WHITE CUBES
REAL ESTATE VALUATION REPORT

Al Khabeer Capital

PALAZZO PLAZA

Awal Al Malqa Real Estate Company

Riyadh City
June 2023

TAQEEM تقييم

VISION رؤية 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

REAL ESTATE VALUATION REPORT

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

<u>Subject: Valuation Report for a Commercial Project (Palazzo Plaza) in Riyadh City, Saudi Arabia.</u>

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

Table of Contents

WHITE CUBES

EXECUTIVE SUMMARY

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Executive Summary

Reference No.	
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	As Sulimaniyah district, Riyadh City.
Title Deed No.	214002002200
Title Deed Date	14/09/1440
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 6,050 Sqm
BUA (Sqm)	As per the provided construction permit, the total BUA is 5,648.24 Sqm.
GLA (Sqm)	Based on the tenant list provided by the client, the total GLA is 5,941 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 68,410,000
Report Date	30/06/2023
Valuation Date	30/06/2023
Inspection Date	01/06/2023
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

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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 the 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 June 01, 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: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

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 8.25% 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

The subject property is a commercial project (Palazzo Plaza) located in Al Sulaymaniyah district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the project has a total land area of 6,050 Sqm, and a total BUA of 5,648.24 Sqm. As per the site inspection done by our team for the purpose of valuation, the property is open on 4 sides with a direct view on King Muhammad V Road from the east 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 moderate since it is located on King Mohammad V 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	Riyadh	**Land Area**	6,050 Sqm
District	As Sulaymaniyah	**Plot No.**	333 to 342
T.D Type	Electronic	**Block No.**	35
T.D Number	214002002200	**Layout No.**	690
T.D Date	14/09/1440	**Owner**	Awal Al Malqa Real Estate Company
T.D Value	---	**Ownership Type**	Freehold
Date of Last Transaction	14/09/1440	**Limitation of Document**	Mortgaged
Issued From	Riyadh Center Primary Notarial		
North Side	20 meters street	**East Side**	30 meters street
South Side	15 meters street	**West Side**	Walkway 10 meter

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	Add Building Components
Property Type	Commercial Project
Construction Permit No.	2925/1437
Construction Permit Date	17/02/1437

Description	No. of Units	Area (sqm)	Use
Mezzanine	----	2,603.70	Commercial
Commercial Ground Floor	15	2,916.20	Commercial
Electricity Room	----	128,34	Services
Fences	1	171 m	Services
Total BAU (sqm)		**5,648.24**	

2.7 Maintenance & Operational Expenses

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 400,000 SAR per year, which includes all management and maintenance expenses in addition to 507,600 SAR insurance premium expenses.

2.8 Insurance

Based on the information provided to us by the client, the total costs of the subject property are 25,000 SAR insurance premium expenses.

2.9 Photographs of the Subject Property

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MARKET INDICATORS

MARKET INDICATORS

Market Indicators

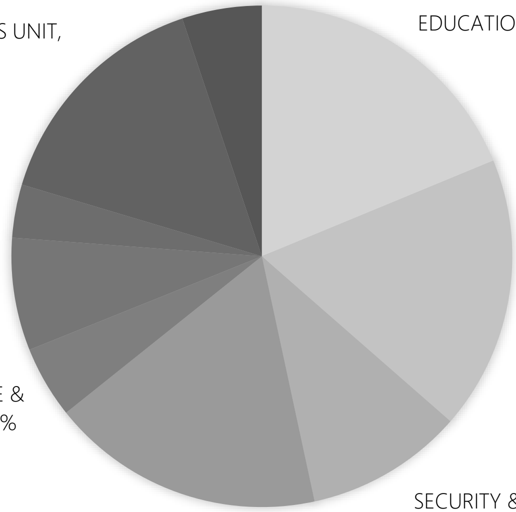
3.1 Saudi Arabia Economic Indicators

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.

