WHITE CUBES
REAL ESTATE VALUATION REPORT

Al Khabeer Capital

Elite Centre

Awal Al Malqa Real Estate Company

Jeddah City
30 June 2023

REF: 23-0424
Code:
Date: 30/06/2023
M/S: Awal Al Malqa Real Estate Company

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

Dear Sir,

With reference to your request and approval dated on 29th of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

WHITE CUBES Consulting Services Co.

Mr. Essam M. Al-Husaini – President
Fellow Member of the Saudi Authority of Accredited Valuers
License No. 1210000474
Issued: 01/08/1437 Exp: 24/08/1447
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	23-0424
Dep. Code	
Report Type	Detailed Report.
Client	Awal Al Malqa Real Estate Company.
Report user	Awal Al Malqa Real Estate Company.
Other users	Investors or those wishing to invest in the Real Estate Investment Trust.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial Project.
Property Location	Al Andalus district, Jeddah City.
Title Deed No.	420221011608
Title Deed Date	17/08/1440
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Al Rajhi Banking Investment Company.
Owner	Awal Al Malqa Real Estate Company.
Land Use	Commercial
Land Area (Sqm)	The land has an area size of 4,319.75 Sqm
BUA (Sqm)	As per the provided construction permit, the total BUA is 15,712 Sqm.
GLA (Sqm)	The total gross leasable area of the project is 13,766 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Comparable Approach, Cost Approach and Income Approach.
Currency	Saudi Arabian Riyal
Final Property Value	SAR 150,000,000
Report Date	30/06/2023
Valuation Date	30/06/2023
Inspection Date	30/05/2023
Expiry Date	120 days from date of the inspection, unless there're any economic changes that affect the subject property.

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SCOPE OF WORK

SCOPE OF WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

1.3 Basis of Valuation

According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 9.5% was assumed for the project.

1.10 Use, Distribution, and Publication Restrictions

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

1.11 Legal Notes

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.

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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

Based on the information provided the subject property is a commercial project located in Al Andalus district, Jeddah City. Based on the provided copy of the title deed the subject property has a total land area of 4,319.25 sqm and as per the provided construction permit the total BUA of 15,712 Sqm and composed of 7 offices floors and retail unit on the ground floor. As per the site inspection done by our team for the purpose of valuation, the land open on 3 sides with a direct view on Prince Mohammad bin Abdulaziz Road from the north side.

2.2 Surrounding Area

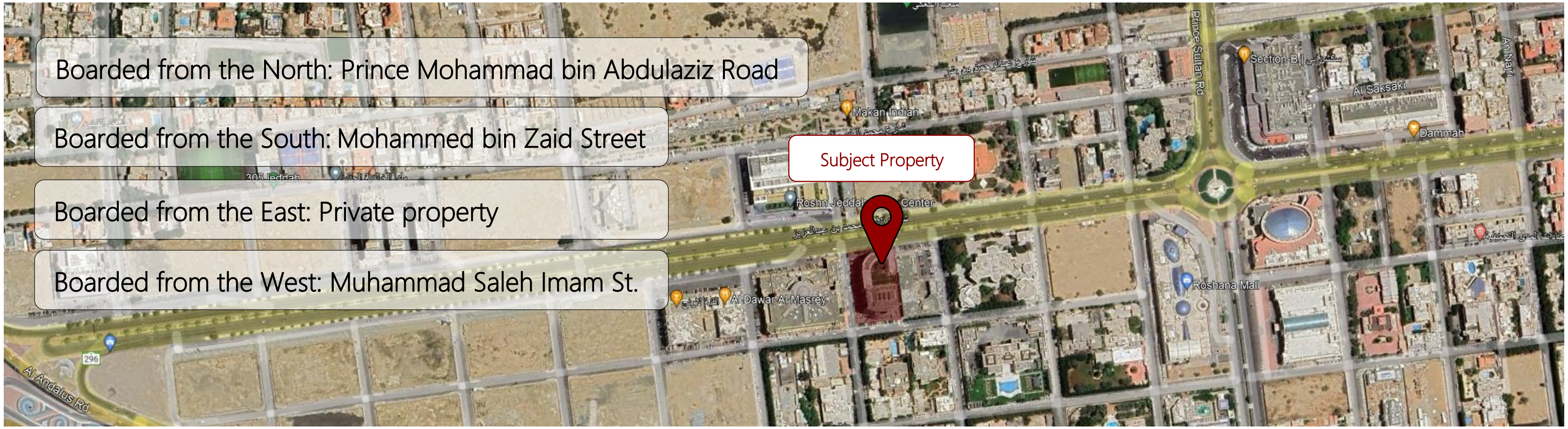
The subject property is surrounded mostly by several residential and commercial buildings.

