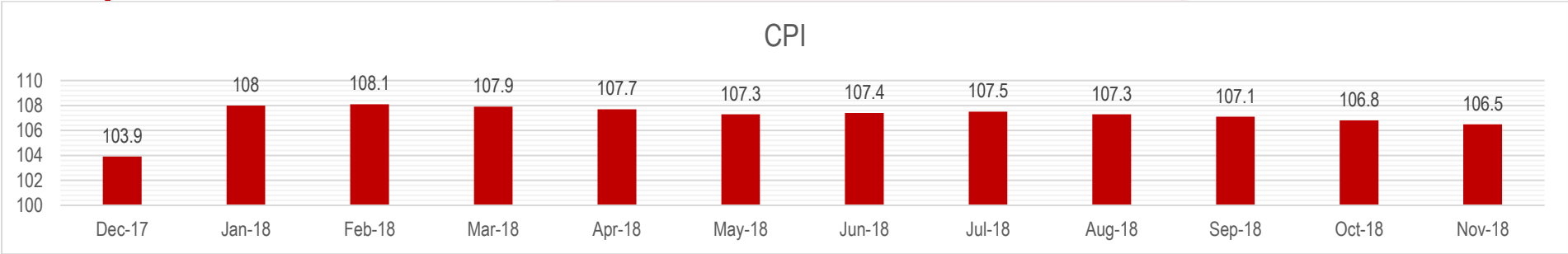




3.5 CONSUMER PRICE INDEX (CPI)

Consumer Price Index CPI in Saudi Arabia decreased to 106.50 Index Points in November from 106.80 Index Points in October of 2018. Consumer Price Index CPI in Saudi Arabia averaged 95.69 Index Points from 1999 until 2018, reaching an all time high of 114.80 Index Points in November of 2010 and a record low of 84.80 Index Points in August of 2001.

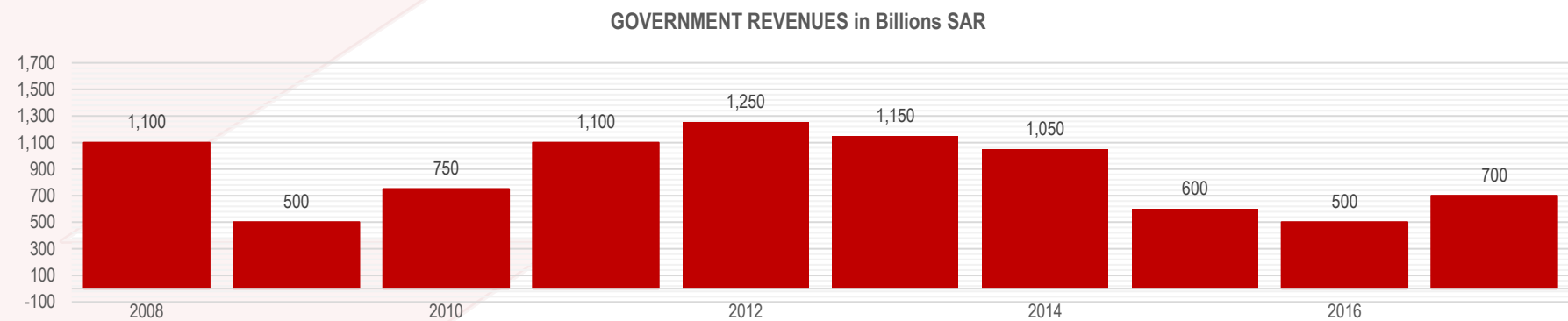
Source: Trading Economics



3.6 GOVERNMENT REVENUES

Government Revenues in Saudi Arabia increased to 691,505 SAR Million in 2017 from 519,448 SAR Million in 2016. Government Revenues in Saudi Arabia averaged 340318.54 SAR Million from 1969 until 2017, reaching an all-time high of 1,247,398 SAR Million in 2012 and a record low of 5,668 SAR Million in 1969.

Source: Trading Economics

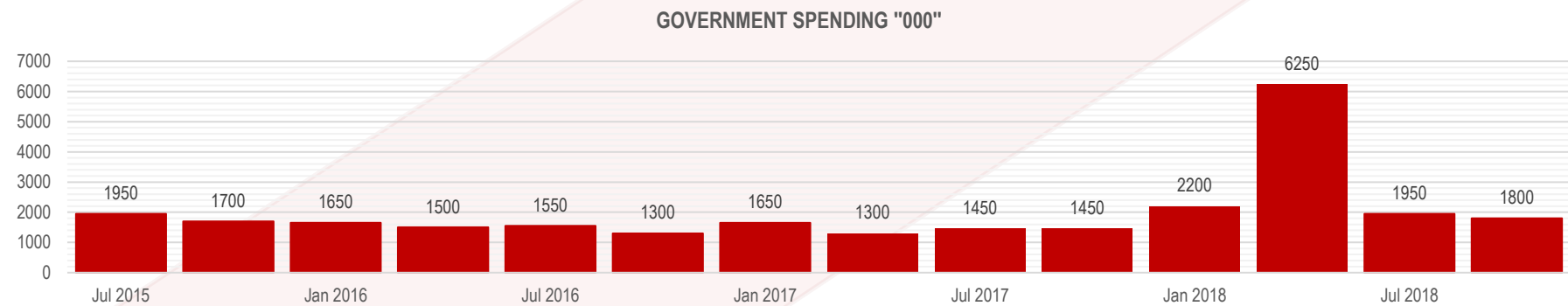




3.7 GOVERNMENT SPENDING

Government Spending in Saudi Arabia decreased to 183426 SAR Million in the second quarter of 2018 from 630978 SAR Million in the first quarter of 2018. Government Spending in Saudi Arabia averaged 150365.69 SAR Million from 2008 until 2018, reaching an all-time high of 630978 SAR Million in the first quarter of 2018 and a record low of 76217 SAR Million in the first quarter of 2008.

Source: Trading Economics



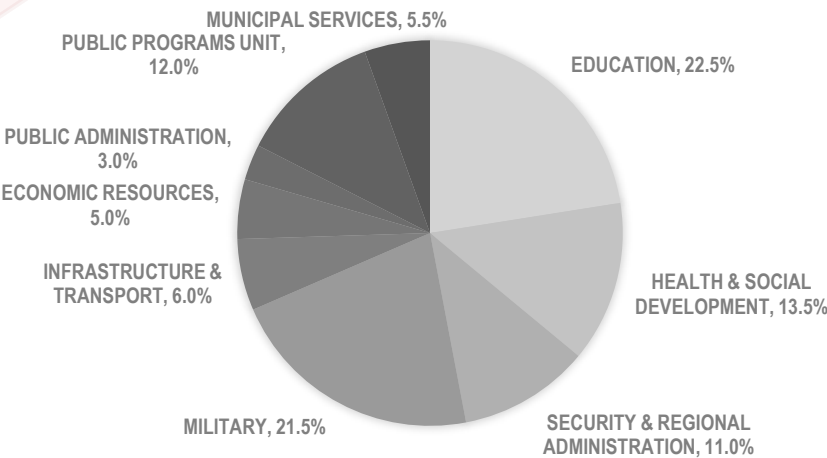
3.8 BUDGET ALLOCATION FOR 2017

Public Administration	27 SAR bn
Military	191 SAR bn
Security & Regional Adm.	97 SAR bn

Municipal Services	48 SAR bn
Education	200 SAR bn
Health & Social Dev.	120 SAR bn

Economic Resources	47 SAR bn
Infrastructure & Transport	52 SAR bn
Public Programs Unit	108 SAR bn

Source: Ministry of Economy

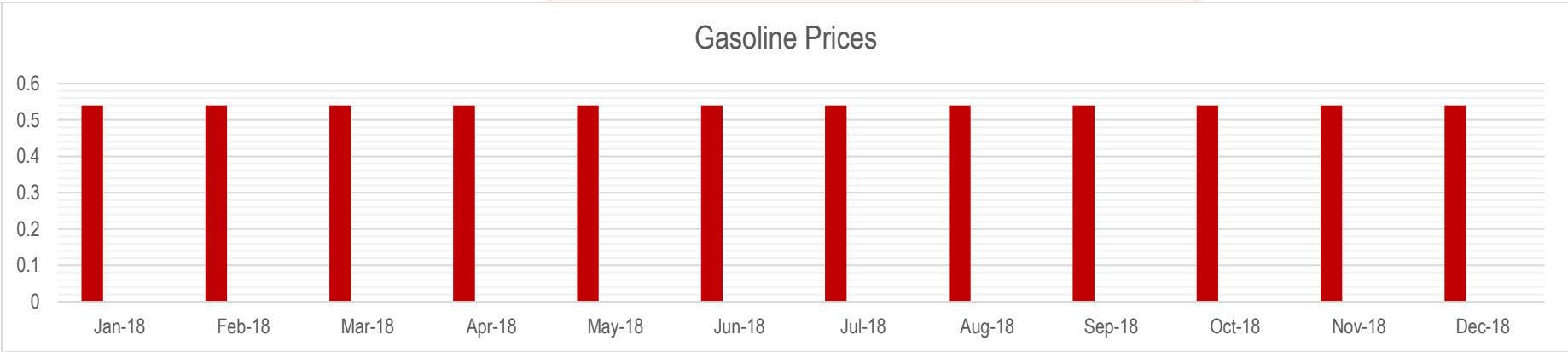




3.9 GASOLINE PRICES

Gasoline Prices in Saudi Arabia remained unchanged at 0.54 USD/Liter in December from 0.54 USD/Liter in November of 2018. Gasoline Prices in Saudi Arabia averaged 0.26 USD/Liter from 1995 until 2018, reaching an all-time high of 0.54 USD/Liter in January of 2018 and a record low of 0.12 USD/Liter in March of 2013.

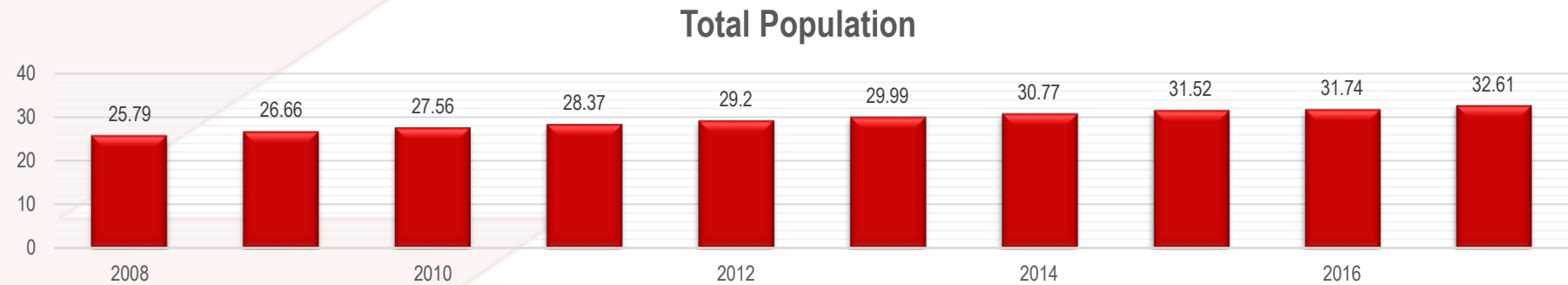
Source: Trading Economics



3.10 POPULATION STATISTICS

The total population in Saudi Arabia was estimated at 32.6 million people in 2017, according to the latest census figures. Looking back, in the year of 1960, Saudi Arabia had a population of 4.0 million people.

Source: Trading Economics



3.11 KSA ECONOMIC VISION 2030 – 8 KEY POINTS

SAUDI ARAMCO

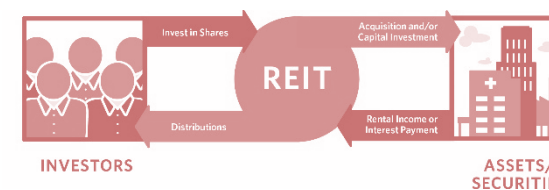
Aramco will be converted into an energy holding company with an elected board and some subsidiaries will be listed. Prince Mohammed said he expected the parent company to be valued at more than \$2 trillion, less than 5 % of which would be sold in an initial public offer. Selling even 1 % of the firm would constitute the world's biggest IPO, he added.

أرامكو السعودية
saudi aramco



PUBLIC INVESTMENT FUND

Restructure the state-owned Public Investment Fund (PIF), which the prince said would turn the world's top oil exporter into a global investment power. New assets, including state oil giant Saudi Aramco, would be included in the redesigned fund. The prince said the PIF made returns of 30 billion riyals (\$8 billion) in 2015 and that it would aim to increase its assets to more than 7 trillion riyals from 600 billion riyals.



RESTRUCTURING

Restructuring state assets and agencies, rather than spending cuts, will be key to making government finances viable in the long term; Prince Mohammed said the reforms would not require major new spending by the government but work on existing infrastructure projects would continue. He cited the housing ministry as a target for restructuring. State price subsidies would be targeted more carefully so they went to the people who needed them, not the rich.

MILITARY SECTOR

The government plans to set up a holding company for military industries that will be fully state-owned at first and later listed on the Saudi bourse. Prince Mohammed said he expected the listing to take place by the end of 2017.

PILGRIMS

The plan envisages a massive increase in Saudi Arabia's capacity to receive Islamic pilgrims, to 30 million annually from 8 million.





GREEN CARD” SYSTEM

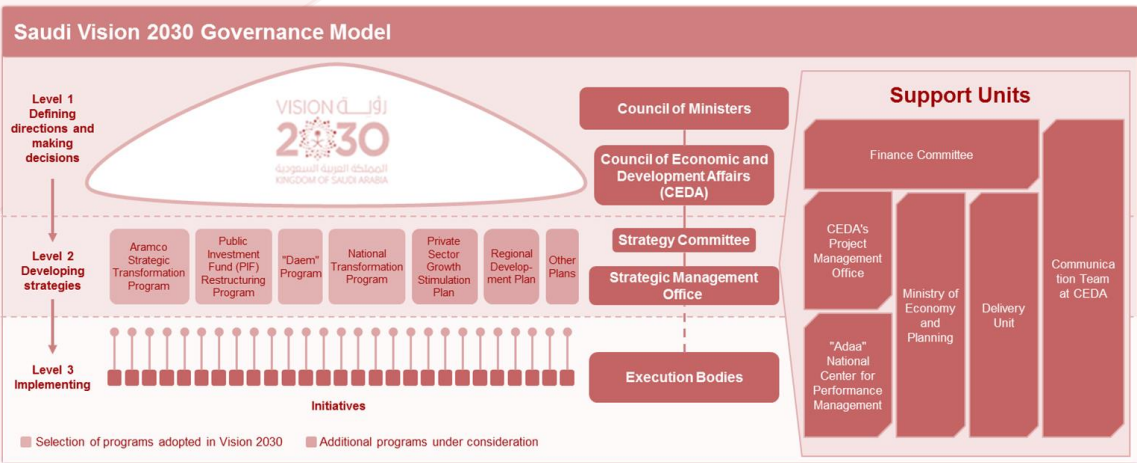
Saudi Arabia will introduce a “green card” system within five years to give resident expatriates more rights to live and work in the kingdom over the long term. Details were not given.

MINING AND RENEWABLE ENERGY

The plan sets a target for the kingdom to generate 9.5 gigawatts of renewable energy and to have the industry produce more of its equipment locally. It aims to raise the mining industry’s contribution to gross domestic product to 97 billion riyals (\$25.9 billion) and to increase the number of jobs in the sector by 90,000 by 2020.

GOALS

The plan includes more than a dozen other numerical goals, though it does not give details of how they will be achieved. The deadline to achieve most of the goals appears to be 2030. For example, the government’s non-oil revenues are to reach 600 billion riyals by 2020 and 1 trillion riyals by 2030, from 163.5 billion riyals in 2015. Unemployment among Saudi nationals is to fall to 7 % from 11.6 %. Financial institutions will be encouraged to allocate up to 20 % of their overall funding to small and medium-sized enterprises by 2030. Foreign direct investment will be raised to 5.7 % of GDP from 3.8 %. Household savings are to rise to 10 % of total household income from 6 %.



The share of non-oil exports in GDP is to rise to 50 % of GDP from 16 %. Doubling the number of archaeological sites recognized by UNESCO. Having three Saudi cities recognized as among “the top 100 cities in the world”. Increasing the number of Saudis who play sports at least once a week to 40 % from 13 %.

4.1 REAL ESTATE MARKET INSIGHTS

GOVERNEMENT SUPPORT

The government intention to diversify economy by other sectors than oil sector. this diversification mainly focused on the supporting of the industrial sector such as hosting the largest and integrated phosphate fertilizer facilities in the world, tourism sector and public services sectors

MINISTRY OF HOUSING

The Saudi ministry of housing has already initiated the plan of adding almost 500,000 housing units in different areas and cities within the kingdom. The step has come after the huge demand in the demand and acquisition financial obstacles of housing units by the mid to low income level social classes.

FOREIGNER OWNERSHIP

The Saudi government is currently reviewing the regulations of foreigners' ownership of housing units. The aim of this revision is to ease the procedures to enhance the residential real estate market performance by injecting liquidity in the market and absorb any market oversupplied units.

REIT FUNDS

The Real Estate Investment Trust is a new investment trend in the Saudi market which has started in early 2017. Later in this section we will indicate the rules and regulations of REIT funds which are issued by the Saudi Capital Market Authority (CMA)

RESIDENTIAL SECTOR

Currently the real estate residential market is witnessing huge demand for the acquisition of housing units. Yet, the current inflated prices slow down the transactions and waiting for these prices to be corrected and back to normal. On the other hand, the Union of Owners law still under the process which will give great boost for the apartment units in the market once approved and announced.

OFFICES & RETAIL

The retail sector has good market performance compared to other sectors and especially in the F&B sector. Yet, and recently, the retail sector witnessed some pressure when the expat taxations announced. As for the offices sector, it is noted that the rental rates in the market is decreasing, but it is expected that this sector will recover soon based on the foreigner investors new regulations.

HOSPITALITY

As an overall, the hospitality sector in Saudi Arabia supported by three main types of tourists; Business tourists (in the main cities such as Riyadh, Jeddah & Dammam), internal tourists (such as Jeddah & Taif) and above all the religious tourists (Makkah & Madinah) in the seasons of Hajj & Umra. Currently, the hospitality sector has very good performance in terms of occupancy rates, ADRs and RevPars

INDUSTRIAL SECTOR

Since one of the current major focuses of the Saudi government is to invest, expand and support the industrial sector, huge demand starts to arise among the major cities in KSA for warehouses projects and spaces. The performance of this sector is expected to continue the positive growth over the coming years supported by the needs of other sectors such as the retail sector.

4.2 REAL ESTATE MARKET YIELDS-2018

All the mentioned below yields for different sectors are based on the many different market transaction. They are also influenced by the market conditions and economic factors. The below shows the expected real estate yield rates for some major cities within the Kingdom of Saudi Arabia.



RESIDENTIAL UNITS

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	9%	9%	6.5%
Max - Avr	10%	9.5%	10.5%	10.5%	8.5%



OFFICES

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8%	7.5%	8.5%	8.5%	6.5%
Max - Avr	9.5%	9%	10%	10%	8.5%



RETAIL

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7.5%	8%	8%	6%
Max - Avr	9.5%	9%	9.5%	9.5%	8%



HOSPITALITY

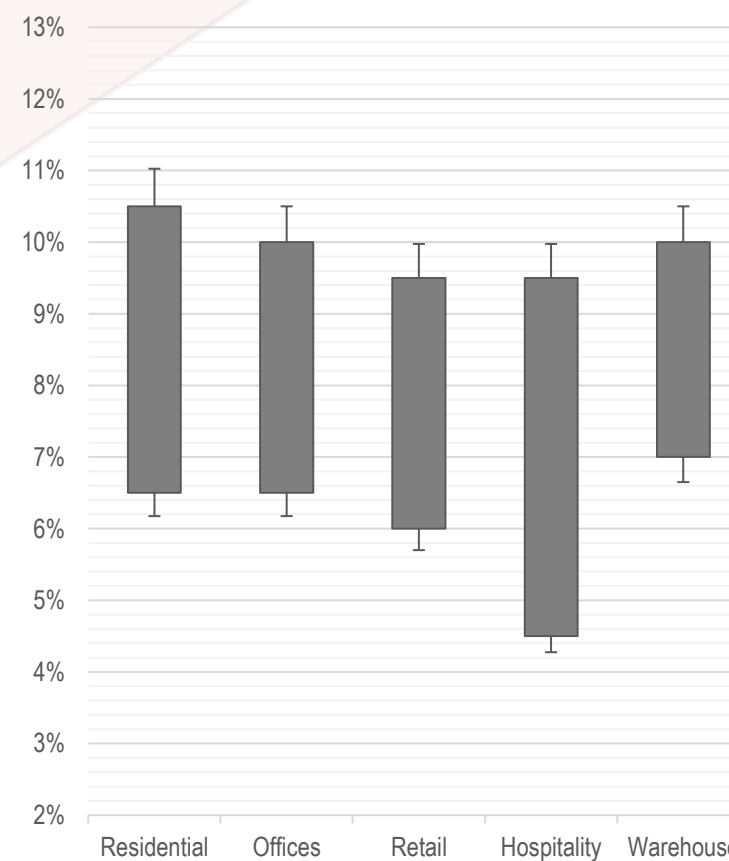
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7%	8%	8%	4.5%
Max - Avr	9%	8.5%	9.5%	9.5%	7%



WAREHOUSES

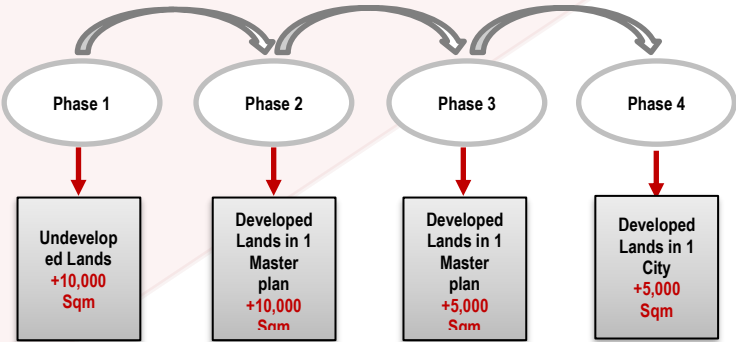
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	7.5%	7.5%	7%
Max - Avr	10%	9.5%	9%	9%	8.5%

Average Yield Rate in Major Cities



4.3 TAXATION OF UNDEVELOPED LANDS

Saudi Arabia has recently announced that it plans to levy fees against vacant land in urban areas throughout the Kingdom. Until this point, Saudi Arabia has been largely tax-free, especially with regard to real estate. The aim of this initiative is to encourage development of urban areas within the Kingdom. Development is currently slow and unappealing largely due to the cost of purchasing the land in the first instance. The cost of the land can comprise as much as 50% of the total project costs, which is due largely to vast areas of prime real estate being stockpiled by wealthy individuals and Companies with no intention of developing the land but simply holding onto the land as a store of value. This proposal is in initial stages and the true impact will fundamentally depend on the level of taxation which is imposed.



PHASES OF LAND TAXATION



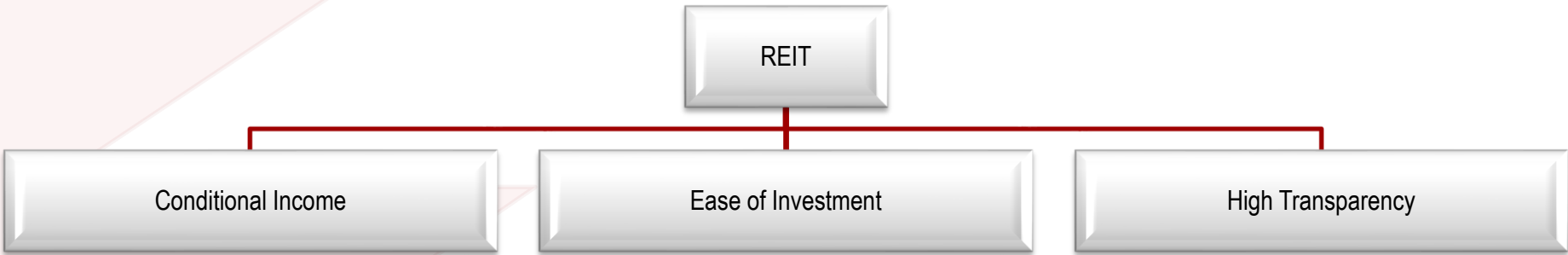


4.4 REIT DEFINITION

Real Estate Investment Traded Funds, or REITs, are financial instruments that allow all types of investors to obtain investment exposure to the Real Estate Market. This is achieved through collective ownership of constructed developed real estate qualified to generate periodic and rental income. REITs can invest locally, regionally and globally, where the total asset value outside the Kingdom shall not exceed 25% of the fund's total asset value. REITs consist of units, where each unit represents ownership in the underlying real estate. REITs are traded on the Exchange just like equities during trading hours. In addition, REITs are required to distribute at least 90% of the fund's net profits to the unit holders annually, as per the instructions issued by the Capital Market Authority (the CMA).

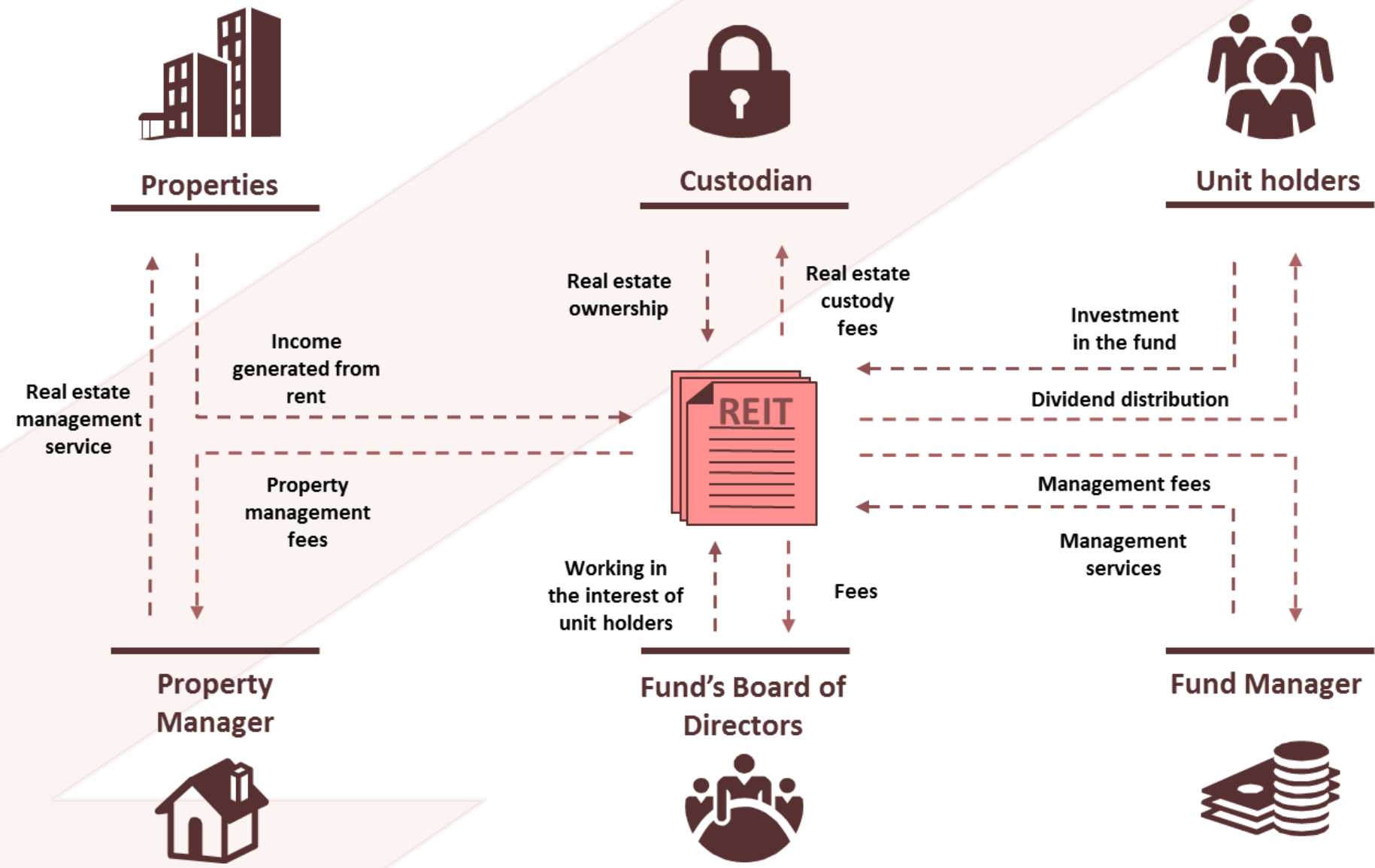
4.5 REIT SPECIFICATIONS

Assets of Investment	Real Estate Assets
Asset Type	Income Generating Asset
Fund Legal Type	Closed Ended Fund – Publicly Listed in the stock exchange
Number of Investors	Minimum of 50 investors
Initial Offer	Minimum of 100 Million SAR (will change up to 500 Million SAR)
Nomina Value of Unit	10 SAR / Unit
Assets Ownership	The assets must be registered under the name of third party (custodian) and owned by the unit holders
Distributions	At least 90% of the fund's net profits must be distributed annually to the unit holders
Leverage	The borrowing of the fund's must not exceed 50% of the total assets value of the fund
Assets Condition	At Least 75% of the assets should be income generating properties, while the remaining 25% can be under development projects.
Land Assets	No investment in vacant lands allowed.
Assets outside KSA	Not more than 25% of the assets can be included in the fund
Public Ownership	At least 30% of the total REIT units are owned by unit holders from the public





4.6 REIT STAKEHOLDERS

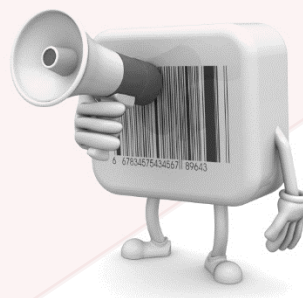


4.7 NEW TAX REGULATIONS

Saudi Arabia's move to impose various type of taxes on commodities, goods and services as well as residency and visit visa fees and charges on dependents of expats is expected to boost the Government finances. 3 major types of taxes were imposed as follows:

Selective commodity tax

Saudi Arabia officially applied the selective commodity tax on June 11, 2017. The tax will be imposed on three commodities - 100 % for tobacco and its derivatives, 100 % for energy drinks, 50 percent for soft drinks. It would be collected in one phase from the suppliers and manufacturers, and these taxes are expected to increase the Government budget revenues. Selective taxation might motivate many to quit these harmful substances instead of the huge budgets allocated annually to treat patients as a result of consuming these substances.



Increasing its prices will also reduce the number of the children and youth who will start using it, as they are the targeted category by companies producing these products. In the same context, the General Authority for Zakat and Income predicted that Saudi Arabia's revenues will reach more than \$3.2 billion (SR 12 billion Saudi riyal) annually, after imposing the selective commodity tax.

VAT in 2018

Value-added Tax (VAT) is an indirect tax. This tax may sometimes be referred to as a type of depreciation tax. In countries with a value-added tax system, most goods and services purchased and sold are charged. The Saudi Ministry of Finance will begin to impose a value-added tax to be applied in the GCC starting from 2018. It is expected to have repercussions on many economic sectors. This tax is levied on goods and services during the various stages of the supply chain, including the final selling stage indirectly, which is imposed on the difference in the cost price and the sale price of the goods, and on the cost of production



It will be imposed on all products and services, as a percentage of the value of the product, so that these companies and sales points will collect consumer taxes for the governments. The products exempted from this tax do not exceed 100 products, while the Kingdom's estimated revenues from VAT are estimated to be \$10.65 billion (40 billion Saudi riyals).

Expat Tax

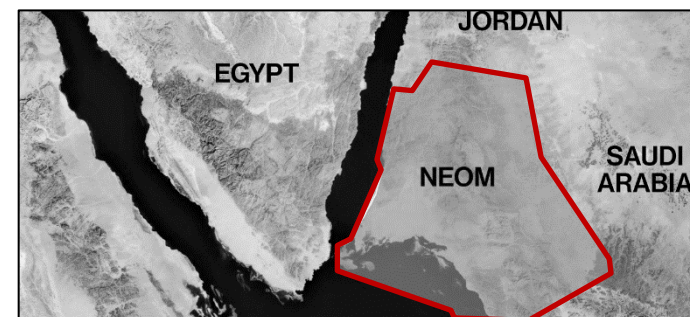
The decision to increase the residency and visitor visa fees was implemented as a step towards balancing budget revenues and expenditures by 2020. A monthly fee for expats and their companions will be applied in 2017 to expatriate workers in the Kingdom at SR 100 Saudi riyal for each facility, which aims to garner \$266 million (1 billion Saudi riyal) by the end of the year. In 2018, a monthly fee of 400 Saudi riyals will be levied on every employee in a company whose number of foreign employees exceed the number of Saudis, and 300 Saudi riyals fee on every employee in a company whose number of foreign employees is less than the number of Saudis, and 200 Saudi riyals on every person these foreign employees sponsor. Thus, it is expected to collect \$6.39 billion (24 billion Saudi riyals) in 2018, from the program of financial compensation for expats.



In 2019, the expatriate labor fees in a company whose number of foreign employees exceed the number of Saudis will be increased to 600 riyals monthly, and in sectors with a lower number of Saudis to 500 riyals per month, with an increase of each companion fees to be 300 riyals per month. This is expected to collect \$11.72 billion (44 billion Saudi riyals). In 2020, 800 Saudi riyals will be collected on every employee in a company whose number of foreign employees exceed the number of, while it will be 700 Saudi riyals for every employee in a company whose number of foreign employees is less than the number of Saudis. This is expected to collect \$17.3 billion (65 billion Saudi riyals).

4.8 THE NEW CITY OF NEOM - KSA

Saudi Crown Prince Mohammed bin Salman announced in October 2017 the launch of NEOM City, a project that aspires to be the “safest, most efficient, most future oriented, and best place to live and work” in the kingdom. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries. The project will be backed by more than \$500 billion over the coming years by Saudi Arabia. Wind and solar power will allow NEOM to be powered solely by regenerative energy, while 70 percent of the world's population will be able to reach it within eight hours.



NEOM DESTINATION OF THE FUTURE

- NEOM aspires to be the safest, most efficient, most future oriented, and best place to live and work.
- NEOM is developed independent of the Kingdom's existing governmental framework with investors, businesses, and innovators consulted at every stage of development.
- NEOM's unique location connects Asia, Europe, and Africa, will include the world's most significant and promising economic sectors.
- NEOM land expands over 26,500 km²; its location will facilitate NEOM's rapid emergence as a global hub that has the potential to bring together the best of Arabia, Asia, Africa, Europe and America.
- NEOM will be backed by more than \$500 billion over the coming years by the Kingdom of Saudi Arabia, the Saudi Arabian Public Investment Fund, local as well as international investors.



ABOUT NEOM

NEOM commands a unique location to bring together the best of Arabia, Asia, Africa, Europe and America. NEOM resides in the Northwestern region of Saudi Arabia, and spans over 26,500 km². Overlooking the waterfront of the Red Sea to the South and the West, and the Gulf of Aqaba, NEOM enjoys an uninterrupted coastline stretching over 468 km, with a dramatic mountain backdrop rising to 2,500 m to the East. A constant breeze leads to mild temperatures. The wind and sun will allow NEOM to be powered solely by regenerative energy.

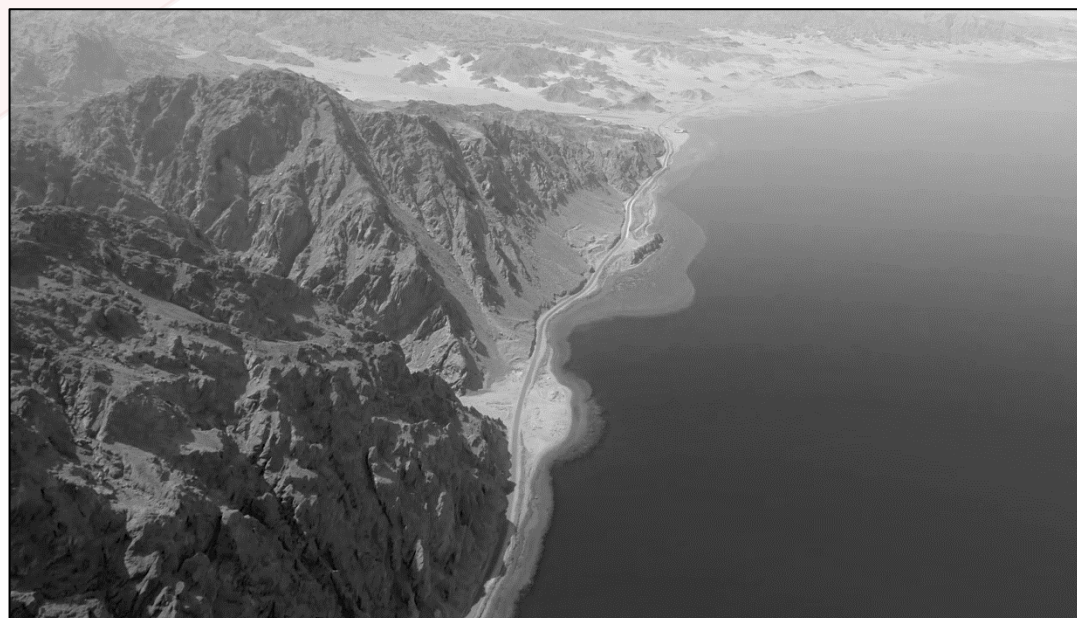
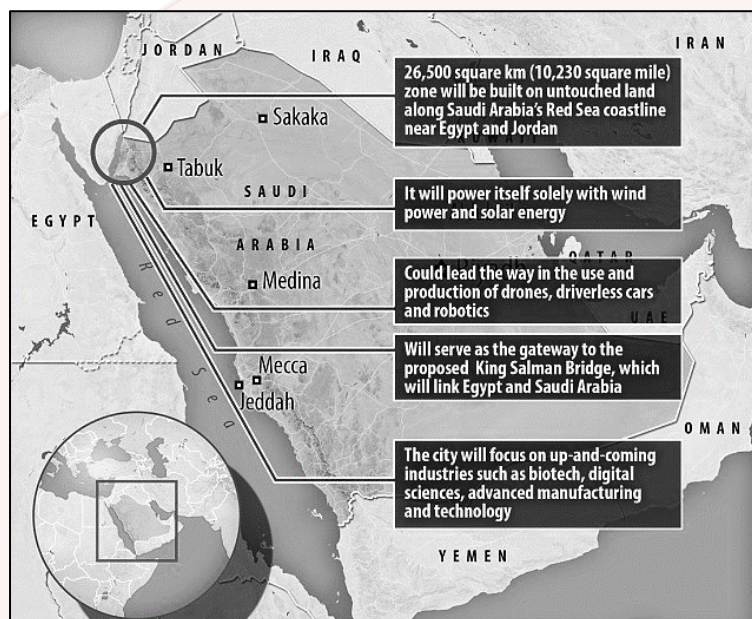
NEOM is situated on one of the world's most prominent economic arteries, through which nearly a tenth of the world's trade flows. Its strategic location will also facilitate the zone's rapid emergence as a global hub that connects Asia, Europe and Africa, enabling 70% of the world's population to reach it in under eight hours, which brings the potential to combine the best of major global regions in terms of knowledge, technology, research, teaching, learning, living and working. The site will also become the main entrance to the King Salman Bridge, linking Asia and Africa, which will add to the zone's economic significance. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries.

Investments and financing will play a vital role in NEOM, set to be spearheaded by the Kingdom's economy and supported by the Public Investment Fund (PIF) – a major global fund with access to a worldwide network of investors and major companies – set to be brought onboard to drive the success of NEOM. With the ambition of becoming one of the world's future economic and scientific capitals, in addition to be the future commerce capital of Saudi Arabia, NEOM is set to attract new foreign direct investment that will contribute to PIF's long-term growth strategy aimed at strengthening the Saudi Arabian economy. NEOM is developed to be independent of the Kingdom's existing governmental framework, excluding sovereignty.

NEOM will adopt a regulatory framework that fosters technological as well as societal innovation and entrepreneurship in accordance with international best practices. Investors, businesses, and innovators will be consulted at every step of the development in how best to create the economic framework, design the urban plans, and attract top quality talent that will drive the growth of this zone and its resident population.

NEOM will achieve its ambitious goals of becoming among the top secure areas in the world – if not the most– by adopting the future technologies in the fields of security and safety. This will raise the standards of public life activities and ensure the safety and protection of residents, visitors, and investors. All services and processes in NEOM will be 100% fully automated, with the goal of becoming the most efficient destination in the world, and in turn be implemented on all activities such as legal, government, and investment procedures among others. Additionally, NEOM will be subject to the highest sustainability standards, and will provide all transactions, procedures, and claims through paperless and electronic means.

A new concept for the workforce will be implemented, based on attracting high-caliber human resources with unique competencies for full-time innovation, decision making and business leadership. Repetitive and arduous tasks will be fully automated and handled by robots, which may exceed the population, likely making the NEOM's GDP per capita the highest in the world. All these elements will put NEOM at the world's forefront in terms of efficiency which will make it the best destination in the world to live in.



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**AL ANDALUS BUILDING
AL RAJHI REIT FUND**

DECEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-404-1
Date: 31/12/2019
M/S Al Rajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 828 4502
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Al Andalus Building in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 27, 2019 for valuation service of the commercial project (Al Andalus Building) located in Jeddah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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

License No. 1220000263
License No. MIE00394
License No. 20100112

Member of the Saudi Authority of Accredited Valuers (Taqeem)

License No. 1210000474



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The information included in this report has been obtained and collected from external sources generally known to be reliable. However, no warranty given in respect to the accuracy of these information. We would like to be informed of any inaccuracies so that we may correct them.

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





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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

1.1 INSTRUCTION

We have received instruction from AL RAJHI REIT FUND dated on November 27, 2019 to proceed with the valuation service for Al Andalus Building in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al Rajhi REIT Fund
Property Type	Offices
Property Name	Al Andalus Building
Location	KSA, Jeddah

1.2 CLIENT

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

Client Name	Al Rajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Abdulaziz Al-Turki
Contact No.	+966 (11) 211 9318

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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



1.6 STRUCTURAL STABILITY (IF ANY)

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

1.8 VALUATION STANDARDS

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

1.9 PURPOSE OF VALUATION

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

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Depreciated Replacement Cost (DRC) & The Discounted cash Flow (DCF) Method.



1.10 CLIENT APPROVAL DATE

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

November 27, 2019.

1.11 INSPECTION DATE

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

November 29, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.