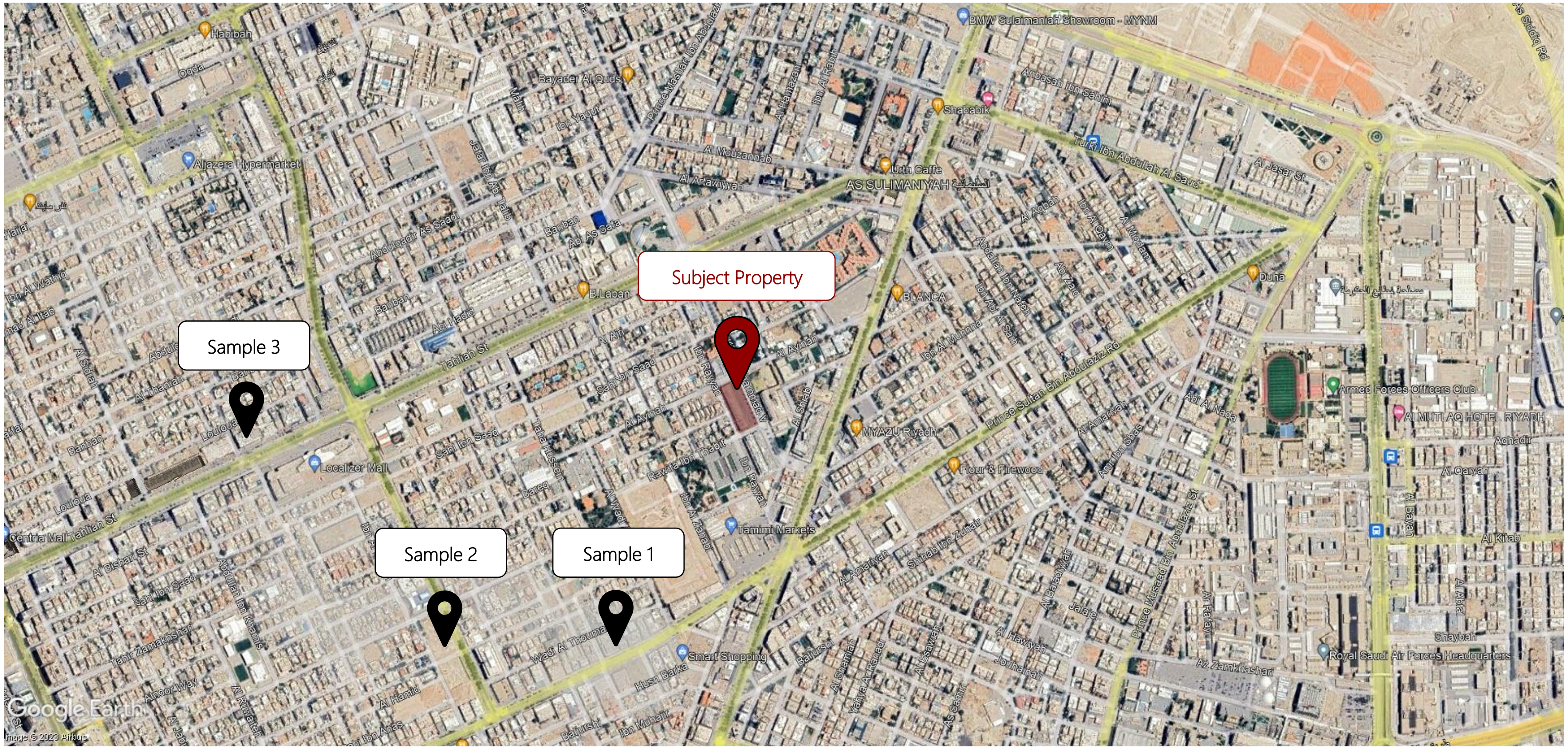
4.1 Comparable Method

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	Riyadh	Riyadh		Riyadh		Riyadh
Sale Price	----------	SAR 73,800,000		SAR 61,500,000		SAR 60,700,000
Data Source	Client	Market Survey		Market Survey		Market Survey
Area Size	6,050.00	9,000.00		7,300.00		5,400.00
SAR / Sqm	--------	SAR 8,200		SAR 8,425		SAR 11,241
Market Conditions Adjustment Analysis						
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**
SAR/ Sqm before Adj.	--------	SAR 8,200.0		SAR 8,424.7		SAR 11,240.7
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 8,200.00		SAR 8,424.66		SAR 11,240.74
Location Adjustment Analysis						
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**
Area Size	6,050.00	9,000.00	-5.00%	7,300.00	-5.00%	5,400.00	0.00%
Location Desirability	Average	Average	-2.50%	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%	Average	0.00%
Main Street Width (m)	40	40	0.00%	30	0.00%	40	0.00%
Sides Open	3	4	-2.50%	2	2.50%	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			-10.00%		-2.50%		2.50%
Total Adjustment Amount			-SAR 820.0		-SAR 210.6		SAR 281.0
Net After Adjustment			SAR 7,380.0		SAR 8,214.0		SAR 11,521.8
Weighted Mean			**70%**		**15%**		**15%**
			SAR 5,166.00		SAR 1,232.11		SAR 1,728.26
SAR / Sqm	**SAR 8,126**						
Rounded Value	**SAR 8,100**						

Property Value	Sensitivity Analysis					
		-10%	-5%	0%	5%	10%
SAR 49,000,000	**Land Area**	6,050	6,050	6,050	6,050	6,050
	SAR / Sqm	SAR 7,290.0	SAR 7,695.0	SAR 8,100.0	SAR 8,505.0	SAR 8,910.0
	Property Value	SAR 44,104,500	SAR 46,554,750	SAR 49,005,000	SAR 51,455,250	SAR 53,905,500

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 7,900 and 8,300 SAR/ Sqm, we will base our valuation on the average rate 8,100 SAR/ Sqm.When comparing 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 550	SAR 650	SAR 600