2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on Prince Mohammad bin Abdulaziz Road.

2.4 Infrastructure

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



2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Jeddah	**Land Area**	4,319.75 Sqm
District	Al Andalus	**Plot No.**	2
T.D Type	Electronic	**Block No.**	---
T.D Number	420221011608	**Layout No.**	860/ت/س
T.D Date		**Owner**	Awal Al Malqa Real Estate Company
T.D Value		**Ownership Type**	Freehold
Date of Last Transaction	17/08/1440	**Limitation of Document**	Mortgaged to Al Rajhi Banking Investment Company.
Issued From	Jeddah First Notary		
North Side	40 meters street	**East Side**	Private property
South Side	15 meters street	**West Side**	15 meters street

Note: The client has provided us with a 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.

2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

Subject Property	
Construction Permit Type	New Permit
Property Type	Mix use
Construction Permit No.	35218
Construction Permit Date	18/10/1430

Description	No. of Units	Area (sqm)	Use
Ground Floor	----	2,468	Showrooms
First Floor	----	2,386	Offices
Second Floor	----	2,468	Offices
Third Floor	----	2,468	Offices
Typical Floors	----	4,911	Offices
Annex	----	1,011	Offices
Total BAU (sqm)		**15,712**	

2.7 Building Gross Leasable Area (GLA)

Use	No. of Units	BUA (Sqm)	GLA (Sqm)	Information Source
Show Rooms	----	15,712	2,169	Rental spaces are provided by the client
Offices	----		9,882	
Mezzanine	----		1,715	
Total			**13,766**	

2.8 Property Actual Rental Rates

As per the client, informed us that the property is occupied 80% of the offices and 100% of the showrooms (Al Jazira Bank). the property as an income generating property rented to the previous owner by triple net lease of SAR 16,000,000 annually which increases every 5 years. The client also informed us that a discount is introduced to the current leasing contract where the net lease becomes 11,520,000 SAR. The valuation will be based on the before assumption.

2.9 Photographs of the Subject Property



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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