1.14 INSPECTION ROLE

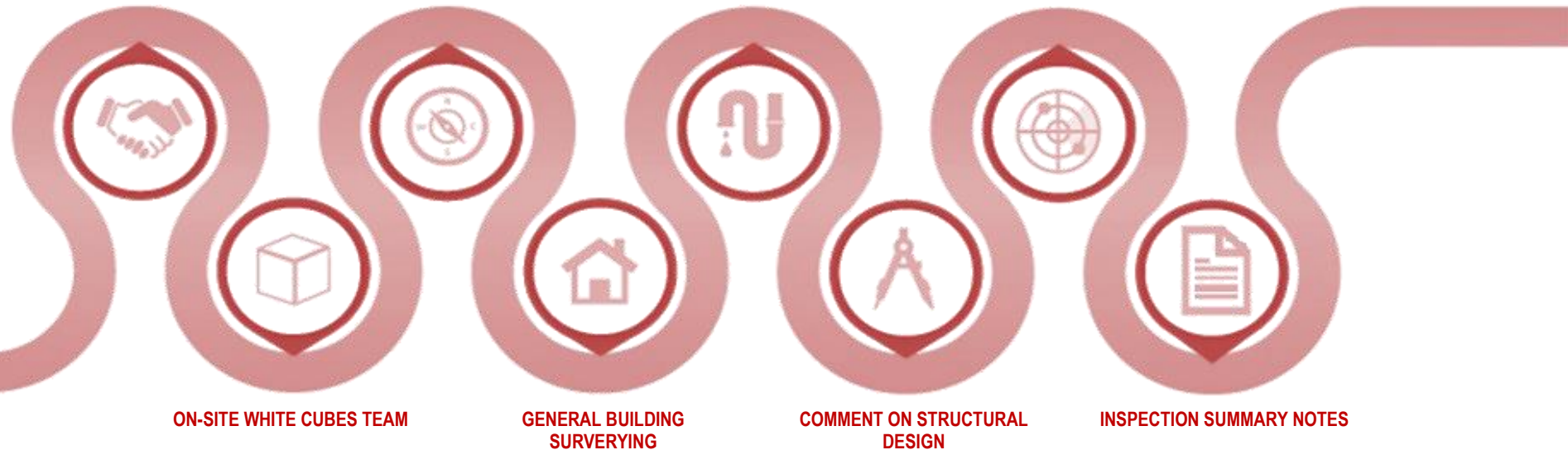
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

**GENERAL BUILDING
SURVEYING**

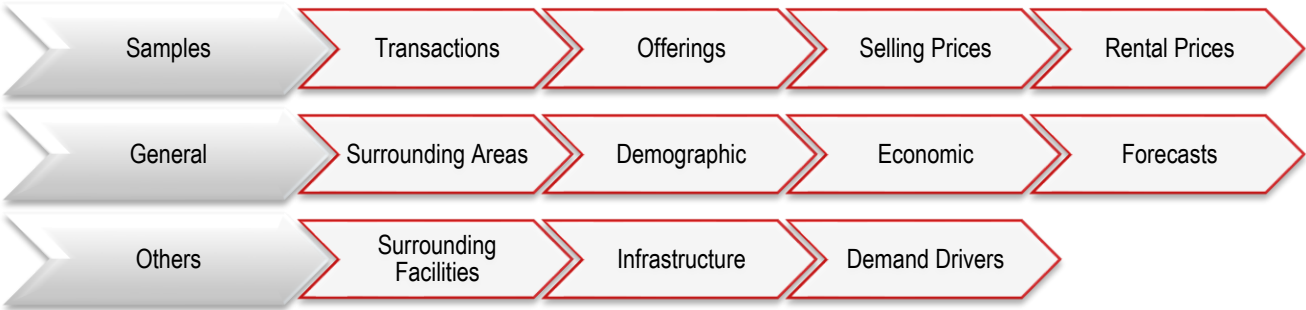
**COMMENT ON STRUCTURAL
DESIGN**

INSPECTION SUMMARY NOTES



1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

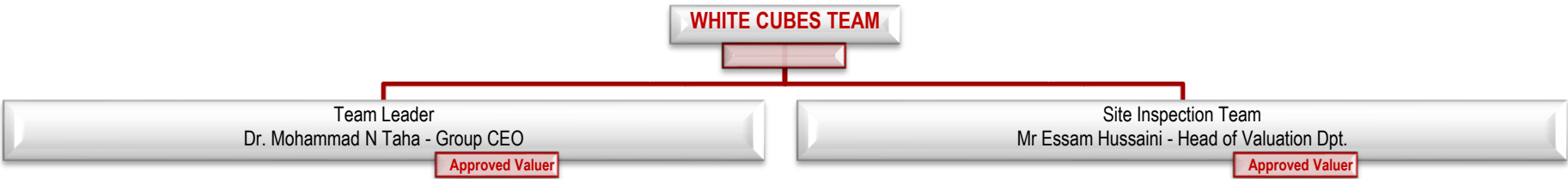
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

AN ASSET SHOULD EXCHANGE

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

ON THE VALUATION DATE

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

BETWEEN WILLING BUYER

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

AND WILLING SELLER

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM'S LENGTH TRANSACTION

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

AFTER PROPER MARKETING

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

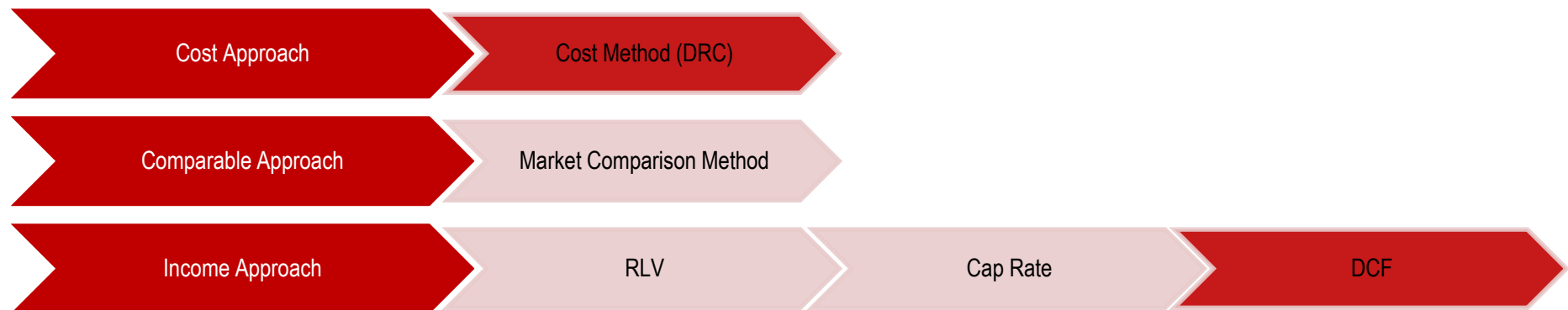
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.





1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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

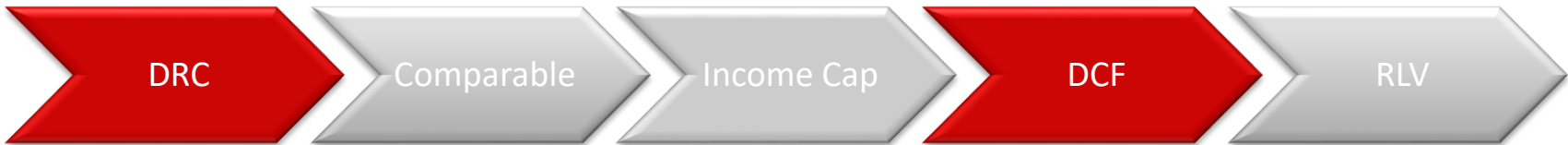


RESIDUAL LAND VALUE (RLV)

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

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

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



1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

No	If Yes	Remarks
✓	Client Date	
✓	AlRajhi Capital June 2019	
✓		

1.27 CONFIDENTIALITY

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

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



1.28 ENVIRONMENTAL MATTERS

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

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

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

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

PROPERTY INFO

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



WHITE CUBES
VALUATION & ADVISORY SERVICES



2.1 PROPERTY DESCRIPTION

The subject property is a commercial tower known as Al Andalus Building, located in Ar Ruwais district, Jeddah city, it has a total land area of 9,565.85 Sqm and a total BUA of 33,426.34 Sqm, and composed of 8 floors, mezzanine, basement, includes 12 showrooms & 133 offices. Al Andalus Building is open on 4 sides with a direct view on Al Andalus Road where all the infrastructure facilities such as water, electricity, telecommunication are sewage are available in the surrounding and connected to the subject property.

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



2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed commercial building. The Client has provided us with a copy of the Construction Permit with the below details:

Subject Property	
Construction Permit Type	N/A
Property Type	N/A
Construction Permit No.	1358
Construction Permit Date	19/06/1430 H. D
Permit Expiry Date	N/A

Source of Information	
Source of BUA	Construction Permit
Actual Age	Construction Permit
Status of The Property	Fully Constructed

Boundaries	
North	Al Maadi Street (34m Width / 75m Length)
South	Fid al Ahsan Street (12m Width / 91m Length)
East	Fayd As Samaa Street (12m Width / 103.24m Length)
West	Al Andalus Road (80m Width / 109m Length)
Notes	<p>The client has provided us with copy of the Title Deed which was assumed to be correct and authentic.</p> <p>It is not in our scope to run legal diagnosis on any legal document.</p>





2.4 LEASING CONTRACTS

The client has informed us that the subject property is currently leased for several tenants with a total amount of for the 12,493,846.04 Sqm for offices and showrooms which have a total of a 15,276.00 Sqm and an occupancy rate of 80%.

2.5 LAND SPECS

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

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

2.6 INFRASTRUCTURE FACILITIE

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

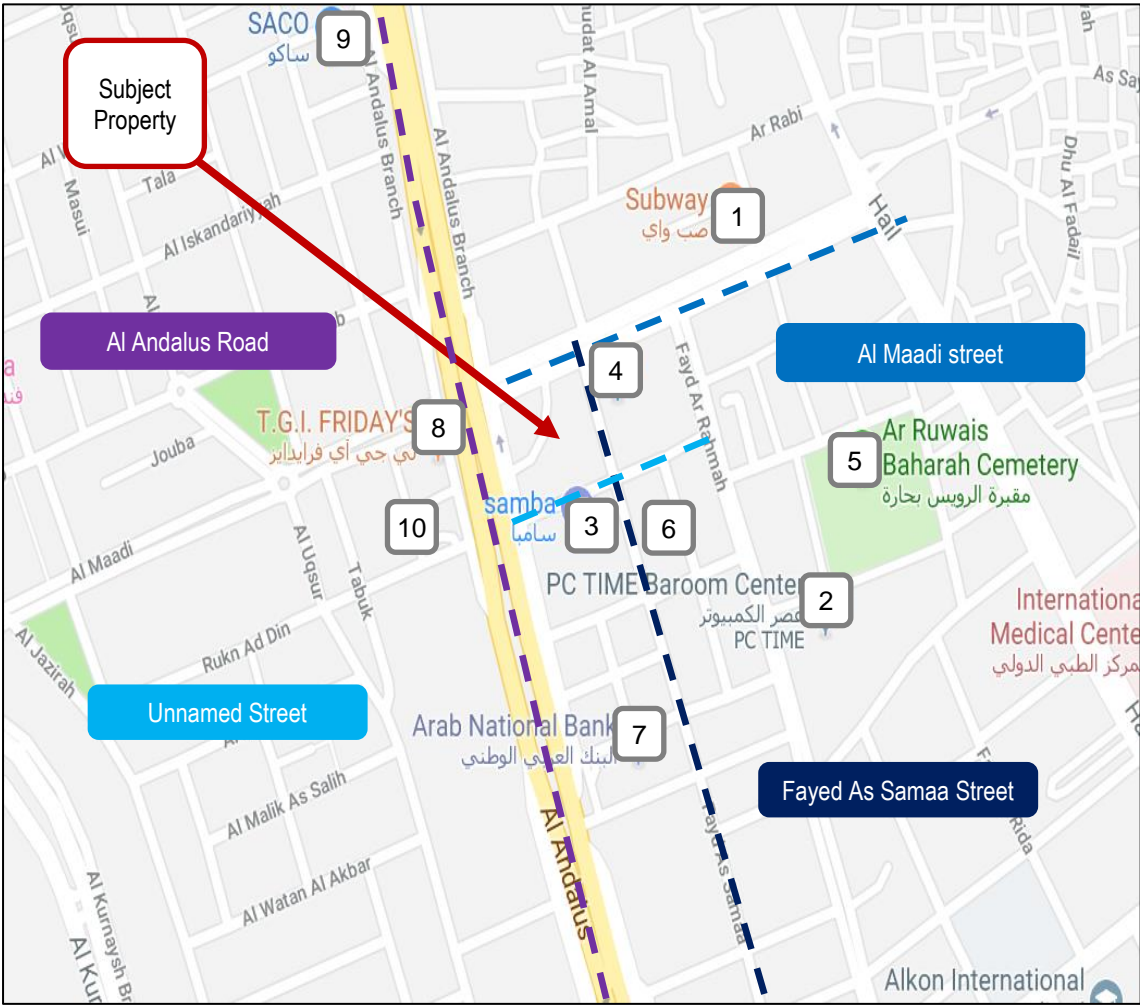
All the infrastructural facilities are available in the surroundings and connected to the subject property.





2.7 LOCATION

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



ACCESS TO SUBJECT PROPERTY

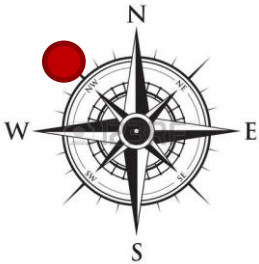
The subject property can be accessed through the following roads:

- North Side: Al Maadi Street
- South Side: Unnamed Street
- East Side: Fayed As Samaa Street
- West Side: Al Andalus Road

LAND MARKS

- 1- Subway (0.3 Kilometres)
- 2- PC TIME barroom Center (0.35 Kilometres)
- 3- Samba (0.01 Kilometres)
- 4- United Matbouli Group (0.1 Kilometres)
- 5- Ar Ruwais Baharah Cemetery (0.35 Kilometres)
- 6- Faith Charity Association for Cancer Care (0.15 Kilometres)
- 7- Arab National Bank (0.3 Kilometres)
- 8- T.G.I. FRIDAY'S (0.1 Kilometres)
- 9- SACO (0.4 Kilometres)
- 10- Hardee's (0.1 Kilometres)

Location of the subject property according to the City Center



2.8 PHOTO RECORD

Date of Photos: November 29, 2019





2.9 DOCUMENTS RECEIVED

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

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

2.10 GENERAL ASSUMPTIONS

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






2.11 SWOT ANALYSIS

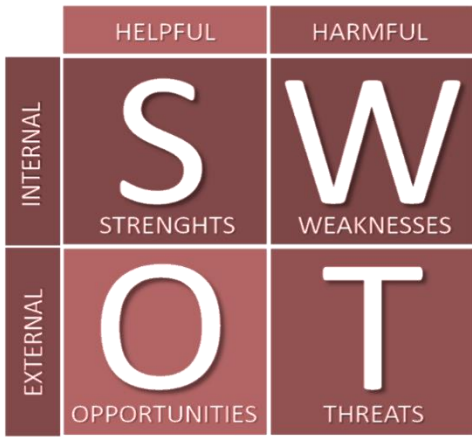
<p>Strength</p> <ul style="list-style-type: none">- Open on 4 sides.- Direct view on main road (Al Andalus Road).- The property has a regular land shape.	<p>Weakness</p> <ul style="list-style-type: none">- None.
<p>Opportunities</p> <ul style="list-style-type: none">- Located in high-density residential district.- Surrounded by several landmarks.- High demand on the property type.	<p>Threats</p> <ul style="list-style-type: none">- Potential similar projects in the same area.

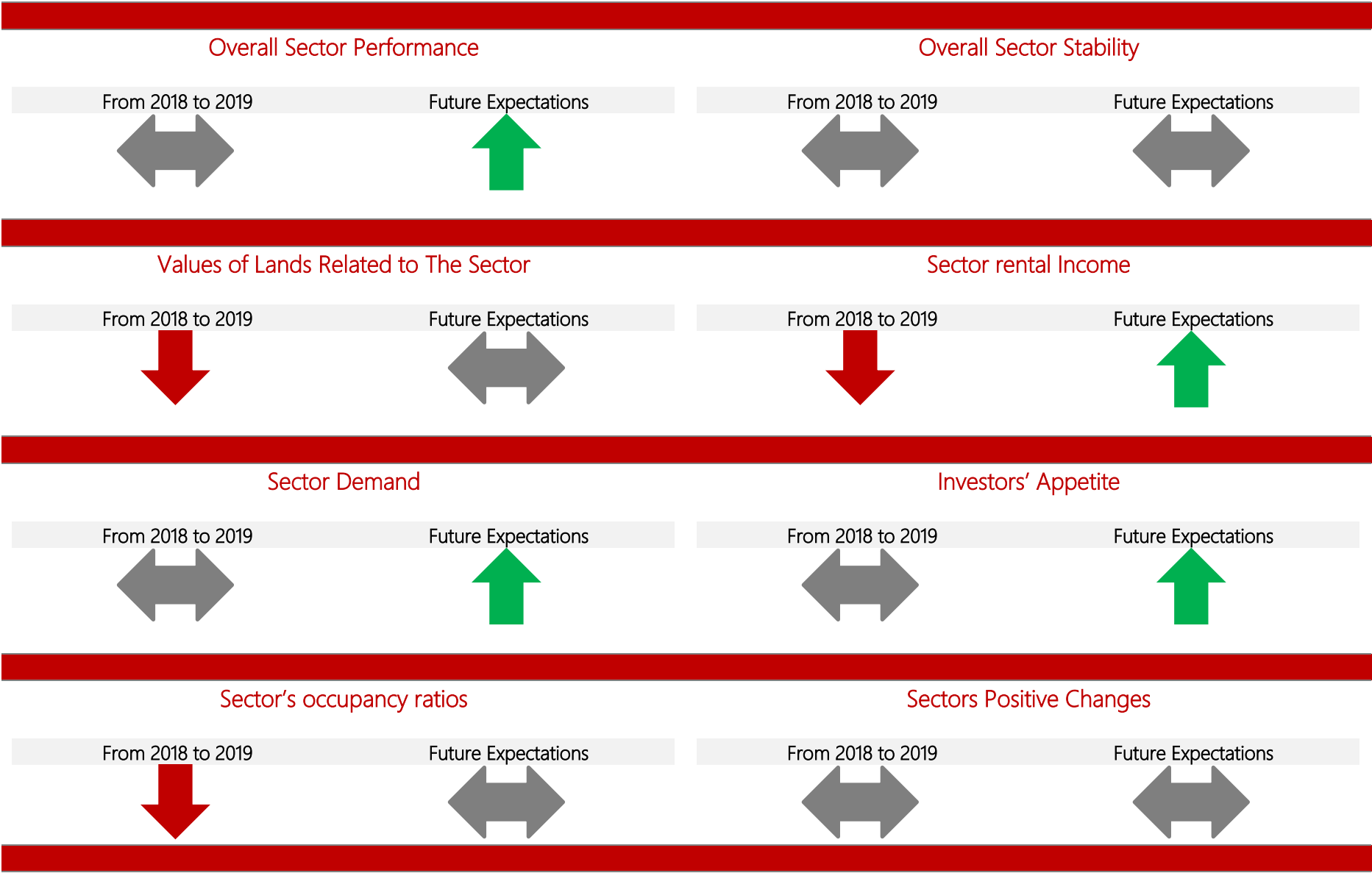
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.12 SECTOR BRIEF

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

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





White Cubes Team's Analysis



2.13 RISK ANALYSIS

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

Risk Category 17 Risk Points – Medium Risk

Sector Analysis

Risk Category- 17 Risk Points – Medium Risk

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	✓	-----	-----	-----
Location	-----	✓	-----	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	✓	-----	-----	-----
Total Risk	0	8	0	0	0

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

Risk Category 6 Risk Points – Minimal Risk




Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

2.14 INPUT EVALUATION PROCESS

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



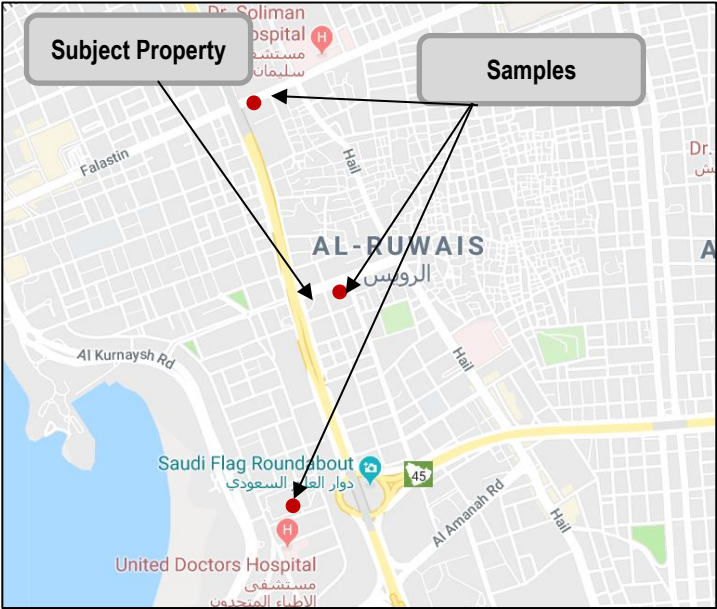
-  This research boundary refers to the areas surrounding the subject property directly
-  This research boundary refers to the areas adjacent to the subject property
-  This research boundary refers to a wider area of research in the absence of information surrounding the subject property



2.1 COMPARABLE (LANDS)

As per the site inspection done by our team, the average prices for similar properties falls in the range between SAR 8,000 to 13,500 SAR per Square Meter with land areas between (650 – 10,000) Sqm.

LAND			
PROPERTY NO.	LAND AREA (SQM)	SAR/SQM	RANTAL VLUE
1	650.00	SAR 12,000	SAR 6,720,000
2	2,500	SAR 13,500	SAR 33,750,00
3	2,731	SAR 8,500	SAR 23,213,500
4	8,000	SAR 8,000	SAR 64,000,000
5	10,000	SAR 6,500	SAR 65,000,000



The average of the market is almost SAR 7,000 per square meter.

2.2 COST APPROACH (DRC)

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

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

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

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

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

As for the subject property, we will use 20% developer profit rate.

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
461	9,565.85	SAR 7,000	SAR 66,960,950
Building			
	Unit	No of Floors	Total BUA
	Sqm	10	33,426.34
Total BUA			
Total (SQM)	33,426.34		



Ground Floor					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	33,426.34	SAR 1,200	SAR 40,111,608	100%	SAR 40,111,608
Electro Mechanic	33,426.34	SAR 500	SAR 16,713,170	100%	SAR 16,713,170
Finishing	33,426.34	SAR 900	SAR 30,083,706	100%	SAR 30,083,706
Fit outs & Appliances	33,426.34	SAR 0	SAR 0	100%	SAR 0
Furniture	33,426.34	SAR 0	SAR 0	100%	SAR 0
Total			SAR 86,908,484	100.00%	SAR 86,908,484
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	9,565.85	SAR 50	SAR 478,293	100%	SAR 478,293
External Landscape	-23,860.49	SAR 50	-SAR 1,193,025	100%	-SAR 1,193,025
Fences	0.00	SAR 0	SAR 0	100%	SAR 0
Site Improvements	-23,860.49	SAR 125	-SAR 2,982,561	100%	-SAR 2,982,561
Total			-SAR 3,697,293	100.00%	-SAR 3,697,293
	Actual Completion %			Total BUA	33,426.34
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 83,211,191
General Site Dev.	100.00%			Average SAR / Sqm	SAR 2,489
				Overall Completion	100.00%
SOFT COSTS ESTIMATES					
		Total Hard Cost		Ratio	Soft Cost
Design		SAR 83,211,191		1.00%	SAR 832,111.91
Eng Consultant		SAR 83,211,191		1.00%	SAR 832,111.91
Management		SAR 83,211,191		2.50%	SAR 2,080,279.77
Contingency		SAR 83,211,191		2.50%	SAR 2,080,279.77
Others		SAR 83,211,191		0.00%	SAR 0.00
TOTAL					SAR 5,824,783.35
DEVELOPMENT VALUE					
Hard Cost	SAR 83,211,191		Economic Age		40
Soft Cost	SAR 5,824,783		Annual Dep Rate		2.50%
Total Dev Cost	SAR 89,035,974				
			Actual Age		7
Net Dep Rate	17.50%		Total Dep Rate		17.50%
Dev Cost After Depreciation	SAR 73,454,679		Add Appr Rate		0.00%
			Net Dep Rate		17.50%
Total Completion Rate	100.00%				
Developer Profit Rate @ 20%	20.0%				
Dev. Profit Amount	SAR 14,690,936				
Development Value	SAR 88,145,614				
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 88,145,614	SAR 76,526,800	SAR 164,672,414		SAR 164,700,000	

2.3 DISCOUNTED CASH FLOW – LEASING CONTRACT

Cash Flow		0	1	2	3	4	5	6	7	8	9	10
		0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected Revenues												
Total	SAR	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267
Overall Revenues		16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267	16,240,267
Vacancy Rates												
		23%	12.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Vacancy Rates		3,735,261	1,948,832	812,013	812,013	812,013	812,013	812,013	812,013	812,013	812,013	812,013
Total		3,735,261	1,948,832	812,013	812,013	812,013	812,013	812,013	812,013	812,013	812,013	812,013
Expenses												
Management	0.5%	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201
Utilities	0.5%	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201	81,201
Operation	2.5%	406,007	406,007	406,007	406,007	406,007	406,007	406,007	406,007	406,007	406,007	406,007
Overall Expenses		568,409	568,409	568,409	568,409	568,409	568,409	568,409	568,409	568,409	568,409	568,409
NOI		11,936,596	13,723,026	14,859,844	14,859,844	14,859,844	14,859,844	14,859,844	14,859,844	14,859,844	14,859,844	14,859,844
Terminal Value @ -----> 6.5%												228,612,989
Discount Rate	9.00%	1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	0.50	0.46	0.42
Present Value		11,936,596	12,589,932	12,507,234	11,474,526	10,527,088	9,657,879	8,860,440	8,128,844	7,457,655	6,841,885	102,845,556
Market Rate / Net Present Value												202,827,635
												202,827,000

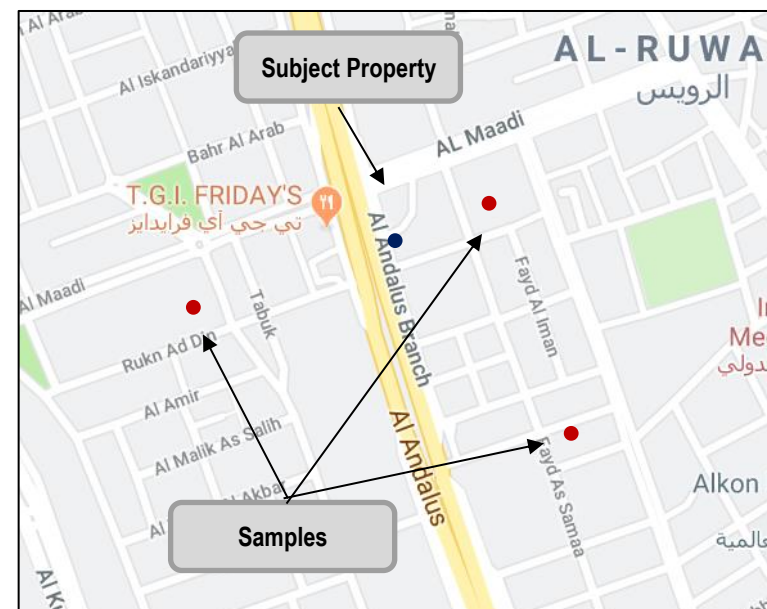
1. The client has provided us with the total expected and actual revenues of the subject property.
2. We have applied 5% increase every 3 years for the same units in case of renewal.
3. We Have assumed 23% vacancy rate for the current year and 3.5% OPEX in the above mentioned DCF model.
4. The discount rate and the terminal value rate used in the DCF Approach were based on the current market conditions and expected risk factors.

2.4 MARKET RATES (OFFICES SECTOR)

As per the site inspection done by our team, the average rental rates for similar properties fall in the range between SAR 500 to 550 SAR per Square Meter with office areas between (20- 150) Sqm. The average of the market is almost SAR 520 per square meter as shown below:

OFFICES (16 -150) Sqm			
PROPERTY NO.	OFFICE AREA (SQM)	SAR/SQM	RANTAL VLUE
1	50	SAR 550	SAR 27,500
2	125	SAR 500	SAR 62,500
3	60	SAR 525	SAR 31,500
4	417	SAR 500	SAR 208,500
5	347	SAR 403	SAR 139,841

Based on the quality and location of these samples and in comparison with the subject property, we will apply an adjustment rate of +20% ta match the quality of construction and finishing of the subject property. therefore, the average rental rate will be around 650 SAR / Sqm.



SHOWROOMS

As per the site inspection done by our team, the average rental rates for similar properties fall in the range between SAR 700 to 900 SAR per Square Meter with showrooms areas between (200-320) Sqm. The average of the market is almost SAR 800 per square meter as shown below:

SHOWROOMS (200 - 420) Sqm			
PROPERTY NO.	SHOWROOMS AREA (SQM)	SAR/SQM	RANTAL VLUE
1	200	SAR 700	SAR 140,000
2	315	SAR 900	SAR 283,500
3	285	SAR 840	SAR 239,400

Based on the quality and location of these samples and in comparison with the subject property, we will apply an adjustment rate of +20% ta match the quality of construction and finishing of the subject property. therefore, the average rental rate will be around 1,000 SAR / Sqm.



2.5 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Value in Numbers	Value in Letters
DRC Approach	SAR 164,700,000	One Hundred Sixty-Four Million Seven Hundred Thousand.
DCF	SAR 202,827,000	Two Hundred and Two Million Eight Hundred Twenty-Seven Thousand.

2.6 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the DCF Approach is:

Property Value: **202,827,000 SAR**
Two Hundred and Two Million Eight Hundred Twenty-Seven Thousand Saudi Riyals.

2.7 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.8 DISCLAIMER

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

2.9 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

Essam Hussaini
Site Inspection Check



Member of (Taqeem)
License No. 1210000474

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





WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**JARIR BOOKSTORE
AL RAJHI REIT FUND**

DECEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-404-2
Date: 31/12/2019
M/S Al Rajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 828 4502
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Jarir Bookstore located in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 27, 2019 for valuation service of the commercial project (Jarir Bookstore) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

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

License No. 1220000263
License No. MIE00394
License No. 20100112

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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



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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

1.1 INSTRUCTION

We have received instruction from AL RAJHI REIT FUND dated on November 27, 2019 to proceed with the valuation service for Jarir Bookstore in Riyadh city.

Valuation Type	Real Estate
Instructions From	Al RAJHI REIT Fund
Property Type	Commercial
Property Name	Jarir Bookstore
Location	KSA, Riyadh

1.2 CLIENT

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

Client Name	Al Rajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Abdulaziz Al-Turki
Contact No.	+966 (11) 211 9318

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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



1.6 STRUCTURAL STABILITY (IF ANY)

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

1.8 VALUATION STANDARDS

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

1.9 PURPOSE OF VALUATION

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

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Depreciated Replacement Cost (DRC) & The Discounted cash Flow (DCF) Method.



1.10 CLIENT APPROVAL DATE

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

November 27, 2019.

1.11 INSPECTION DATE

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

November 29, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.

1.14 INSPECTION ROLE

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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

**GENERAL BUILDING
SURVEYING**

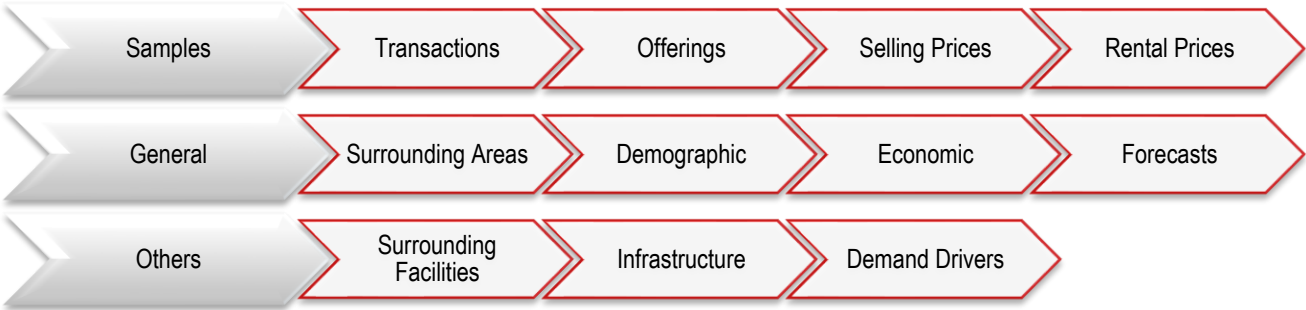
**COMMENT ON STRUCTURAL
DESIGN**

INSPECTION SUMMARY NOTES



1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

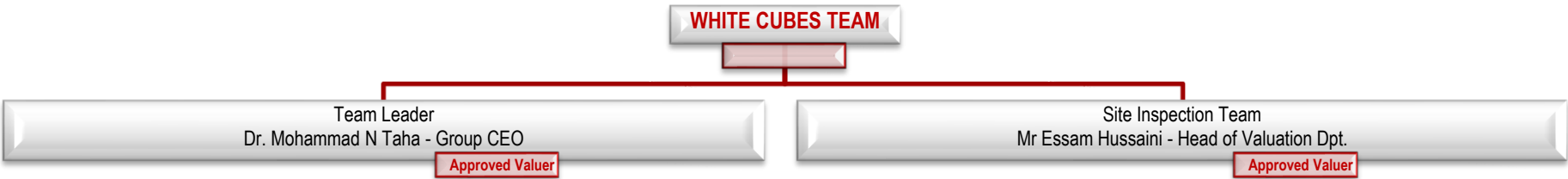
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

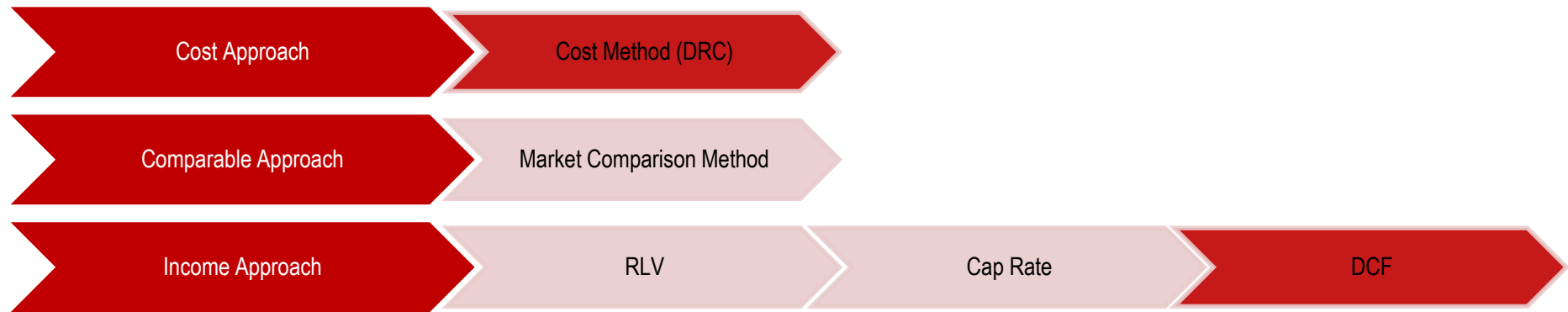
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.





1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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

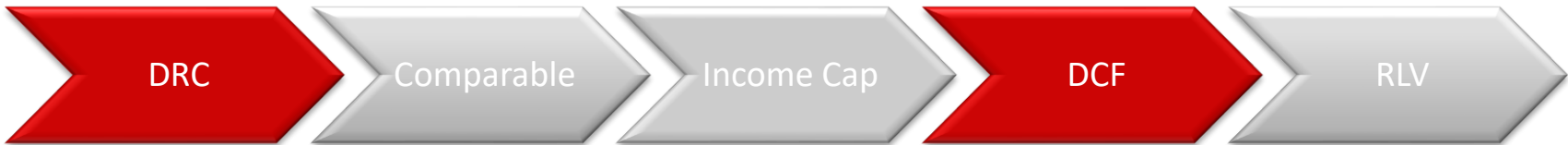


RESIDUAL LAND VALUE (RLV)

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

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

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





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

No	If Yes		Remarks
	Client	Date	
✓	AlRajhi Capital	June 2019	_____
✓	_____	_____	_____
✓	_____	_____	_____

1.27 CONFIDENTIALITY

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

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



1.28 ENVIRONMENTAL MATTERS

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

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

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

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

PROPERTY INFO

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



WHITE CUBES
VALUATION & ADVISORY SERVICES



2.1 PROPERTY DESCRIPTION

The subject property is a commercial building located in Al Malaz district, Riyadh city, it has a total land area of 4,953.00 Sqm, a total BUA of 9,162.00 Sqm, and composed of 4 floors, 2 elevators with parking area.
As per the site inspection done by our team, Al Jarir Bookstore is open on 3 sides from the North, East and West with a direct view on Al Ahsa Road where all the infrastructure facilities such as water, electricity, telecommunication are sewage are available in the surrounding and connected to the subject property.

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



2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed commercial building. The Client has provided us with a copy of the Construction Permit with the below details:

City	Riyadh
District	Al Malaz
T.D Type	N/A
T.D Number	710117025095
T.D Date	13/06/1435 H. D
T.D Value	N/A
Date of Last Transaction	13/03/1437 H. D
Issue from	Riyadh Notary
Land Area	4,953.00
Plot No.	1 – 2 – 3 - 4
Block No.	N/A
Layout No.	315
Boundaries	
North	Al Imam Abdullah Ibn Thaniyah Al Saud Street (76.2m Length)
South	Plot No. 5 & 6 (76.2m Length)
East	Al Hamidat Street (20m Width / 65m Length)
West	Al Ihsa Street (40m Width / 65m Length)
Notes	The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

Subject Property				
Construction Permit Type		N/A		
Property Type		N/A		
Construction Permit No.		2721497		
Construction Permit Date		7/11/1413 H. D		
Permit Expiry Date		N/A		

Description	No. of Units	Area (sqm)	Use
Ground Floor	-	2,831.00	Offices
First Floor		2,831.00	Offices
Second Floor		1,750.00	Offices
Annexes		1,750.00	Offices
Fences	-	76	Services
Total BAU (sqm)		9,162.00	

Source of Information	
Source of BUA	Construction Permit
Actual Age	Construction Permit
Status of The Property	Fully Constructed





2.4 PROJECT COMPONENTS

The client provided us with a document showing the components of the subject property as follows:

UNIT NO.	AREA
305	383
301-304	1,143
204	348
205	
2	320
203	-
202	-
201	324
ATM	-
101+102	1,172
G1	306
Showroom	-

2.5 LEASING CONTRACT

The client has provided us with a document showing that Jarir Bookstore is currently leased for several tenants with a total GLA of a 7,497.0 Sqm (offices & Showrooms) and an occupancy rate of 91.34%.





2.6 LAND SPECS

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

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

2.7 INFRASTRUCTURE FACILITIES

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

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





2.8 LOCATION

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



ACCESS TO SUBJECT PROPERTY

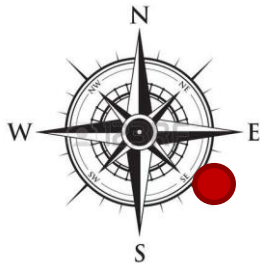
The subject property can be accessed through the following roads:

- North Side: Al Imam Abdullah ibn Thaniyah Street
- East Side: Al Hamidat Street
- West Side: Al Ihsa Road

LAND MARKS

- 1- Tamimi Markets (0.12 Kilometres)
- 2- Boudl (0.3 Kilometres)
- 3- Pizza Hut (0.15 Kilometres)
- 4- Starbucks Caffee (0.15 Kilometres)
- 5- BACS Headquarters (0.25 Kilometres)
- 6- Aljomaih Bottling Plant (0.6 Kilometres)
- 7- AlRajhi Takaful (1.05 Kilometres)
- 8- Riyadh Bank (0.5 Kilometres)
- 9- Waleed Rehabilitation Center (0.45 Kilometres)
- 10- Ecole International Dina (0.6 Kilometres)

Location of the subject property according to the City Center





2.9 PHOTO RECORD

Date of Photos: November 29, 2019





2.10 DOCUMENTS RECEIVED

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

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Location Map
Location Link ✓	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost – OPEX
Leasing Contract ✓	Income & Revenues	Others

2.11 GENERAL ASSUMPTIONS

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






2.12 SWOT ANALYSIS

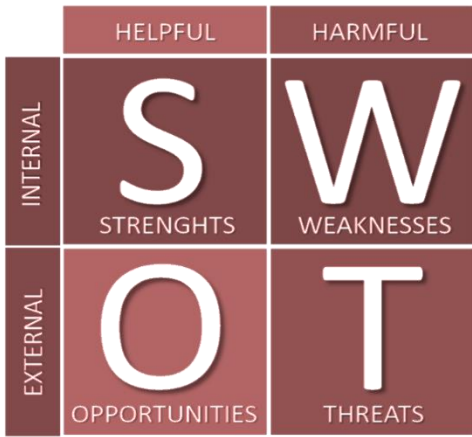
<p>Strength</p> <ul style="list-style-type: none">- Open on 3 sides.- Direct view on main road (Al Ahsa road).- Parking is available.- The property has a regular land shape.	<p>Weakness</p> <ul style="list-style-type: none">- None.
<p>Opportunities</p> <ul style="list-style-type: none">- Located in high-density residential district.	<p>Threats</p> <ul style="list-style-type: none">- Potential similar projects in the same area.

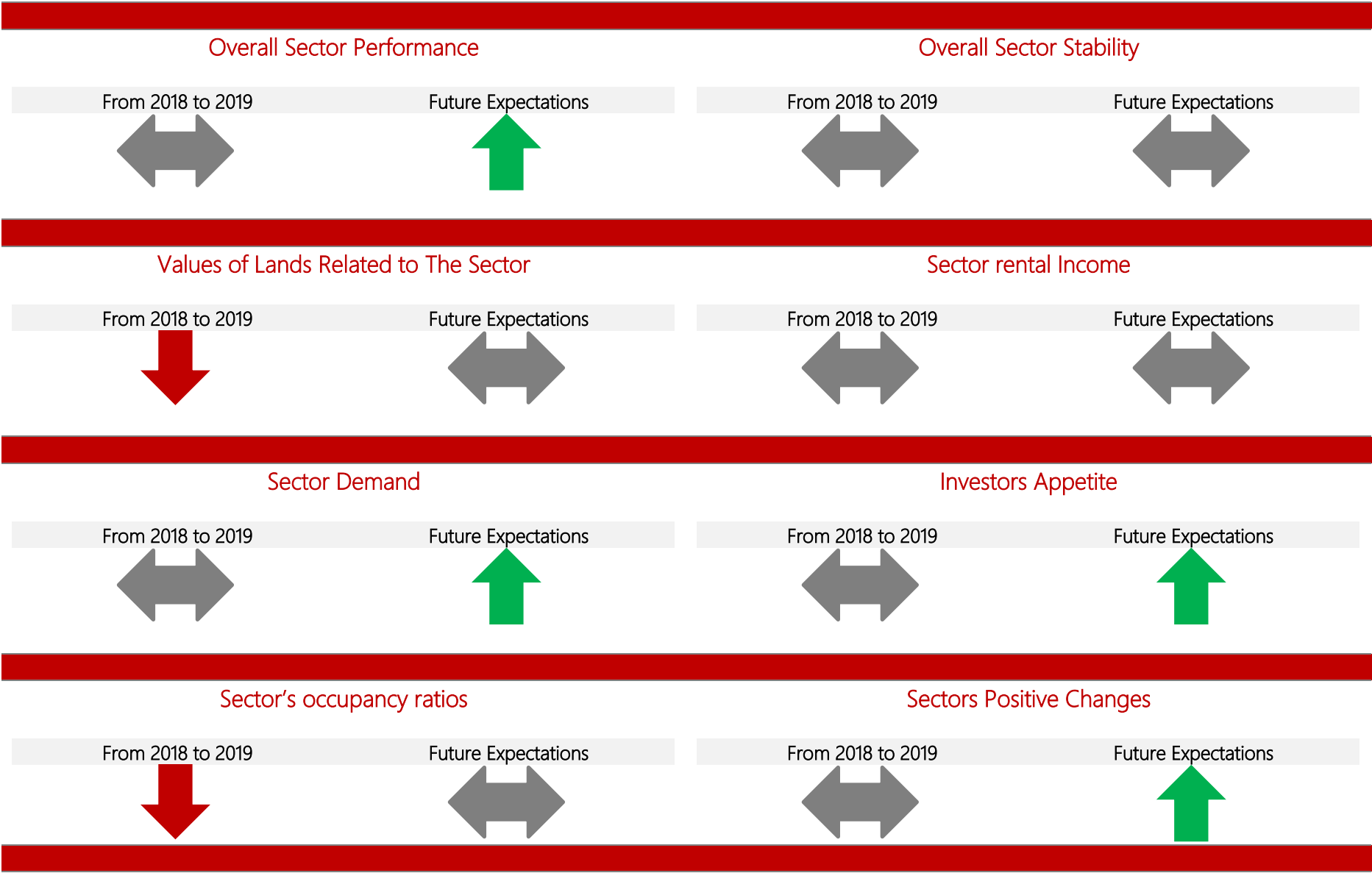
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.13 SECTOR BRIEF

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

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





White Cubes Team's Analysis

2.14 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	15	0	0
Risk Category	17 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 17 Risk Points – Medium Risk

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

Land Analysis

Risk Category- 9 Risk Points - Minimal Risk

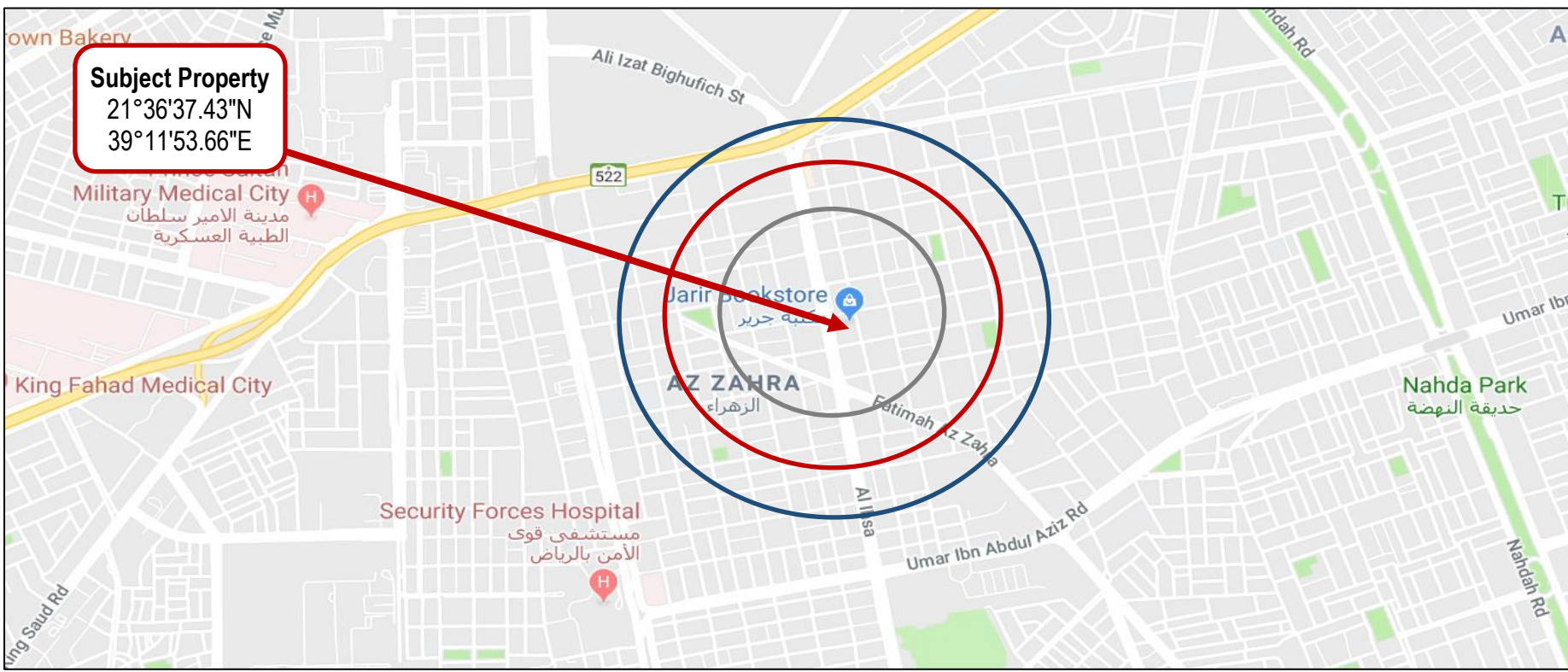
Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	-----	✓	-----	-----
Management Skills	✓	-----	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	1	2	3	0	0
Risk Category	6 Risk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




Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

2.15 INPUT EVALUATION PROCESS

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



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

2.16 LAND VALUE – COMPARABLE

According to the market survey done by our team, the average prices for similar properties falls in the range between SAR 6,000 to 8,000 SAR per Square Meter with land areas between (900- 7,000) Sqm. The average range for the market is almost SAR 7,000 per square meter.