Finishing Materials	SAR 350	SAR 450	SAR 400
Site Improvements	SAR 100	SAR 140	SAR 120
Developer 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**
6,050.00	SAR 8,100		SAR 49,005,000
Building			
	Unit		**Total BUA**
Ground Floor	Sqm		2,916.20
Mezzanine	Sqm		2,603.70
Electricity Room	Sqm		128.34
Fences	L m		171
Total (SQM)	**5,648.24**		

Development Cost					
Hard Cost - (Upper Floors)					
	Area	**SAR / Sqm**	**Total**	**Completion Rate**	**Total Cost**
Skeleton and Block	5,648.24	SAR 1,000	SAR 5,648,240	100%	SAR 5,648,240
Electro Mechanic	5,648.24	SAR 600	SAR 3,388,944	100%	SAR 3,388,944
Finishing	5,648.24	SAR 400	SAR 2,259,296	100%	SAR 2,259,296
Site Improvement	6,050.00	SAR 120	SAR 726,000	100%	SAR 726,000
Total			**SAR 12,022,480**	**100%**	**SAR 12,022,480**

Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 12,022,480	0.10%	SAR 12,022
Design			SAR 12,022,480	1.00%	SAR 120,225
Eng Consultant			SAR 12,022,480	1.00%	SAR 120,225
Management			SAR 12,022,480	5.00%	SAR 601,124
Contingency			SAR 12,022,480	5.00%	SAR 601,124
Others			SAR 12,022,480	0.00%	SAR 0
TOTAL				**12.10%**	**SAR 1,454,720.08**
Total Hard Cost	**SAR 12,022,480**			**BUA**	**5,648.24**
Total Soft Cost	**SAR 1,454,720.08**			**SAR / Sqm**	**SAR 2,386**
Total Construction Cost	**SAR 13,477,200.08**			**Overall Completion**	**100%**

After knowing the total construction costs at a rate of 2,386 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 13,477,200**	**Annual Dep Rate**	2.0%
Total Completion Rate	100%	**Actual Age**	4
Developer Profit Rate	20.0%	**Total Dep Rate**	8.00%
Dev. Profit Amount	SAR 2,695,440	**Add Appr Rate**	0.00%
Development Value	**SAR 15,094,464**	**Net Dep Rate**	**8.00%**
Economic Age	50	**Cost After Depreciation**	**SAR 12,399,024**