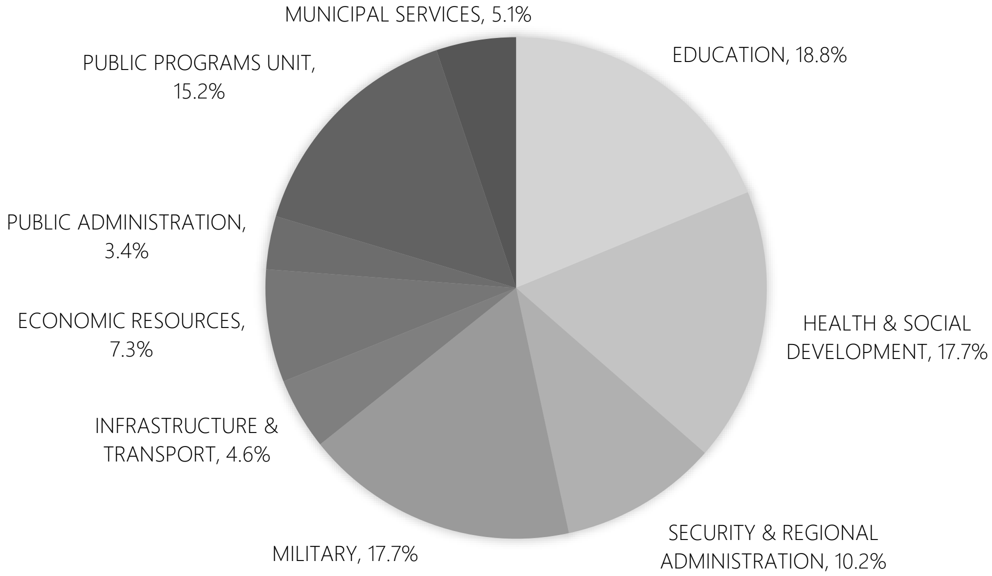
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Budget 2022	Expectations 2023	Estimated 2024	2025
Total revenue	1,234	1,130	1,146	1,205
Total expenses	1,132	1,114	1,125	1,134
Budget surplus	102	16	21	71
Debt	985	951	959	962
GDP growth	8.5%	3.1%	5.7%	4.5%
Nominal gross domestic product	3,957	3,869	3,966	4,247
Inflation	2.6%	2.1%	2.1%	2.0%

3.2 Budget Allocation for 2022

Public Administration	37 SAR bn
Military	259 SAR bn
Security & Regional Adm.	105 SAR bn
Municipal Services	63 SAR bn
Education	189 SAR bn
Health & Social Dev.	189 SAR bn
Economic Resources	72 SAR bn
Infrastructure Transport	34 SAR bn
General Items	165 SAR bn

Source: Ministry of Finance



3.3 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 last year
⬆	Indicator showing an increase in the current performance comparing to last year
⬌	Indicator showing a stable position in the current performance comparing to last year

Indicator	From 2022 to 2023	Future Expectations
Overall Sector Performance	⬌	⬆
Overall Sector Stability	⬌	⬆
Values of Lands Related to The Sector	⬌	⬆
Sector rental Income	⬌	⬆
Sector Demand	⬌	⬆
Investors' Appetite	⬌	⬆
Sector's occupancy ratios	⬌	⬆
Sectors Positive Changes	⬌	⬆

White Cubes Team's Analysis

3.4 Risk Analysis

- Sector Analysis

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 7-12	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

-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	8	0	0	0

Risk Category8 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	2	6	0	0

Risk Category8 Risk Points - Medium Risk

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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4 Valuation Methods

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 fair value of the subject property:

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	✓	----	----	----	----	----
Buildings	----	✓	----	----	----	----
Property	----	----	----	----	✓	----

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.

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 fair 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 mosques, 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 subject 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.

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.

4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

Characteristics of Samples				
Feature	**Subject Property**	**Sample 1**	**Sample 2**	**Sample 3**
Quoting	---------	Offering	Offering	Offering
City	Jeddah	Jeddah	Jeddah	Jeddah
Sale Price	----------	SAR 124,000,000	SAR 58,500,000	SAR 78,400,000
Data Source	Client	Market Survey	Market Survey	Market Survey
Area Size	4,319.75	8,700.00	4,500.00	7,000.00
SAR / Sqm	--------	SAR 14,253	SAR 13,000	SAR 11,200

Market Conditions Adjustment Analysis							
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**	
SAR/ Sqm before Adj.	--------	SAR 14,252.9		SAR 13,000.0		SAR 11,200.0	
Mortgage	--------	Cash	0.00%	Cash	0.00%	Cash	0.00%
Market Conditions	--------	--------	0.00%	--------	0.00%	--------	0.00%
Total Adjustments Ratio			0.00%		0.00%		0.00%
Total Adjustment Amount			SAR 0.00		SAR 0.00		SAR 0.00
Net After Adjustment			SAR 14,252.87		SAR 13,000.00		SAR 11,200.00