#	LAND AREA (SQM)	SAR/SQM	TOTAL VALUE
1	5,000	SAR 8,000	SAR 40,000,000
2	941	SAR 5,000	SAR 4,705,000
3	4,000	SAR 8,500	SAR 34,000,000
4	7,000	SAR 7,500	SAR 52,500,000

2.1 RENTAL MARKET RATES

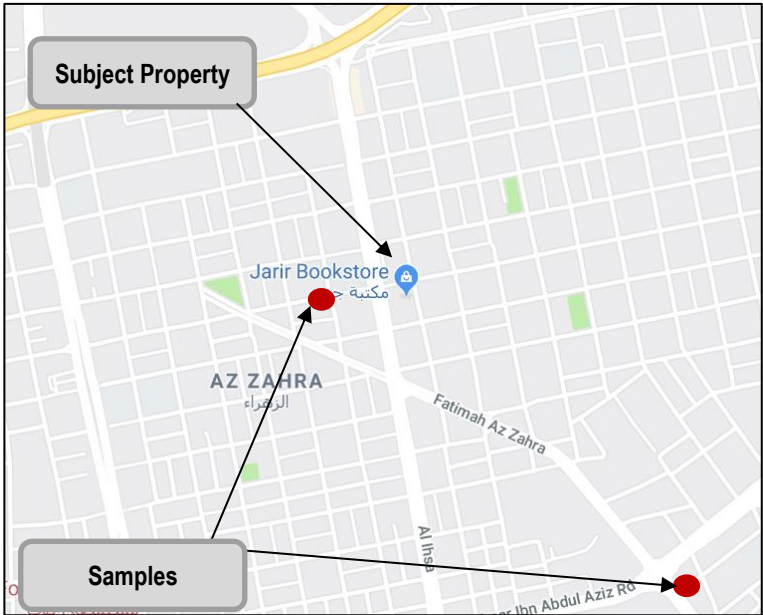
The subject property has a master lease tenant (Jarir Bookstore) which the property has been customizes and constructed for dedicated purpose and use to fulfil the need of the main tenant. In this case, the subject property is considered to be a special property which can be only valued by applying the cost approach and/or Income approach using the leasing contract. Based on the results of these 2 methods the difference in value is very much logical as per the market usual transaction.

2.2 MARKET RENTAL COMPRABLE

As for the rental rates that are being applied in the surrounding areas of the subject property, we can clearly note that these rates fall in the range of (1000-1200) SAR/Sqm for showrooms and (700-800) SAR/Sqm for offices. Yet, we have to note that the subject property has the following criteria's:

- 1. The subject property has been customized for special purpose and use.
- 2. The rental space in the subject property is exactly the BUA of the same property (GLA includes the common areas).
- 3. The overall development cost is lower in comparison to a normal offices and showrooms buildings, since the subject property doesn't include internal walls and finishing materials.

Based on the above explanation, we estimated the rental value of the subject property to be lower by (40-50) % when compared to the markets. In addition, this shows that the subject property is also considered as a special property.



2.3 COST APPROACH (DRC)

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

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

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

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

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

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

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
710117025095	4,953.00	SAR 7,000	SAR 34,671,000

Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	2,831.00
First Floor	Sqm	1	2,831.00
Second Floor	Sqm	1	1,750.00
Annexes	Sqm	1	1,750.00
Total (SQM)	9,162.00		
Fences (LM)	76.00		



HARD COSTS ESTIMATES					
Ground Floor					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	9,162.00	SAR 1,300	SAR 11,910,600	100%	SAR 11,910,600
Electro Mechanic	9,162.00	SAR 900	SAR 8,245,800	100%	SAR 8,245,800
Finishing	9,162.00	SAR 1,200	SAR 10,994,400	100%	SAR 10,994,400
Fit outs & Appliances	9,162.00	SAR 400	SAR 3,664,800	100%	SAR 3,664,800
Furniture	9,162.00	SAR 350	SAR 3,206,700	100%	SAR 3,206,700
Total			SAR 38,022,300	100.00%	SAR 38,022,300
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	4,953.00	SAR 50	SAR 247,650	100%	SAR 247,650
External Landscape	2,122.00	SAR 50	SAR 106,100	100%	SAR 106,100
Fences	76.00	SAR 120	SAR 9,120	100%	SAR 9,120
Site Improvements	2,122.00	SAR 125	SAR 265,250	100%	SAR 265,250
Total			SAR 628,120	100.00%	SAR 628,120
	Actual Completion %			Total BUA	9,162.00
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 38,650,420
General Site Dev.	100.00%			Average SAR / Sqm	SAR 4,219
				Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Design			SAR 38,650,420	2.50%	SAR 966,260.50
Eng Consultant			SAR 38,650,420	5.00%	SAR 1,932,521.00
Management			SAR 38,650,420	5.00%	SAR 1,932,521.00
Contingency			SAR 38,650,420	5.00%	SAR 1,932,521.00
Others			SAR 38,650,420	5.00%	SAR 1,932,521.00
TOTAL					SAR 8,696,344.50
DEVELOPMENT VALUE					
Hard Cost	SAR 38,650,420			Economic Age	40
Soft Cost	SAR 8,696,345			Annual Dep Rate	2.50%
Total Dev Cost	SAR 47,346,765				
				Actual Age	25
Net Dep Rate	62.50%			Total Dep Rate	62.50%
Dev Cost After Depreciation	SAR 17,755,037			Add Appr Rate	0.00%
				Net Dep Rate	62.50%
Total Completion Rate	100.00%				
Developer Profit Rate @ 30%	30.0%				
Dev. Profit Amount	SAR 5,326,511				
Development Value	SAR 23,081,548				
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 23,081,548	SAR 34,671,000	SAR 57,752,548		SAR 57,800,000	

2.4 DISCOUNTED CASH FLOW – LEASING CONTRACT

Cash Flow		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		0	1	2	3	4	5	6	7	8	9	10
Increase Revision		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Expected Revenues												
Total	SAR	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385
Overall Revenues		5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385	5,103,385
Vacancy Rates												
Total	0.0%	561,372	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169
Total		561,372	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169	255,169
Expenses												
OPEX	2.5%	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585
Others	0%	0	0	0	0	0	0	0	0	0	0	0
Overall Expenses		127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585	127,585
NOI		4,414,428	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631	4,720,631
Terminal Value @ ----->	7.0%											67,437,585
Discount Rate	7.00%	1.00	0.93	0.87	0.82	0.76	0.71	0.67	0.62	0.58	0.54	0.51
Present Value		4,414,428	4,411,805	4,123,182	3,853,441	3,601,347	3,365,745	3,145,556	2,939,772	2,747,450	2,567,710	36,681,578
Market Rate / Net Present Value												71,852,013
Discount Rate												
Discount Rate	5.00%	6.00%	7.00%	8.0%	9.0%							
Market Value	82,266,716	76,815,478	71,852,013	67,326,896	63,196,186							

1. The client has provided us with the total actual and expected revenues of the subject property, while the remaining vacant units are in the process to be leased (expected to be rented soon as per the client (with total annual rent of SAR 596,425.00).
2. We Have assumed that the contract would be renewed in the same original time period.
3. We Have assumed 11% vacancy for the current year rate and 2.5% OPEX in the above mentioned DCF model.
4. The discount rate and the terminal value rate used in the DCF Approach were based on the current market conditions and expected risk fac

2.1 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 57,800,000	Fifty-Seven Million Eight Hundred Thousand Saudi Riyals
DCF	Property	SAR 71,852,013	Seventy-One Million Eight Hundred Fifty-Two Thousand Thirteen Saudi Riyals

2.2 SUBJECT PROPERTY VALUE

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the (DCF) Approach is:

Property Value: 71,852,013 SAR
Seventy-One Million Eight Hundred Fifty-Two Thousand Thirteen Saudi Riyals

2.3 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.4 DISCLAIMER

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

2.5 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Seventy-One Million Eight Hundred Fifty-Two Thousand Thirteen Saudi
Riyals





Dr. Mohammad Taha – CEO
Valuation Check

Member of (Taqeem)
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Essam Hussaini
Site Inspection Check

Member of (Taqeem)
License No. 1210000474

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**PANDA MARWAH
AL RAJHI REIT FUND**

DECEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-404-3
Date: 31/12/2019
M/S Al Rajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 828 4502
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Panda Marwah located in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 27, 2019 for valuation service of the commercial project (Panda Marwah) located in Jeddah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

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

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



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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

1.1 INSTRUCTION

We have received instruction from AL RAJHI REIT FUND dated on November 27, 2019 to proceed with the valuation service for Panda Marwah in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al RAJHI REIT Fund
Property Type	Commercial
Property Name	Panda Marwah
Location	KSA, Jeddah

1.2 CLIENT

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

Client Name	Al Rajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Avinash Ragoowansi
Contact No.	+966 11 828 4502

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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



1.6 STRUCTURAL STABILITY (IF ANY)

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

1.8 VALUATION STANDARDS

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

1.7 OPINION OF VALUE

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

1.9 PURPOSE OF VALUATION

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

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

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Depreciated Replacement Cost (DRC) & The Discounted cash Flow (DCF) Method.



1.10 CLIENT APPROVAL DATE

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

November 27, 2019.

1.11 INSPECTION DATE

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

November 29, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.

1.14 INSPECTION ROLE

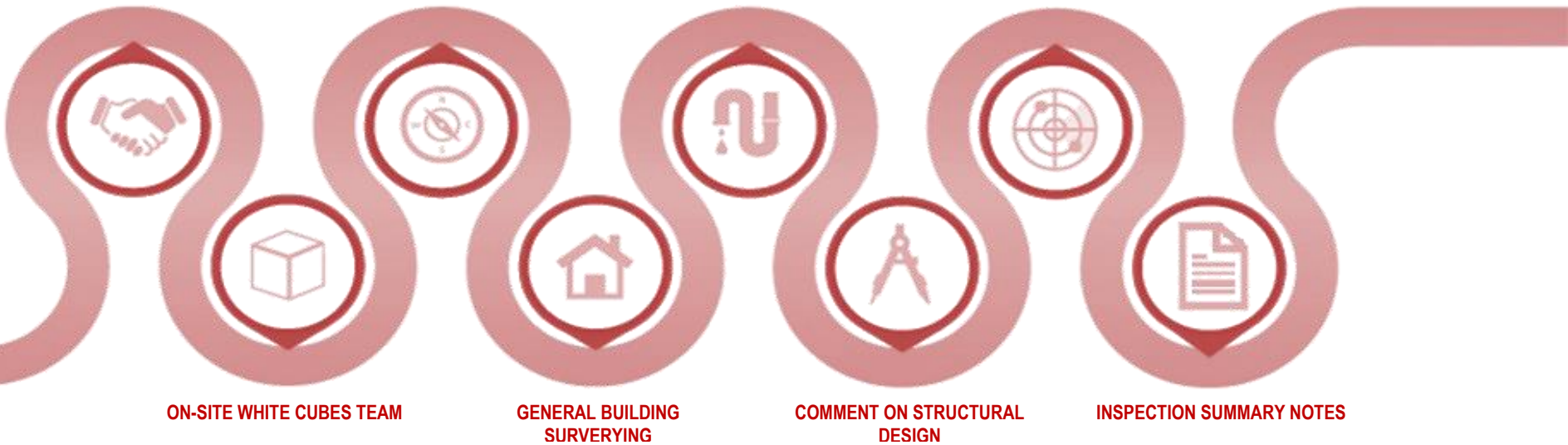
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

**GENERAL BUILDING
SURVEYING**

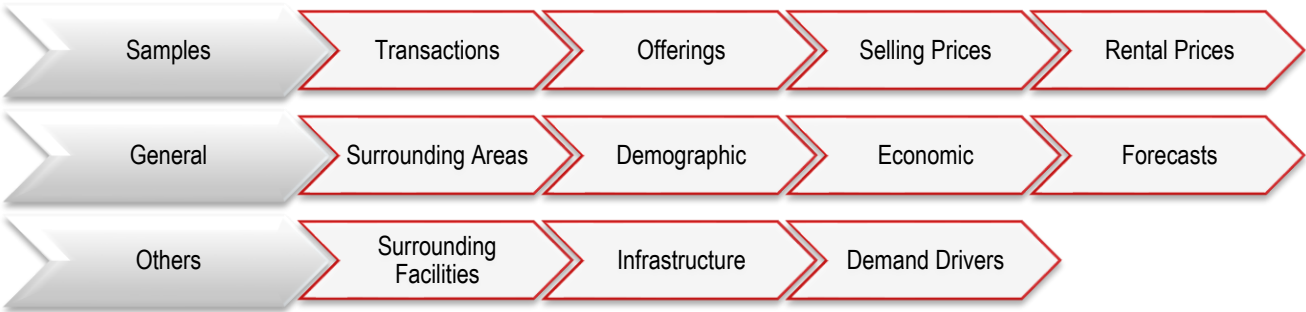
**COMMENT ON STRUCTURAL
DESIGN**

INSPECTION SUMMARY NOTES



1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

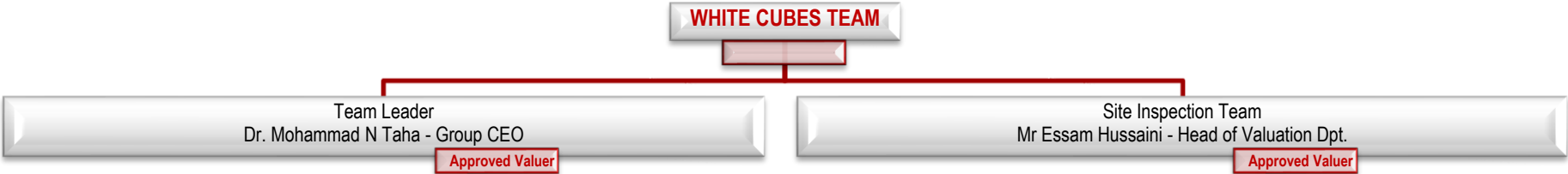
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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

**KNOWLEDGEABLY
AND
PRUDENTLY**

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

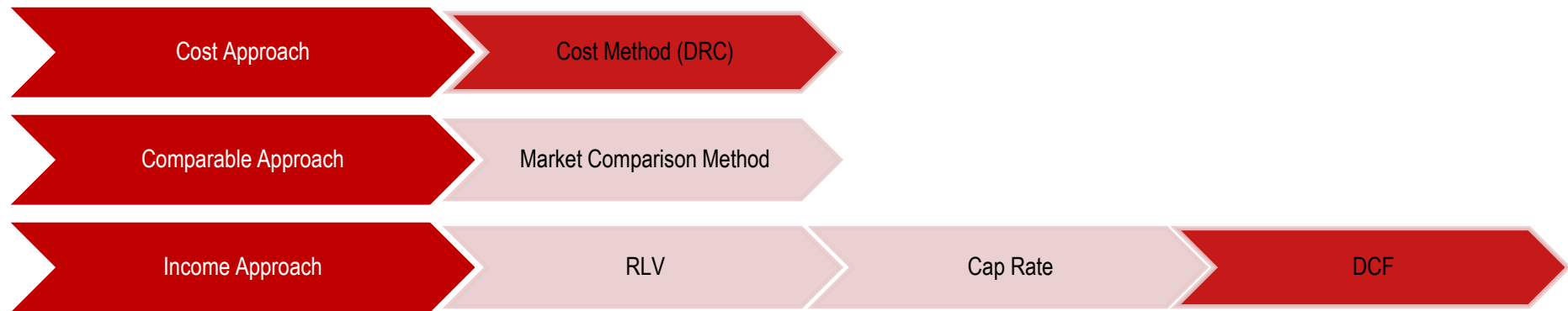
**AND
WITHOUT
COMPULSION**

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

FACTORS INFLUENCING MARKET VALUE

1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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

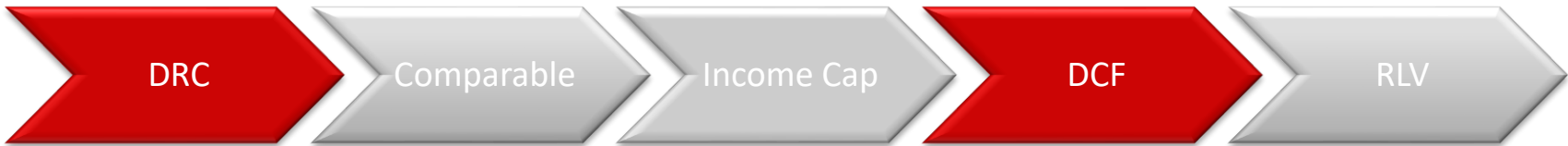


RESIDUAL LAND VALUE (RLV)

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

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

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





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

No	If Yes		Remarks
	Client	Date	
	Al Rajhi Capital	December 08, 2019	-----
	-----	-----	-----
	-----	-----	-----

1.27 CONFIDENTIALITY

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

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



1.28 ENVIRONMENTAL MATTERS

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

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

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

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

PROPERTY INFO

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a commercial project located in Al Marwah district, Jeddah city and occupied by Panda Hypermarket, it has a total land area of 38,641.00 Sqm, a total BUA of 15,247.72 Sqm.

As per the site inspection done by our team, Panda Marwah is open on 4 sides with a direct view on Prince Mitab Road where all the infrastructure facilities such as water, electricity, telecommunication are sewage are available in the surrounding and connected to the subject property.

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



2.2 TITLE DEED & OWNERSHIP

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

City	Jeddah
District	Al Marwah
T.D Type	Electronic
T.D Number	420205025490
T.D Date	13/03/1437 H. D
T.D Value	N/A
Date of Last Transaction	13/03/1437 H. D
Issue from	Jeddah Notary
Land Area	38,641.00
Plot No.	1
Block No.	N/A
Layout No.	ج/س/432
Boundaries	
North	Abi Habib Al Ansari Street (26.5m Length)
South	Unnamed Street (12m Length)
East	Prince Mitab Road (80m Length)
West	Unnamed Street (16m Length)
Notes	The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed commercial building. The Client has not provided us with a copy of the Construction Permit. Yet, he provided us with the below details:

Subject Property			
Construction Permit Type			N/A
Property Type			N/A
Construction Permit No.			23508
Construction Permit Date			23/05/1429 H. D
Permit Expiry Date			N/A
Description	No. of Units	Area (sqm)	Use
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total BAU (sqm)		15,247.72	
Source of Information			
Source of BUA			Other Documents
Actual Age			Other Documents
Status of The Property			Fully Constructed

Jeddah City	Land Area 38,641.00 Sqm	BUA 15,247.72
--------------------	-----------------------------------	-------------------------



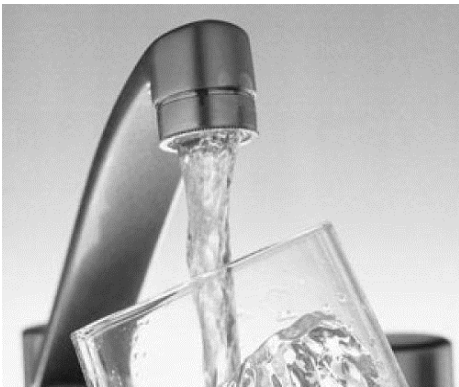
2.4 LAND SPECS

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

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

2.5 INFRASTRUCTURE FACILITIES

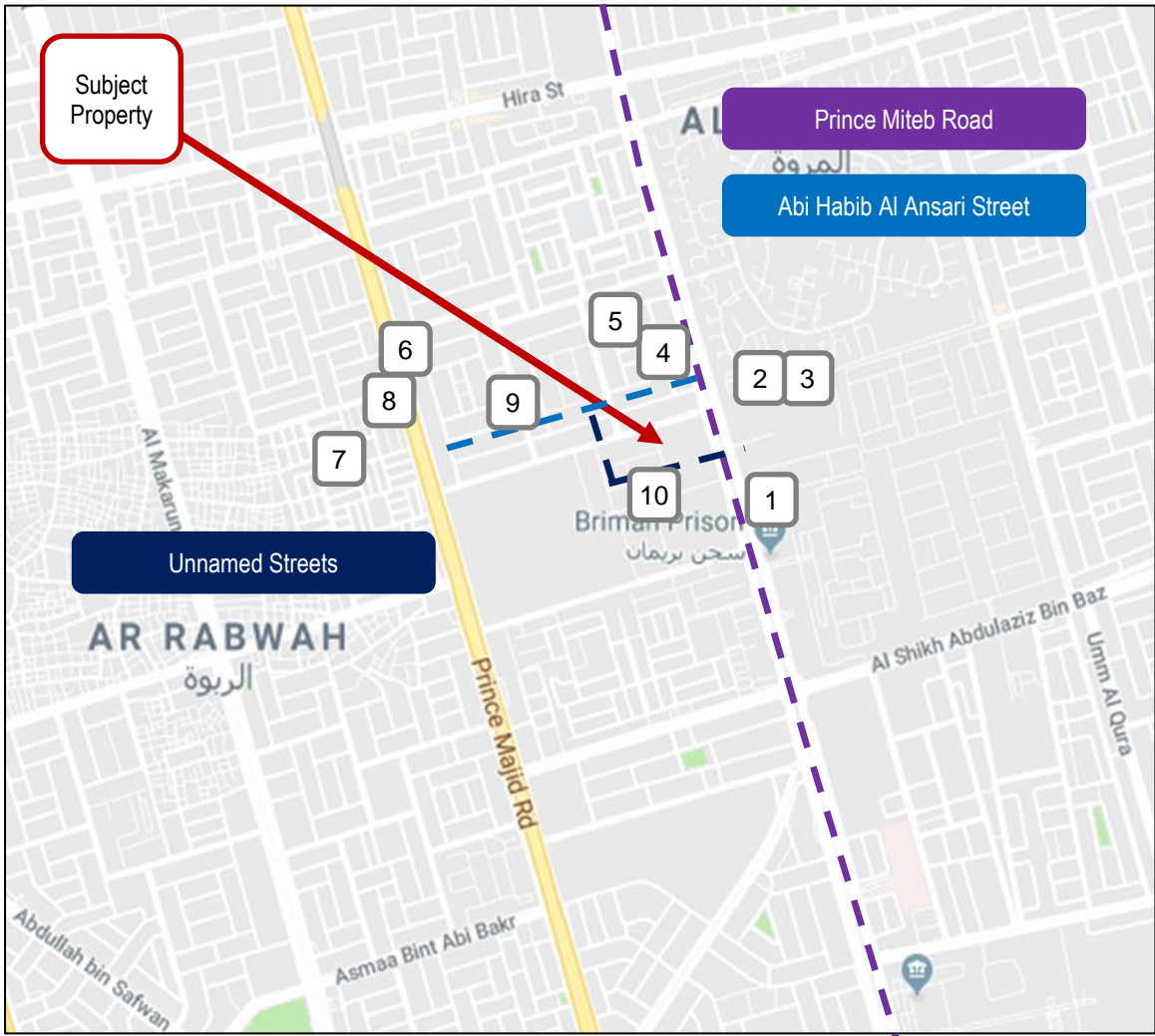
	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	





2.6 LOCATION

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



ACCESS TO SUBJECT PROPERTY

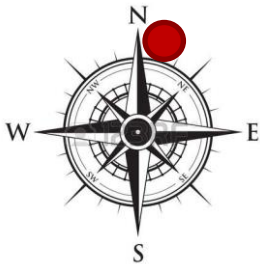
The subject property can be accessed through the following roads:

North Side:	Abi Habib Al Ansari Street
South Side:	Unnamed street
East Side:	Prince Miteb Street
West Side:	Unnamed street

LAND MARKS

- 1- Briman Prison (0.55 Kilometres)
- 2- Nozha Police Station (0.2 Kilometres)
- 3- Civil Defence Berman Center (0.3 Kilometres)
- 4- McDonalds (0.15 Kilometres)
- 5- Saida Almehmadi Mosque (0.35 Kilometres)
- 6- Al Salam Medical Center (1.05 Kilometres)
- 7- Isra Mosque (1.3 Kilometres)
- 8- Khair Mosque (1.1 Kilometres)
- 9- Al Fazz Supermarket (0.55 Kilometres)
- 10- Saptco (0.3 Kilometres)

Location of the subject property according to the City Center





2.7 PHOTO RECORD

Date of Photos: November 29, 2019





2.8 DOCUMENTS RECIEVED

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

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

2.9 GENERAL ASSUMPTIONS

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






2.10 SWOT ANALYSIS

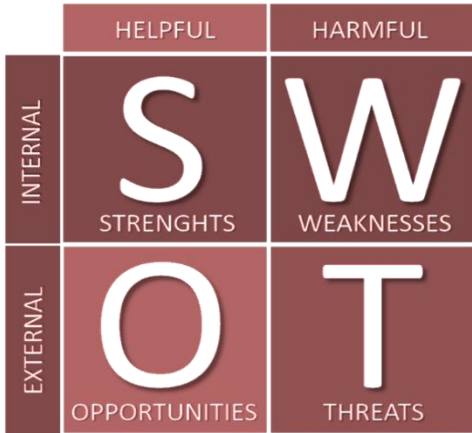
<p>Strength</p> <ul style="list-style-type: none">- Open on 4 sides.- Premium location- The property has a direct view on Prince Mitab Road (main road).	<p>Weakness</p> <ul style="list-style-type: none">- None.
<p>Opportunities</p> <ul style="list-style-type: none">- Located in high-density residential district.	<p>Threats</p> <ul style="list-style-type: none">- Potential similar projects in the same area.

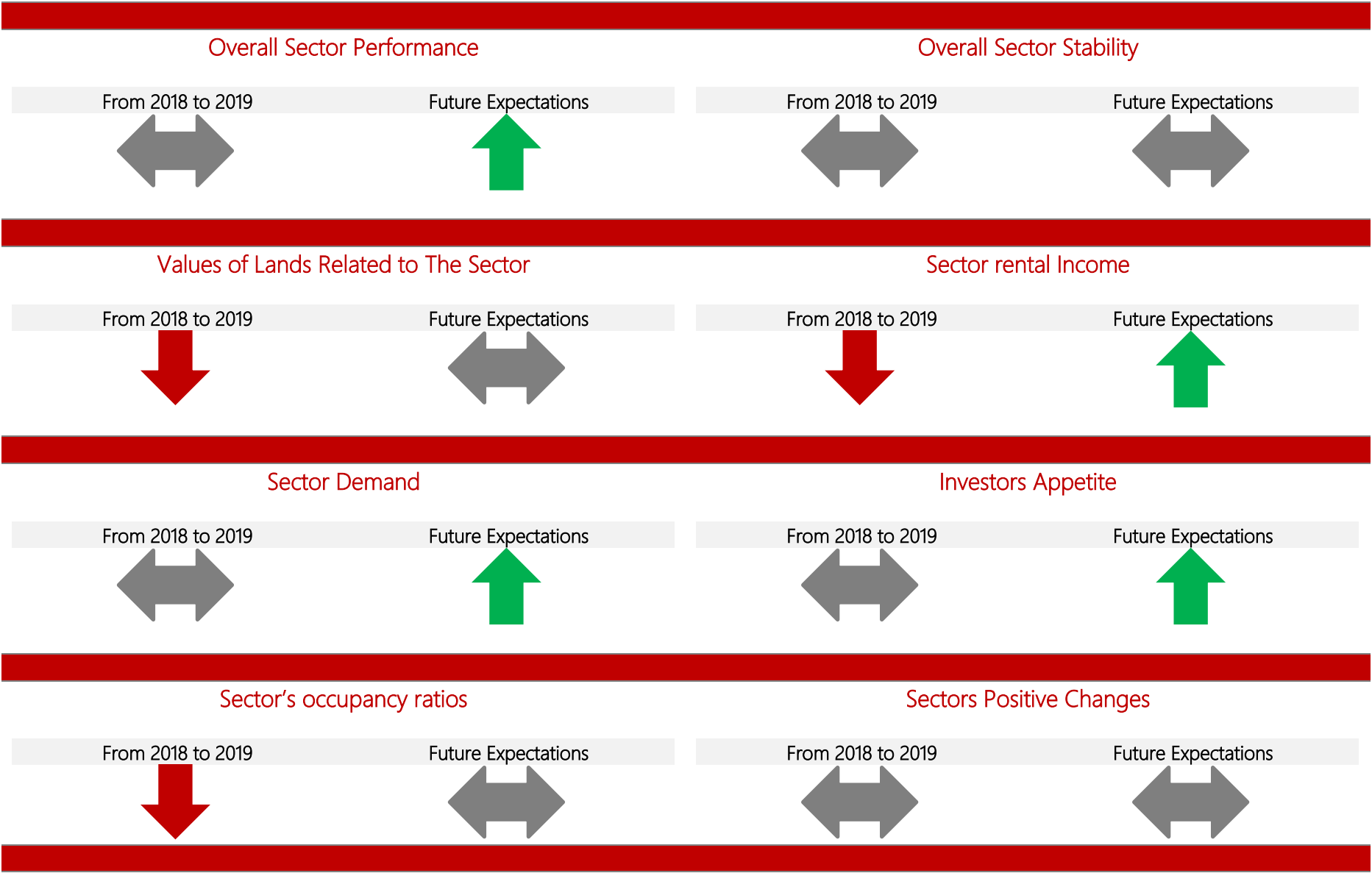
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.11 SECTOR BRIEF

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

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





White Cubes Team's Analysis

2.12 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy		✓			
Sector Current Performance		✓			
Sector Future Performance	✓				
Occupancy Rates		✓			
Supply Rate		✓			
Demand Rate		✓			
Total Risk	1	10	0	0	0
Risk Category 11 Risk Points – Minimal Risk					

Sector Analysis

Risk Category- 11 Risk Points – Minimal Risk

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

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

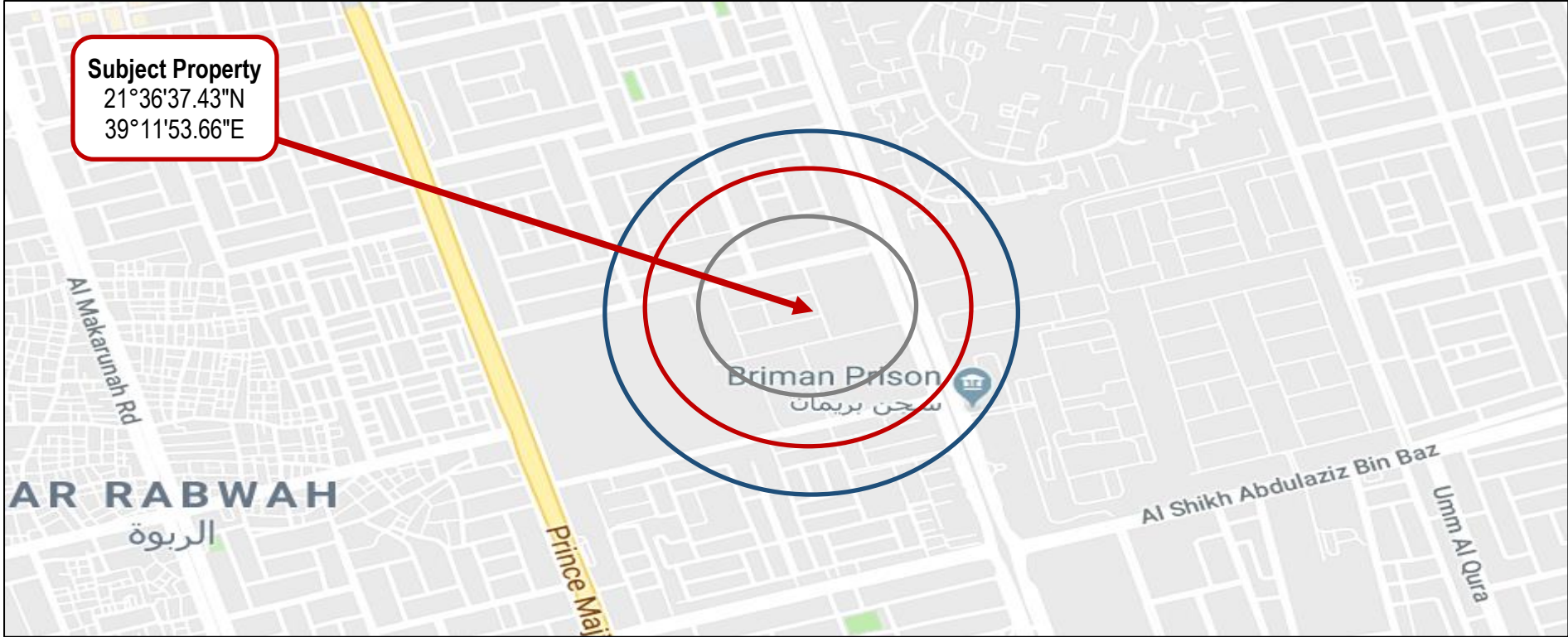
Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities			✓		
Management Skills	✓				
Overall Condition		✓			
Total Risk	1	2	3	0	0
Risk Category 6 Risk Points - Minimal Risk					

Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

2.13 INPUT EVALUATION PROCESS

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



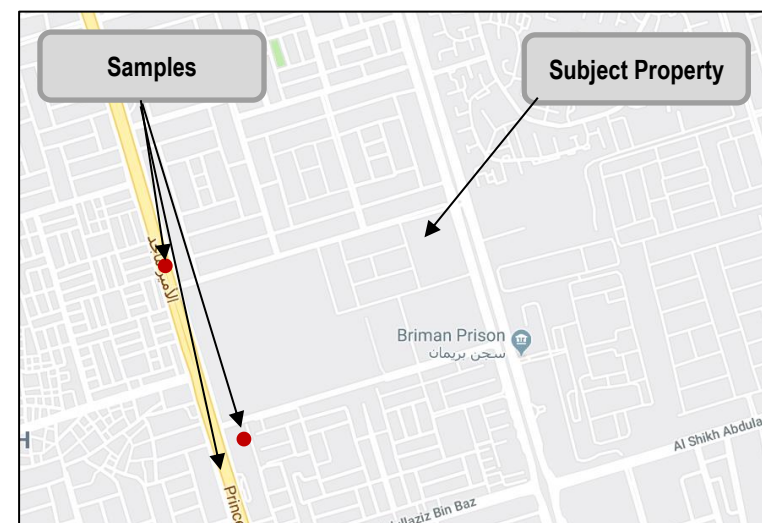
- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

2.1 LAND VALUE - COMPARABLE ANALYSIS

According to the market survey done by our team, the average prices for the small properties falls in the range between SAR 4,000 to 6,500 SAR per Square Meter with land areas between (850 - 5,000) Sqm

PROPERTY NO.	LAND AREA	SAR/SQM	TOTAL VALUE
1	5,010	SAR 4,000	SAR 20,040,000
2	838	SAR 6,563	SAR 5,500,000
3	2,275	SAR 6,200	SAR 14,105,000
4	4,635	SAR 6,500	SAR 30,127,500
5	2,850	SAR 6,500	SAR 18,525,000

According to the site inspection we were not able to find samples with the same land areas, all the above sample are too much smaller than the subject property. So, we have assumed 4,750 SAR/SQM as a range for the square meter price based on our agents ang our knowledge and the surrounding area's conditions.



2.2 RENTAL RATES

The subject property has a master lease tenant (Panda Marwah) which the property has been customizes and constructed for dedicated purpose and use to fulfil the need of the main tenant.

In this case, the subject property is considered to be a special property which can be only valued by applying the cost approach and/or Income approach using the leasing contract.

Based on the results of these 2 methods the difference in value is very much logical as pert the market usual transaction.

2.3 MARKET RENTAL COMPRABLES

As for the rental rates that are being applied in the surrounding areas of the subject property, we can clearly note that these rates fall in the range of (700-1000) SAR/Sqm. Yet, we have to note that the subject property has the following criteria's:

1. The subject property has been customized for special purpose and use.
2. The rental space in the subject property is exactly the BUA of the same property (GLA includes the common areas).
3. The overall development cost is lower in comparison to a normal offices and showrooms buildings, since the subject property doesn't include internal walls and finishing materials.

Based on the above explanation, we estimated the rental value of the subject property to be lower by (40-50) % when compared to the markets which is in the property almost 739 SAR/SQM. In addition, this shows that the subject property is also considered as a special property.

2.4 COST APPROACH (DRC)

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

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

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

LAND			
Title Deed 420205025490	Land Area 38,641.00	SAR / Sqm SAR 4,750	Total Value SAR 183,544,750
Building			
	Unit Sqm	No of Floors 1	Total BUA 15,247.72
Ground Floor			
Total (SQM)	15,247.72		

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

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

As for the subject property, we will use 20% developer profit rate.

HARD COSTS ESTIMATES					
Ground Floor					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	15,247.72	SAR 700	SAR 10,673,404	100%	SAR 10,673,404
Electro Mechanic	15,247.72	SAR 150	SAR 2,287,158	100%	SAR 2,287,158
Finishing	15,247.72	SAR 400	SAR 6,099,088	100%	SAR 6,099,088
Fit outs & Appliances	15,247.72	SAR 0	SAR 0	100%	SAR 0
Furniture	15,247.72	SAR 0	SAR 0	100%	SAR 0
Total			SAR 19,059,650	100.00%	SAR 19,059,650
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	38,641.00	SAR 50	SAR 1,932,050	100%	SAR 1,932,050
External Landscape	23,393.28	SAR 50	SAR 1,169,664	100%	SAR 1,169,664
Fences	0.00	SAR 0	SAR 0	100%	SAR 0
Site Improvements	23,393.28	SAR 100	SAR 2,339,328	100%	SAR 2,339,328
Total			SAR 5,441,042	100.00%	SAR 5,441,042
	Actual Completion %			Total BUA	15,247.72
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 24,500,692
General Site Dev.	100.00%			Average SAR / Sqm	SAR 1,607
				Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Design			SAR 24,500,692	1.00%	SAR 245,006.92
Eng Consultant			SAR 24,500,692	1.00%	SAR 245,006.92
Management			SAR 24,500,692	2.00%	SAR 490,013.84
Contingency			SAR 24,500,692	2.00%	SAR 490,013.84
Others			SAR 24,500,692	2.00%	SAR 490,013.84
TOTAL					SAR 1,960,055.36
DEVELOPMENT VALUE					
Hard Cost	SAR 24,500,692			Economic Age	40
Soft Cost	SAR 1,960,055			Annual Dep Rate	2.50%
Total Dev Cost	SAR 26,460,747				
				Actual Age	9
Net Dep Rate	22.50%			Total Dep Rate	22.50%
Dev Cost After Depreciation	SAR 20,507,079			Add Appr Rate	0.00%
				Net Dep Rate	22.50%
Total Completion Rate	100.00%				
Developer Profit Rate @ 20%	20.0%				
Dev. Profit Amount	SAR 4,101,416				
Development Value	SAR 24,608,495				
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 24,608,495	SAR 183,544,750	SAR 208,153,245		SAR 208,150,000	

2.5 DISCOUNTED CASH FLOW – LEASING CONTRACT

Cash Flow		0	1	2	3	4	5	6	7	8
Increase Revision		0%	0%	0%	0%	2%	0%	0%	0%	0%
Expected Revenues										
Total	SAR	11,262,883	11,262,883	11,262,883	11,262,883	12,716,158	12,716,158	12,716,158	12,716,158	12,716,158
Overall Revenues		11,262,883	11,262,883	11,262,883	11,262,883	12,716,158	12,716,158	12,716,158	12,716,158	12,716,158
Vacancy Rates										
One Tenant	0.0%	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
Expenses										
OPEX	0.0%	0	0	0	0	0	0	0	0	0
Others	0%	0	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0	0
NOI		11,262,883	11,262,883	11,262,883	11,262,883	12,716,158	12,716,158	12,716,158	12,716,158	12,716,158
Terminal Value @ -----> 7.0%										181,659,400
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54
Present Value		11,262,883	10,428,595	9,656,107	8,940,840	9,346,756	8,654,403	8,013,337	7,419,756	105,015,066
Market Rate / Net Present Value										178,737,743

2.6 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 208,150,000	Two Hundred Eight Million One Hundred Fifty Thousand Saudi Riyals
DCF	Property	SAR 178,737,743	One Hundred Seventy-Eight Million Seven Hundred Thirty-Seven Thousand Seven Hundred Forty-Three Saudi Riyals

2.7 SUBJECT PROPERTY VALUE

The purpose of the valuating the subject property is for Real Estate Investment Trust Fund purposes. For that reason, any of the income approaches should be chosen to reflect the market value of the subject property. In our case, using the Cap Rate methodology and the Discounted Cash Flow Methodology shows less values when compared to the asset value (Land + building) using the DRC approach. the Cost Approach usually reflect the minimum expected value of the subject property since it does not take into consideration any generated revenues from such property. In addition to that, the land value usually reflects the allowed FAR (Higher FAR lead to Higher land value) where the investors usually try to utilize the maximum allowed BUA to maximize their returns as possible.

This means, and based on the market construction regulations, the subject property was not utilized as per the best use in terms of the allowed BUA and no of floor. Therefore, and based on this analysis, we will apply the cost approach (DRC) to reflect the market value of the subject property. The current revenues of the subject property are very low due to the current use of it. Based on that, we advise to redevelop the subject property as the best use possible to increase the expected return of the property from almost 5% (Current) to at least 8% to 9% (Expected based on HBU).

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Cost (DRC) Approach is:

Property Value: 208,150,000 SAR
Two Hundred Eight Million One Hundred Fifty Thousand Saudi Riyals.

2.8 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.9 DISCLAIMER

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

2.10 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.



Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
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Essam Hussaini
Site Inspection Check



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



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

**PANDA RAWDAH
AL RAJHI REIT FUND**

DECEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-404-4
Date: 31/12/2019
M/S Al Rajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 828 4502
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Panda Rawdah located in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 27, 2019 for valuation service of the commercial project (Panda Rawdah) located in Jeddah city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

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

License No. 1220000263
License No. MIE00394
License No. 20100112

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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The information included in this report has been obtained and collected from external sources generally known to be reliable. However, no warranty given in respect to the accuracy of these information. We would like to be informed of any inaccuracies so that we may correct them.

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





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INTRODUCTION

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



1.1 INSTRUCTION

We have received instruction from AL RAJHI REIT FUND dated on November 27, 2019 to proceed with the valuation service for Panda Rawdah in Jeddah city.

Valuation Type	Real Estate
Instructions From	Al Rajhi REIT Fund
Property Type	Commercial
Property Name	Panda Rawdah
Location	KSA, Jeddah

1.2 CLIENT

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

Client Name	Al Rajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Avinash Ragoowansi
Contact No.	+966 11 828 4502

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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



1.1 STRUCTURAL STABILITY (IF ANY)

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

1.3 VALUATION STANDARDS

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

1.4 PURPOSE OF VALUATION

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

Acquisition Purposes	Selling Purposes	Private Fund Raising
Public Fund Raising	Real Estate Investment Trust (REIT)	Internal Decision Making
Insurance Purposes	Liquidation Purposes	Distribution of inheritance
Financing Purposes	Court Disputes	Partnership Purposes

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Depreciated Replacement Cost (DRC) & The Discounted cash Flow (DCF) Method.



1.5 CLIENT APPROVAL DATE

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

November 27, 2019.

1.6 INSPECTION DATE

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

November 29, 2019.

1.7 VALUATION DATE

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

December 31, 2019.

1.8 REPORT DATE

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

December 31, 2019.

1.9 INSPECTION ROLE

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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

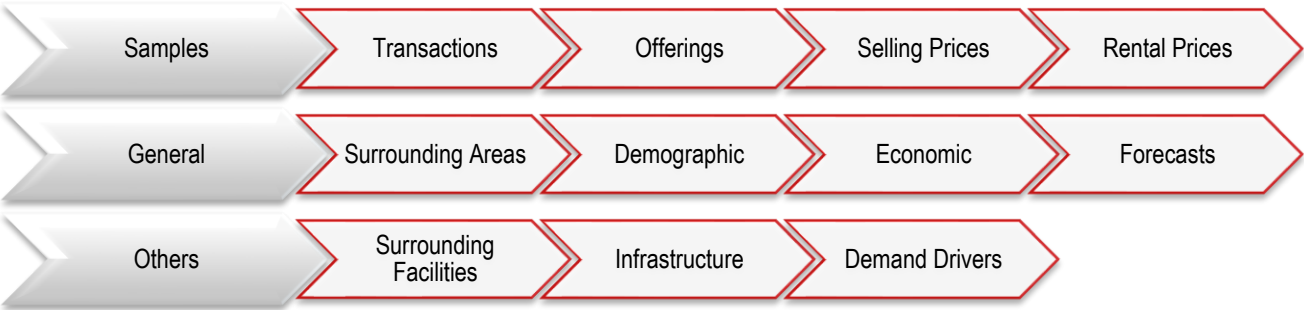
COMMENT ON STRUCTURAL
DESIGN

INSPECTION SUMMARY NOTES



1.10 MARKET SURVEY

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



1.11 REPORT CURRENCY

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



1.12 INSURANCE

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

1.13 LEGAL NOTICES

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

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

1.14 INFORMATION SOURCE

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

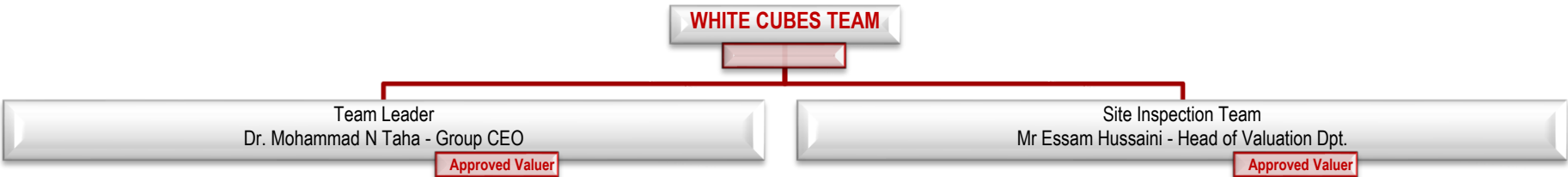
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.15 KNOWLEDGE & SKILLS

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



1.16 OUR ACCREDITED VALUERS IN TAQEEH

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

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

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

1.17 VALUATION COMPLIANCE

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

1.18 VALUATION STANDARDS

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

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

1.19 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

AN ASSET SHOULD EXCHANGE

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

ON THE VALUATION DATE

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

BETWEEN WILLING BUYER

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

AND WILLING SELLER

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM'S LENGTH TRANSACTION

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

AFTER PROPER MARKETING

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

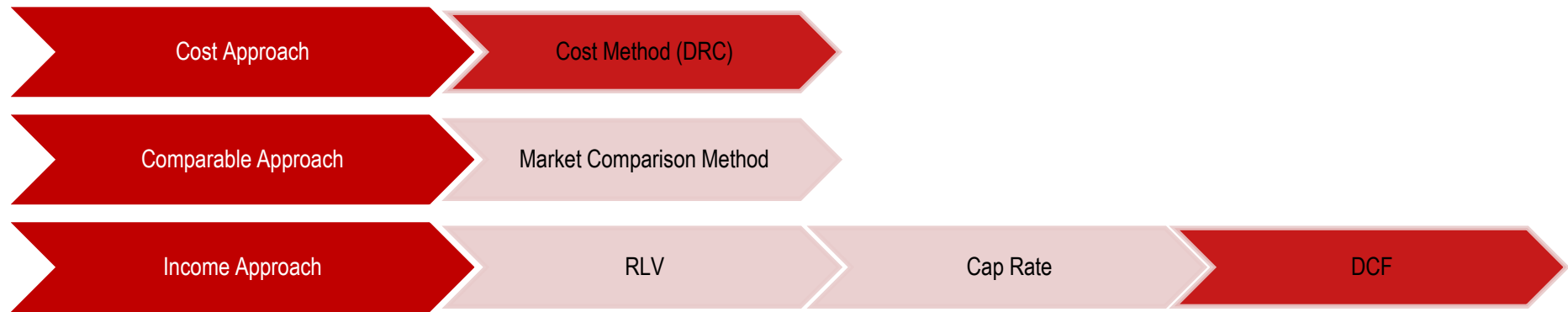
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.





1.20 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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

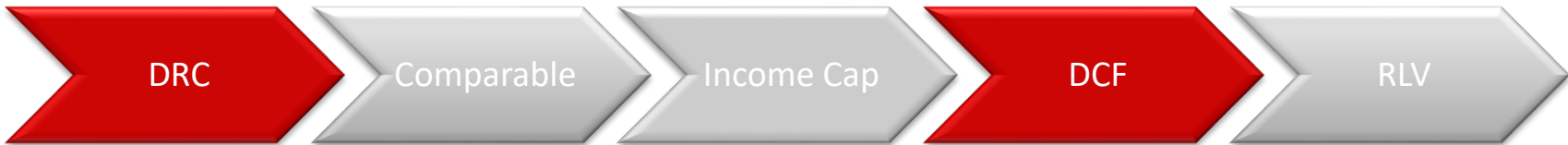


RESIDUAL LAND VALUE (RLV)

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

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

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





1.21 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

If Yes		Remarks
Client	Date	
Al Rajhi Capital	December 08, 2019	-----
-----	-----	-----
-----	-----	-----

1.22 CONFIDENTIALITY

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

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



1.23 ENVIRONMENTAL MATTERS

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

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

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

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

PROPERTY INFO

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is a commercial project located in Al Rawdah district, Jeddah city and occupied by 1 tenant (Hyper Panda), it has a total land area of 9,929.79 Sqm, and a total BUA of 3,250.47 Sqm.
As per the site inspection done by our team, Panda Rawdah is open on 4 sides with a direct view on Qasim Zinah Road where all the infrastructure facilities such as water, electricity, telecommunication are sewage are available in the surrounding and connected to the subject property.

Land	
Land Use	Commercial
Number of Streets	4
General Land Shape	Regular
Direct View on the Main Road	No
Direct View on an internal Street	Qasim Zinah Street
Land Status	Constructed
Infrastructural Facilities	
Water	Available and Connected to the subject property
Electricity	Available and Connected to the subject property
Sewage	Available and Connected to the subject property
Telecommunication	Available and Connected to the subject property
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Good





2.2 TITLE DEED & OWNERSHIP

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

City	Jeddah
District	Al Rawdah
T.D Type	Electronic
T.D Number	220205025489
T.D Date	13/03/1437 H. D
T.D Value	N/A
Date of Last Transaction	13/03/1437 H. D
Issue from	Jeddah Notary
Land Area	9,929.79
Plot No.	23/24
Block No.	N/A
Layout No.	N/A
Boundaries	
North	Muhammad Ali Maghrabi Street (12m Length)
South	Qasim Zinah Street (25m Length)
East	Ahmad As Sulayman At Turki Street (12m Length)
West	Ibrahim Amin Fudah Street (12m Length)
Notes	The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed commercial building. The Client has not provided us with a copy of the Construction Permit. Yet, he provided us with the below details:

Subject Property				
Construction Permit Type		N/A		
Property Type		N/A		
Construction Permit No.		N/A		
Construction Permit Date		N/A		
Permit Expiry Date		N/A		
Description		No. of Units	Area (sqm)	Use
-		-	-	-
-		-	-	-
-		-	-	-
-		-	-	-
-		-	-	-
Total BAU (sqm)			3,250.47	
Source of Information				
Source of BUA		Other Documents		
Actual Age		Other Documents		
Status of The Property		Fully Constructed		
Jeddah City		Land Area		BUA
		9,929.79 Sqm		3,250.47







2.4 LAND SPECS

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

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

2.5 INFRASTRUCTURE FACILITIES

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



2.6 LOCATION

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



ACCESS TO SUBJECT PROPERTY

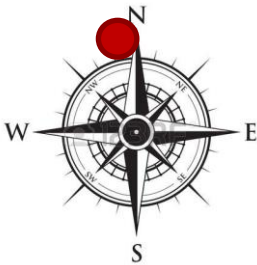
The subject property can be accessed through the following roads:

- | | |
|-------------|-----------------------------------|
| North Side: | Muhammad Ali Maghrabi Street |
| South Side: | Qasim Zinah street |
| East Side: | Ahmad As Sulayman At Turki Street |
| West Side: | Ibrahim Amin Fudah street |

LAND MARKS

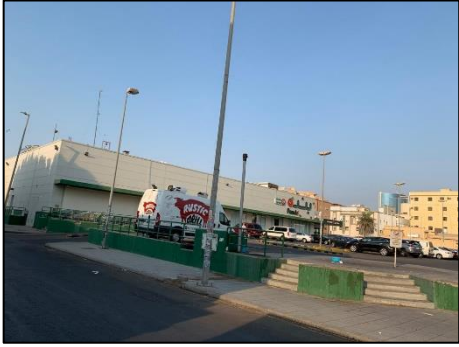
- 1- Modern Amazon Agency Travel and Tourism (0.25 Kilometres)
- 2- Al Murjan International School (0.4 Kilometres)
- 3- Car Dealer SAMACO Automotive (0.5 Kilometres)
- 4- Lailat Omor Ceremony and Wedding Hall (0.1 Kilometres)
- 5- Al Bashawri Optics (0.5 Kilometres)
- 6- Al-Dawaa Pharmacy (0.3 Kilometres)
- 7- Falafel Al Sham (0.6 Kilometres)
- 8- Al-Baik Restaurant (0.65 Kilometres)
- 9- Al-Ekhlash Mosque (0.75 Kilometres)
- 10- Talah Al-Jood (0.6 Kilometres)

Location of the subject property according to the City Center



2.7 PHOTO RECORD

Date of Photos: November 29, 2019





2.8 DOCUMENTS RECIEVED

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

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

2.9 GENERAL ASSUMPTIONS

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






2.10 SWOT ANALYSIS

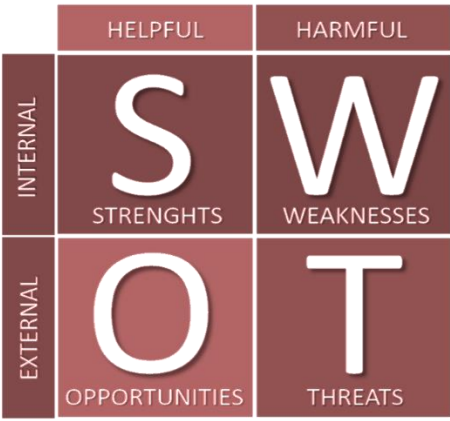
<p>Strength</p> <ul style="list-style-type: none">- Open on 4 sides.- The project has a regular land shape.- Surrounded by several landmarks.- Parking is available.- Located near an active road (Al Madinah Al Munawarah Road).	<p>Weakness</p> <ul style="list-style-type: none">- None.
<p>Opportunities</p> <ul style="list-style-type: none">- Located in high-density residential district.	<p>Threats</p> <ul style="list-style-type: none">- Potential similar projects in the same area.

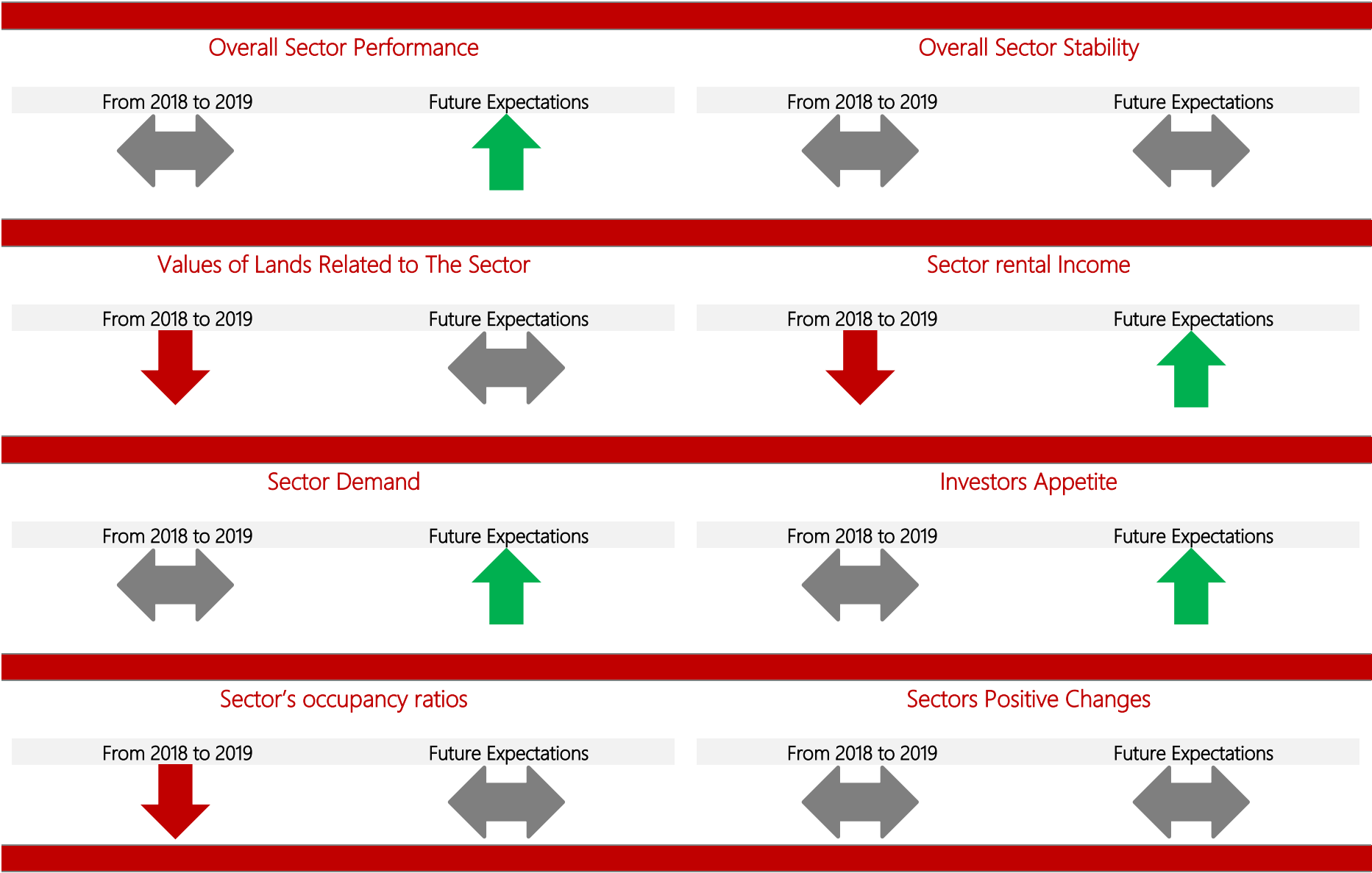
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.11 SECTOR BRIEF

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

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





White Cubes Team's Analysis



2.12 RISK ANALYSIS

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

Sector Analysis

Risk Category- 15 Risk Points – Medium Risk

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

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

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

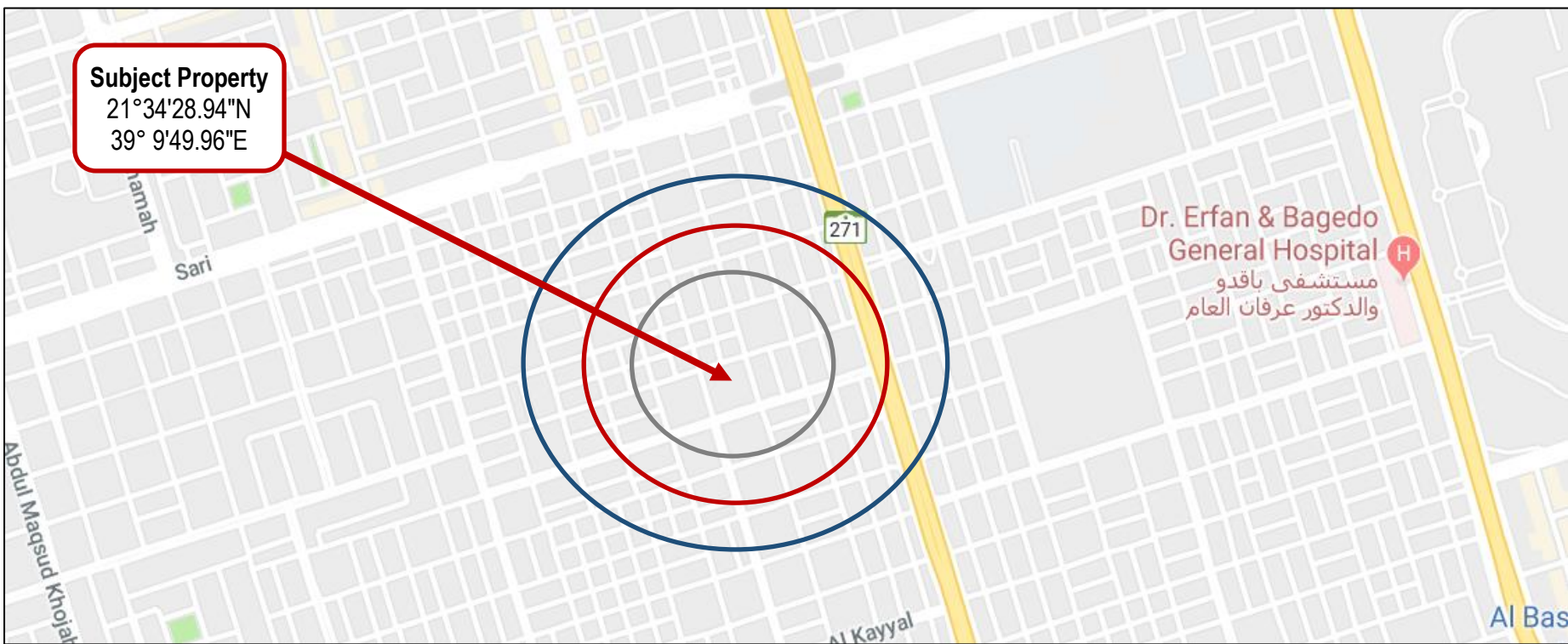
Property Analysis

Risk Category- 6 Risk Points - Minimal Risk



2.13 INPUT EVALUATION PROCESS

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



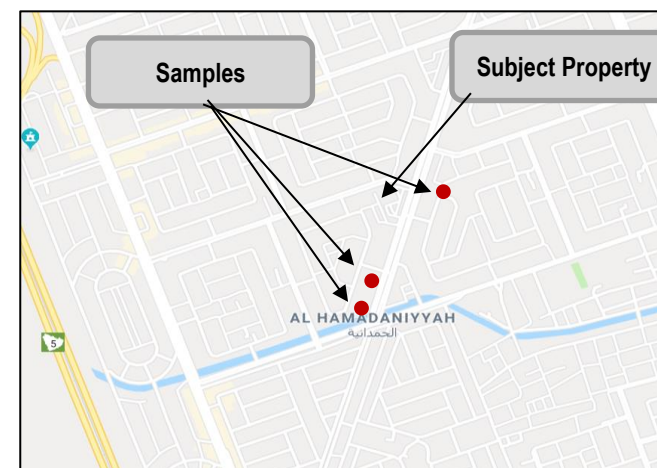
- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property

2.14 LAND VALUE - COMPARABLE ANALYSIS

According to the market survey done by our team, the average prices for the small properties falls in the range between SAR 2,000 to 5,500 SAR per Square Meter with land areas between (600 – 5,000) Sqm

PROPERTY NO.	LAND AREA	SAR/SQM	TOTAL VALUE
1	3,000	SAR 5,300	SAR 15,900,000
2	2,500	SAR 5,000	SAR 12,500,000
3	1,000	SAR 3,000	SAR 3,000
4	600	SAR 2,083	SAR 1,250,000
5	5,000	SAR 5,000	SAR 25,000,000

The average price as per the market is 6,000 SAR/Sqm.



2.15 RENTAL RATES

The subject property has a master lease tenant (Panda Rawdah) which the property has been customized and constructed for dedicated purpose and use to fulfil the need of the main tenant.

In this case, the subject property is considered to be a special property which can be only valued by applying the cost approach and/or Income approach using the leasing contract.

Based on the results of these 2 methods the difference in value is very much logical as per the market usual transaction.

2.16 MARKET RENTAL COMPRABLES

As for the rental rates that are being applied in the surrounding areas of the subject property, we can clearly note that these rates fall in the range of (750-950) SAR/Sqm. Yet, we have to note that the subject property has the following criteria's:

1. The subject property has been customized for special purpose and use.
2. The rental space in the subject property is exactly the BUA of the same property (GLA includes the common areas).
3. The overall development cost is lower in comparison to a normal offices and showrooms buildings, since the subject property doesn't include internal walls and finishing materials.

Based on the above explanation, we estimated the rental value of the subject property to be lower by (40-50) % when compared to the markets which is in the property almost 855 SAR/SQM. In addition, this shows that the subject property is also considered as a special property.

2.1 COST APPROACH (DRC)

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

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

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

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

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

As for the subject property, we will use 20% developer profit rate.

LAND			
Title Deed	Land Area	SAR / Sqm	Total Value
220205025489	9,929.79	SAR 6,000	SAR 59,578,740
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	3,250.47
Total (SQM)	3,250.47		



HARD COSTS ESTIMATES					
Ground Floor					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,250.47	SAR 700	SAR 2,275,329	100%	SAR 2,275,329
Electro Mechanic	3,250.47	SAR 150	SAR 487,571	100%	SAR 487,571
Finishing	3,250.47	SAR 600	SAR 1,950,282	100%	SAR 1,950,282
Fit outs & Appliances	3,250.47	SAR 0	SAR 0	100%	SAR 0
Furniture	3,250.47	SAR 0	SAR 0	100%	SAR 0
Total			SAR 4,713,182	100.00%	SAR 4,713,182
General Site Development					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Land Development	9,929.79	SAR 50	SAR 496,490	100%	SAR 496,490
External Landscape	6,679.32	SAR 50	SAR 333,966	100%	SAR 333,966
Fences	0.00	SAR 0	SAR 0	100%	SAR 0
Site Improvements	6,679.32	SAR 100	SAR 667,932	100%	SAR 667,932
Total			SAR 1,498,388	100.00%	SAR 1,498,388
	Actual Completion %			Total BUA	3,250.47
G+M + Upper Floor	100.00%			Total Hard Cost	SAR 6,211,569
General Site Dev.	100.00%			Average SAR / Sqm	SAR 1,911
				Overall Completion	100.00%
SOFT COSTS ESTIMATES					
			Total Hard Cost	Ratio	Soft Cost
Design			SAR 6,211,569	1.00%	SAR 62,115.69
Eng Consultant			SAR 6,211,569	1.00%	SAR 62,115.69
Management			SAR 6,211,569	2.00%	SAR 124,231.38
Contingency			SAR 6,211,569	2.00%	SAR 124,231.38
Others			SAR 6,211,569	2.00%	SAR 124,231.38
TOTAL					SAR 496,925.52
DEVELOPMENT VALUE					
Hard Cost	SAR 6,211,569		Economic Age		40
Soft Cost	SAR 496,926		Annual Dep Rate		2.50%
Total Dev Cost	SAR 6,708,495				
			Actual Age		3
Net Dep Rate	7.50%		Total Dep Rate		7.50%
Dev Cost After Depreciation	SAR 6,205,357		Add Appr Rate		0.00%
			Net Dep Rate		7.50%
Total Completion Rate	100.00%				
Developer Profit Rate @ 20%	20.0%				
Dev. Profit Amount	SAR 1,241,071				
Development Value	SAR 7,446,429				
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 7,446,429	SAR 59,578,740	SAR 67,025,169		SAR 67,025,000	

2.2 DISCOUNTED CASH FLOW – LEASING CONTRACT

Cash Flow		0	1	2	3	4	5	6	7	8	9	10
		0%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%
Expected Revenues												
Total	SAR	2,775,734	2,775,734	2,775,734	2,775,734	2,775,734	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893
Overall Revenues		2,775,734	2,775,734	2,775,734	2,775,734	2,775,734	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893
Vacancy Rates												
One tenant	0.0%	0	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0	0
Expenses												
OPEX	0.0%	0	0	0	0	0	0	0	0	0	0	0
Others	0%	0	0	0	0	0	0	0	0	0	0	0
Overall Expenses		0	0	0	0	0	0	0	0	0	0	0
NOI		2,775,734	2,775,734	2,775,734	2,775,734	2,775,734	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893	3,133,893
Terminal Value @ ----->		7.0%										44,769,900
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50	0.46
Present Value		2,775,734	2,570,124	2,379,745	2,203,467	2,040,247	2,132,875	1,974,884	1,828,596	1,693,145	1,567,727	22,188,725
Market Rate / Net Present Value												43,355,269

2.3 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 67,025,000	Sixty-Seven Million and Twenty-Five Thousand Saudi Riyals
DCF	Property	SAR 43,355,269	Forty-Three Million Three Hundred Fifty-Five Thousand Two Hundred Sixty-Nine Saudi Riyals

2.4 SUBJECT PROPERTY VALUE

The purpose of the valuating the subject property is for Real Estate Investment Trust Fund purposes. For that reason, any of the income approaches should be chosen to reflect the market value of the subject property. In our case, using the Cap Rate methodology and the Discounted Cash Flow Methodology shows less values when compared to the asset value (Land + building) using the DRC approach. the Cost Approach usually reflect the minimum expected value of the subject property since it does not take into consideration any generated revenues from such property. In addition to that, the land value usually reflects the allowed FAR (Higher FAR lead to Higher land value) where the investors usually try to utilize the maximum allowed BUA to maximize their returns as possible.

This means, and based on the market construction regulations, the subject property was not utilized as per the best use in terms of the allowed BUA and no of floor. Therefore, and based on this analysis, we will apply the cost approach (DRC) to reflect the market value of the subject property. The current revenues of the subject property are very low due to the current use of it. Based on that, we advise to redevelop the subject property as the best use possible to increase the expected return of the property from almost 5% (Current) to at least 8% to 9% (Expected based on HBU).

We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Cost (DRC) Approach is:

Property Value: 67,025,000 SAR
Sixty-Seven Million Twenty-Five Thousand Saudi Riyals

2.5 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.6 DISCLAIMER

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

2.7 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.





Dr. Mohammad Taha – CEO
Valuation Check

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



REAL ESTATE VALUATION



ROWAD AL KHALEEF SCHOOL DAMMAM CITY

PREPARED FOR
ALRAJHI REIT FUND

DECEMBER 2019





REF: WCRE-19-447-1
Date: 31/12/2019
M/S AlRajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 211 9250
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Rowad Al Khaleej International School located in Dammam City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on December 26, 2019 for valuation service of the educational project (Rowad Al Khaleej International School) located in Dammam city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

Member of the Saudi Authority of Accredited Valuers (Taqeem)
Member of the International Association of certified valuer
Member of the Arab Academy for Valuation
Senior Sworn Valuer in the Lebanese Ministry of Justice
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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA



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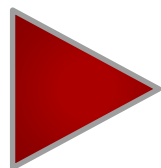
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INTRODUCTION

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



WHITE **CUBES**
REAL ESTATE



1.1 INSTRUCTION

We have received instruction from AL RAJHI CAPITAL dated on December 26, 2019 to proceed with the valuation service for Rowad Al Khaleej International School in Dammam city.

Valuation Type	Real Estate
Instructions From	Al Rajhi Capital
Property Type	Educational
Property Name	Rowad Al Khaleej School
Location	KSA, Dammam

1.2 CLIENT

The client to whom this report is prepared is AIRajhi REIT Fund

Client Name	AIRajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Avinash Ragoowansi
Contact No.	+966 11 211 9250

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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

1.6 STRUCTURAL STABILITY (IF ANY)

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

1.7 OPINION OF VALUE

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

1.8 VALUATION STANDARDS

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



الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers



1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes.

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

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

1.10 CLIENT APPROVAL DATE

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

December 26, 2019.

1.11 INSPECTION DATE

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

December 27, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.



1.14 INSPECTION ROLE

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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

COMMENT ON STRUCTURAL
DESIGN

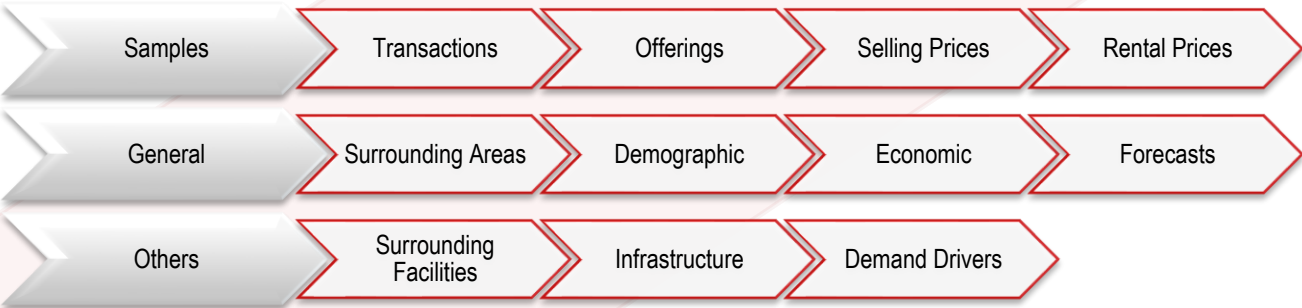
INSPECTION SUMMARY NOTES





1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

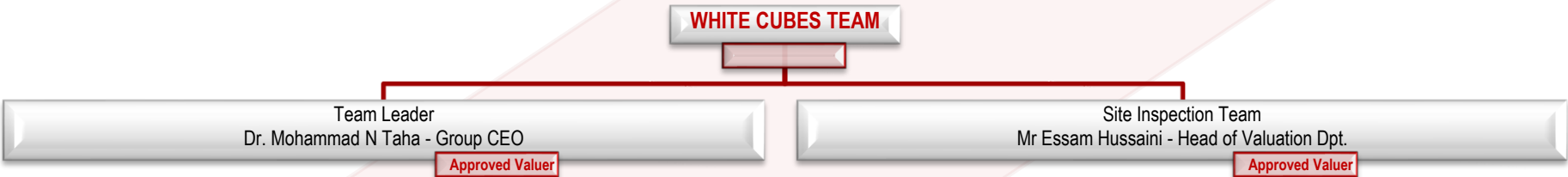
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASES OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

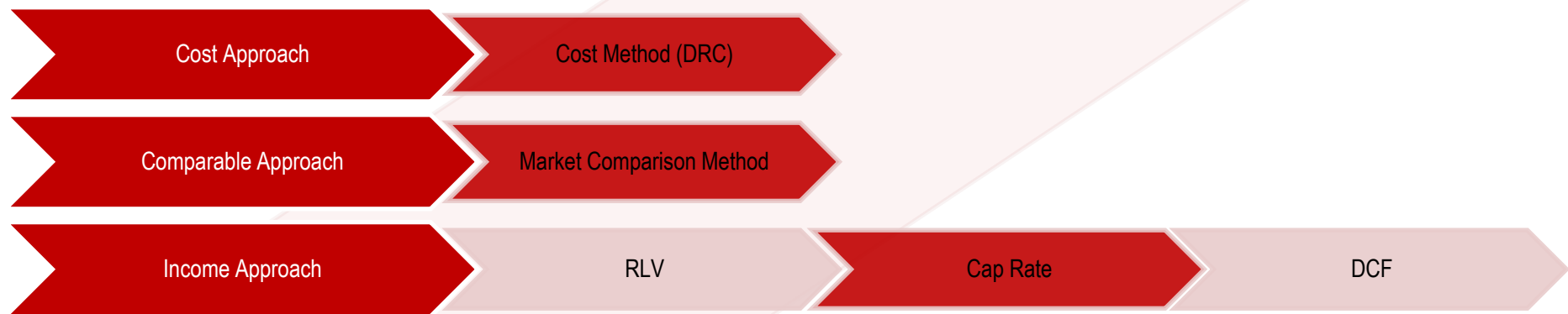
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.





1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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



RESIDUAL LAND VALUE (RLV)

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

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

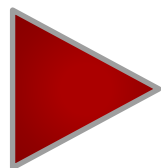
	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		



We would like to bring to your attention the following:

No	If Yes	Remarks
✓	Client	Date
✓	Al Rajhi Capital	February 2019
✓	_____	_____
✓	_____	_____

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



PROPERTY INFO & VALUATION

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



WHITE CUBES
REAL ESTATE



2.1 PROPERTY DESCRIPTION

The subject property is an educational building (Rowad Al Khaleej International school) located in Al Zuhor district, Dammam city. As per the title deed and the construction permit, the property has a total land area of 20,213.00 Sqm, and a total BUA of 25,797.00 Sqm. As per the site inspection done by our team, the property is open on three sides from the North, East and West with a direct view on Anas Bin Malik Road and all the infrastructure facilities such as sewage, telecommunication, electricity and water are available in the surrounding and connected to the subject property.

2.2 TITLE DEED & OWNERSHIP

We were provided with copies of the title deeds of the subject property which is owned by 4 title deeds and one owner (Al Khaleej for Training & Educational Company), and located in Al Zuhor District, Dammam city. The client has provided us with copies of the title deeds, which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. The details of the subject property:

TITLE DEED# 1

T.D No.	930111004905
T.D Date	14/04/1433 H. D
Date of Latest Transaction	14/04/1433 H. D
Issued by	Dammam Notary
Land Area (Sqm)	10,099.00
Plot No.	25 – 26 - 27
Block No.	N/A
Layout No.	1/41
Ownership	Freehold
Limitations of Document	N/A

TITLE DEED# 2

T.D No.	330122001630
T.D Date	12/06/1434
Date of Latest Transaction	12/06/1434
Issued by	Dammam Notary
Land Area (Sqm)	3,750.00
Plot No.	1/28 - 30
Block No.	N/A
Layout No.	1/41
Ownership	Freehold
Limitations of Document	N/A

TITLE DEED# 3

T.D No.	630111004907
T.D Date	14/04/1434 H.D
Date of Latest Transaction	14/04/1434 H.D
Issued by	Dammam Notary
Land Area (Sqm)	3,364.00
Plot No.	29
Block No.	N/A
Layout No.	1/41
Ownership	Freehold
Limitations of Document	N/A

TITLE DEED# 4

T.D No.	430122001629
T.D Date	12/06/1434 H.D
Date of Latest Transaction	12/06/1434 H.D
Issued by	Dammam Notary
Land Area (Sqm)	3,000.00
Plot No.	1/30 - 30
Block No.	N/A
Layout No.	1/41
Ownership	Freehold
Limitations of Document	N/A

2.3 CONSTRUCTION & BUILDINGS

The subject property is a fully constructed Educational Property. The Client has provided us with copies of the Construction Permits issued by Dammam Municipality with the below details:

Construction Permit# 1

Construction Permit Type	New Building
Property Type	Educational
Construction Permit No.	427/10348
Construction Permit Date	06/11/1417 AH
Permit Expiry Date	06/11/1420 AH

As per the received construction permits, the total built up area is 26,236.00 SQM. Yet, the client has informed us that the total BUA is 25,797.00 SQM which will be consider in the valuation process.

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

Description	No. of Units	Area (sqm)	Use
Ground Floor	2	134.00	Services
Ground Floor	-	3,348.00	Educational
First Floor	-	3,284.00	Educational
Second Floor	-	3,284.00	Educational
Others	-	334.00	-
Total BAU (sqm)		10,384.00	

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

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

Construction Permit# 3

Construction Permit Type	Addition
Property Type	Educational
Construction Permit No.	427/10348
Construction Permit Date	27/11/1434 AH
Permit Expiry Date	27/11/1437 AH

Description	No. of Units	Area (sqm)	Use
Basement	-	3,465.00	Parking Area
Ground Floor	-	718.00	Parking Area
Ground Floor	1	2,271.00	Educational
Ground Floor	-	53.00	Services
First Floor	-	1,768.00	Educational
Second Floor	-	2,476.00	Educational
Fences	-	125.00	Fences
Total BAU (sqm)		10,751.00	

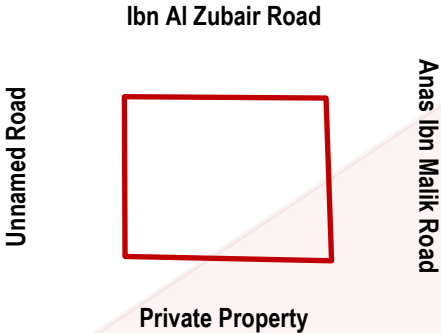
Construction Permit# 4

Construction Permit Type	New Building
Property Type	Educational
Construction Permit No.	432/10423
Construction Permit Date	09/09/1432 AH
Permit Expiry Date	09/09/1435 AH

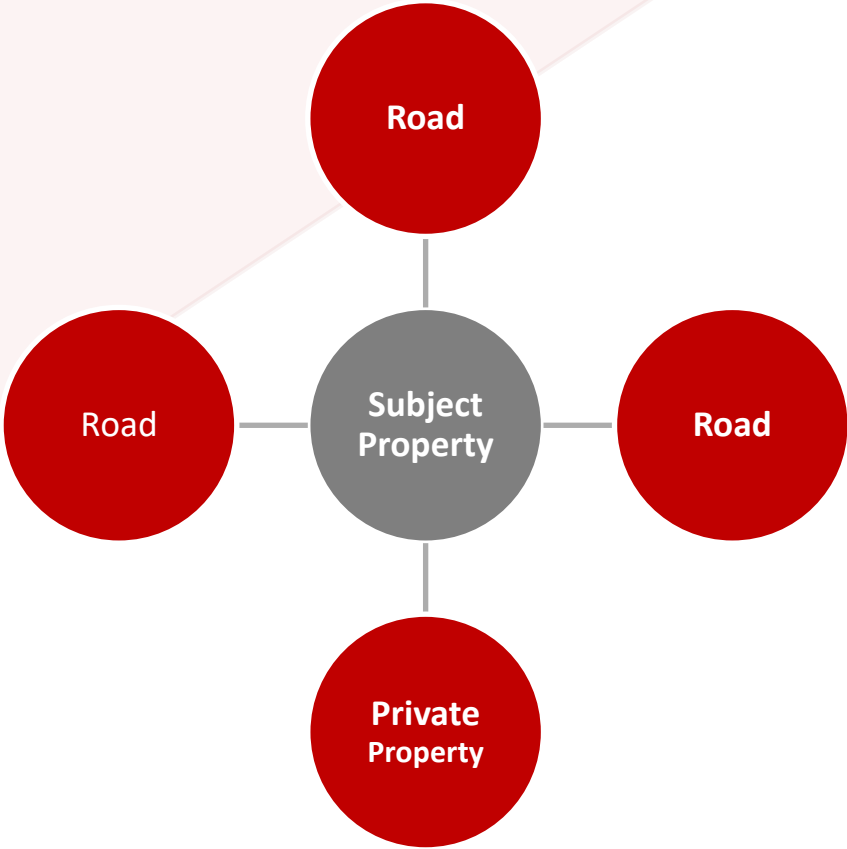
Description	No. of Units	Area (sqm)	Use
Ground Floor	10	1,000.00	Residential
Ground Floor	-	426.00	Services
First Floor	10	1,000.00	Residential
First Floor	-	426.00	Services
Second Floor	10	1,000.00	Residential
Second Floor	-	426.00	Services
Third Floor	10	500.00	Addendum
Third Floor	-	218.00	Services
Fences	-	190.00	-
Others	-	105.00	-
Total BAU (sqm)		5,101.00	



2.4 BOUNDARIES



	North	South	East	West
Pathway				
Street	✓		✓	✓
Plot				
Block				
Private Property		✓		
Mountain				
Valley				
Sea				
River				
Length	-	-	-	-
Direct View on	Anas Ibn Malik Road – Ibn Al Zubair Road			
Sides Open	3			



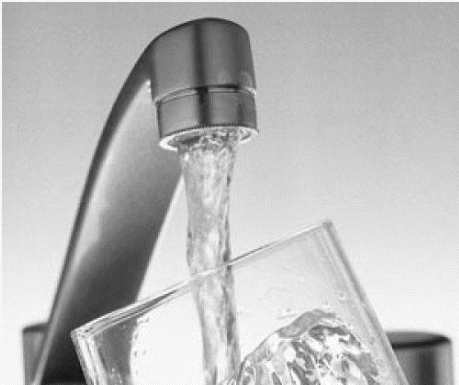





2.5 LAND SPECS

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

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

2.6 INFRASTRUCTURE FACILITIES

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



2.7 LOCATION

The subject property is located in Al Zuhor District in Dammam city with a direct view on Anas Ibn Malik Road. The location and coordinates of the subject property are as follows:



Subject Property
26°27'10.88"N
50° 5'16.58"E



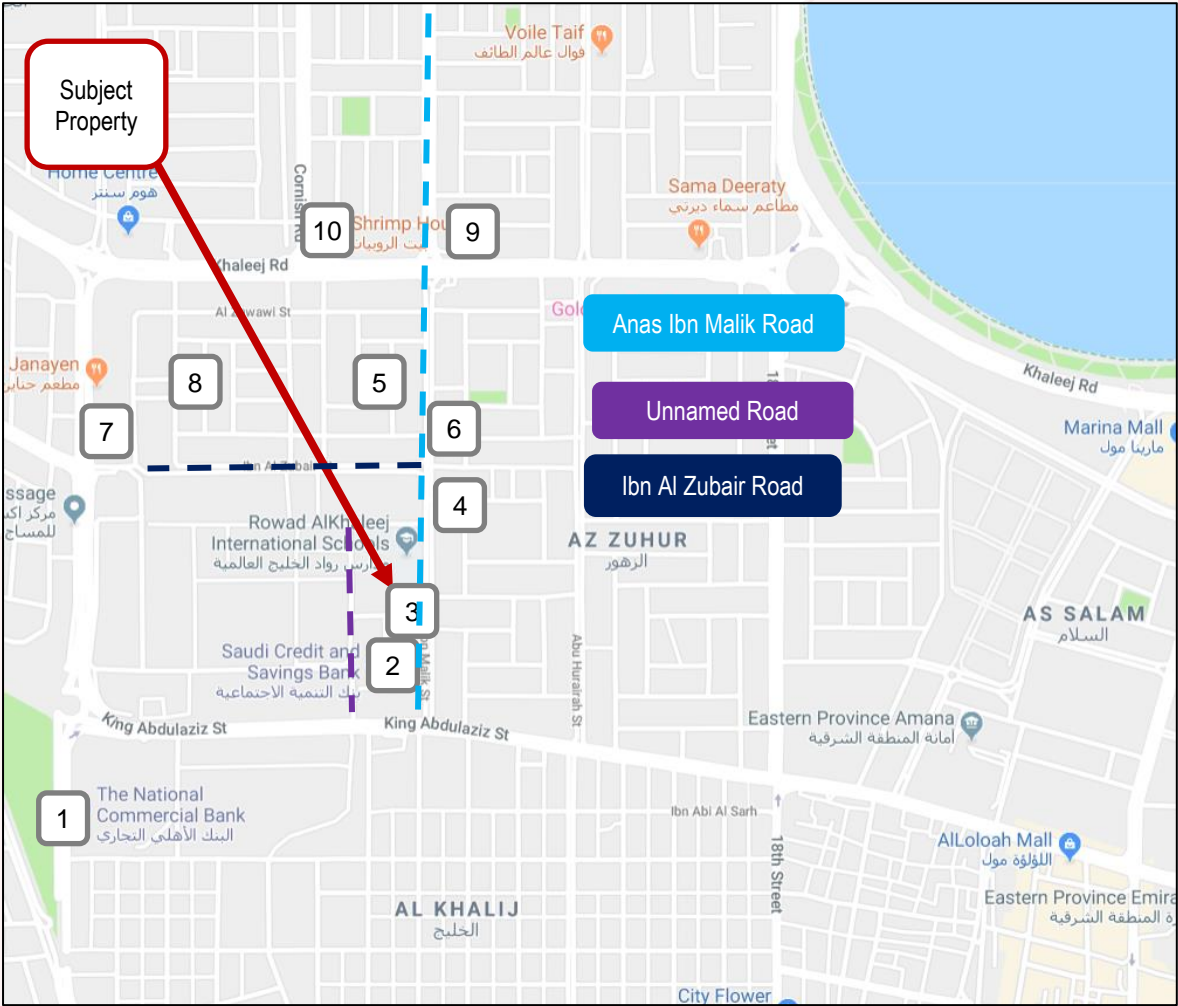
N Coordinates	26°27'10.88"
E Coordinates	50° 5'16.58"
City	Dammam
District	Al Zuhor
Street	Anas Ibn Malik
Property Type	Constructed Land

Source: White Cubes & Google Maps



2.8 ACCESS & LAND MARKS

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



ACCESS TO SUBJECT PROPERTY

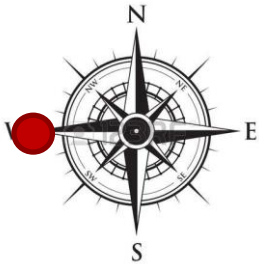
The subject property can be accessed through the following roads:

- North Side: Ibn Al Zubair Road
- East Side: Anas Ibn Malik Road
- West Side: Unnamed Road

LAND MARKS

- 1- The National Commercial Bank (1.85 Kilometres)
- 2- Saudi Credit and Savings Bank (0.6 Kilometres)
- 3- Burger Mix Cheese Restaurant (0.2 Kilometres)
- 4- Al Jawad Food Corner (0.25 Kilometres)
- 5- White Palace Banquet Hall (0.75 Kilometres)
- 6- Al Rajhi ATM (0.5 Kilometres)
- 7- Al Jazira ATM (1.4 Kilometres)
- 8- Dammam Civil Academy (0.85 Kilometres)
- 9- Darin Seafood Dammam (1.4 Kilometres)
- 10- Shrimp House Restaurant (1.35 Kilometres)

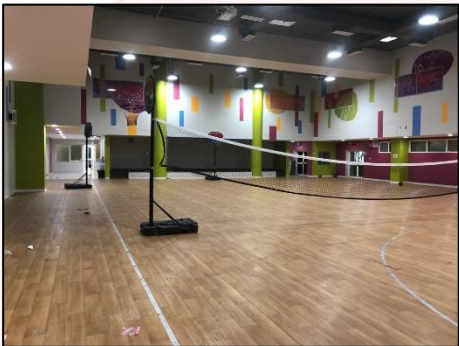
Location of the subject property according to the City Center





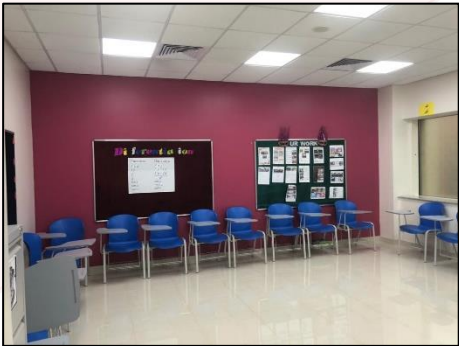
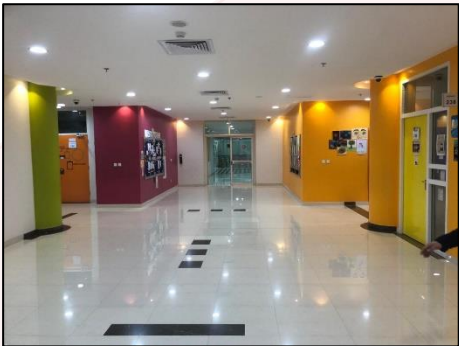
2.9 PHOTO RECORD

Date of Photos: December 27, 2019





Date of Photos: December 27, 2019





2.10 DOCUMENTS RECIEVED

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

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

2.11 GENERAL ASSUMPTIONS

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



2.12 RISK ANALYSIS

SECTOR ANALYSIS

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

LAND ANALYSIS

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

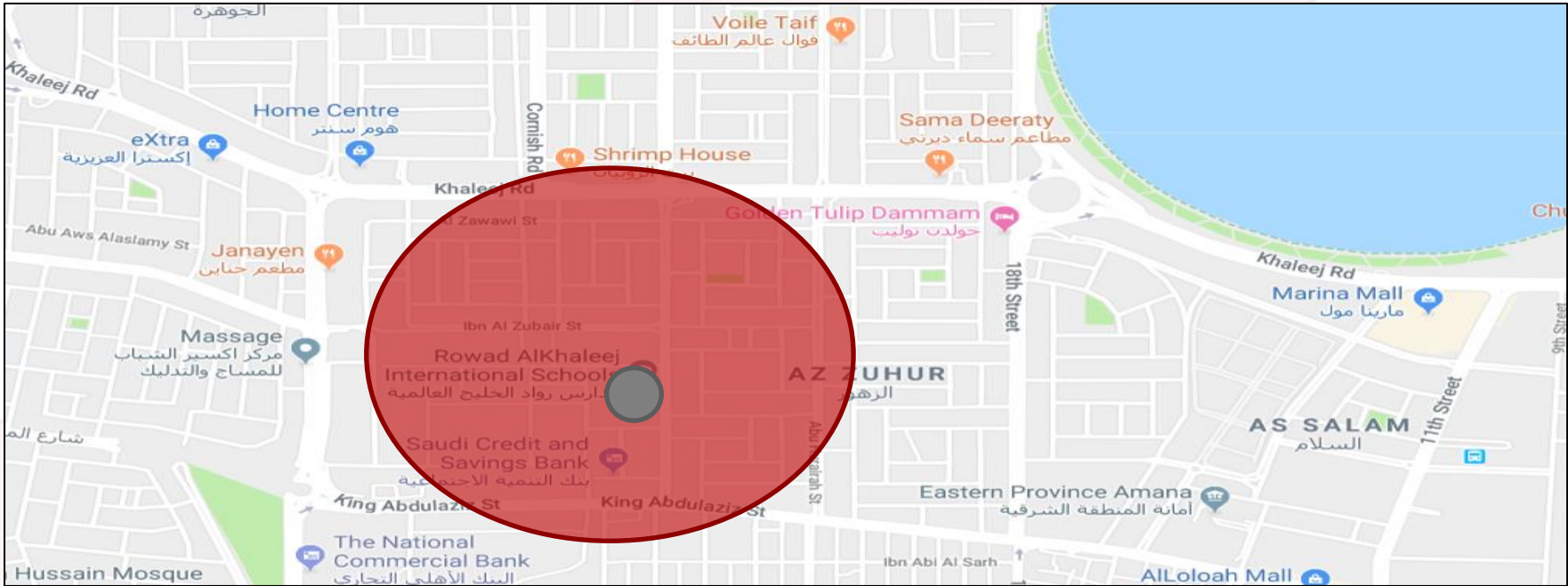
PROPERTY ANALYSIS

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



2.13 COMPARABLE APPROACH

AREA OF INSPECTION



According to the site inspection done by our team for the purpose of valuating the subject property, we were able to find several properties similar to the subject property and located in the surrounding areas.
The average prices for similar properties falls in the range between SAR 2,500 to 3,500 SAR per Square Meter.

TITLE DEED NO.	LAND SIZE SQM	SQM/SAR	TOTAL VALUE (SAR)
930111004905	20,213,00	3,000	60,639,000
630122001630			
630111044907			
430122001629			

2.14 COST APPROACH (DRC)

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

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

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

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

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

As for the subject property, we will use 20% developer profit rate.

LAND			
Land Area	SAR / Sqm	Total Value	
20,213.00	SAR 3,000	SAR 60,639,000	

Building			
	Unit	No of Floors	Total BUA
Underground	Sqm	1	3,465.00
Upper Floors	Sqm	1	22,332.00
Total (SQM)	25,797.00		

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	22,332.00	SAR 850	SAR 18,982,200	100%	SAR 18,982,200
Electro Mechanic	22,332.00	SAR 400	SAR 8,932,800	100%	SAR 8,932,800
Finishing	22,332.00	SAR 650	SAR 14,515,800	100%	SAR 14,515,800
Fit outs & Appliances	22,332.00	SAR 300	SAR 6,699,600	100%	SAR 6,699,600
Furniture	22,332.00	SAR 400	SAR 8,932,800	100%	SAR 8,932,800
Site Improvement	0.00	SAR 20,213	SAR 0	100%	SAR 0
Total			SAR 58,063,200	100.00%	SAR 58,063,200
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,465.00	SAR 1,275	SAR 4,417,875	100%	SAR 4,417,875
Electro Mechanic	3,465.00	SAR 500	SAR 1,732,500	100%	SAR 1,732,500
Finishing	3,465.00	SAR 300	SAR 1,039,500	100%	SAR 1,039,500
Total			SAR 7,189,875	100.00%	SAR 7,189,875
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 65,253,075	0.10%	SAR 65,253
Design			SAR 65,253,075	0.50%	SAR 326,265
Eng Consultant			SAR 65,253,075	1.00%	SAR 652,531
Management			SAR 65,253,075	5.00%	SAR 3,262,654
Contingency			SAR 65,253,075	5.00%	SAR 3,262,654
Others			SAR 65,253,075	0.00%	SAR 0
TOTAL				11.60%	SAR 7,569,356.70
Total Hard Cost	SAR 65,253,075		BUA	25,797.00	
Total Soft Cost	SAR 7,569,356.70		SAR / Sqm	SAR 2,823	
Total Construction Cost	SAR 72,822,431.70		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 72,822,432		Net Dep Rate		22.86%
			Dev Cost After Depreciation		SAR 56,177,304
Economic Age	35		Total Completion Rate		100.00%
Annual Dep Rate	2.86%		Developer Profit Rate		20.0%
Actual Age	8				
Total Dep Rate	22.86%				
Add Appr Rate	0.00%		Dev. Profit Amount		SAR 11,235,461
Net Dep Rate	22.86%		Development Value		SAR 67,412,765
Total Dev. Value	Land Value	Total Property Value	Rounded Value		
SAR 67,412,765	SAR 60,639,000	SAR 128,051,765	SAR 128,050,000		

2.15 INCOME APPROACH

The client has informed us that the subject property is fully leased to an educational operator for an annual rent of 19,500,000 SAR (triple net lease).

REVENUES					
Unit Type	Quantity	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Educational Facility		The subject property is Fully / Partially leased to 1 / Several tenants			SAR 19,500,000
	0	0	SAR 0	SAR 0	SAR 0
	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 19,500,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues	Total Expenses	NOI		
Educational Facility	SAR 19,500,000	0.00%	SAR 19,500,000		
	SAR 0	0.00%	SAR 0		
	SAR 0	0.00%	SAR 0		
Total					SAR 19,500,000
Total Property Revenues					SAR 19,500,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 19,500,000.00
Net Operating Income	Cap Rate	Property Value		Rounded Value	
SAR 19,500,000.00	7.25%	268,965,517.24 SAR		268,970,000.00 SAR	

The subject property is rented to one tenant. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property. As for the OPEX rate, which is being paid by the tenant, no expenses were calculated.

We can clearly note the big difference in values between the DRC approach and the Income Approach.

This difference can be justified to the favor of the value resulted from the income approach due to the following reasons:

1. The subject property has a long lease contract period
2. The subject property will be operated by a stronghold tenant
3. As we have been notified by the client, the acquisition of such property will be secured by promissory notes given by the tenant

2.16 SUBJECT PROPERTY VALUE

We have to note that the subject property falls under the definition of unique / specialized assets based on the IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers) standards and regulations.

The special assets definition includes all the properties those witness very limited number of transactions in the market (sale / buy activities) due to the nature and type of business, where those properties considered as operational properties and can be used by one tenant operator only, such as educational facilities, medical facilities, agriculture facilities and any other asset abdicated for one use or purpose.

The following summarizes the high-level characters of the special properties:

Can be used by one tenant / operator.

The purpose of such properties is to examine and run a business operation rather than to offer the property to the market for renting activities as an income generating property.

Very minimum comparable transaction in the market.

Based on all the above, we can't apply the income approach based on the market rates for such property since they can't be rented in several units.

For example, any educational (and / or) medical facilities considered as operation property and they are measured by the number of students and number of beds respectively rather than per unit (and / or) per Sqm.

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

Property Value: 268,970,000 SAR
Two Hundred Sixty-Eight Million and Nine Hundred Seventy Thousand Saudi Riyals

2.17 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.18 DISCLAIMER

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

2.19 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

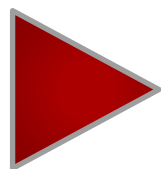
Essam Hussaini
Site Inspection Check



Member of (Taqeem)
License No. 1210000474

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





DOCUMENTS



WHITE **CUBES**
REAL ESTATE

Title Deed# 930111004905

رقم: ٩٣٠١١١٠٠٤٩٠٥
التاريخ: ١٤ / ٤ / ١٤٢٣ هـ

كتابة العدل الأولى بالدمام

صك يملك عقار

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

فقد أنا شاعر بن علي عبدالله الشهري كاتب العدل بكتابة العدل الأولى بالدمام:

فإن قطعة الأرض رقم ٢٥ و قطعة الأرض رقم ٢٦ و قطعة الأرض رقم ٢٧ من المخطط رقم ١ / ١١ الواقع في حي الزهور بمدينة الدمام.

وحدودها وأطرافها كالتالي:

شمالاً: شارع عرض ٢٠ متر بطول: (١٥٠) مائة وخمسون متر

جنوباً: قطعة رقم ٢٨ والقطعة رقم ٢٩ بطول: ٥٠ متر ثم يمتد بالقرب بطول ٧٥ متر ثم ينحصر إلى الشمال بطول ٢٩ متر

شرقاً: شارع عرض ٢٠ متر بطول: (٩٠) تسعون متر

غرباً: شارع عرض ٢٠ متر بطول: (٤٥) خمسة وأربعون متر

ومساحتها: (١٠٠٩٩) عشرة آلاف وتسعة وتسعون متر مربعاً فقط بناء على خطاب الامانة رقم ٢٣٩٣ / ٢٤٢٣ / ٢٤ في ٢٤ / ٤ / ١٤٢٣ هـ والتقدير برقم ٢٠٩٨ في ٢٤ / ٤ / ١٤٢٣ هـ.

الرهينة بالسك الصادر من هذه الإدارة برقم ٤٣٠١٠٦٠١١٩٥٩ في ٩ / ١١ / ١٤٢٠ هـ أصبحت ملوكة لـ شركة الطابج للتدريب

في السعودية بموجب سجل تجاري رقم ١٠٦٠١٠٣٣٦٧ في ٣٠ / ٥ / ١٤١٣ هـ خالية من الرهن.

وعليه جرى التصديق تحريراً في ١٤ / ٤ / ١٤٢٣ هـ ووصل الله على نبيينا محمد وآله وصحبه وسلم.

استمارة الأصل
م/ع/م الشايع
١٤٢٣/٤/٢٤

وزارة العدل
كتابة العدل الأولى بالدمام

شاعر بن علي عبدالله الشهري

صفحة ١ من ١

Title Deed# 330122001630

رقم: ٣٣٠١٢٢٠٠١٦٣٠
التاريخ: ١٦ / ٦ / ١٤٢٤ هـ

كتابة العدل الأولى بالدمام

صك

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

فإن قطعة الأرض رقم ٢٨ من أصل قطعة الأرض رقم ٢٨ و قطعة الأرض رقم ٣٠ من المخطط رقم ١ / ٤١ الواقع في حي الزهور بمدينة الدمام . بموجب محضر اللجنة الفنية الرفق بغطاب أمانة مدينة الدمام رقم ١٤٣١٣ / ٢ / ١١ وتاريخ ١٤٣٤ هـ التقيد برقم ٣١٧٥٢٢٥ وتاريخ ٢٨ / ٣ / ١٤٣٤ هـ والملوكة لـ شركة الطابج للتدريب بموجب سجل تجاري رقم ١٠١٠١٠٣٣٦٧ في ٣٠ / ٥ / ١٤١٣ هـ.

قد تم فرزها بالحديد والأطراف كالتالي:

شمالاً: قطعة رقم ٢٩ بطول: (٧٥) خمسة وسبعون متر

جنوباً: قطعة رقم ١ / ٣٠ بطول: (٧٥) خمسة وسبعون متر

شرقاً: قطعة رقم ٢٧ وجزء من القطعة رقم ٢٩ بطول: (٥٠) خمسون متر

غرباً: شارع عرض ٢٠ متر بطول: (٥٠) خمسون متر

وبمساحة (٢٧٥٠) ثلاثمائة وسبعون متر مربع فقط

المستند في الفرز على السك الصادر من هذه الإدارة برقم ٣٣٠١١١٠٠١٦٣٠ في ١٤ / ٤ / ١٤٢٣ هـ والسك الصادر من هذه الإدارة برقم ٣٣٠١٠٦٠٠٨٧٥٤ في ٩ / ٦ / ١٤٢٠ هـ.

وعليه جرى التصديق تحريراً في ١٦ / ٦ / ١٤٢٤ هـ ولاعتداده ، ووصل الله على نبيينا محمد وآله وصحبه وسلم.

استمارة الأصل
م/ع/م الشايع
١٤٢٤/٦/١٦

وزارة العدل
كتابة العدل الأولى بالدمام

شاعر بن علي عبدالله الشهري

صفحة ١ من ١

Title Deed# 430122001629

١٥

١٤٢٩-١٤٣٠ هـ / ١٩١٠-١٩١١ م
الرقم : ١٧٢ / ٦ / ١٤٢٩ هـ

كاتب العدل الأول بالبحار

صك

الحمد لله وحده والعيلة والسلام على من لا نبي بعده وبعد:
فإن قطعة الأرض رقم ١ / ٢٠ من أصل قطعة الأرض رقم ٢٨ وقطعة الأرض رقم ٣٠ من المخطط رقم ٤١ / ١ الواقع في حي الزهور بمدينة الدمام . بموجب محضر اللجنة الفنية المرفق بخطاب أمانة مدينة الدمام رقم ١٤٢٣ / ٢١ وتاريخ ١٤٢٤ / ٣ هـ المقيد برقم ٣٤٧٦٥٢٢٥ وتاريخ ١٤٢٤ / ٣ هـ والماتوكسة ل شركة الخليج للتدريب بموجب سجل تجاري رقم ١٠١٠١٠٢٣١٧ في ٣٠ / ٥ / ١٤١٣ هـ .
قد تم فرزها بالأحود والأطول كالتالي
شعلاً : قطعة رقم ٢٨ / ١ بطول : (٧٥) خمسة و سبعون متر
جنوباً : قطعة رقم (١ / ٢٢) ورقم (ب / ٢٢) ورقم (ج / ٢٢)
شرقاً : قطعة رقم ٢٩ بطول : (٤٠) أربعون متر
غرباً : شارع عرض ٢٠ متر بطول : (٤٠) أربعون متر
ومساحة (٣٠٠٠) ثلاثة آلاف متر مربعاً فقط
المستند في الفرز على الصك الصادر من هذه الإدارة برقم ٢٣٠١١٠٠٤٩٠٦ في ١٤ / ٤ / ١٤٢٣ هـ والصك الصادر من هذه الإدارة برقم ٧٣٠١٠٦٠٠٨٧٥٤ في ١٤ / ٣ / ١٤٢٠ هـ .
وعليه جرى التصديق تحريراً في ١٤ / ٦ / ١٤٢٤ هـ لاتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

استلمت الاصل
أحمد بن عبد الرحمن
١٤٢٩ / ٣ / ١٥
أحمد بن عبد الرحمن
١٤٢٩ / ٣ / ١٥

خاتمة العدل
أحمد بن عبد الرحمن
١٤٢٩ / ٣ / ١٥

وزارة العدل
القسم الرئيسي
بمدينة الرياض

هذا المستند ومدة صلاحيته : ...
نموذج رقم ١ - ٢

Mr. Essam Hussaini



KSA – ECONOMIC & REAL ESTATE OVERVIEW

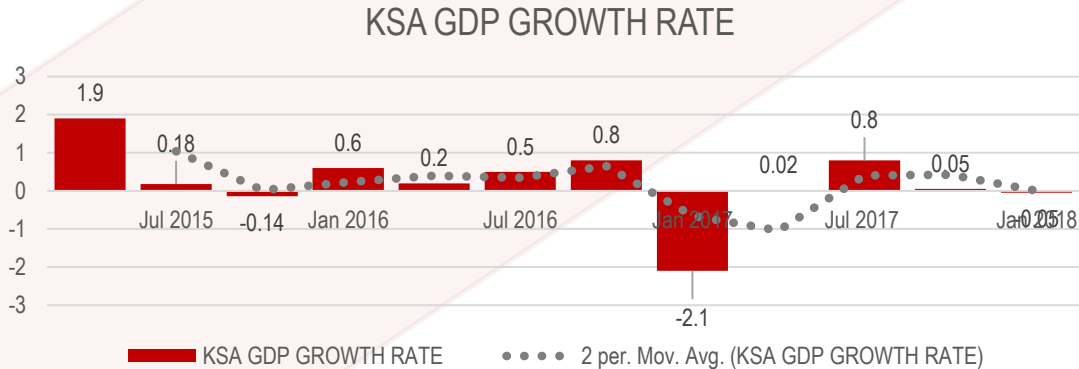
Real estate sector's performance is bounded to the economic conditions and factors. In this section, we will state some economic current facts and future estimations to be used as decision making tools from an investor point of view, in addition to the major aspects of the real estate market in Saudi Arabia which they can have big influence on the real estate market as an overall.





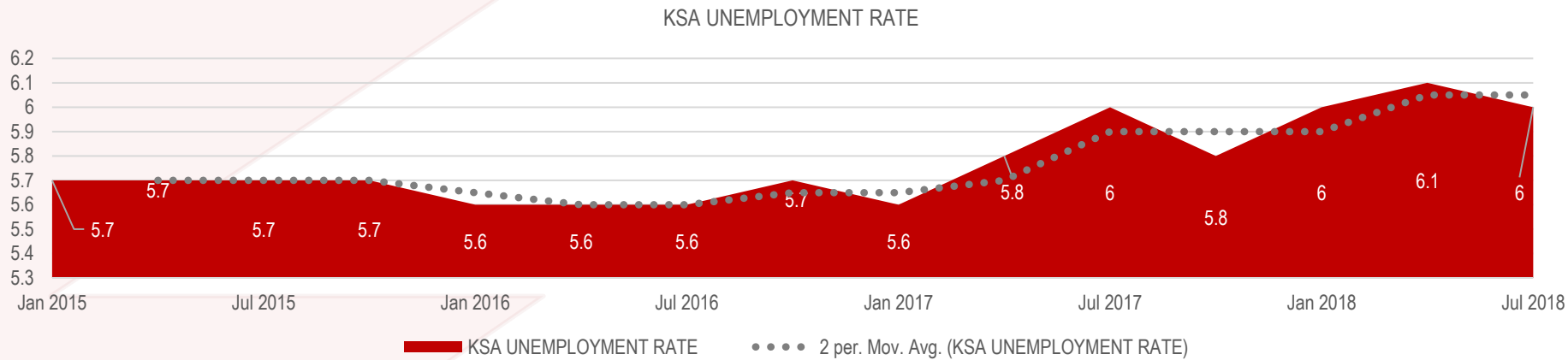
3.1 GROSS DOMESTIC PRODUCTS (GDP)

Saudi Arabia has an oil-based economy. Shipments of oil account for 87 percent of total exports and for 46 percent of GDP. In recent years, in order to diversify the economy, the government has been investing in telecommunications, petrochemicals, natural gas exploitation and power generation sectors. The Gross Domestic Product (GDP) in Saudi Arabia contracted 0.05 percent in the first quarter of 2018 over the previous quarter. GDP Growth Rate in Saudi Arabia averaged 0.96 percent from 2010 until 2018, reaching an all-time high of 8.50 percent in the fourth quarter of 2010 and a record low of -2.10 percent in the first quarter of 2017. **Source: Trading Economics**



3.2 UNEMPLOYMENT RATES

Unemployment Rate in Saudi Arabia decreased to 6 percent in the second quarter of 2018 from 6.10 percent in the first quarter of 2018. Unemployment Rate in Saudi Arabia averaged 5.61 percent from 1999 until 2018, reaching an all-time high of 6.30 percent in the fourth quarter of 2006 and a record low of 4.35 percent in the fourth quarter of 1999. **Source: Trading Economics**

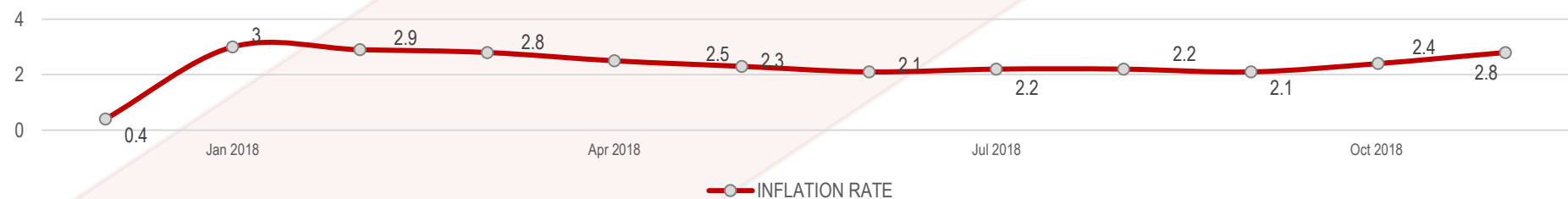




3.3 INFLATION RATES

The annual inflation rate in Saudi Arabia rose to a nine-month high of 2.8% in November of 2018 from 2.4% in the previous month. Prices increased faster for: food & beverage (7.7% from 7.3% in October); transport (12.0% from 11.5%); furniture & household equipment (4.6% from 2.8%); recreation & culture (3.8% from 3.2%); miscellaneous goods & services (0.6% from 0.1%). In addition, prices fell less than in a month earlier for both housing & utilities (-3.1% from -3.6%) and clothing & footwear (-4.5% from -5%). On the other hand, inflation was steady for: tobacco (at 10.2%); education (at 0.2%); health (at 4%). Meanwhile, prices went up softer for: restaurant & hotels (8.6% from 8.7%); communication (1.3% from 1.4%). On a monthly basis, consumer prices went down 0.2%, after a 0.3% drop in October. Inflation Rate in Saudi Arabia averaged 2.63 percent from 2000 until 2018, reaching an all time high of 11.10 percent in July of 2008 and a record low of -2 percent in January of 2001.

Source: Trading Economics



3.4 INTEREST RATES

The Saudi Arabian Monetary Agency raised the official repo rate by 25bps to 3.00 percent on 19 December 2018, following the Fed decision to increase its target range for the federal funds interest rate by a quarter point, to between 2.25 percent and 2.50 percent. The reverse repo rate was also hiked by 25bps to 2.50 percent. Saudi Arabia follows the Fed policy because its currency is pegged to the dollar. Policymakers said the rate adjustments aim to maintain monetary stability amid global financial developments. Interest Rate in Saudi Arabia averaged 3.69 percent from 1992 until 2018, reaching an all time high of 7 percent in May of 2000 and a record low of 1.50 percent in March of 2004.

Source: Trading Economics

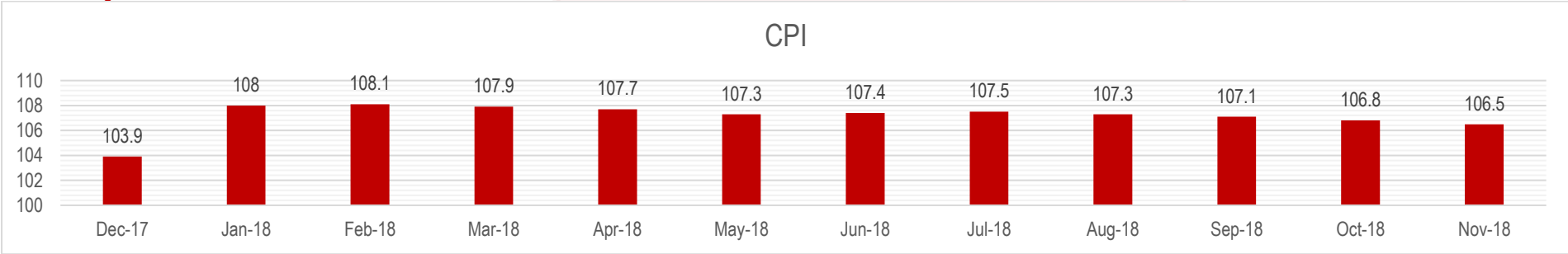




3.5 CONSUMER PRICE INDEX (CPI)

Consumer Price Index CPI in Saudi Arabia decreased to 106.50 Index Points in November from 106.80 Index Points in October of 2018. Consumer Price Index CPI in Saudi Arabia averaged 95.69 Index Points from 1999 until 2018, reaching an all time high of 114.80 Index Points in November of 2010 and a record low of 84.80 Index Points in August of 2001.

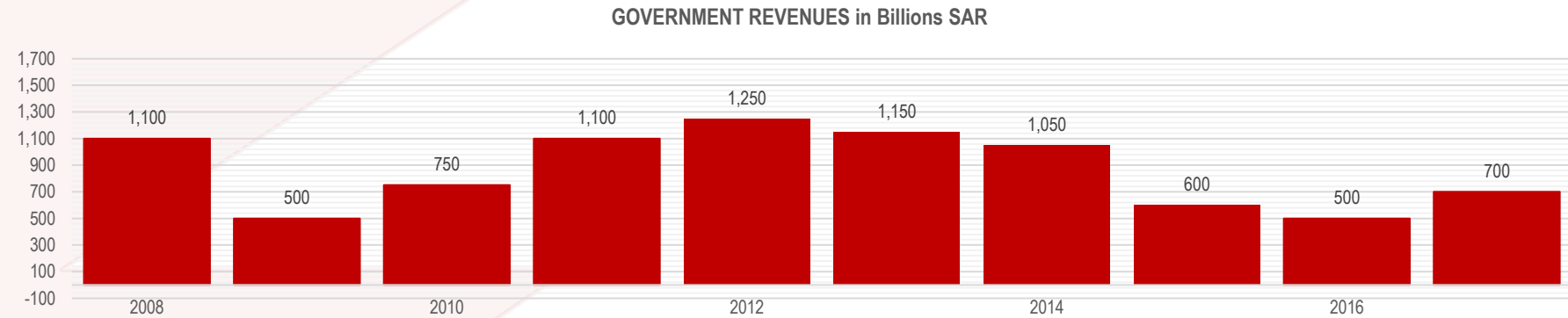
Source: Trading Economics



3.6 GOVERNMENT REVENUES

Government Revenues in Saudi Arabia increased to 691,505 SAR Million in 2017 from 519,448 SAR Million in 2016. Government Revenues in Saudi Arabia averaged 340318.54 SAR Million from 1969 until 2017, reaching an all-time high of 1,247,398 SAR Million in 2012 and a record low of 5,668 SAR Million in 1969.

Source: Trading Economic

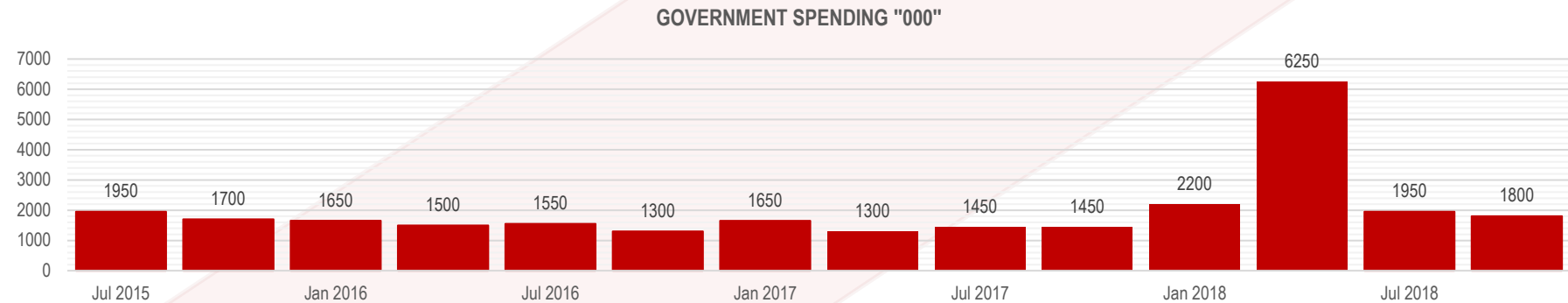


3.7 GOVERNMENT SPENDING



Government Spending in Saudi Arabia decreased to 183426 SAR Million in the second quarter of 2018 from 630978 SAR Million in the first quarter of 2018. Government Spending in Saudi Arabia averaged 150365.69 SAR Million from 2008 until 2018, reaching an all-time high of 630978 SAR Million in the first quarter of 2018 and a record low of 76217 SAR Million in the first quarter of 2008.

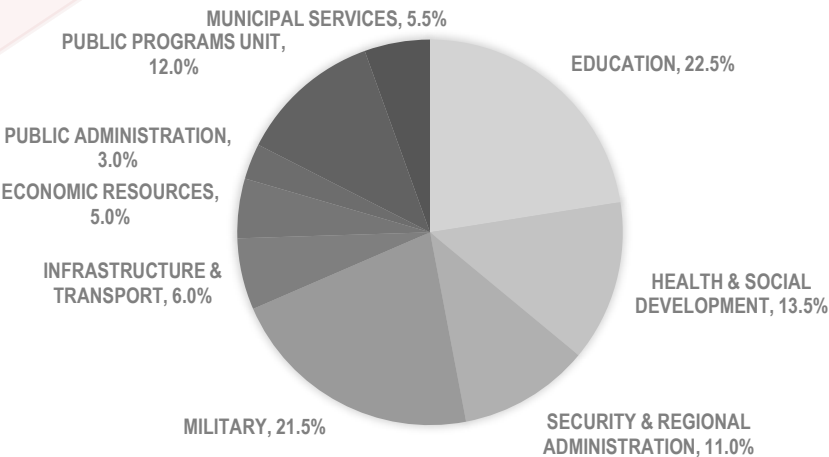
Source: Trading Economics



3.8 BUDGET ALLOCATION FOR 2017

Public Administration	27 SAR bn
Military	191 SAR bn
Security & Regional Adm.	97 SAR bn
Municipal Services	48 SAR bn
Education	200 SAR bn
Health & Social Dev.	120 SAR bn
Economic Resources	47 SAR bn
Infrastructure & Transport	52 SAR bn
Public Programs Unit	108 SAR bn

Source: Ministry of Economy

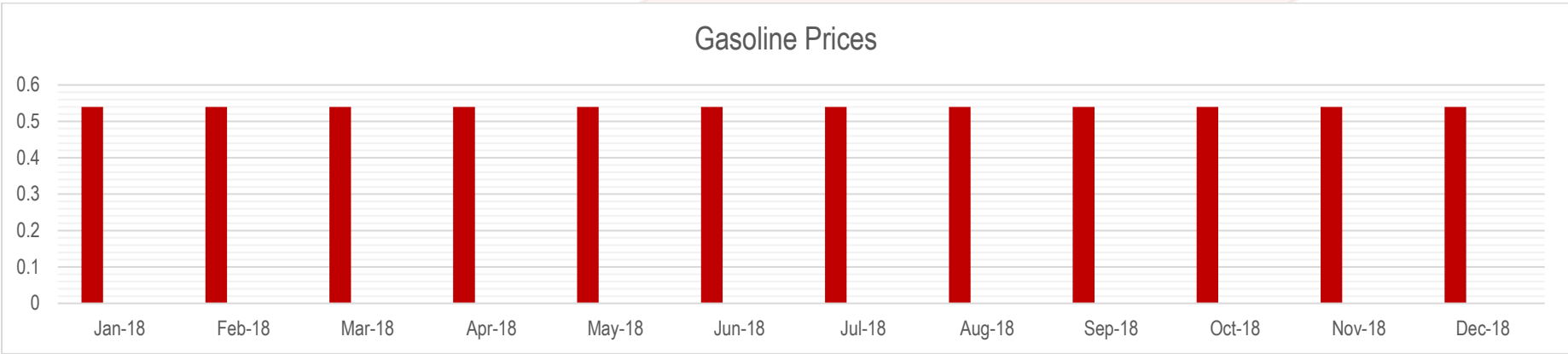


3.9 GASOLINE PRICES



Gasoline Prices in Saudi Arabia remained unchanged at 0.54 USD/Liter in December from 0.54 USD/Liter in November of 2018. Gasoline Prices in Saudi Arabia averaged 0.26 USD/Liter from 1995 until 2018, reaching an all-time high of 0.54 USD/Liter in January of 2018 and a record low of 0.12 USD/Liter in March of 2013.

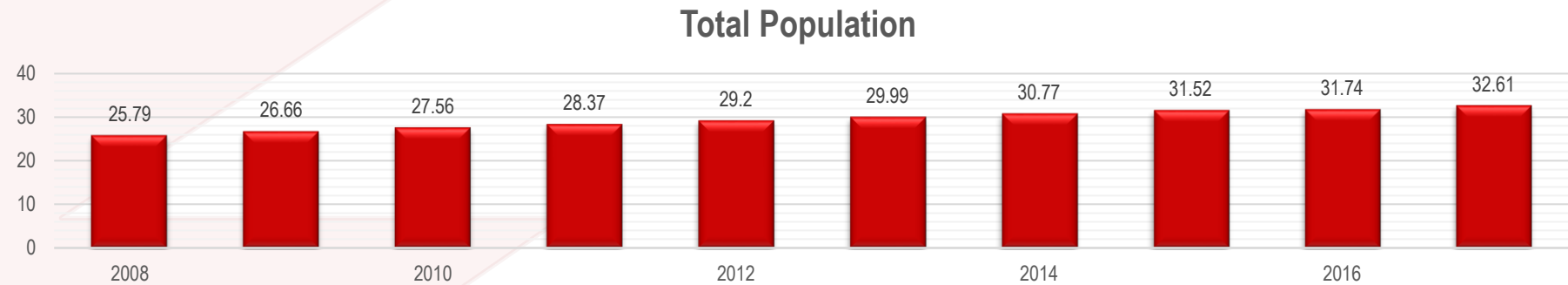
Source: Trading Economics



3.10 POPULATION STATISTICS

The total population in Saudi Arabia was estimated at 32.6 million people in 2017, according to the latest census figures. Looking back, in the year of 1960, Saudi Arabia had a population of 4.0 million people.

Source: Trading Economics



3.11 KSA ECONOMIC VISION 2030 – 8 KEY POINTS

SAUDI ARAMCO

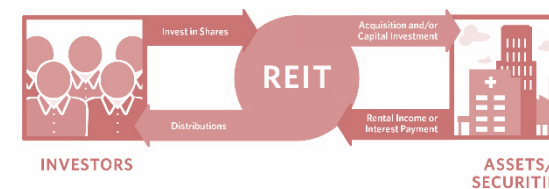
Aramco will be converted into an energy holding company with an elected board and some subsidiaries will be listed. Prince Mohammed said he expected the parent company to be valued at more than \$2 trillion, less than 5 % of which would be sold in an initial public offer. Selling even 1 % of the firm would constitute the world's biggest IPO, he added.

أرامكو السعودية
saudi aramco



PUBLIC INVESTMENT FUND

Restructure the state-owned Public Investment Fund (PIF), which the prince said would turn the world's top oil exporter into a global investment power. New assets, including state oil giant Saudi Aramco, would be included in the redesigned fund. The prince said the PIF made returns of 30 billion riyals (\$8 billion) in 2015 and that it would aim to increase its assets to more than 7 trillion riyals from 600 billion riyals.



RESTRUCTURING

Restructuring state assets and agencies, rather than spending cuts, will be key to making government finances viable in the long term; Prince Mohammed said the reforms would not require major new spending by the government but work on existing infrastructure projects would continue. He cited the housing ministry as a target for restructuring. State price subsidies would be targeted more carefully so they went to the people who needed them, not the rich.

MILITARY SECTOR

The government plans to set up a holding company for military industries that will be fully state-owned at first and later listed on the Saudi bourse. Prince Mohammed said he expected the listing to take place by the end of 2017.

PILGRIMS

The plan envisages a massive increase in Saudi Arabia's capacity to receive Islamic pilgrims, to 30 million annually from 8 million.





GREEN CARD” SYSTEM

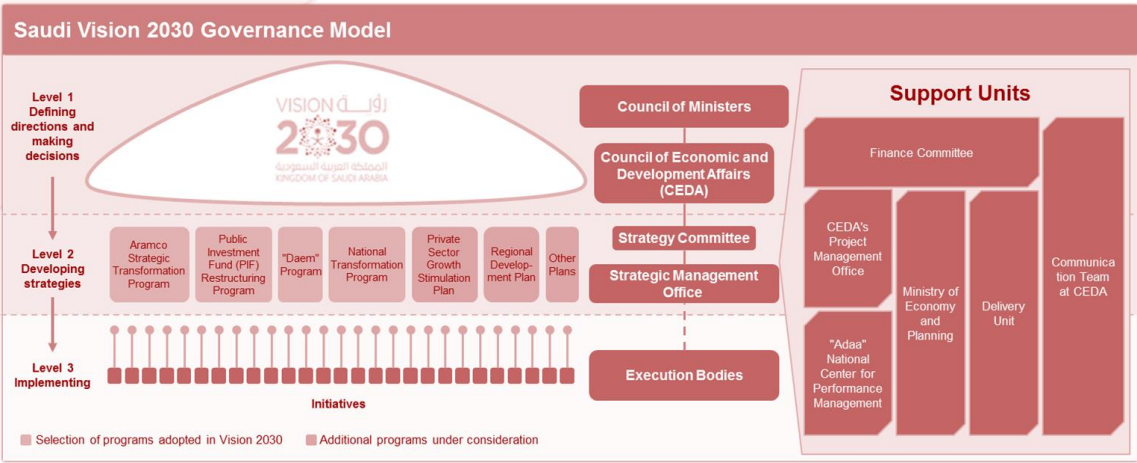
Saudi Arabia will introduce a “green card” system within five years to give resident expatriates more rights to live and work in the kingdom over the long term. Details were not given.

MINING AND RENEWABLE ENERGY

The plan sets a target for the kingdom to generate 9.5 gigawatts of renewable energy and to have the industry produce more of its equipment locally. It aims to raise the mining industry’s contribution to gross domestic product to 97 billion riyals (\$25.9 billion) and to increase the number of jobs in the sector by 90,000 by 2020.

GOALS

The plan includes more than a dozen other numerical goals, though it does not give details of how they will be achieved. The deadline to achieve most of the goals appears to be 2030. For example, the government’s non-oil revenues are to reach 600 billion riyals by 2020 and 1 trillion riyals by 2030, from 163.5 billion riyals in 2015. Unemployment among Saudi nationals is to fall to 7 % from 11.6 %. Financial institutions will be encouraged to allocate up to 20 % of their overall funding to small and medium-sized enterprises by 2030. Foreign direct investment will be raised to 5.7 % of GDP from 3.8 %. Household savings are to rise to 10 % of total household income from 6 %.