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 15,094,464	**SAR 49,005,000**	**SAR 64,099,464**	**SAR 64,100,000**

4.3 Income Approach- Market Rates

Market Rental Analysis

By studying the rental rates for similar properties in the surrounding area of the subject property, we have found that the average renting rates for commercial units range from 1,100 to 1,300 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates, as well as the occupancy rates for similar properties:

	Commercial Showroom Units
Comparable	Rental Rate/ Sqm
Comparable 1	1,375 SAR/ Sqm
Comparable 2	1,100 SAR/ Sqm
Average	**1,250 SAR/ Sqm**

Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 8% to 12% 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	3% to 4%
Other incidental expenses	10% to 15%

Property Operation and Maintenance Expenses

The maintenance and operation costs of the project are assumed accordingly to market averages for similar projects. Therefore, we will apply the rate of 24% 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% to 9%. 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

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

With regard to the capitalization rate used in the valuation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

Project	Sample 1	Sample 2	Sample 3
Sale Price	86,455,000	93,349,500	104,500,000
Revenue	7,564,813	7,467,960	8,360,000
Cap Rate	8.75%	8.00%	8.00%
Average Cap Rate		8.25%	

The estimated capitalization rate for the property, which will be based on the valuation process, is 8.25%, which will be applied subsequently to the net operating income of the property.

Revenues					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Show Rooms	5,941	0	SAR 1,250	SAR 0	SAR 7,426,250
				Total Revenues	SAR 7,426,250
Expenses					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Show Rooms	3.00%	3.00%	3.00%	15.00%	24.00%
				Total Expenses	24.00%
Net Operating Income					
Unit Type	Total Revenues		Total Expenses		NOI
Show Rooms	SAR 7,426,250		24.00%		SAR 5,643,950
				Total	SAR 5,643,950
Total Property Revenues					SAR 7,426,250
Total Property Expenses					-SAR 1,782,300
Net Operating Income					SAR 5,643,950.00
Net Operating Income	Cap Rate		Property Value		Rounded Value
SAR 5,643,950.00	8.25%		68,411,515.15		SAR 68,410,000

4.4 Income Approach- Actual Rates

Actual Rental Analysis

The client provided us with the list of tenants related to the subject property and which are shown below:

UNIT #	UNIT	LEASED AREA (SQM)	TOTAL INCOME
4	Show Room	415.25	415,000.00
5	Show Room	415.25	433,675.00
6	Show Room	415.25	415,000.00
7	Show Room	415.25	348,810.00
8	Show Room	207.50	302,588.00
9	Show Room	207.50	302,588.00
10	Show Room	415.00	378,907.50
11	Show Room	415.00	378,907.50
12	Show Room	415.25	415,000.00
13	Show Room	366.18	403,201.00
14	Show Room	374.67	340,945.15
15	Show Room	374.67	340,945.15
			4,475,567.30

The client informed us that the occupancy rate is 75%.

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	4,437	12	SAR 0	SAR 0	SAR 4,475,567
				Total Revenues	**SAR 4,475,567**
Expenses					
Unit Type	**Management**	**Utilities**	**Maintenance**	**Others**	**Total Expenses**
Show Rooms	0.00%	0.00%	0.00%	0.00%	532,600
				Total Expenses	**532,600**
Net Operating Income					
Unit Type	**Total Revenues**		**Total Expenses**		**NOI**
Show Rooms	SAR 4,475,567		532,600		SAR 3,942,967
				Total	**SAR 3,942,967**
Total Property Revenues					SAR 4,475,567
Total Property Expenses					-SAR 532,600
Net Operating Income					**SAR 3,942,967**

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 3,942,967	**8.25%**	**47,793,543.03 SAR**	**SAR 47,790,000**

4.5 Subject Property Value in Different Approaches

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Actual	Property	SAR 47,790,000	Forty-Seven Million Seven Hundred Ninety Thousand Saudi Riyals
Income- Market	Property	SAR 68,410,000	Sixty-Eight Million and Four Hundred Ten Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 64,100,000	Sixty-Four Million One Hundred 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: **68,410,000 SAR**
Sixty-Eight Million and Four Hundred Ten Thousand Saudi Riyals.