Location Adjustment Analysis							
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**	
Area Size	4,319.75	8,700.00	5.00%	4,500.00	0.00%	7,000.00	5.00%
Location Desirability	High	High	0.00%	High	0.00%	High	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%	Average	0.00%
Main Street Width (m)	40	40	0.00%	40	0.00%	40	0.00%
Sides Open	3	4	-2.50%	1	-5.00%	2	2.50%
Land Shape	Regular	Regular	0.00%	Regular	0.00%	Regular	0.00%
Close to main street	Yes	Yes	0.00%	Yes	0.00%	Yes	0.00%
Total Adjustments Ratio			2.50%		-5.00%		7.50%
Total Adjustment Amount			SAR 356.3		-SAR 650.0		SAR 840.0
Net After Adjustment			SAR 14,609.2		SAR 12,350.0		SAR 12,040.0
Weighted Mean			**30%**		**40%**		**30%**
			SAR 4,382.76		SAR 4,940.00		SAR 3,612.00
SAR / Sqm	**SAR 12,935**						
Rounded Value	**SAR 12,900**						

Property Value	Sensitivity Analysis					
		-10%	-5%	0%	5%	10%
SAR 55,725,000	**Land Area**	4,320	4,320	4,320	4,320	4,320
	SAR / Sqm	SAR 11,610.0	SAR 12,255.0	SAR 12,900.0	SAR 13,545.0	SAR 14,190.0
	Property Value	SAR 50,152,298	SAR 52,938,536	SAR 55,724,775	SAR 58,511,014	SAR 61,297,253

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 12,000 & 14,000 SAR/ Sqm. We will base our valuation analysis on the average rate of 12,900 SAR / Sqm. When comparing it with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.

4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Concrete Cost	SAR 900	SAR 1,100	SAR 1,000
MEP	SAR 350	SAR 450	SAR 400
Finishing Materials	SAR 1,200	SAR 1,400	SAR 1,300
Fitouts &Appliance	SAR 80	SAR 120	SAR 100
Owner Profit	18%	22%	20%

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

Land		
Land Area	**SAR / Sqm**	**Total Value**
4,319.75	SAR 12,900	SAR 55,724,775
Building		
	Unit	**Total BUA**
Ground Floor	Sqm	2,468.00
Upper Floors	Sqm	12,233.00
Annex	Sqm	1,011.00
Fences	Lm	69
Total (SQM)	**15,712.00**	

Development Cost					
Hard Cost - (Upper Floors)					
	Area	**SAR / Sqm**	**Total**	**Completion Rate**	**Total Cost**
Skeleton and Block	15,712.00	SAR 1,000	SAR 15,712,000	100%	SAR 15,712,000
Electro Mechanic	15,712.00	SAR 400	SAR 6,284,800	100%	SAR 6,284,800
Finishing	15,712.00	SAR 1,300	SAR 20,425,600	100%	SAR 20,425,600
Site Improvements	4,319.75	SAR 100	SAR 431,975	100%	SAR 431,975
Total			**SAR 42,854,375**	**100.00%**	**SAR 42,854,375**

Overall Soft Cost					
			Total Hard Cost	**Ratio**	**Soft Cost**
Initial Project Pre Cost			SAR 42,854,375	0.10%	SAR 42,854
Design			SAR 42,854,375	0.50%	SAR 214,272
Eng Consultant			SAR 42,854,375	1.00%	SAR 428,544
Management			SAR 42,854,375	5.00%	SAR 2,142,719
Contingency			SAR 42,854,375	5.00%	SAR 2,142,719
Others			SAR 42,854,375	0.00%	SAR 0
TOTAL				11.60%	**SAR 4,971,107.50**
Total Hard Cost	**SAR 42,854,375**			**BUA**	**15,712.00**
Total Soft Cost	**SAR 4,971,107.50**			**SAR / Sqm**	**SAR 3,044**
Total Construction Cost	**SAR 47,825,482.50**			**Overall Completion**	**100.0%**