The share of non-oil exports in GDP is to rise to 50 % of GDP from 16 %. Doubling the number of archaeological sites recognized by UNESCO. Having three Saudi cities recognized as among “the top 100 cities in the world”. Increasing the number of Saudis who play sports at least once a week to 40 % from 13 %.

4.1 REAL ESTATE MARKET INSIGHTS

GOVERNEMENT SUPPORT

The government intention to diversify economy by other sectors than oil sector. this diversification mainly focused on the supporting of the industrial sector such as hosting the largest and integrated phosphate fertilizer facilities in the world, tourism sector and public services sectors

MINISTRY OF HOUSING

The Saudi ministry of housing has already initiated the plan of adding almost 500,000 housing units in different areas and cities within the kingdom. The step has come after the huge demand in the demand and acquisition financial obstacles of housing units by the mid to low income level social classes.

FOREIGNER OWNERSHIP

The Saudi government is currently reviewing the regulations of foreigners' ownership of housing units. The aim of this revision is to ease the procedures to enhance the residential real estate market performance by injecting liquidity in the market and absorb any market oversupplied units.

REIT FUNDS

The Real Estate Investment Trust is a new investment trend in the Saudi market which has started in early 2017. Later in this section we will indicate the rules and regulations of REIT funds which are issued by the Saudi Capital Market Authority (CMA)

RESIDENTIAL SECTOR

Currently the real estate residential market is witnessing huge demand for the acquisition of housing units. Yet, the current inflated prices slow down the transactions and waiting for these prices to be corrected and back to normal. On the other hand, the Union of Owners law still under the process which will give great boost for the apartment units in the market once approved and announced.

OFFICES & RETAIL

The retail sector has good market performance compared to other sectors and especially in the F&B sector. Yet, and recently, the retail sector witnessed some pressure when the expat taxations announced. As for the offices sector, it is noted that the rental rates in the market is decreasing, but it is expected that this sector will recover soon based on the foreigner investors new regulations.

HOSPITALITY

As an overall, the hospitality sector in Saudi Arabia supported by three main types of tourists; Business tourists (in the main cities such as Riyadh, Jeddah & Dammam), internal tourists (such as Jeddah & Taif) and above all the religious tourists (Makkah & Madinah) in the seasons of Hajj & Umra. Currently, the hospitality sector has very good performance in terms of occupancy rates, ADRs and RevPars

INDUSTRIAL SECTOR

Since one of the current major focuses of the Saudi government is to invest, expand and support the industrial sector, huge demand starts to arise among the major cities in KSA for warehouses projects and spaces. The performance of this sector is expected to continue the positive growth over the coming years supported by the needs of other sectors such as the retail sector.

4.2 REAL ESTATE MARKET YIELDS-2018

All the mentioned below yields for different sectors are based on the many different market transaction. They are also influenced by the market conditions and economic factors. The below shows the expected real estate yield rates for some major cities within the Kingdom of Saudi Arabia.



RESIDENTIAL UNITS

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	9%	9%	6.5%
Max - Avr	10%	9.5%	10.5%	10.5%	8.5%



OFFICES

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8%	7.5%	8.5%	8.5%	6.5%
Max - Avr	9.5%	9%	10%	10%	8.5%



RETAIL

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7.5%	8%	8%	6%
Max - Avr	9.5%	9%	9.5%	9.5%	8%



HOSPITALITY

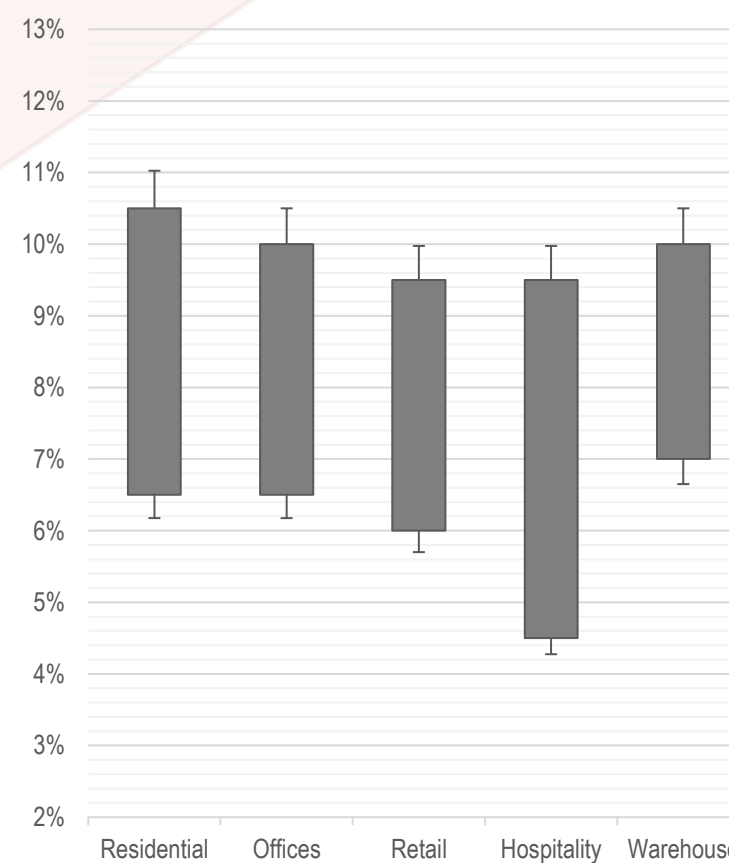
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7%	8%	8%	4.5%
Max - Avr	9%	8.5%	9.5%	9.5%	7%



WAREHOUSES

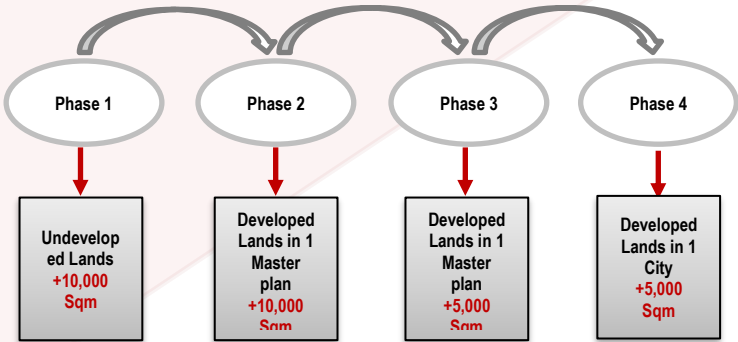
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	7.5%	7.5%	7%
Max - Avr	10%	9.5%	9%	9%	8.5%

Average Yield Rate in Major Cities



4.3 TAXATION OF UNDEVELOPED LANDS

Saudi Arabia has recently announced that it plans to levy fees against vacant land in urban areas throughout the Kingdom. Until this point, Saudi Arabia has been largely tax-free, especially with regard to real estate. The aim of this initiative is to encourage development of urban areas within the Kingdom. Development is currently slow and unappealing largely due to the cost of purchasing the land in the first instance. The cost of the land can comprise as much as 50% of the total project costs, which is due largely to vast areas of prime real estate being stockpiled by wealthy individuals and Companies with no intention of developing the land but simply holding onto the land as a store of value. This proposal is in initial stages and the true impact will fundamentally depend on the level of taxation which is imposed.



PHASES OF LAND TAXATION



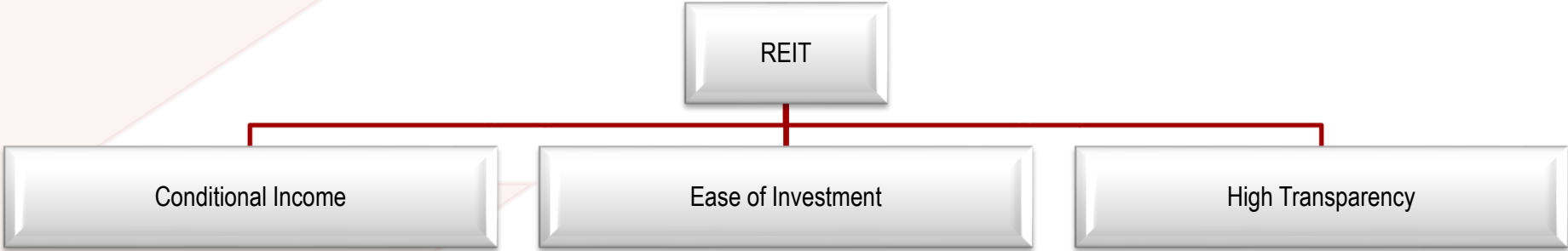


4.4 REIT DEFINITION

Real Estate Investment Traded Funds, or REITs, are financial instruments that allow all types of investors to obtain investment exposure to the Real Estate Market. This is achieved through collective ownership of constructed developed real estate qualified to generate periodic and rental income. REITs can invest locally, regionally and globally, where the total asset value outside the Kingdom shall not exceed 25% of the fund's total asset value. REITs consist of units, where each unit represents ownership in the underlying real estate. REITs are traded on the Exchange just like equities during trading hours. In addition, REITs are required to distribute at least 90% of the fund's net profits to the unit holders annually, as per the instructions issued by the Capital Market Authority (the CMA).

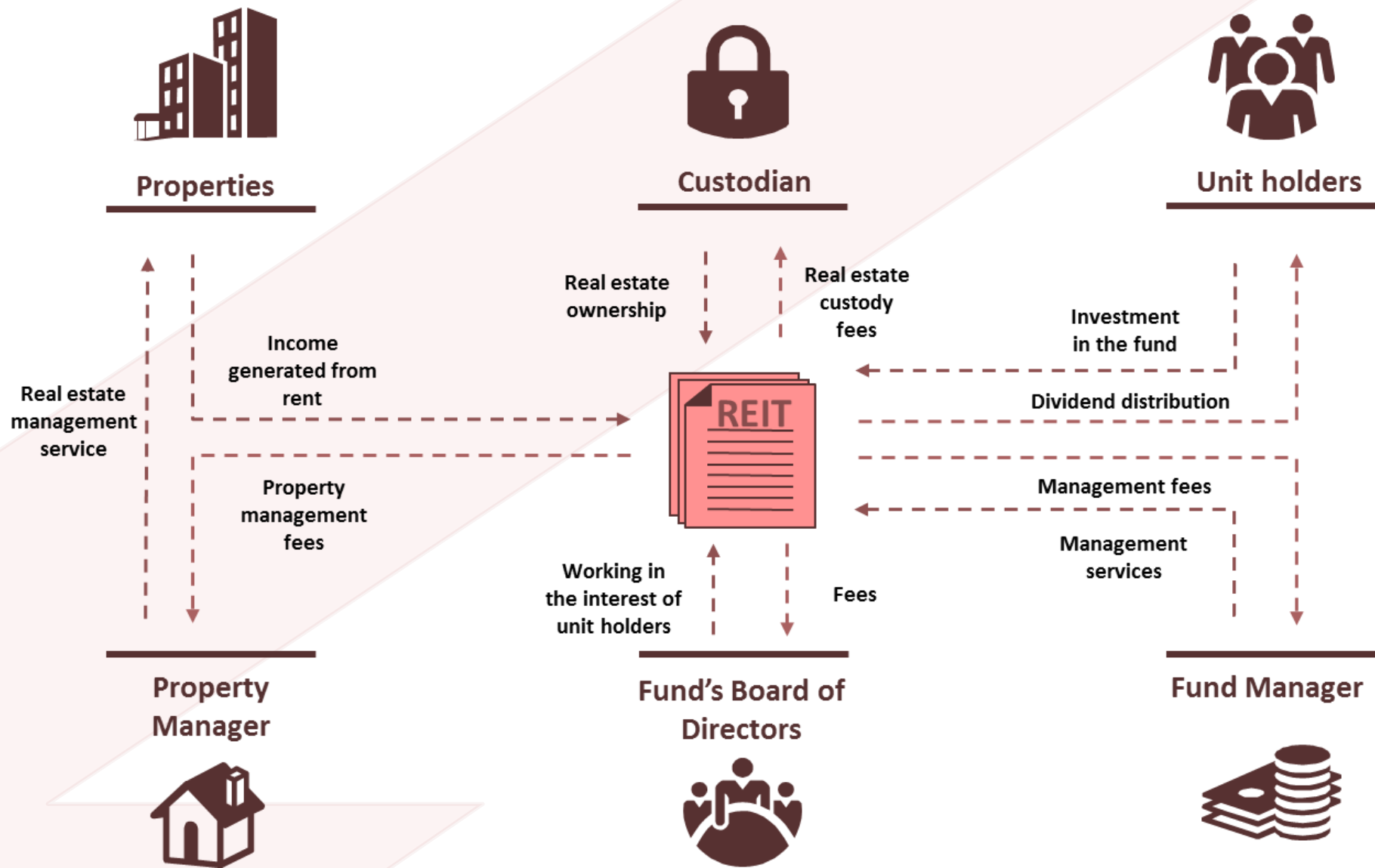
4.5 REIT SPECIFICATIONS

Assets of Investment	Real Estate Assets
Asset Type	Income Generating Asset
Fund Legal Type	Closed Ended Fund – Publicly Listed in the stock exchange
Number of Investors	Minimum of 50 investors
Initial Offer	Minimum of 100 Million SAR (will change up to 500 Million SAR)
Nomina Value of Unit	10 SAR / Unit
Assets Ownership	The assets must be registered under the name of third party (custodian) and owned by the unit holders
Distributions	At least 90% of the fund's net profits must be distributed annually to the unit holders
Leverage	The borrowing of the fund's must not exceed 50% of the total assets value of the fund
Assets Condition	At Least 75% of the assets should be income generating properties, while the remaining 25% can be under development projects.
Land Assets	No investment in vacant lands allowed.
Assets outside KSA	Not more than 25% of the assets can be included in the fund
Public Ownership	At least 30% of the total REIT units are owned by unit holders from the public





4.6 REIT STAKEHOLDERS

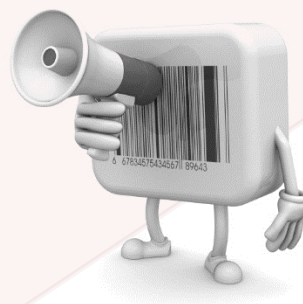


4.7 NEW TAX REGULATIONS

Saudi Arabia's move to impose various type of taxes on commodities, goods and services as well as residency and visit visa fees and charges on dependents of expats is expected to boost the Government finances. 3 major types of taxes were imposed as follows:

Selective commodity tax

Saudi Arabia officially applied the selective commodity tax on June 11, 2017. The tax will be imposed on three commodities - 100 % for tobacco and its derivatives, 100 % for energy drinks, 50 percent for soft drinks. It would be collected in one phase from the suppliers and manufacturers, and these taxes are expected to increase the Government budget revenues. Selective taxation might motivate many to quit these harmful substances instead of the huge budgets allocated annually to treat patients as a result of consuming these substances.



Increasing its prices will also reduce the number of the children and youth who will start using it, as they are the targeted category by companies producing these products. In the same context, the General Authority for Zakat and Income predicted that Saudi Arabia's revenues will reach more than \$3.2 billion (SR 12 billion Saudi riyal) annually, after imposing the selective commodity tax.

VAT in 2018

Value-added Tax (VAT) is an indirect tax. This tax may sometimes be referred to as a type of depreciation tax. In countries with a value-added tax system, most goods and services purchased and sold are charged. The Saudi Ministry of Finance will begin to impose a value-added tax to be applied in the GCC starting from 2018. It is expected to have repercussions on many economic sectors. This tax is levied on goods and services during the various stages of the supply chain, including the final selling stage indirectly, which is imposed on the difference in the cost price and the sale price of the goods, and on the cost of production



It will be imposed on all products and services, as a percentage of the value of the product, so that these companies and sales points will collect consumer taxes for the governments. The products exempted from this tax do not exceed 100 products, while the Kingdom's estimated revenues from VAT are estimated to be \$10.65 billion (40 billion Saudi riyals).

Expat Tax

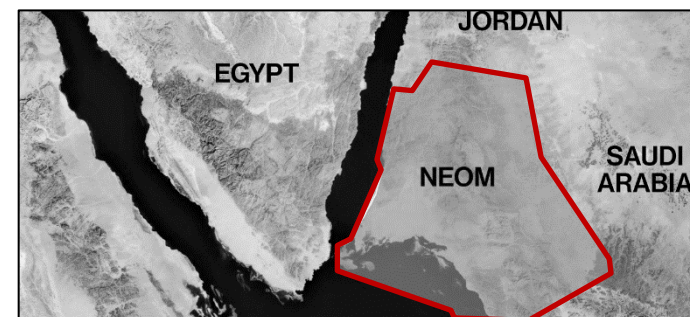
The decision to increase the residency and visitor visa fees was implemented as a step towards balancing budget revenues and expenditures by 2020. A monthly fee for expats and their companions will be applied in 2017 to expatriate workers in the Kingdom at SR 100 Saudi riyal for each facility, which aims to garner \$266 million (1 billion Saudi riyal) by the end of the year. In 2018, a monthly fee of 400 Saudi riyals will be levied on every employee in a company whose number of foreign employees exceed the number of Saudis, and 300 Saudi riyals fee on every employee in a company whose number of foreign employees is less than the number of Saudis, and 200 Saudi riyals on every person these foreign employees sponsor. Thus, it is expected to collect \$6.39 billion (24 billion Saudi riyals) in 2018, from the program of financial compensation for expats.



In 2019, the expatriate labor fees in a company whose number of foreign employees exceed the number of Saudis will be increased to 600 riyals monthly, and in sectors with a lower number of Saudis to 500 riyals per month, with an increase of each companion fees to be 300 riyals per month. This is expected to collect \$11.72 billion (44 billion Saudi riyals). In 2020, 800 Saudi riyals will be collected on every employee in a company whose number of foreign employees exceed the number of, while it will be 700 Saudi riyals for every employee in a company whose number of foreign employees is less than the number of Saudis. This is expected to collect \$17.3 billion (65 billion Saudi riyals).

4.8 THE NEW CITY OF NEOM - KSA

Saudi Crown Prince Mohammed bin Salman announced in October 2017 the launch of NEOM City, a project that aspires to be the “safest, most efficient, most future oriented, and best place to live and work” in the kingdom. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries. The project will be backed by more than \$500 billion over the coming years by Saudi Arabia. Wind and solar power will allow NEOM to be powered solely by regenerative energy, while 70 percent of the world's population will be able to reach it within eight hours.



NEOM DESTINATION OF THE FUTURE

- NEOM aspires to be the safest, most efficient, most future oriented, and best place to live and work.
- NEOM is developed independent of the Kingdom's existing governmental framework with investors, businesses, and innovators consulted at every stage of development.
- NEOM's unique location connects Asia, Europe, and Africa, will include the world's most significant and promising economic sectors.
- NEOM land expands over 26,500 km²; its location will facilitate NEOM's rapid emergence as a global hub that has the potential to bring together the best of Arabia, Asia, Africa, Europe and America.
- NEOM will be backed by more than \$500 billion over the coming years by the Kingdom of Saudi Arabia, the Saudi Arabian Public Investment Fund, local as well as international investors.



ABOUT NEOM

NEOM commands a unique location to bring together the best of Arabia, Asia, Africa, Europe and America. NEOM resides in the Northwestern region of Saudi Arabia, and spans over 26,500 km². Overlooking the waterfront of the Red Sea to the South and the West, and the Gulf of Aqaba, NEOM enjoys an uninterrupted coastline stretching over 468 km, with a dramatic mountain backdrop rising to 2,500 m to the East. A constant breeze leads to mild temperatures. The wind and sun will allow NEOM to be powered solely by regenerative energy.

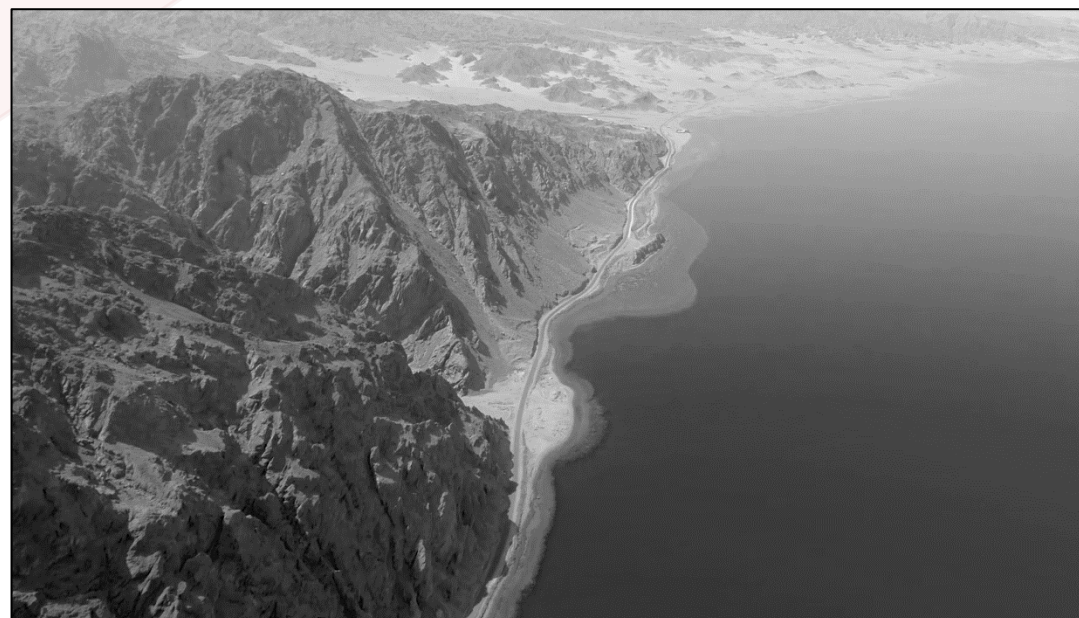
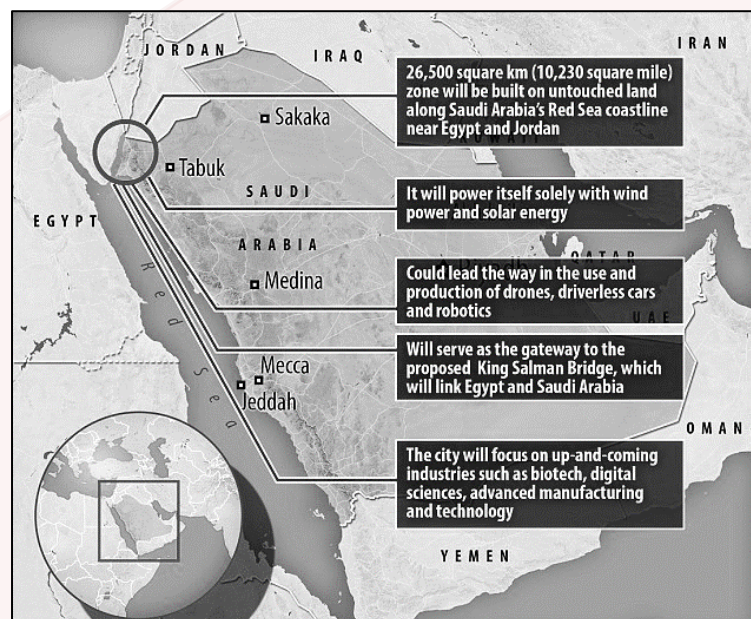
NEOM is situated on one of the world's most prominent economic arteries, through which nearly a tenth of the world's trade flows. Its strategic location will also facilitate the zone's rapid emergence as a global hub that connects Asia, Europe and Africa, enabling 70% of the world's population to reach it in under eight hours, which brings the potential to combine the best of major global regions in terms of knowledge, technology, research, teaching, learning, living and working. The site will also become the main entrance to the King Salman Bridge, linking Asia and Africa, which will add to the zone's economic significance. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries.

Investments and financing will play a vital role in NEOM, set to be spearheaded by the Kingdom's economy and supported by the Public Investment Fund (PIF) – a major global fund with access to a worldwide network of investors and major companies – set to be brought onboard to drive the success of NEOM. With the ambition of becoming one of the world's future economic and scientific capitals, in addition to be the future commerce capital of Saudi Arabia, NEOM is set to attract new foreign direct investment that will contribute to PIF's long-term growth strategy aimed at strengthening the Saudi Arabian economy. NEOM is developed to be independent of the Kingdom's existing governmental framework, excluding sovereignty.

NEOM will adopt a regulatory framework that fosters technological as well as societal innovation and entrepreneurship in accordance with international best practices. Investors, businesses, and innovators will be consulted at every step of the development in how best to create the economic framework, design the urban plans, and attract top quality talent that will drive the growth of this zone and its resident population.

NEOM will achieve its ambitious goals of becoming among the top secure areas in the world – if not the most– by adopting the future technologies in the fields of security and safety. This will raise the standards of public life activities and ensure the safety and protection of residents, visitors, and investors. All services and processes in NEOM will be 100% fully automated, with the goal of becoming the most efficient destination in the world, and in turn be implemented on all activities such as legal, government, and investment procedures among others. Additionally, NEOM will be subject to the highest sustainability standards, and will provide all transactions, procedures, and claims through paperless and electronic means.

A new concept for the workforce will be implemented, based on attracting high-caliber human resources with unique competencies for full-time innovation, decision making and business leadership. Repetitive and arduous tasks will be fully automated and handled by robots, which may exceed the population, likely making the NEOM's GDP per capita the highest in the world. All these elements will put NEOM at the world's forefront in terms of efficiency which will make it the best destination in the world to live in.





REAL ESTATE VALUATION



ROWAD AL KHALEEF SCHOOL **RIYADH CITY**

PREPARED FOR
ALRAJHI REIT FUND

DECEMBER 2019





REF: WCRE-19-447-2
Date: 31/12/2019
M/S AlRajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 211 9250
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Rowad Al Khaleej International School located in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on December 26, 2019 for valuation service of the educational project (Rowad Al Khaleej International School) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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

License No. 1220000263
License No. MIE00394
License No. 20100112

Member of the Saudi Authority of Accredited Valuers (Taqeem)

License No. 1210000474

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



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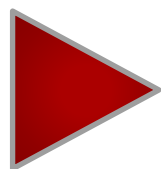
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INTRODUCTION

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



WHITE **CUBES**
REAL ESTATE



1.1 INSTRUCTION

We have received instruction from AL RAJHI CAPITAL dated on December 26, 2019 to proceed with the valuation service for Rowad Al Khaleej International School in Riyadh city.

Valuation Type	Real Estate
Instructions From	Al Rajhi Capital
Property Type	Educational
Property Name	Rowad Al Khaleej School
Location	KSA, Riyadh

1.2 CLIENT

The client to whom this report is prepared is AIRajhi REIT Fund

Client Name	AIRajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Avinash Ragoowansi
Contact No.	+966 11 211 9250

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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

1.6 STRUCTURAL STABILITY (IF ANY)

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

1.7 OPINION OF VALUE

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

1.8 VALUATION STANDARDS

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



الهيئة السعودية للمقيمين المعتمدين
Saudi Authority for Accredited Valuers



1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes.

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

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

1.10 CLIENT APPROVAL DATE

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

December 26, 2019.

1.11 INSPECTION DATE

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

December 27, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.



1.14 INSPECTION ROLE

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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING
SURVEYING

COMMENT ON STRUCTURAL
DESIGN

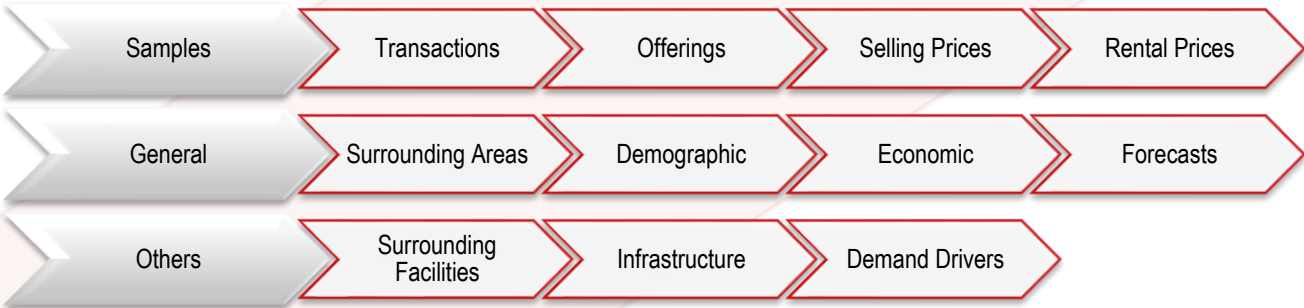
INSPECTION SUMMARY NOTES





1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

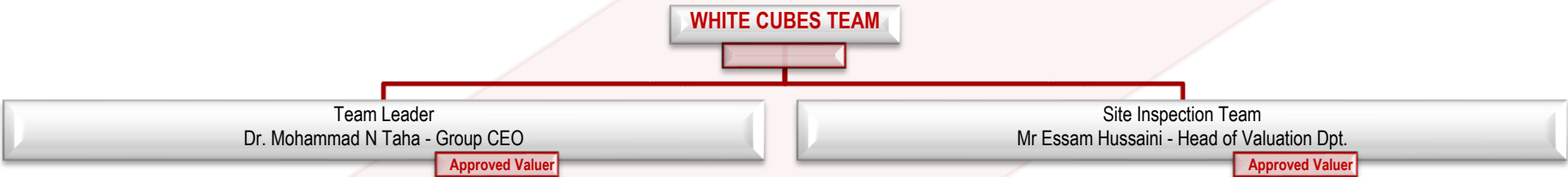
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEE

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASES OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

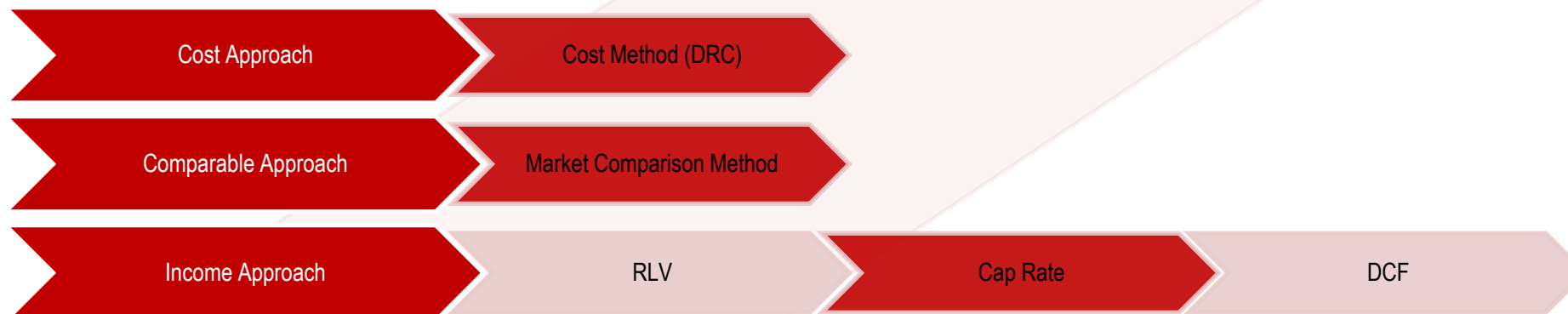
**AND
WITHOUT
COMPULSION**

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.



1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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



RESIDUAL LAND VALUE (RLV)

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

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

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





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

No	If Yes		Remarks
	Client	Date	
✓	Al Rajhi Capital	February 2019	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.27 CONFIDENTIALITY

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

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

1.28 ENVIRONMENTAL MATTERS

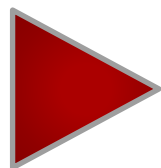
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

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

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

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





PROPERTY INFO & VALUATION

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



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2.1 PROPERTY DESCRIPTION

The subject property is an educational building (Rowad Al Khaleej International school) located in Al Mughrizat district, Riyadh city. As per the title deed and the construction permit, the property has a total land area of 15,959.90 Sqm, and a total BUA of 38,627.6 Sqm. As per the site inspection the property is open on 4 sides with a direct view on Prince Muqrin Ibn Abdulaziz Road and all the infrastructure facilities such as sewage, telecommunication, electricity and water are available in the surrounding and connected to the subject property.

2.2 TITLE DEED & OWNERSHIP

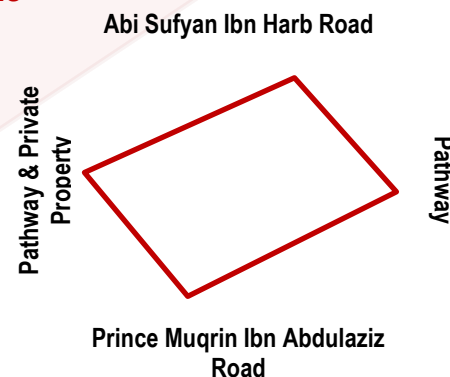
We were provided with copies of the title deeds of the subject property which is owned by 2 title deeds. The details of the subject property:

City	Riyadh	
District	Al Mughrizat	
Title deed Type	Electronic	
T.D No.	810117030372	310114027150
T.D Date	12/05/1436 H. D	19/07/1435 H.D
Title Deed Value	15,212,389 SAR	15,329,681 SAR
Date of Latest Transaction	12/05/1436 H. D	19/07/1435 H.D
Issued by	Riyadh Notary	
Property Type	School	
Land Area (Sqm)	7,920.00	8,039.90
Plot No.	5 – 6 – 7 – 8	1 – 2 – 3 – 4
Block No.	1	
Layout No.	3309	
Owners	Al Khaleej For Training & Educational Company	
Ownership	Freehold	
Limitations of Document	N/A	

Notes

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

2.3 BOUNDARIES



	North	South	East	West
Pathway	-----	-----	✓	✓
Street	✓	✓	-----	-----
Plot	-----	-----	-----	-----
Block	-----	-----	-----	-----
Private Property	-----	-----	-----	✓
Mountain	-----	-----	-----	-----
Valley	-----	-----	-----	-----
Sea	-----	-----	-----	-----
River	-----	-----	-----	-----
Length	-	-	-	-
Direct View on	Abi Sufyan Ibn Harb Road – Prince Muqrin Bin Abdulaziz Road-			
Sides Open	4			



2.4 CONSTRUCTION & BUILDINGS

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

Construction Permit# 1	
Construction Permit Type	Transfer of Ownership
Property Type	Educational
Construction Permit No.	1432/4252
Construction Permit Date	22/02/1436 AH
Permit Expiry Date	22/02/1439 AH

Description	No. of Units	Area (sqm)	Use
Basement	0	15,143.00	Parking Area
Ground Floor	1	7,537.00	Educational
First Floor	1	7,957.00	Educational
Second Floor	1	7,957.00	Educational
Electricity Room	0	33.60	Electricity Room
Fences	1	364.00	Services
Total BAU (sqm)		38,627.6	

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

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

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

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



2.5 LAND SPECS

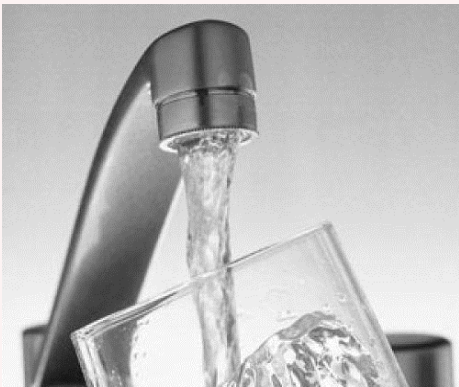
The subject property (Land Only) has the following criteria:

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

2.6 INFRASTRUCTURE FACILITIES

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

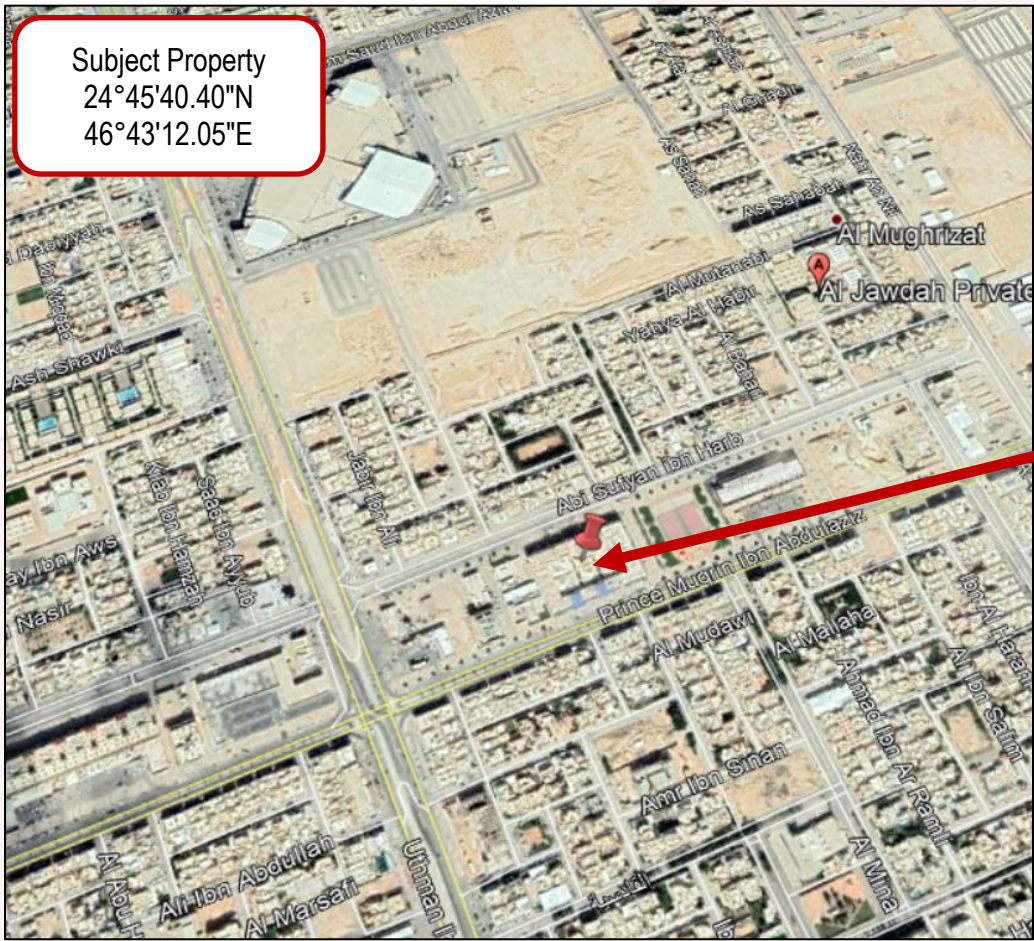
All the infrastructural facilities are available in the surroundings and connected to the subject property.





2.7 LOCATION

The subject property is located in Al Mughrizat District in Riyadh city with a direct view on Prince Muqrin Ibn Abdulaziz Road. The location and coordinates of the subject property are as follows:



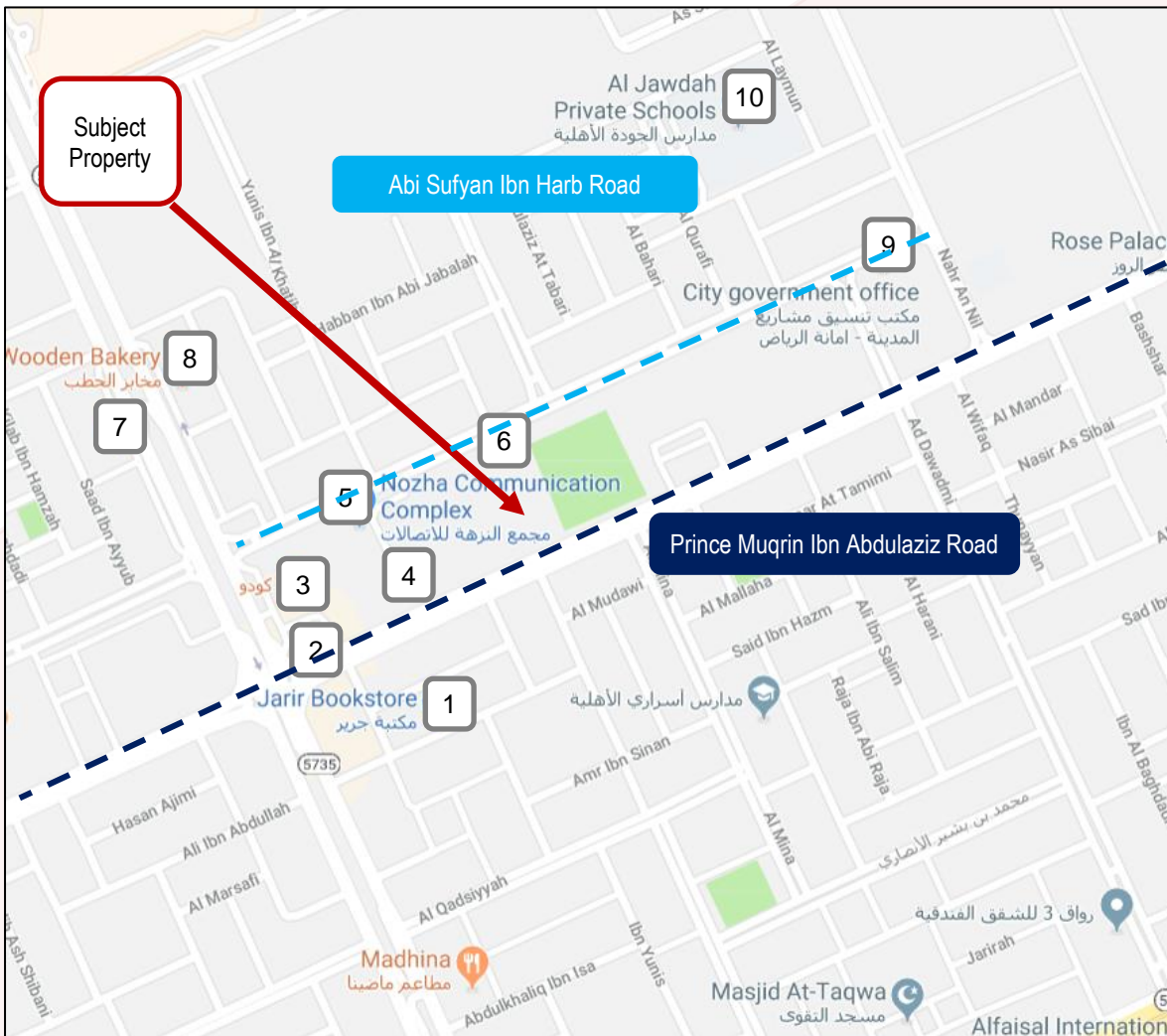
Source: White Cubes & Google Maps



N Coordinates	24°45'40.40"
E Coordinates	46°43'12.05"
City	Riyadh
District	Al Mughrizat
Street	Prince Muqrin Ibn Abdulaziz
Property Type	Constructed Land

2.8 ACCESS & LAND MARKS

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



ACCESS TO SUBJECT PROPERTY

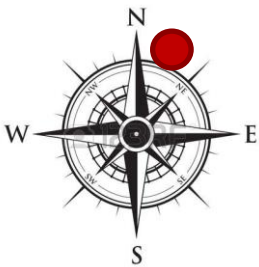
The subject property can be accessed through the following roads:

North Side: Abi Sufyan Ibn Harb Road
South Side: Prince Muqrin Ibn Abdulaziz

LAND MARKS

- 1- Jarir Bookstore (0.6 Kilometres)
- 2- Coffee Day Café (0.35 Kilometres)
- 3- Kodo Restaurant (0.55 Kilometres)
- 4- OYO 147 Mocador (0.4 Kilometres)
- 5- Nozha Communication Complex (0.3 Kilometres)
- 6- Mohammad Ibn Ibrahim Aal Al sheikh (0.2 Kilometres)
- 7- Burger And roast potatoes Restaurant (0.95 Kilometres)
- 8- Wooden Bakery (0.8 Kilometres)
- 9- City Government Office (1.2 Kilometres)
- 10- Al Jawdah Private Schools (1.15 Kilometres)

Location of the subject property according to the City Center





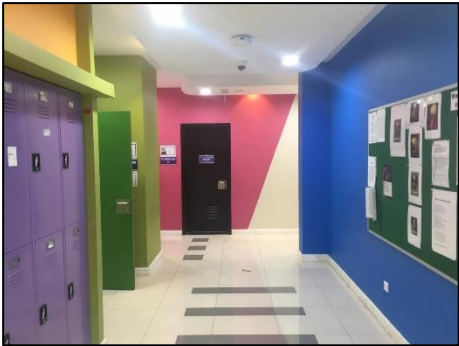
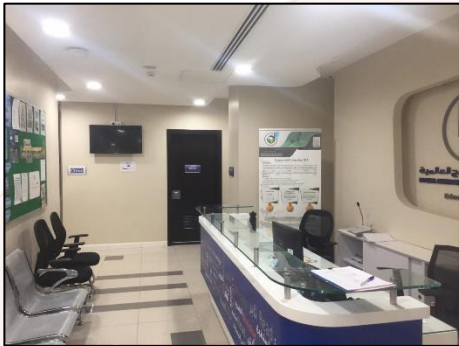
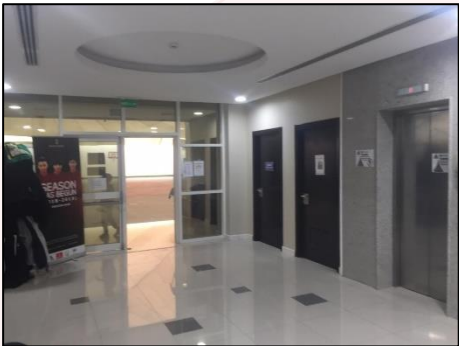
2.9 PHOTO RECORD

Date of Photos: December 27, 2019





Date of Photos: December 27, 2019





2.10 DOCUMENTS RECIEVED

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

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

2.11 GENERAL ASSUMPTIONS

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

2.12 RISK ANALYSIS

SECTOR ANALYSIS

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

LAND ANALYSIS

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

PROPERTY ANALYSIS

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

2.14 COST APPROACH (DRC)

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

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

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

LAND			
Land Area	SAR / Sqm		Total Value
15,959.90	SAR 5,000		SAR 79,799,500

Building			
	Unit	No of Floors	Total BUA
Underground	Sqm	1	15,143.00
Upper Floors	Sqm	1	23,484.60
Total (SQM)	38,627.60		

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

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

As for the subject property, we will use 20% developer profit rate.

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	23,484.60	SAR 850	SAR 19,961,910	100%	SAR 19,961,910
Electro Mechanic	23,484.60	SAR 400	SAR 9,393,840	100%	SAR 9,393,840
Finishing	23,484.60	SAR 650	SAR 15,264,990	100%	SAR 15,264,990
Fit outs & Appliances	23,484.60	SAR 300	SAR 7,045,380	100%	SAR 7,045,380
Furniture	23,484.60	SAR 400	SAR 9,393,840	100%	SAR 9,393,840
Site Improvement	0.00	SAR 15,960	SAR 0	100%	SAR 0
Total			SAR 61,059,960	100.00%	SAR 61,059,960
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	15,143.00	SAR 1,275	SAR 19,307,325	100%	SAR 19,307,325
Electro Mechanic	15,143.00	SAR 500	SAR 7,571,500	100%	SAR 7,571,500
Finishing	15,143.00	SAR 300	SAR 4,542,900	100%	SAR 4,542,900
Total			SAR 31,421,725	100.00%	SAR 31,421,725
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 92,481,685	0.10%	SAR 92,482
Design			SAR 92,481,685	0.50%	SAR 462,408
Eng Consultant			SAR 92,481,685	1.00%	SAR 924,817
Management			SAR 92,481,685	5.00%	SAR 4,624,084
Contingency			SAR 92,481,685	5.00%	SAR 4,624,084
Others			SAR 92,481,685	0.00%	SAR 0
TOTAL				11.60%	SAR 10,727,875.46
Total Hard Cost	SAR 92,481,685		BUA	38,627.60	
Total Soft Cost	SAR 10,727,875.46		SAR / Sqm	SAR 2,672	
Total Construction Cost	SAR 103,209,560.46		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 103,209,560		Net Dep Rate		22.86%
			Dev Cost After Depreciation		SAR 79,618,804
Economic Age	35		Total Completion Rate		100.00%
Annual Dep Rate	2.86%		Developer Profit Rate		20.0%
Actual Age	8				
Total Dep Rate	22.86%				
Add Appr Rate	0.00%		Dev. Profit Amount		SAR 15,923,761
Net Dep Rate	22.86%		Development Value		SAR 95,542,565
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 95,542,565	SAR 79,799,500	SAR 175,342,065		SAR 175,340,000	

2.15 INCOME APPROACH

The client has informed us that the subject property is fully leased to an educational operator for an annual rent of 16,875,000 SAR (Triple Net Lease).

REVENUES					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Educational Facility		The subject property is Fully / Partially leased to 1 / Several tenants			SAR 16,875,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 16,875,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues	Total Expenses			NOI
Educational Facility	SAR 16,875,000	0.00%			SAR 16,875,000
-----	SAR 0	0.00%			SAR 0
-----	SAR 0	0.00%			SAR 0
Total					SAR 16,875,000
Total Property Revenues					SAR 16,875,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 16,875,000.00
Net Operating Income	Cap Rate	Property Value			Rounded Value
SAR 16,875,000.00	7.25%	232,758,620.69 SAR			232,760,000.00 SAR

The subject property is rented to one tenant. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property. As for the OPEX rate, which is being paid by the tenant, no expenses were calculated.

We can clearly note the big difference in values between the DRC approach and the Income Approach.

This difference can be justified to the favor of the value resulted from the income approach due to the following reasons:

1. The subject property has a long lease contract period
2. The subject property will be operated by a stronghold tenant
3. As we have been notified by the client, the acquisition of such property will be secured by promissory notes given by the tenant

2.16 SUBJECT PROPERTY VALUE

We have to note that the subject property falls under the definition of unique / specialized assets based on the IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers) standards and regulations.

The special assets definition includes all the properties those witness very limited number of transactions in the market (sale / buy activities) due to the nature and type of business, where those properties considered as operational properties and can be used by one tenant operator only, such as educational facilities, medical facilities, agriculture facilities and any other asset abdicated for one use or purpose.

The following summarizes the high-level characters of the special properties:

Can be used by one tenant / operator.

The purpose of such properties is to examine and run a business operation rather than to offer the property to the market for renting activities as an income generating property.

Very minimum comparable transaction in the market.

Based on all the above, we can't apply the income approach based on the market rates for such property since they can't be rented in several units.

For example, any educational (and / or) medical facilities considered as operation property and they are measured by the number of students and number of beds respectively rather than per unit (and / or) per Sqm.

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

Property Value: 232,760,000 SAR
Two Hundred Thirty-Two Million and Seven Hundred Sixty Thousand Saudi Riyals

2.17 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.18 DISCLAIMER

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

2.19 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyrig.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

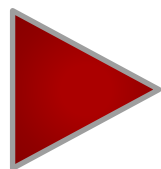
Essam Hussaini
Site Inspection Check



Member of (Taqeem)
License No. 1210000474

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





DOCUMENTS



WHITE **CUBES**
REAL ESTATE

Title Deed# 810117030370

الرقم: ٨١٠١١٧٠٣٠٣٧٠
التاريخ: ١٢ / ٥ / ١٤٣٦ هـ

وزارة العدل
كتابة العدل الأولى بالرياض

صك

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

فإن قطعة الأرض ٥ و قطعة الأرض ٦ و قطعة الأرض ٧ و قطعة الأرض ٨ من البلك رقم ٩ من المخطط رقم ٣٣٠٩ الواقع في حي الغزوات بمدينة الرياض ومحدودها وأطرافها كالتالي:

شمالاً: مشاة عرصة ٢٠ بية شارع ٣٦	بطول: (٧٩) اثنين وسبعون متر
جنوباً: مشاة عرصة ٢٠ بية شارع ٣٦	بطول: (٧٩) اثنين وسبعون متر
شرقاً: قطعة رقم ٣ ورقم ٤	بطول: (١١٠) مائة وعشرة متر
غرباً: مشاة عرصة ١٠ + القطعة رقم ٩	بطول: (١١٠) مائة وعشرة متراً

ومساحتها: (٧٩٢٠) سبعة آلاف وتسعمائة وعشرون متر مربعاً فقط

واستند في إفراغها على الصك الصادر من كتابة العدل الأولى بجنوب الرياض برقم ٣١٠٢١٧٠٠١١٩٨ في ٢٢ / ١٠ / ١٤٣٣ هـ قد انتقلت ملكيتها ل: شركة الخليج للتدريب والتعليم بموجب سجل تجاري رقم ١٠١١٠٣٣٦٧ في ٣٠ / ٥ / ١٤١٣ هـ، بتمن وقدره ١٤٢١٢٨٩ خمسة عشر مليوناً ومائتين وإثنى عشر ألفاً وثلاثمائة وتسعة ومائتين ريال ضمن الشيك وعليه جرى التصديق تحريراً في ١٢ / ٥ / ١٤٣٦ هـ، وصادق الله على تبييننا محمد وآله وصحبه وسلّم.

Received original for AMB
02/11/2015
Agreed Rogi

الختم الرسمي لوزارة العدل
كتابة العدل الأولى بالرياض

ياسر بن عبد الله بن عبد العزيز السليم

صك حكومي رقم ٧٧٧٥٨٠

Title Deed# 310114027150

الرقم: ٣١٠١١٤٠٢٧١٥٠
التاريخ: ١٩ / ٧ / ١٤٣٥ هـ

وزارة العدل
[٢٧٧]

كتابة العدل الأولى بالرياض

صك

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

فإن قطعة الأرض ١ و قطعة الأرض ٢ و قطعة الأرض ٣ و قطعة الأرض ٤ من البلك رقم ١ من المخطط رقم ٣٣٠٩ الواقع في حي الغزوات بمدينة الرياض ومحدودها وأطرافها كالتالي:

شمالاً: مع مشاة ٢٠ بية شارع عرض ٣٦	بطول: (٧٩,٠٩) ٧٩ متر و تسعة سنتيمتر
جنوباً: مع مشاة ٢٠ بية شارع عرض ٣٦	بطول: (٧٩,٠٩) ٧٩ متر و تسعة سنتيمتر
شرقاً: مع مشاة ٢٠	بطول: (١١٠) مائة وعشرة متر
غرباً: قطعة ٥ و قطعة ٦	بطول: (١١٠) مائة وعشرة متراً

ومساحتها: (٥,٠٣٩,٩) ثمانية آلاف وتسعة وثلاثون متر مربعاً و تسعون سنتيمتر مربعاً فقط حسب المخطط والمستند في إفراغها على الصك الصادر من كتابة العدل الأولى بجنوب الرياض برقم ٩١٠٢١٧٠٠١١٩٨ في ٢٢ / ١٠ / ١٤٣٣ هـ، قد انتقلت ملكيتها ل: شركة الخليج للتدريب والتعليم بموجب سجل تجاري رقم ١٠١١٠٣٣٦٧ في ٣٠ / ٥ / ١٤١٣ هـ، بتمن وقدره ١٤٢١٢٨٩ خمسة عشر مليوناً وثلاثمائة وتسعة ومائتين ألفاً وثمانون ريالاً من ضمن الشيك وعليه جرى التصديق تحريراً في ١٩ / ٧ / ١٤٣٥ هـ، وصادق الله على تبييننا محمد وآله وصحبه وسلّم.

الختم الرسمي لوزارة العدل
كتابة العدل الأولى بالرياض

محمد بن عثمان بن عبد الرحمن الصميري

صفحة ١ من ١

صك حكومي رقم ٧٧٧٥٨٠



Dr. Mohammad Taha (Taqeem License)



Mr. Essam Hussaini



KSA – ECONOMIC & REAL ESTATE OVERVIEW

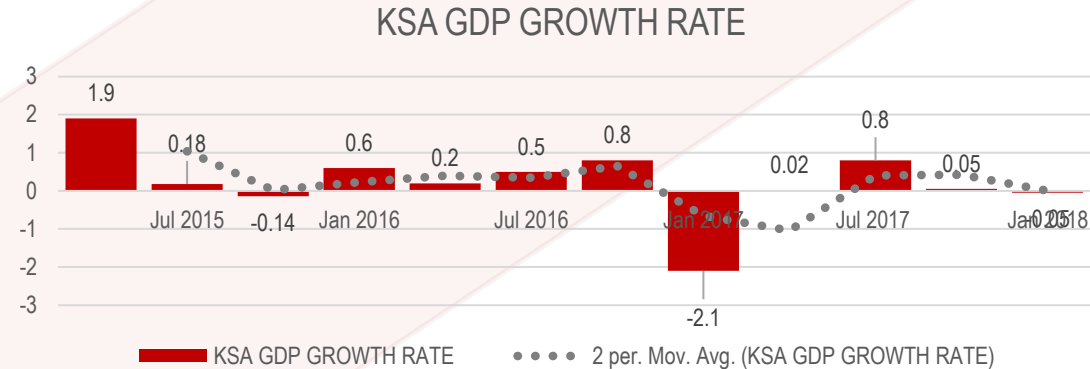
Real estate sector's performance is bounded to the economic conditions and factors. In this section, we will state some economic current facts and future estimations to be used as decision making tools from an investor point of view, in addition to the major aspects of the real estate market in Saudi Arabia which they can have big influence on the real estate market as an overall.





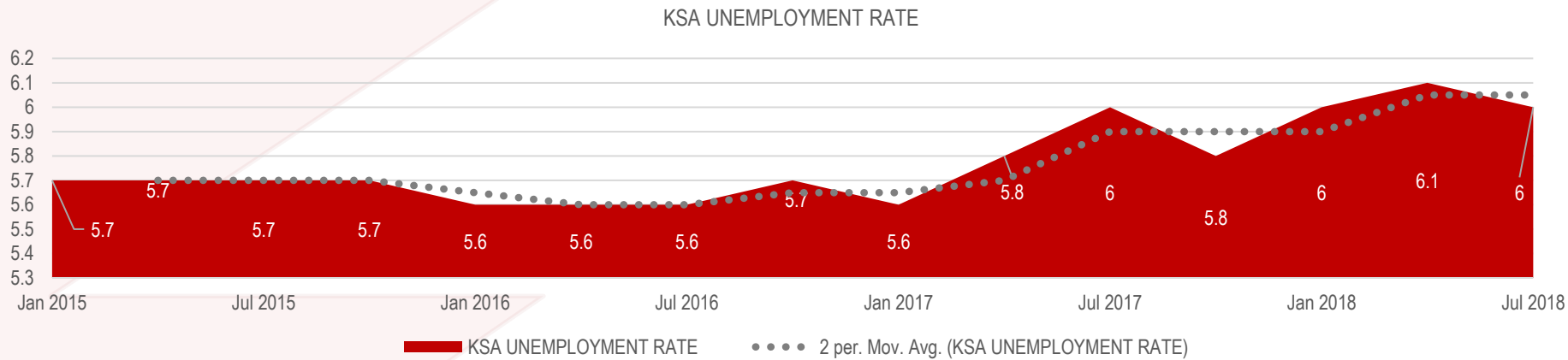
3.1 GROSS DOMESTIC PRODUCTS (GDP)

Saudi Arabia has an oil-based economy. Shipments of oil account for 87 percent of total exports and for 46 percent of GDP. In recent years, in order to diversify the economy, the government has been investing in telecommunications, petrochemicals, natural gas exploitation and power generation sectors. The Gross Domestic Product (GDP) in Saudi Arabia contracted 0.05 percent in the first quarter of 2018 over the previous quarter. GDP Growth Rate in Saudi Arabia averaged 0.96 percent from 2010 until 2018, reaching an all-time high of 8.50 percent in the fourth quarter of 2010 and a record low of -2.10 percent in the first quarter of 2017. **Source: Trading Economics**



3.2 UNEMPLOYMENT RATES

Unemployment Rate in Saudi Arabia decreased to 6 percent in the second quarter of 2018 from 6.10 percent in the first quarter of 2018. Unemployment Rate in Saudi Arabia averaged 5.61 percent from 1999 until 2018, reaching an all-time high of 6.30 percent in the fourth quarter of 2006 and a record low of 4.35 percent in the fourth quarter of 1999. **Source: Trading Economics**

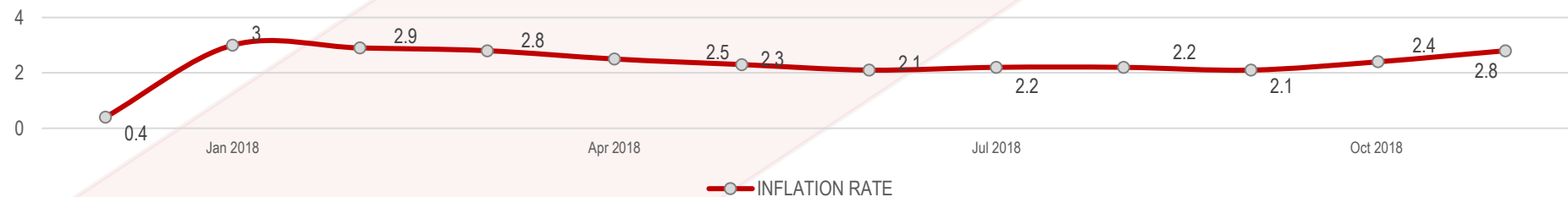




3.3 INFLATION RATES

The annual inflation rate in Saudi Arabia rose to a nine-month high of 2.8% in November of 2018 from 2.4% in the previous month. Prices increased faster for: food & beverage (7.7% from 7.3% in October); transport (12.0% from 11.5%); furniture & household equipment (4.6% from 2.8%); recreation & culture (3.8% from 3.2%); miscellaneous goods & services (0.6% from 0.1%). In addition, prices fell less than in a month earlier for both housing & utilities (-3.1% from -3.6%) and clothing & footwear (-4.5% from -5%). On the other hand, inflation was steady for: tobacco (at 10.2%); education (at 0.2%); health (at 4%). Meanwhile, prices went up softer for: restaurant & hotels (8.6% from 8.7%); communication (1.3% from 1.4%). On a monthly basis, consumer prices went down 0.2%, after a 0.3% drop in October. Inflation Rate in Saudi Arabia averaged 2.63 percent from 2000 until 2018, reaching an all time high of 11.10 percent in July of 2008 and a record low of -2 percent in January of 2001.

Source: Trading Economics



3.4 INTEREST RATES

The Saudi Arabian Monetary Agency raised the official repo rate by 25bps to 3.00 percent on 19 December 2018, following the Fed decision to increase its target range for the federal funds interest rate by a quarter point, to between 2.25 percent and 2.50 percent. The reverse repo rate was also hiked by 25bps to 2.50 percent. Saudi Arabia follows the Fed policy because its currency is pegged to the dollar. Policymakers said the rate adjustments aim to maintain monetary stability amid global financial developments. Interest Rate in Saudi Arabia averaged 3.69 percent from 1992 until 2018, reaching an all time high of 7 percent in May of 2000 and a record low of 1.50 percent in March of 2004.

Source: Trading Economics

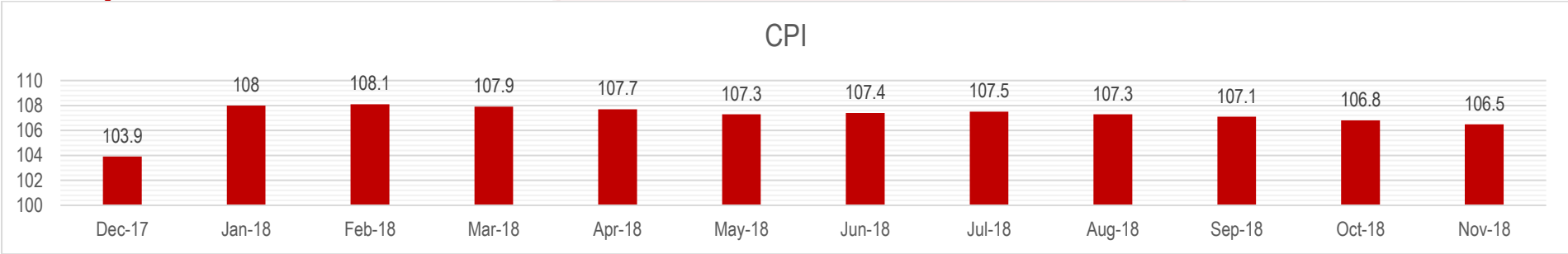




3.5 CONSUMER PRICE INDEX (CPI)

Consumer Price Index CPI in Saudi Arabia decreased to 106.50 Index Points in November from 106.80 Index Points in October of 2018. Consumer Price Index CPI in Saudi Arabia averaged 95.69 Index Points from 1999 until 2018, reaching an all time high of 114.80 Index Points in November of 2010 and a record low of 84.80 Index Points in August of 2001.

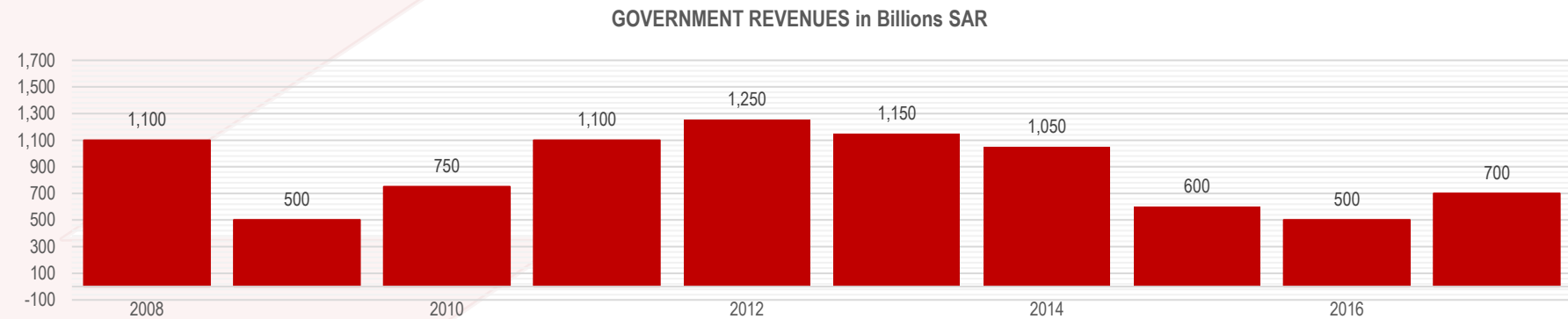
Source: Trading Economics



3.6 GOVERNMENT REVENUES

Government Revenues in Saudi Arabia increased to 691,505 SAR Million in 2017 from 519,448 SAR Million in 2016. Government Revenues in Saudi Arabia averaged 340318.54 SAR Million from 1969 until 2017, reaching an all-time high of 1,247,398 SAR Million in 2012 and a record low of 5,668 SAR Million in 1969.

Source: Trading Economics

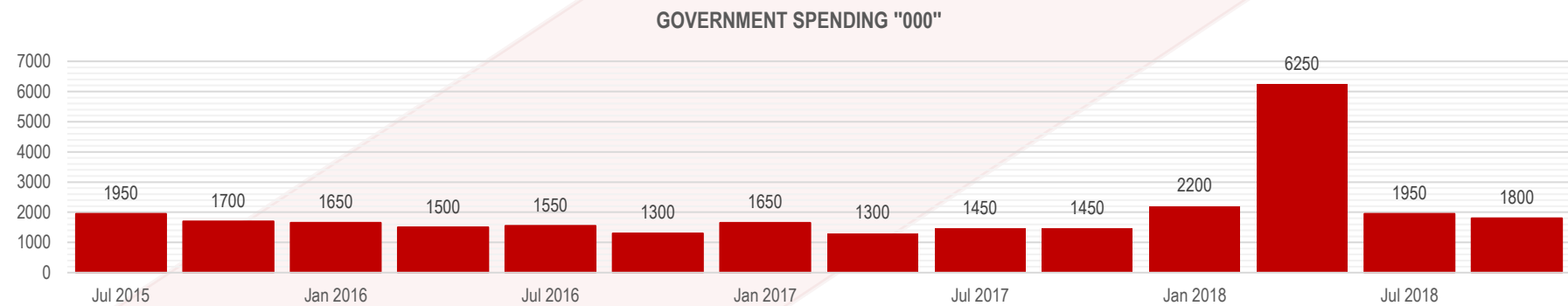




3.7 GOVERNMENT SPENDING

Government Spending in Saudi Arabia decreased to 183426 SAR Million in the second quarter of 2018 from 630978 SAR Million in the first quarter of 2018. Government Spending in Saudi Arabia averaged 150365.69 SAR Million from 2008 until 2018, reaching an all-time high of 630978 SAR Million in the first quarter of 2018 and a record low of 76217 SAR Million in the first quarter of 2008.

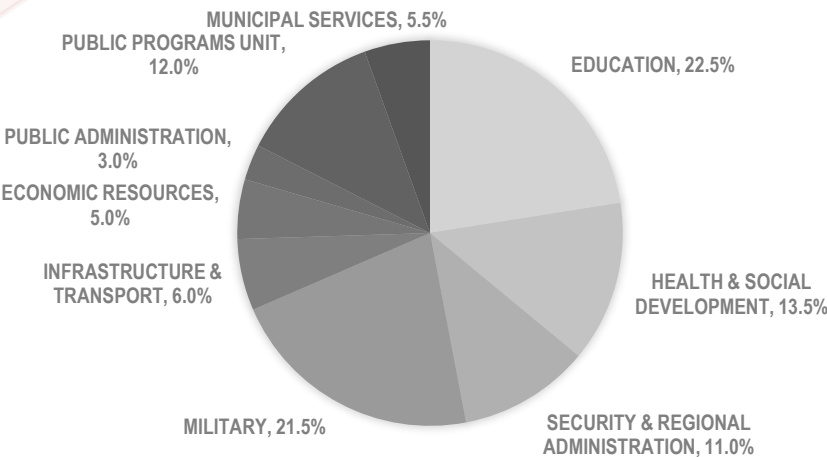
Source: Trading Economics



3.8 BUDGET ALLOCATION FOR 2017

Public Administration	27 SAR bn
Military	191 SAR bn
Security & Regional Adm.	97 SAR bn
Municipal Services	48 SAR bn
Education	200 SAR bn
Health & Social Dev.	120 SAR bn
Economic Resources	47 SAR bn
Infrastructure & Transport	52 SAR bn
Public Programs Unit	108 SAR bn

Source: Ministry of Economy

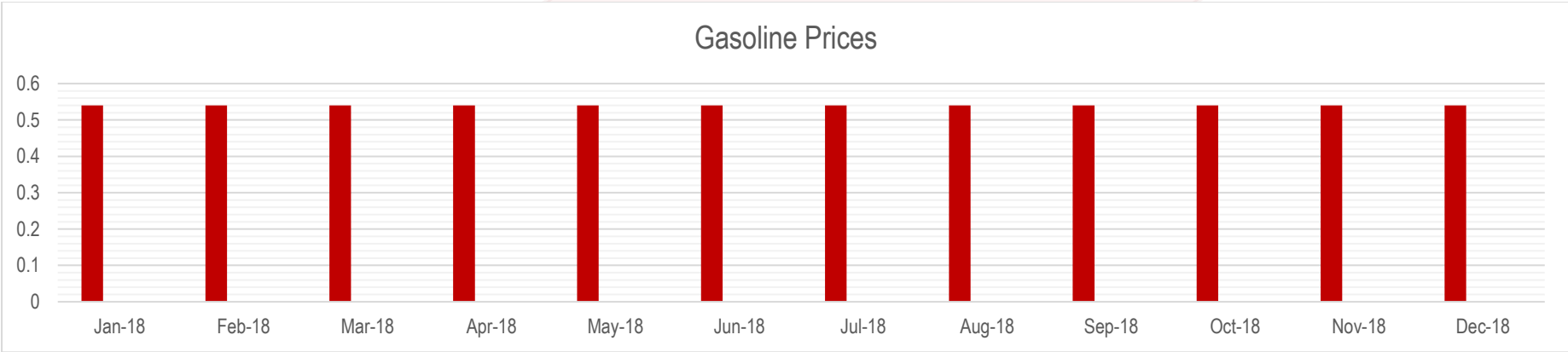




3.9 GASOLINE PRICES

Gasoline Prices in Saudi Arabia remained unchanged at 0.54 USD/Liter in December from 0.54 USD/Liter in November of 2018. Gasoline Prices in Saudi Arabia averaged 0.26 USD/Liter from 1995 until 2018, reaching an all-time high of 0.54 USD/Liter in January of 2018 and a record low of 0.12 USD/Liter in March of 2013.

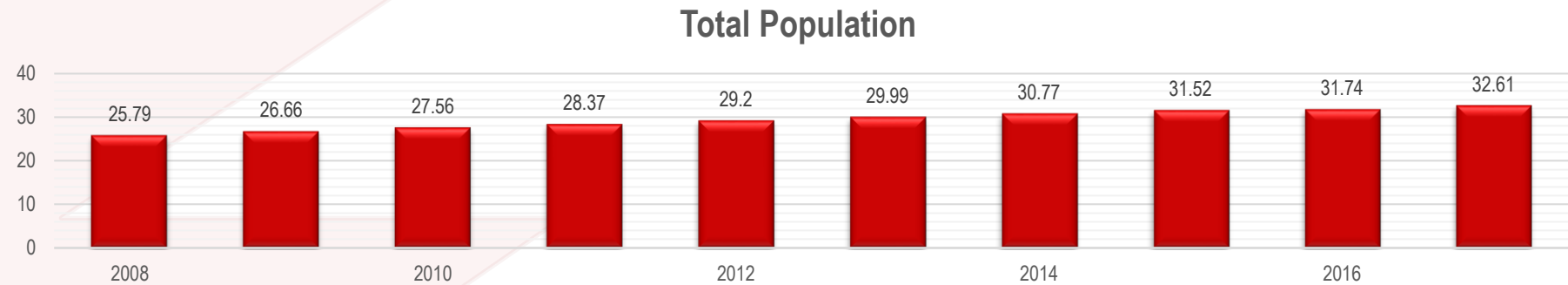
Source: Trading Economics



3.10 POPULATION STATISTICS

The total population in Saudi Arabia was estimated at 32.6 million people in 2017, according to the latest census figures. Looking back, in the year of 1960, Saudi Arabia had a population of 4.0 million people.

Source: Trading Economics



3.11 KSA ECONOMIC VISION 2030 – 8 KEY POINTS

SAUDI ARAMCO

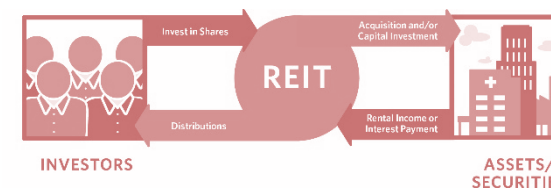
Aramco will be converted into an energy holding company with an elected board and some subsidiaries will be listed. Prince Mohammed said he expected the parent company to be valued at more than \$2 trillion, less than 5 % of which would be sold in an initial public offer. Selling even 1 % of the firm would constitute the world's biggest IPO, he added.

أرامكو السعودية
saudi aramco



PUBLIC INVESTMENT FUND

Restructure the state-owned Public Investment Fund (PIF), which the prince said would turn the world's top oil exporter into a global investment power. New assets, including state oil giant Saudi Aramco, would be included in the redesigned fund. The prince said the PIF made returns of 30 billion riyals (\$8 billion) in 2015 and that it would aim to increase its assets to more than 7 trillion riyals from 600 billion riyals.



RESTRUCTURING

Restructuring state assets and agencies, rather than spending cuts, will be key to making government finances viable in the long term; Prince Mohammed said the reforms would not require major new spending by the government but work on existing infrastructure projects would continue. He cited the housing ministry as a target for restructuring. State price subsidies would be targeted more carefully so they went to the people who needed them, not the rich.

MILITARY SECTOR

The government plans to set up a holding company for military industries that will be fully state-owned at first and later listed on the Saudi bourse. Prince Mohammed said he expected the listing to take place by the end of 2017.

PILGRIMS

The plan envisages a massive increase in Saudi Arabia's capacity to receive Islamic pilgrims, to 30 million annually from 8 million.



GREEN CARD” SYSTEM

Saudi Arabia will introduce a “green card” system within five years to give resident expatriates more rights to live and work in the kingdom over the long term. Details were not given.

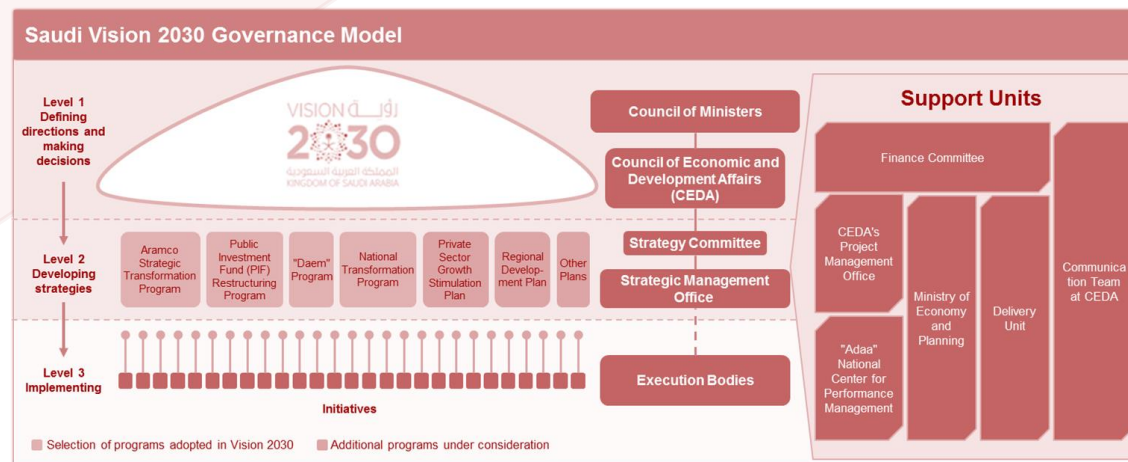
MINING AND RENEWABLE ENERGY

The plan sets a target for the kingdom to generate 9.5 gigawatts of renewable energy and to have the industry produce more of its equipment locally. It aims to raise the mining industry’s contribution to gross domestic product to 97 billion riyals (\$25.9 billion) and to increase the number of jobs in the sector by 90,000 by 2020.

GOALS

The plan includes more than a dozen other numerical goals, though it does not give details of how they will be achieved. The deadline to achieve most of the goals appears to be 2030. For example, the government’s non-oil revenues are to reach 600 billion riyals by 2020 and 1 trillion riyals by 2030, from 163.5 billion riyals in 2015. Unemployment among Saudi nationals is to fall to 7 % from 11.6 %. Financial institutions will be encouraged to allocate up to 20 % of their overall funding to small and medium-sized enterprises by 2030.

Foreign direct investment will be raised to 5.7 % of GDP from 3.8 %. Household savings are to rise to 10 % of total household income from 6 %.



The share of non-oil exports in GDP is to rise to 50 % of GDP from 16 %. Doubling the number of archaeological sites recognized by UNESCO. Having three Saudi cities recognized as among “the top 100 cities in the world”. Increasing the number of Saudis who play sports at least once a week to 40 % from 13 %.

4.1 REAL ESTATE MARKET INSIGHTS

GOVERNEMENT SUPPORT

The government intention to diversify economy by other sectors than oil sector. this diversification mainly focused on the supporting of the industrial sector such as hosting the largest and integrated phosphate fertilizer facilities in the world, tourism sector and public services sectors

MINISTRY OF HOUSING

The Saudi ministry of housing has already initiated the plan of adding almost 500,000 housing units in different areas and cities within the kingdom. The step has come after the huge demand in the demand and acquisition financial obstacles of housing units by the mid to low income level social classes.

FOREIGNER OWNERSHIP

The Saudi government is currently reviewing the regulations of foreigners' ownership of housing units. The aim of this revision is to ease the procedures to enhance the residential real estate market performance by injecting liquidity in the market and absorb any market oversupplied units.

REIT FUNDS

The Real Estate Investment Trust is a new investment trend in the Saudi market which has started in early 2017. Later in this section we will indicate the rules and regulations of REIT funds which are issued by the Saudi Capital Market Authority (CMA)

RESIDENTIAL SECTOR

Currently the real estate residential market is witnessing huge demand for the acquisition of housing units. Yet, the current inflated prices slow down the transactions and waiting for these prices to be corrected and back to normal. On the other hand, the Union of Owners law still under the process which will give great boost for the apartment units in the market once approved and announced.

OFFICES & RETAIL

The retail sector has good market performance compared to other sectors and especially in the F&B sector. Yet, and recently, the retail sector witnessed some pressure when the expat taxations announced. As for the offices sector, it is noted that the rental rates in the market is decreasing, but it is expected that this sector will recover soon based on the foreigner investors new regulations.

HOSPITALITY

As an overall, the hospitality sector in Saudi Arabia supported by three main types of tourists; Business tourists (in the main cities such as Riyadh, Jeddah & Dammam), internal tourists (such as Jeddah & Taif) and above all the religious tourists (Makkah & Madinah) in the seasons of Hajj & Umra. Currently, the hospitality sector has very good performance in terms of occupancy rates, ADRs and RevPars

INDUSTRIAL SECTOR

Since one of the current major focuses of the Saudi government is to invest, expand and support the industrial sector, huge demand starts to arise among the major cities in KSA for warehouses projects and spaces. The performance of this sector is expected to continue the positive growth over the coming years supported by the needs of other sectors such as the retail sector.

4.2 REAL ESTATE MARKET YIELDS-2018

All the mentioned below yields for different sectors are based on the many different market transaction. They are also influenced by the market conditions and economic factors. The below shows the expected real estate yield rates for some major cities within the Kingdom of Saudi Arabia.



RESIDENTIAL UNITS

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	9%	9%	6.5%
Max - Avr	10%	9.5%	10.5%	10.5%	8.5%



OFFICES

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8%	7.5%	8.5%	8.5%	6.5%
Max - Avr	9.5%	9%	10%	10%	8.5%



RETAIL

City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7.5%	8%	8%	6%
Max - Avr	9.5%	9%	9.5%	9.5%	8%



HOSPITALITY

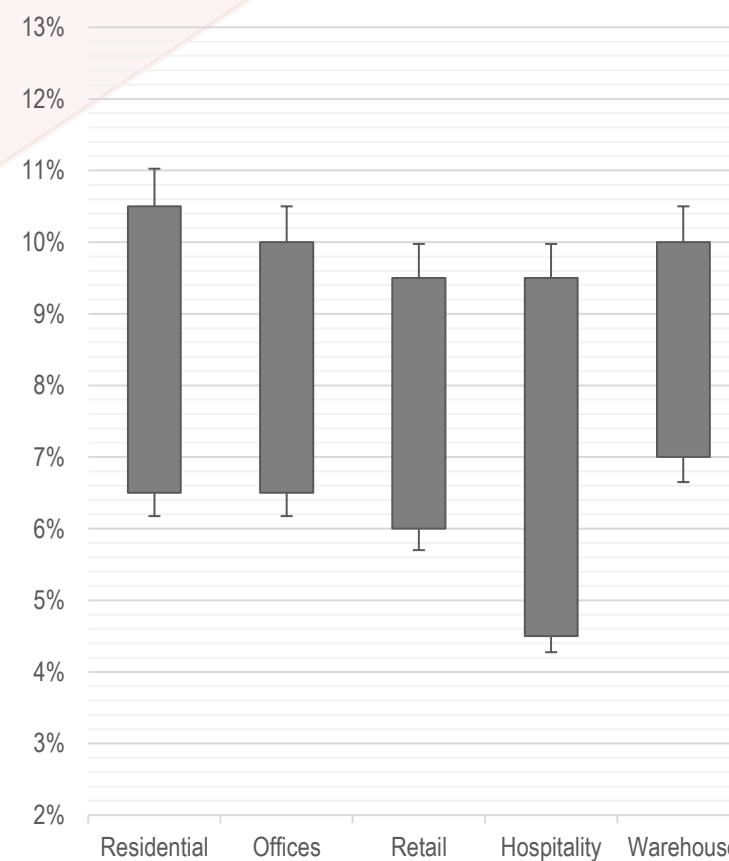
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	7.5%	7%	8%	8%	4.5%
Max - Avr	9%	8.5%	9.5%	9.5%	7%



WAREHOUSES

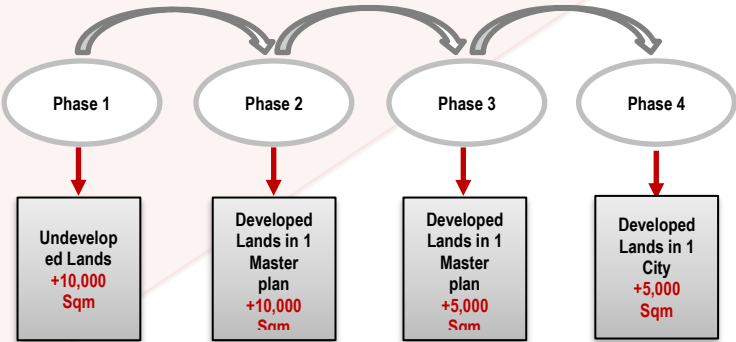
City	Riyadh	Jeddah	Dammam	Khobar	Makkah
Min – Avr	8.5%	8%	7.5%	7.5%	7%
Max - Avr	10%	9.5%	9%	9%	8.5%

Average Yield Rate in Major Cities



4.3 TAXATION OF UNDEVELOPED LANDS

Saudi Arabia has recently announced that it plans to levy fees against vacant land in urban areas throughout the Kingdom. Until this point, Saudi Arabia has been largely tax-free, especially with regard to real estate. The aim of this initiative is to encourage development of urban areas within the Kingdom. Development is currently slow and unappealing largely due to the cost of purchasing the land in the first instance. The cost of the land can comprise as much as 50% of the total project costs, which is due largely to vast areas of prime real estate being stockpiled by wealthy individuals and Companies with no intention of developing the land but simply holding onto the land as a store of value. This proposal is in initial stages and the true impact will fundamentally depend on the level of taxation which is imposed.



PHASES OF LAND TAXATION

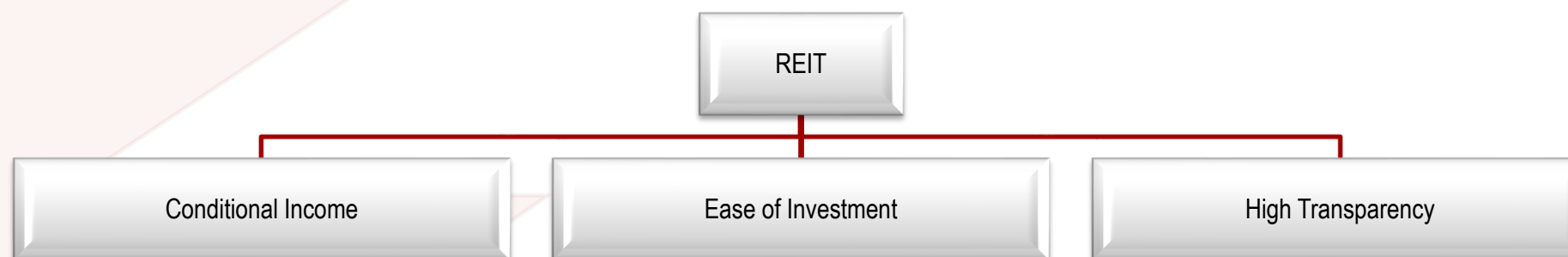


4.4 REIT DEFINITION

Real Estate Investment Traded Funds, or REITs, are financial instruments that allow all types of investors to obtain investment exposure to the Real Estate Market. This is achieved through collective ownership of constructed developed real estate qualified to generate periodic and rental income. REITs can invest locally, regionally and globally, where the total asset value outside the Kingdom shall not exceed 25% of the fund's total asset value. REITs consist of units, where each unit represents ownership in the underlying real estate. REITs are traded on the Exchange just like equities during trading hours. In addition, REITs are required to distribute at least 90% of the fund's net profits to the unit holders annually, as per the instructions issued by the Capital Market Authority (the CMA).