After knowing the total construction costs at a rate of 3,044 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

DEVELOPMENT VALUE			
Total Dev Cost	**SAR 47,825,483**	**Annual Dep Rate**	2.5%
Total Completion Rate	100.00%	**Actual Age**	10
Developer Profit Rate	20.0%	**Total Dep Rate**	25.00%
Dev. Profit Amount	SAR 9,565,097	**Add Appr Rate**	0.00%
Development Value	**SAR 45,434,208**	**Net Dep Rate**	**25.00%**
Economic Age	40	**Cost After Depreciation**	**SAR 35,869,112**

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 45,434,208	**SAR 55,724,775**	**SAR 101,158,983**	**SAR 101,160,000**

4.3 Income Approach- Market Rates

Market Rental Analysis

By studying the rental prices of similar properties in the area surrounding the property under evaluation, we found that the average rental prices of commercial units' range between 2,000 and 3,000 SAR/Sqm. We also noticed that the exhibitions have an internal mezzanine. To consider all of the above, we will base our evaluation on 2,600 SAR/Sqm for exhibitions. As for office unit rents, they are as follows:

	Office Units
Comparable No.	Rental Rate/ Unit
Comparable 1	700 SAR/ Sqm
Comparable 2	800 SAR/ Sqm
Average	750 SAR/ Sqm

As for the offices, we will base our valuation on 900 SAR/ Sqm due to better quality, services, etc.

Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 10% to 15% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

Management expenses	3% to 5%
Operating and maintenance expenses	3% to 5%
General service bills expenses	1% to 2%
Other incidental expenses	1% to 2%

Property Operation and Maintenance Expenses

We will apply the rate of 11% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 8.5% to 9.5%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

The capitalization rate was derived by extracting from the market, where we found that the minimum is 10% and the maximum is 9%. A capitalization rate of 9.5% was assumed.

Reasonable after taking into account the components of the property, and it represents the return expected to be achieved by the property at the end of the period, which will be applied later to net operating income.

for real estate

Based on the above, the value of the property using the income capitalization method is as follows:

Revenues					
	Quantity		Revenues		
Unit Type	**Total GLA**	**No of Units**	**SAR / Sqm**	**SAR / Unit**	**Total Revenues**
Show Rooms	2,169	0	SAR 2,600	SAR 0	SAR 5,639,400
Offices	9,882	0	SAR 900	SAR 0	SAR 8,893,800
Mezzanine	1,715	0	SAR 1,450	SAR 0	SAR 2,486,750
				Total Revenues	**SAR 17,019,950**

Expenses					
Unit Type	**Management**	**Utilities**	**Maintenance**	**Others**	**Total Expenses**
Show Rooms	3.00%	3.00%	5.00%	5.00%	16.00%
Offices	3.00%	3.00%	5.00%	10.00%	21.00%
Mezzanine	0.00%	0.00%	0.00%	0.00%	0.00%
				Total Expenses	**37.00%**

Net Operating Income				
Unit Type	**Total Revenues**	**Total Expenses**		**NOI**
Show Rooms	SAR 5,639,400	16.00%		SAR 4,737,096
Offices	SAR 8,893,800	21.00%		SAR 7,026,102
Mezzanine	SAR 2,486,750	0.00%		SAR 2,486,750
			Total	**SAR 14,249,948**
Total Property Revenues				SAR 17,019,950
Total Property Expenses				-SAR 2,770,002
Net Operating Income				**SAR 14,249,948.00**

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 14,249,948.00	**9.50%**	**149,999,452.63**	**SAR 150,000,000.00**

4.4 Income Approach Based on the Leasing Contract

The client informed us that the current occupancy rate is 80% for offices and 100% for commercial showrooms, and that the property is leased at a net rent of 16,000,000 SAR annually and increases every 5 years with insurance costs of 50,000 SAR. The customer also informed us that a temporary discount has been added to the current lease contract, so that the rent becomes equal to 11,520,000 riyals. The evaluation will be based on previous assumptions.