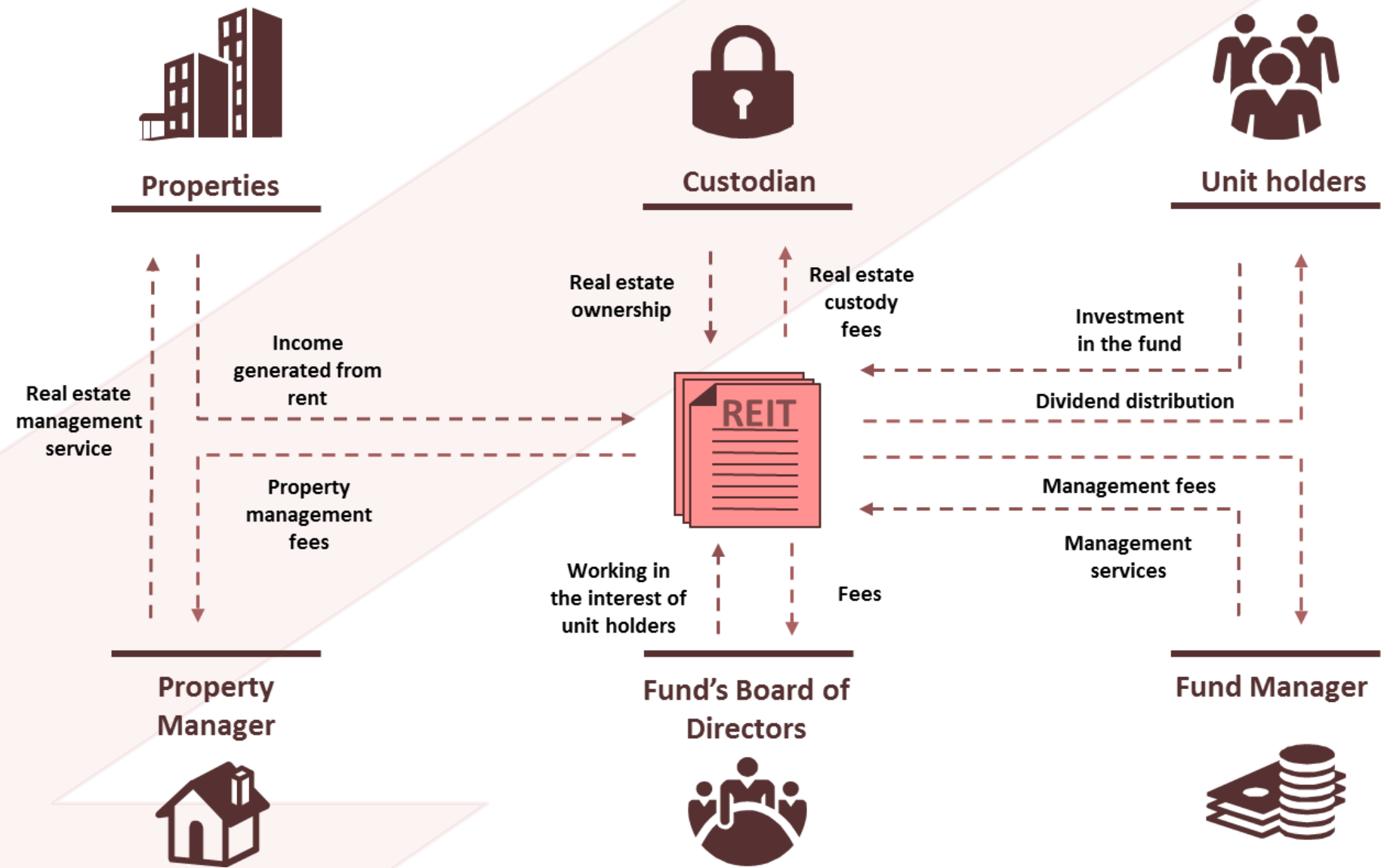
4.5 REIT SPECIFICATIONS

Assets of Investment	Real Estate Assets
Asset Type	Income Generating Asset
Fund Legal Type	Closed Ended Fund – Publicly Listed in the stock exchange
Number of Investors	Minimum of 50 investors
Initial Offer	Minimum of 100 Million SAR (will change up to 500 Million SAR)
Nomina Value of Unit	10 SAR / Unit
Assets Ownership	The assets must be registered under the name of third party (custodian) and owned by the unit holders
Distributions	At least 90% of the fund's net profits must be distributed annually to the unit holders
Leverage	The borrowing of the fund's must not exceed 50% of the total assets value of the fund
Assets Condition	At Least 75% of the assets should be income generating properties, while the remaining 25% can be under development projects.
Land Assets	No investment in vacant lands allowed.
Assets outside KSA	Not more than 25% of the assets can be included in the fund
Public Ownership	At least 30% of the total REIT units are owned by unit holders from the public





4.6 REIT STAKEHOLDERS

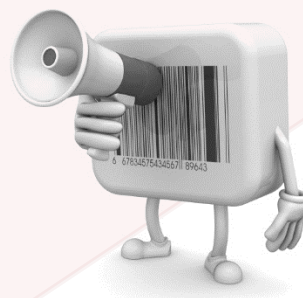


4.7 NEW TAX REGULATIONS

Saudi Arabia's move to impose various type of taxes on commodities, goods and services as well as residency and visit visa fees and charges on dependents of expats is expected to boost the Government finances. 3 major types of taxes were imposed as follows:

Selective commodity tax

Saudi Arabia officially applied the selective commodity tax on June 11, 2017. The tax will be imposed on three commodities - 100 % for tobacco and its derivatives, 100 % for energy drinks, 50 percent for soft drinks. It would be collected in one phase from the suppliers and manufacturers, and these taxes are expected to increase the Government budget revenues. Selective taxation might motivate many to quit these harmful substances instead of the huge budgets allocated annually to treat patients as a result of consuming these substances.



Increasing its prices will also reduce the number of the children and youth who will start using it, as they are the targeted category by companies producing these products. In the same context, the General Authority for Zakat and Income predicted that Saudi Arabia's revenues will reach more than \$3.2 billion (SR 12 billion Saudi riyal) annually, after imposing the selective commodity tax.

VAT in 2018

Value-added Tax (VAT) is an indirect tax. This tax may sometimes be referred to as a type of depreciation tax. In countries with a value-added tax system, most goods and services purchased and sold are charged. The Saudi Ministry of Finance will begin to impose a value-added tax to be applied in the GCC starting from 2018. It is expected to have repercussions on many economic sectors. This tax is levied on goods and services during the various stages of the supply chain, including the final selling stage indirectly, which is imposed on the difference in the cost price and the sale price of the goods, and on the cost of production



It will be imposed on all products and services, as a percentage of the value of the product, so that these companies and sales points will collect consumer taxes for the governments. The products exempted from this tax do not exceed 100 products, while the Kingdom's estimated revenues from VAT are estimated to be \$10.65 billion (40 billion Saudi riyals).

Expat Tax

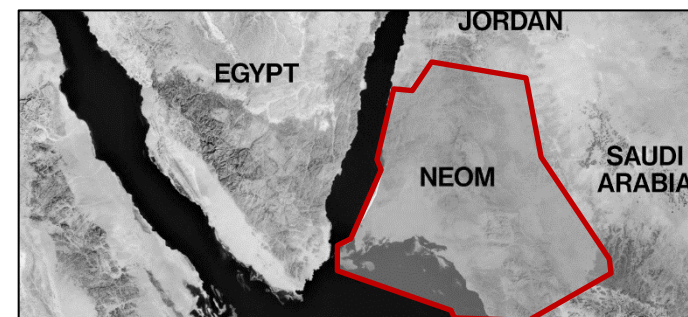
The decision to increase the residency and visitor visa fees was implemented as a step towards balancing budget revenues and expenditures by 2020. A monthly fee for expats and their companions will be applied in 2017 to expatriate workers in the Kingdom at SR 100 Saudi riyal for each facility, which aims to garner \$266 million (1 billion Saudi riyal) by the end of the year. In 2018, a monthly fee of 400 Saudi riyals will be levied on every employee in a company whose number of foreign employees exceed the number of Saudis, and 300 Saudi riyals fee on every employee in a company whose number of foreign employees is less than the number of Saudis, and 200 Saudi riyals on every person these foreign employees sponsor. Thus, it is expected to collect \$6.39 billion (24 billion Saudi riyals) in 2018, from the program of financial compensation for expats.



In 2019, the expatriate labor fees in a company whose number of foreign employees exceed the number of Saudis will be increased to 600 riyals monthly, and in sectors with a lower number of Saudis to 500 riyals per month, with an increase of each companion fees to be 300 riyals per month. This is expected to collect \$11.72 billion (44 billion Saudi riyals). In 2020, 800 Saudi riyals will be collected on every employee in a company whose number of foreign employees exceed the number of, while it will be 700 Saudi riyals for every employee in a company whose number of foreign employees is less than the number of Saudis. This is expected to collect \$17.3 billion (65 billion Saudi riyals).

4.8 THE NEW CITY OF NEOM - KSA

Saudi Crown Prince Mohammed bin Salman announced in October 2017 the launch of NEOM City, a project that aspires to be the “safest, most efficient, most future oriented, and best place to live and work” in the kingdom. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries. The project will be backed by more than \$500 billion over the coming years by Saudi Arabia. Wind and solar power will allow NEOM to be powered solely by regenerative energy, while 70 percent of the world's population will be able to reach it within eight hours.



NEOM DESTINATION OF THE FUTURE

- NEOM aspires to be the safest, most efficient, most future oriented, and best place to live and work.
- NEOM is developed independent of the Kingdom's existing governmental framework with investors, businesses, and innovators consulted at every stage of development.
- NEOM's unique location connects Asia, Europe, and Africa, will include the world's most significant and promising economic sectors.
- NEOM land expands over 26,500 km²; its location will facilitate NEOM's rapid emergence as a global hub that has the potential to bring together the best of Arabia, Asia, Africa, Europe and America.
- NEOM will be backed by more than \$500 billion over the coming years by the Kingdom of Saudi Arabia, the Saudi Arabian Public Investment Fund, local as well as international investors.



NEOM نيوم

ABOUT NEOM

NEOM commands a unique location to bring together the best of Arabia, Asia, Africa, Europe and America. NEOM resides in the Northwestern region of Saudi Arabia, and spans over 26,500 km². Overlooking the waterfront of the Red Sea to the South and the West, and the Gulf of Aqaba, NEOM enjoys an uninterrupted coastline stretching over 468 km, with a dramatic mountain backdrop rising to 2,500 m to the East. A constant breeze leads to mild temperatures. The wind and sun will allow NEOM to be powered solely by regenerative energy.

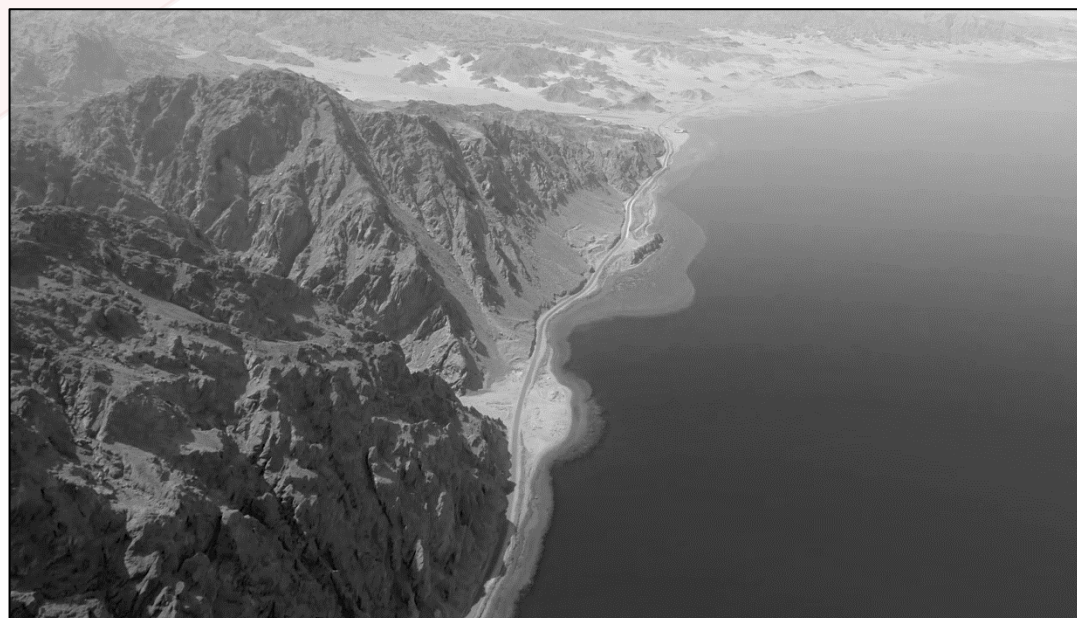
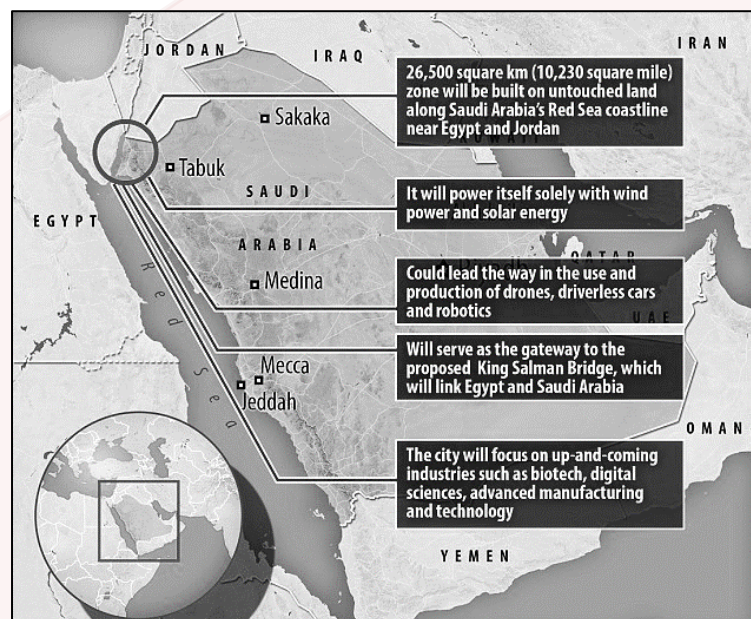
NEOM is situated on one of the world's most prominent economic arteries, through which nearly a tenth of the world's trade flows. Its strategic location will also facilitate the zone's rapid emergence as a global hub that connects Asia, Europe and Africa, enabling 70% of the world's population to reach it in under eight hours, which brings the potential to combine the best of major global regions in terms of knowledge, technology, research, teaching, learning, living and working. The site will also become the main entrance to the King Salman Bridge, linking Asia and Africa, which will add to the zone's economic significance. NEOM's land mass will extend across the Egyptian and Jordanian borders, rendering NEOM the first private zone to span three countries.

Investments and financing will play a vital role in NEOM, set to be spearheaded by the Kingdom's economy and supported by the Public Investment Fund (PIF) – a major global fund with access to a worldwide network of investors and major companies – set to be brought onboard to drive the success of NEOM. With the ambition of becoming one of the world's future economic and scientific capitals, in addition to be the future commerce capital of Saudi Arabia, NEOM is set to attract new foreign direct investment that will contribute to PIF's long-term growth strategy aimed at strengthening the Saudi Arabian economy. NEOM is developed to be independent of the Kingdom's existing governmental framework, excluding sovereignty.

NEOM will adopt a regulatory framework that fosters technological as well as societal innovation and entrepreneurship in accordance with international best practices. Investors, businesses, and innovators will be consulted at every step of the development in how best to create the economic framework, design the urban plans, and attract top quality talent that will drive the growth of this zone and its resident population.

NEOM will achieve its ambitious goals of becoming among the top secure areas in the world – if not the most– by adopting the future technologies in the fields of security and safety. This will raise the standards of public life activities and ensure the safety and protection of residents, visitors, and investors. All services and processes in NEOM will be 100% fully automated, with the goal of becoming the most efficient destination in the world, and in turn be implemented on all activities such as legal, government, and investment procedures among others. Additionally, NEOM will be subject to the highest sustainability standards, and will provide all transactions, procedures, and claims through paperless and electronic means.

A new concept for the workforce will be implemented, based on attracting high-caliber human resources with unique competencies for full-time innovation, decision making and business leadership. Repetitive and arduous tasks will be fully automated and handled by robots, which may exceed the population, likely making the NEOM's GDP per capita the highest in the world. All these elements will put NEOM at the world's forefront in terms of efficiency which will make it the best destination in the world to live in.



WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES



VALUATION REPORT

SAHAFA SCHOOL

ALRAJHI REIT FUND

DECEMBER 2019

REAL ESTATE VALUATION





REF: WCRE-19-448
Date: 31/12/2019
M/S AL Rajhi REIT Fund
Attn Mr. Avinash Ragoowansi

Land Line: +966 11 211 9250
Email: RagoowansiA@alrajhi-capital.com

Subject: Valuation Report for Sahafa School located in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on December 26, 2019 for valuation service of the educational project (Sahafa School) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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INTRODUCTION

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



WHITE CUBES
VALUATION & ADVISORY SERVICES

1.1 INSTRUCTION

We have received instruction from AL RAJHI CAPITAL dated on December 26, 2019 to proceed with the valuation service for Sahafa School in Riyadh city

Valuation Type	Real Estate
Instructions From	Al Rajhi Capital
Property Type	Educational Facility
Property Name	Sahafa School
Location	KSA, Riyadh

1.2 CLIENT

The client to whom this report is prepared is AlRajhi REIT Fund

Client Name	AlRajhi REIT Fund
Domain	Financial Firm
Location	KSA, Riyadh
Contact Person	Avinash Ragoowansi
Contact No.	+966 11 211 9250

1.3 INTEREST TO BE VALUED

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

1.4 STATUS OF CONSULTANT / VALUER

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

1.5 INDEPENDENT CONSULTANT

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

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

1.6 STRUCTURAL STABILITY (IF ANY)

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

1.7 OPINION OF VALUE

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

1.8 VALUATION STANDARDS

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





1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes.

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

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

1.10 CLIENT APPROVAL DATE

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

December 26, 2019.

1.11 INSPECTION DATE

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

December 28, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

December 31, 2019.



1.14 INSPECTION ROLE

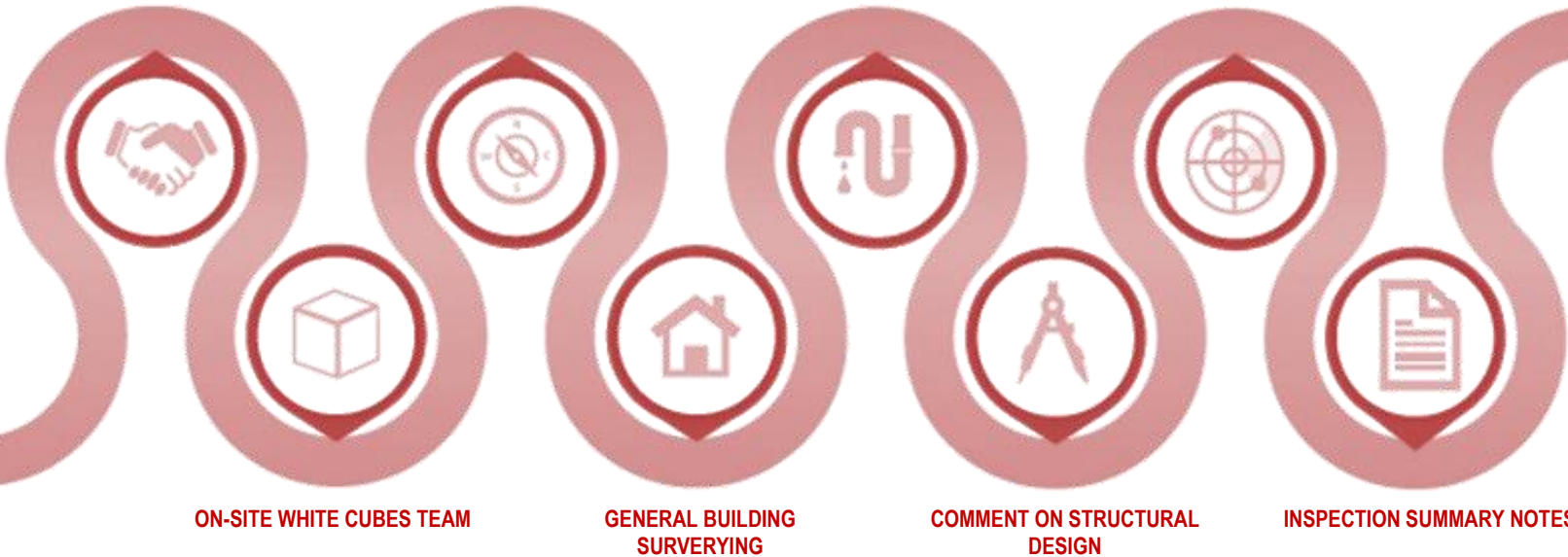
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

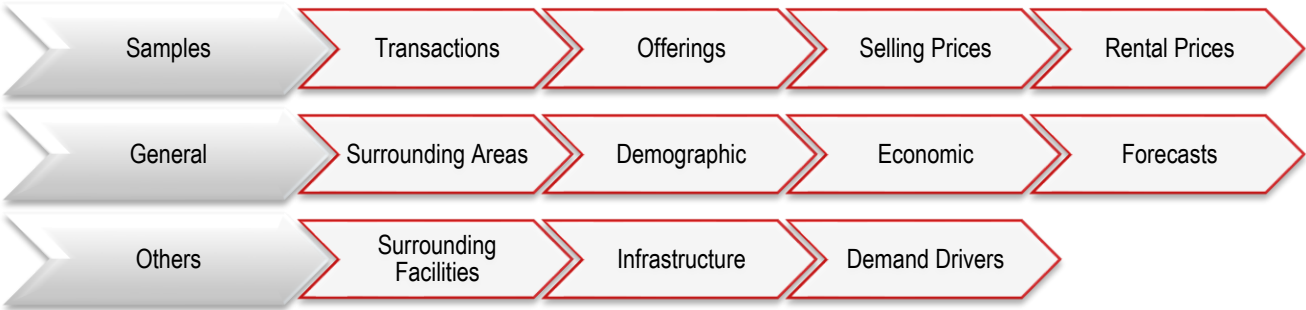
DUE DILIGENCE OUTPUT





1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

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



1.17 INSURANCE

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

1.18 LEGAL NOTICES

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

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

1.19 INFORMATION SOURCE

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

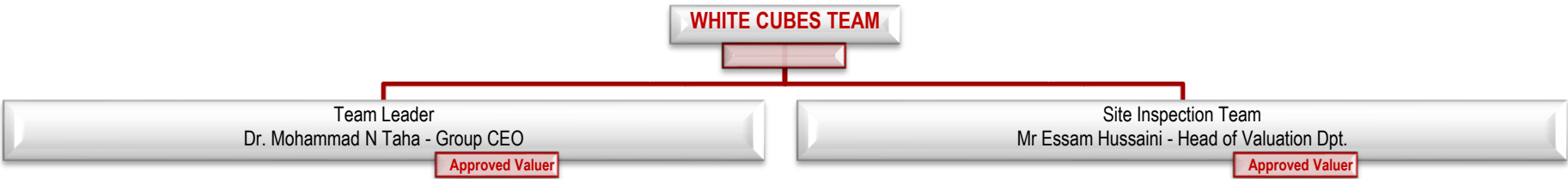
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

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



1.21 OUR ACCREDITED VALUERS IN TAQEEM

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

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

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

1.22 VALUATION COMPLIANCE

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

1.23 VALUATION STANDARDS

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

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

1.24 BASES OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

AN ASSET SHOULD EXCHANGE

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

ON THE VALUATION DATE

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

BETWEEN WILLING BUYER

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

AND WILLING SELLER

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM'S LENGTH TRANSACTION

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

AFTER PROPER MARKETING

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

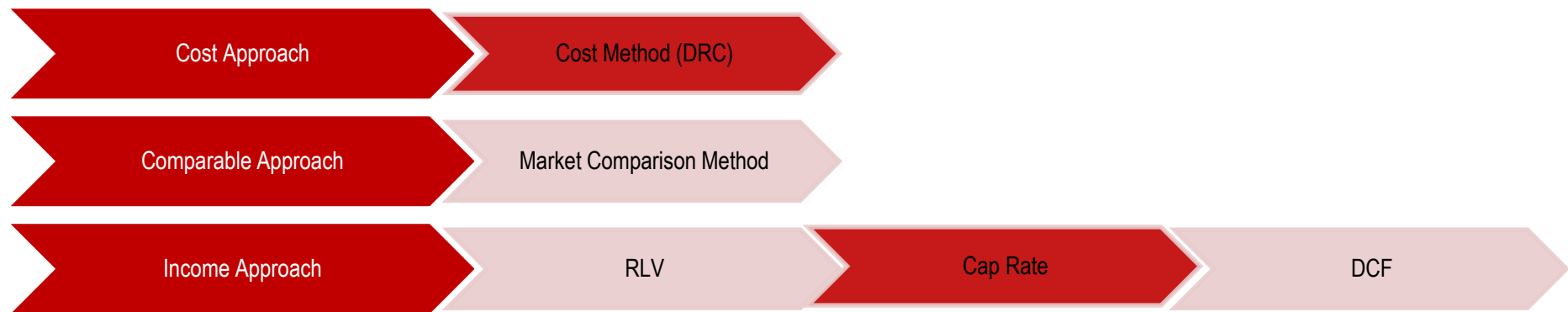
‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.





1.25 VALUATION APPROACH

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



DEPRECIATED REPLACEMENT COST (DRC)

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

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

COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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



RESIDUAL LAND VALUE (RLV)

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

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

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



We would like to bring to your attention the following:

	No	If Yes	Remarks
The subject property was previously valued by White Cubes	✓	Client AIRajhi Capital	Date March 2019
White Cubes was previously involved in selling activities related to the property	✓	_____	_____
White Cubes was previously involved in advisory services related to the property	✓	_____	_____

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

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



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

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

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

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

PROPERTY INFO

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

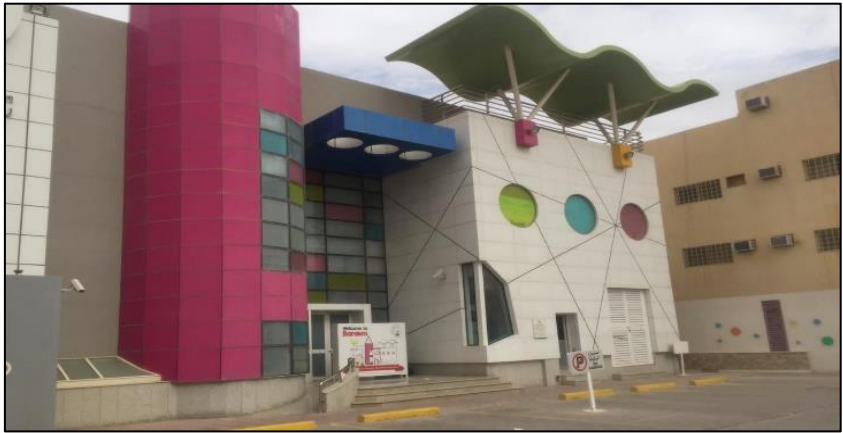


WHITE CUBES
VALUATION & ADVISORY SERVICES

2.1 PROPERTY DESCRIPTION

The subject property is an educational facility (Sahafa School) located in Al Sahafa district, Riyadh city. The Property has a total land area of 1,830.00 Sqm, a total BUA of 2,549.00 Sqm and composed of basement used for services, ground and first floors intended for educational use, electricity room and fences. As per the site inspection done by our team, the school is open on 3 sides from the north, east and west with a direct view on Prince Abdullah Bin Saud Bin Abdullah Snatan Al Saud Road while all the infrastructure facilities such as water, electricity, telecommunication and sewage are available in the surrounding and connected to the subject property.

Land	
Land Use	Educational
Number of Streets	3
General Land Shape	Regular
Direct View on the Main Road	Prince Abdullah Snatan al Saud Road.
Direct View on an internal Street	Unnamed Road
Land Status	Constructed
Infrastructural Facilities	
Water	Available
Electricity	Available
Sewage	Available
Telecommunication	Available
Building	
Building Condition	Fully Constructed
External Elevation	Good
Finishing	Good
Overall Building Condition	Good
Building Components	Excellent



2.2 TITLE DEED & OWNERSHIP

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

City	Riyadh
District	Al Sahafa
T.D Type	Electronic
T.D Number	71010720195
T.D Date	16/03/1432 H.D
T.D Value	3,934,500 SAR
Date of Last Transaction	16/03/1432 H.D
Issue from	Riyadh Notary
Land Area	1,830.00
Plot No.	4529 / 4537
Block No.	820
Layout No.	1637
Owner	Al Khaleej for Training and Education Company
Ownership Type	Freehold

Boundaries

North	Unnamed Road (14m Width / 61m Length)
South	Plots No. 4528 & 4536 (61m Length)
East	Al Nadwah Road (15m Width / 30m Length)
West	Prince Abdullah Aal Saud Road (36m Width)

Notes

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





2.3 CONSTRUCTION & BUILDINGS

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

Subject Property	
Construction Permit Type	Modify Building Layouts
Property Type	Educational
Construction Permit No.	1433/7276
Construction Permit Date	11/04/1433 H.D
Permit Expiry Date	11/04/1436 H.D

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

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

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

Description	No. of Units	Area (sqm)	Use
Basement	0	861.00	Services
Ground Floor	1	924.00	Educational
First Floor	1	924.00	Educational
Electricity Room	0	20.00	Electricity Room
Fences	0	106.00	Services
Total BAU (sqm)		2,729.00	

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







2.4 LAND SPECS

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

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

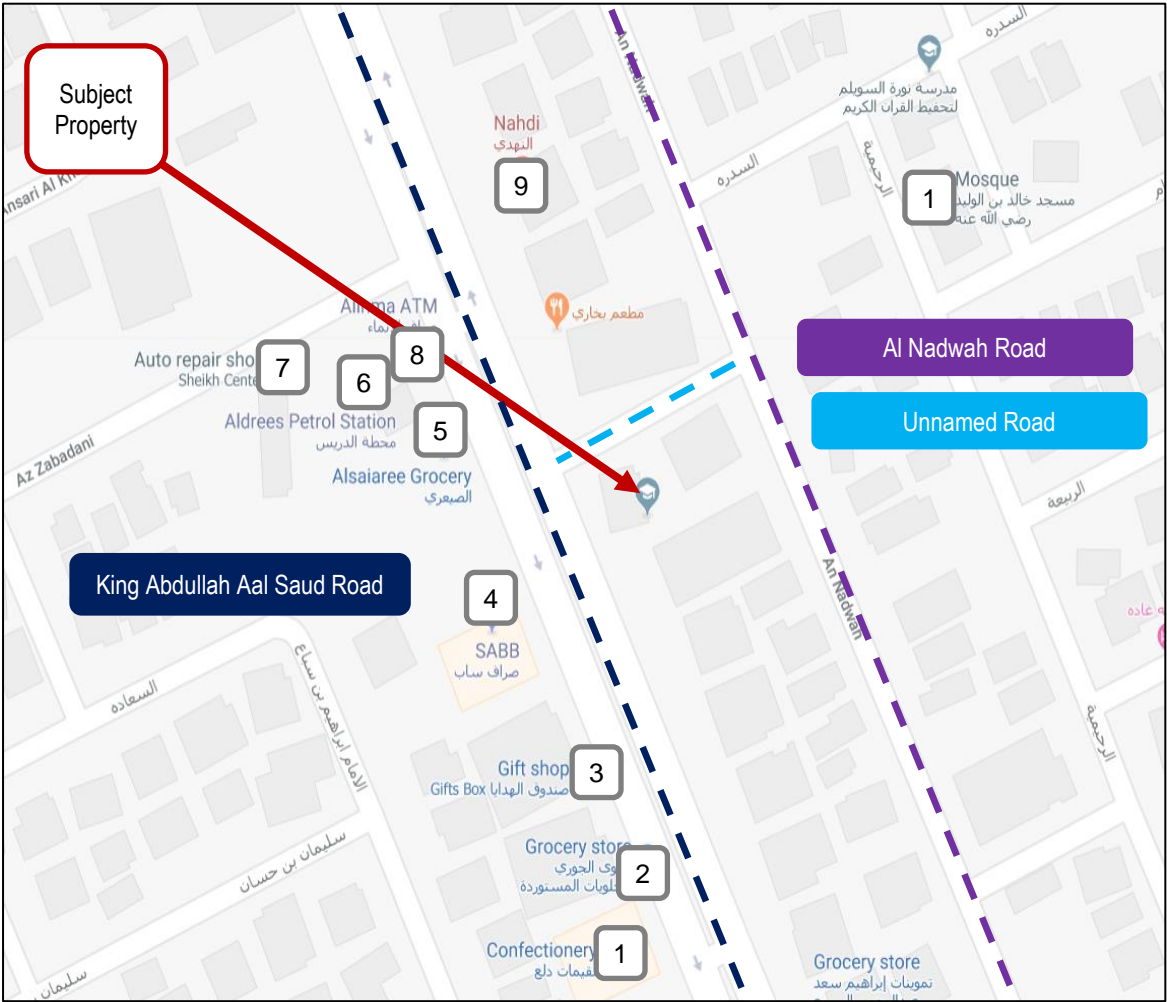
2.5 INFRASTRUCTURE FACILITIES

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



2.6 LOCATION

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



ACCESS TO SUBJECT PROPERTY

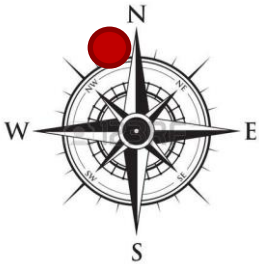
The subject property can be accessed through the following roads:

- North Side: Unnamed Road.
- East Side: Al Nadwah Road
- West Side: Prince Abdullah Aal Saud Road.

LAND MARKS

- 1- Confectionery (0.15 Kilometres)
- 2- Grocery Store (0.15 Kilometres)
- 3- Gift Shop (0.1 Kilometres)
- 4- SABB (0.08 Kilometres)
- 5- Alsaieree Grocery (0.08 Kilometres)
- 6- Aldrees Petrol Station (0.1 Kilometres)
- 7- Auto repair Shop (0.15 Kilometres)
- 8- Alinma ATM (0.1 Kilometres)
- 9- Nahdi Pharmacy (0.1 Kilometres)
- 10- Khaled Bin Al Walid Mosque (0.15 Kilometres)

Location of the subject property according to the City Center



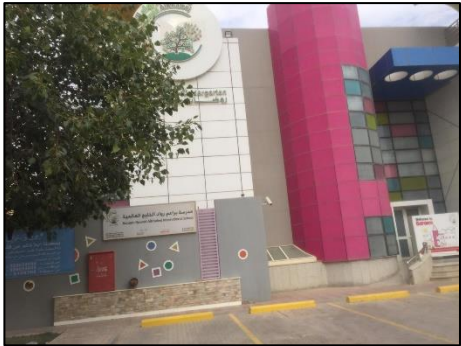
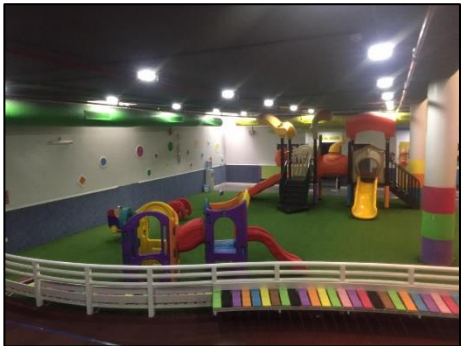
2.7 PHOTO RECORD

Date of Photos: December 28, 2019





Date of Photos: December 28, 2019





2.8 DOCUMENTS RECIEVED

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

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

2.9 GENERAL ASSUMPTIONS

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






2.10 SWOT ANALYSIS

Strength <ul style="list-style-type: none">- High level of management and operation- Direct view on the main road- Open on 3 sides.	Weakness <ul style="list-style-type: none">- None
Opportunities <ul style="list-style-type: none">- High demand on the property type.	Threats <ul style="list-style-type: none">- Potential similar projects developments

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

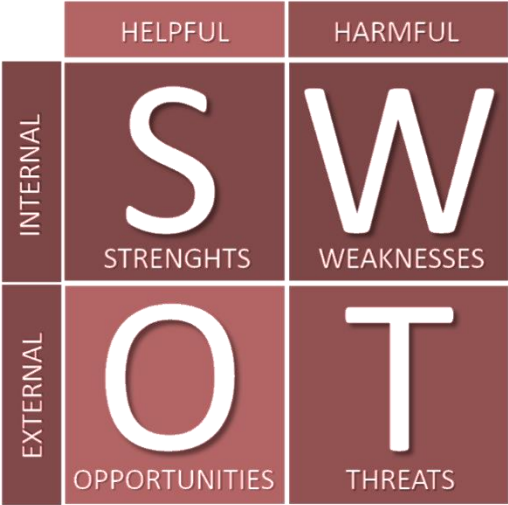
2.11 SECTOR BRIEF

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

- 
- Indicator showing a decrease in the current performance comparing to the last year

Indicator showing an increase in the current performance comparing to the last year

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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019



Future Expectations



Investors Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019



Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis

2.12 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	✓	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	4	12	0	0
Risk Category	16 Risk Points - Medium Risk				

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 9 Risk Points – Minimal Risk

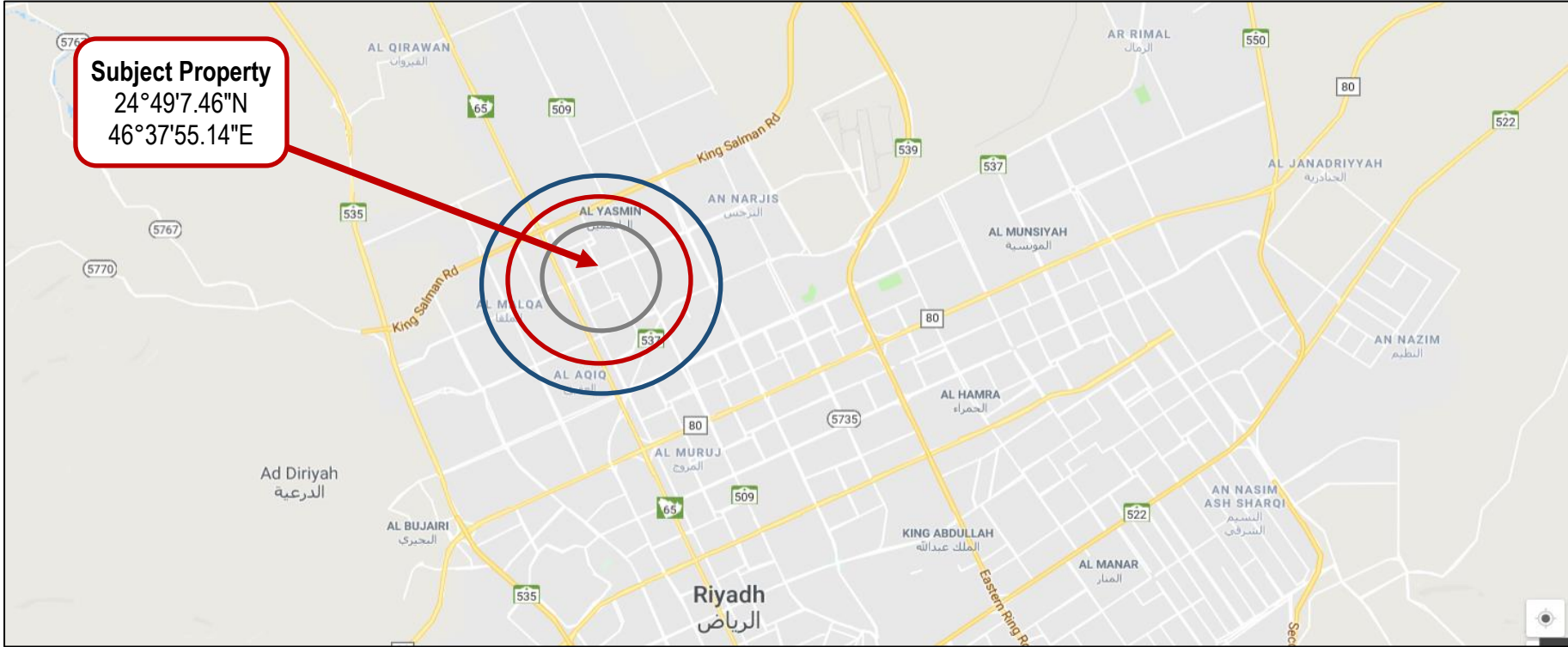
Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	✓	-----	-----	-----
Management Skills	-----	✓	-----	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	6	0	0	0
Risk Category	6 Risk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

Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

2.13 INPUT EVALUATION PROCESS

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



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

2.14 COST APPROACH (DRC)

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

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

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

LAND		
Land Area	SAR / Sqm	Total Value
1,830.00	SAR 3,000	SAR 5,490,000

Building		
	Unit	Total BUA
Basement	Sqm	681.00
Ground Floor	Sqm	924.00
First Floor	Sqm	924.00
Electricity Room	Sqm	20.00
Fences	Lm	106.00
Total (SQM)	2,549.00	
Fences (Lm)	106.00	

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

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

As for the subject property, we will use 25% developer profit rate.

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	1,868.00	SAR 1,100	SAR 2,054,800	100%	SAR 2,054,800
Electro Mechanic	1,868.00	SAR 600	SAR 1,120,800	100%	SAR 1,120,800
Finishing	1,868.00	SAR 850	SAR 1,587,800	100%	SAR 1,587,800
Fit outs & Appliances	1,868.00	SAR 200	SAR 373,600	100%	SAR 373,600
Furniture	1,868.00	SAR 150	SAR 280,200	100%	SAR 280,200
Site Improvement	1,830.00	SAR 100	SAR 183,000	100%	SAR 183,000
Total			SAR 5,600,200	100.00%	SAR 5,600,200
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	681.00	SAR 1,650	SAR 1,123,650	100%	SAR 1,123,650
Electro Mechanic	681.00	SAR 400	SAR 272,400	100%	SAR 272,400
Finishing	681.00	SAR 600	SAR 408,600	100%	SAR 408,600
Total			SAR 1,804,650	100.00%	SAR 1,804,650
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 7,404,850	0.10%	SAR 7,405
Design			SAR 7,404,850	0.50%	SAR 37,024
Eng Consultant			SAR 7,404,850	1.00%	SAR 74,049
Management			SAR 7,404,850	5.00%	SAR 370,243
Contingency			SAR 7,404,850	5.00%	SAR 370,243
Others			SAR 7,404,850	0.00%	SAR 0
TOTAL				11.60%	SAR 858,962.60
Total Hard Cost	SAR 7,404,850		BUA	2,549.00	
Total Soft Cost	SAR 858,962.60		SAR / Sqm	SAR 3,242	
Total Construction Cost	SAR 8,263,812.60		Overall Completion	100.0%	
DEVELOPMENT VALUE					
Total Dev Cost	SAR 8,263,813		Net Dep Rate		10.00%
			Dev Cost After Depreciation		SAR 7,437,431
Economic Age	40		Total Completion Rate		100.00%
Annual Dep Rate	2.50%		Developer Profit Rate		25.0%
Actual Age	4				
Total Dep Rate	10.00%				
Add Appr Rate	0.00%		Dev. Profit Amount		SAR 1,859,358
Net Dep Rate	10.00%		Development Value		SAR 9,296,789
Total Dev. Value	Land Value	Total Property Value		Rounded Value	
SAR 9,296,789	SAR 5,490,000	SAR 14,786,789		SAR 14,790,000	

2.15 INCOME APPROACH – LEASING CONTRACT

REVENUES					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Educational Facility		The subject property is Fully leased to 1 tenant			SAR 1,700,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 1,700,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility		All expenses will be paid by the tenant			0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Educational Facility	SAR 1,700,000		0.00%		SAR 1,700,000
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 1,700,000
Total Property Revenues					SAR 1,700,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 1,700,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 1,700,000.00		7.50%	22,666,666.67 SAR		22,670,000.00 SAR

The subject property is fully leased to one tenant. The used figure in terms of revenues was based on the leasing contract amount, terms and conditions. As for the OPEX rate, which is being paid by the Tenant.



2.16 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

We have to note that the subject property falls under the definition of unique / specialized assets based on the IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers) standards and regulations.

The special assets definition includes all the properties those witness very limited number of transactions in the market (sale / buy activities) due to the nature and type of business, where those properties considered as operational properties and can be used by one tenant operator only, such as educational facilities, medical facilities, agriculture facilities and any other asset abdicated for one use or purpose.

- The following summarizes the high-level characters of the special properties:
- Can be used by one tenant / operator.
 - The purpose of such properties is to examine and run a business operation rather than to offer the property to the market for renting activities as an income generating property.
 - Very minimum comparable transaction in the market.

Based on all the above, we can't apply the income approach based on the market rates for such property since they can't be rented in several units.

For example, any educational (and / or) medical facilities considered as operation property and they are measured by the number of students and number of beds respectively rather than per unit (and / or) per Sqm.

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 22,670,000	Two Hundred and Thirty Million Saudi Riyals
DRC Approach	Land + Building	SAR 14,790,000	One Hundred and Seventy-Six Million Saudi Riyals

2.17 SUBJECT PROPERTY VALUE

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

Property Value: **22,670,000 SAR**
Twenty-Two Million and Six Hundred Seventy Thousand Saudi Riyals

2.18 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

2.19 DISCLAIMER

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

2.20 CONCLUSION

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent. We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright.

Dr. Mohammad Taha – CEO
Valuation Check



Member of (Taqeem)
License No. 1220000263

Essam Hussaini
Site Inspection Check



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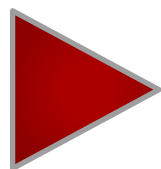
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