Revenues					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Commercial Building	The subject property is Fully leased to 1 tenant				SAR 11,520,000
				Total Revenues	SAR 11,520,000
Expenses					
Unit Type	Management	Utilities	Maintenance	Insurance	Total Expenses
Commercial Building	0.00%	0.00%	0.00%	50,000.00	50,000.00
				Total Expenses	50,000.00
Net Operating Income					
Unit Type	Total Revenues		Total Expenses		NOI
Commercial Building	SAR 11,520,000		50,000.00		SAR 11,470,000
				Total	SAR 11,470,000
Total Property Revenues					SAR 11,520,000
Total Property Expenses					-SAR 50,000
Net Operating Income					SAR 11,470,000.00

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 11,470,000.00	9.50%	120,736,842.11 SAR	SAR 120,740,000.00

4.5 Subject Property Value in different Approaches

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 150,000,000	One Hundred Fifty Million Saudi Riyals
Income- Contract	Property	SAR 120,740,000	One Hundred Twenty Million and Seven Hundred Forty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 101,160,000	One Hundred One Million One Hundred Sixty Thousand Saudi Riyals

4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the income approach- market rates is:

Property Value: **150,000,000 SAR**
One Hundred Fifty Million Saudi Riyals.

4.7 Conclusion

We trust that this report and valuation fulfills the requirements 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.

4.8 Accredited Valuers

Essam M. Al Husaini President	**Nabeel M. Al Husaini** CEO	**Farah E. Al Husaini** Valuation Manager	**Nasser A. Al Arifi** Valuer	
Fellow Member of (RE Valuation) License No. 1210000474	Member of (RE Valuation) License No. 1210002782	Member of (RE Valuation) License No. 1210001964	Member of (RE Valuation) License No. 1210002399	Membership- RE Branch Membership No.: 11000171

DOCUMENTS

Documents Received

5.1 Title deed and Construction Permit

بسم الله الرحمن الرحيم

شركه اول الملقا العقاريه

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الاولى بجدة

٤٢٠٢٢١٠١١٦٠٨
الرقم: ٤٢٠٢٢١٠١١٦٠٨
التاريخ: ١٧ / ٨ / ١٤٤٠ هـ

شركه

وزارة العدل

صك رهن وتملك عقار

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

فإن قطعة الارض رقم ٢ من المخطط رقم ٨٦٠ / س/ ت الواقع في حي الاندلس بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: شارع الأمير محمد بن عبد العزيز عرض ٤٠م بطول: (٤٧) سبعة و أربعون متر يبدأ من الشرق للغرب ثم شطفه جنوب غرب ٤,٢٤م

جنوباً: شارع عرض ١٥م بطول: (٤٧) سبعة و أربعون متر يبدأ من الشرق للغرب ثم شطفه شمال غرب ٤,٢٤م

شرقاً: قطعة رقم ١ بطول: (٨٦,٨) ستة و ثمانون متر و ثمانون سنتمتر

غرباً: شارع عرض ١٥م بطول: (٨٠,٣٥) ثمانون متر و خمسة و ثلاثون سنتمتر

ومساحتها: (٤,٣١٩,٧٥) أربعةالآف و ثلاثمائة و تسعة عشر متر مربعاً و خمسة و سبعون سنتمتراً مربعاً فقط

المملوكة لـ/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠/ ١٤٤٤ هـ بالصك الصادر من هذه الإدارة برقم ٦٢٠٢١٤٠٢٨٢١٥ في ١٥ / ٦/ ١٤٤٠ هـ قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠/ ١٣٧٦ هـ ضمانا لوفائه بـ/ بملغ ٣٨١٨١٨١٨,١٩ ثمانية و ثلاثون مليونا و مائة و واحد و ثمانون ألفا و ثمانمائة و ثمانية عشر ريال و تسعة عشر هللة على ان يتم سداد المديونية على اقساط كل ٦ أشهر من تاريخ صرف التمويل وقيمة كل قسط ٩٠١٠٠٠٠ تسعة مليون و عشرة الاف تدفع فى نهاية المدة اعتبارا من تاريخ ٣١/٣/٢٠١٩ وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء مافي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٧ / ٨/ ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل

الختم الرسمي

وزارة العدل
كتابة العدل الأولى بمحافظة جدة
كاتب عدل مكتب رقم (٢١)

كاتب العدل
احمد بن غرم الله بن عطيه الزهراني

هذا المستند وحدة متكاملة ، وضياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند

صفحة ١ من ٢
نموذج رقم (١٢-٠٢-٠١)
(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)
مصلحة مطابع الحكومة - ٢٨٢٠٢٢

الإدارة المركزية لرخص البناء
رخصة بناء مفعلة

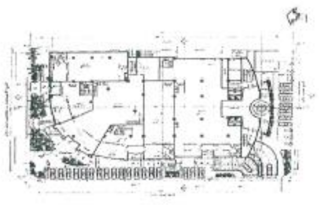
امانة محافظة جدة

رقم رخصة البناء	35218			تاريخها	18- شوال-1430		البلدية	الجزيرة	
رخصة بناء:	اداري تجاري			صالحة إلى	09- ربيع الثاني-1438				
أسم المالك:	صالح محمد عوض بن لادن								
نوع هوية:	سجل مدني	رقمها	1003136023	تاريخها			مصدرها	جدة	
صك ملكية رقم:	433		تاريخ	01- ربيع الثاني-1424			مصدر	كاتب عدل	
رقم المبنى:			شارع	غير مسمى			حي	الأندلس	
رقم القطعة:	2	المخطط	860/ت/س	رقم الكروكي	000059438	شرقيات	14662.43	شماليات	2798.73

قد رخص للمالك ببناء عدد 6 دور بموجب الحدود و الأبعاد و الإرتدادات و البروزات

المحتويات	سكني	تجاري		مواقف السيارات	وحدات أخرى	مساحة الدور
		محلات	مكاتب			
البدروم				6744		
طابق المواقف						
الطابق الأرضي		908	1559	55		2467
طابق الميزانين						
الطابق الأول		908	1477			2385
الطابق الثاني			2468			2468
الطابق الثالث			2468			2468
الطابق المكرر			4910			4910
أرضي فيلا السطح						
علوي فيلا السطح						
الملحق العلوي			1011			1011
وحدات أخرى						

عدد الوحدات السكنية:	50	طول الأسوار	69
اسم المكتب الهندسي	دار الاقليم لإستشارات هندسة التخطيط الحضري والاقليمي		
رقم رخصة المكتب المشرف	دار الاقليم لإستشارات هندسة التخطيط الحضري والاقليمي		
الرسوم	رقم الإيصال	تاريخ الإيصال	
13728.80	3512023598	09- ربيع الثاني-1435	
* تم إحضار العقود المطلوبة حسب النظام			
المدقق الإداري	خدمة العملاء		
المدقق القانوني والفني			
المدير	محمد العتيبي		
ملاحظة هامة	يجب الإلتزام بالتعليمات خلف الرخصة	الختم	



جدة أمانة
فلنؤد الأمانة

5.2 Real Estate Valuation License

وزارة التجـارة والاستثمـار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص عصام محمد عبدالله الحسيني (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر

بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95 /ق3 /42) وتاريخ 1442/5/22 هـ

ختم الوزارة

وزارة التجـارة والاستثمـار
Ministry of Commerce and Investment
إدارة المهن الاستشارية

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

WHITE CUBES