4.7 Notes

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.

4.8 Accredited Valuers

Essam M. Al Husaini	Nabeel M. Al Husaini	Farah E. Al Husaini	Nasser A. Al Arifi	شركة المكعبات البيضاء للاستشارات المهنية
President	CEO	Valuation Manager	Valuer	WHITE CUBES ترخيص فرع الالات و المعدات: 4114000005 ترخيص فرع العقار: 1210000474 السجل التجاري: 1010469071
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

WHITE CUBES

DOCUMENTS

DOCUMENTS

Documents Received

5.1 Title deed and Construction Permit

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل بوسط الرياض

الرقم : ٢١٤٠٠٢٠٠٢٢٠٠
التاريخ : ١٤ / ٩ / ١٤٤٠ هـ

صك رهن وتملك عقار

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

فإن قطعة الارض ٣٣٣ و قطعة الارض ٣٣٤ و قطعة الارض ٣٣٥ و قطعة الارض ٣٣٦ و قطعة الارض ٣٣٧ و قطعة الارض ٣٣٨ و قطعة الارض ٣٣٩ و قطعة الارض ٣٤٠ و قطعة الارض ٣٤١ و قطعة الارض ٣٤٢ من البلك رقم ٣٥ من المخطط رقم ٦٩٠ الواقع في حي السليمانية بمدينة الرياض . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٢٠م بطول: (٥٠) خمسون متر

جنوباً: شارع عرض ١٥م بطول: (٥٠) خمسون متر

شرقاً: شارع عرض ٣٠م بطول: (١٢١) مائة و واحد و عشرون متر

غرباً: ممر مشاه عرض ١٠م بطول: (١٢١) مائة و واحد و عشرون متر

ومساحتها : (٦٠٥٠) ستةآلاف و خمسون متر مربعاً فقط

المملوكة لـ/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠/ ١٤٤٤ هـ بالصك الصادر من كتابة العدل الاولى بالرياض برقم ٧١٠١١٦٠٤٥١٢٤ في ٢٧ / ٤/ 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/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره (٣٨١٨١٨١٨.١٩) ريال ثمانية و ثلاثون مليونا و مائة و واحد و ثمانون ألفا و ثمانمائة و ثمانية عشر ريال و تسعة عشر هللة المجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٣ / ٧ / ١٤٣٩هـ ، على أن يتم سداد المديونية على أقساط كل ستة أشهر من تاريخ صرف التمويل وقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١/ ٠٣/ ٢٠١٩ م 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 ١٤ / ٩/ ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

رئيس كتابة العدل المساعد
صالح بن ضيف الله بن احمد العمري

وزارة العدل – كتابة العدل بوسط الرياض

مطبعة مطابع الحكومة – ٢٩٢١١٥ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تداوله) نموذج رقم ١-٤١

نوع المعاملة : صادر
التاريخ : ١٤٣٧/٠٣/٢٥ هـ
المرفقات :
الرقم الموحد ٣٧٠٠٠٦٠٢٣٢
www.alriyadh.gov.sa
بلدية العليا

رقم الرخصة : ١٤٣٧/١٩٩٥
تاريخ الرخصة : ١٤٣٧-٠٢-١٧
تاريخ الانتهاء : ١٤٤٠-٠٢-١٧
نوع الرخصة : اضافة مكونات البناء

رخصة بناء عمارة تجارية

الرخصة الفورية

اسم المالك :	شركه شمو للاستثمارات التجاريه		
رقم الإثبات :	١٠١٠١٠٩٩٠٥ تاريخه : ١٤٣٤-٠٨-٢٦	مصدره :	
رقم الصك :	(٥١٠١٢١٠٣٦١٠٤٠)	تاريخه :	١٤٣٦-٠٨-٢٢
رقم القطعة :	ق(من٣٣٣الى٣٤٢)	رقم المخطط التنظيمي :	٦٩٠
الشارع :		رقم العقار :	
الحي :	حي السليمانيه	نوع البناء :	مسلح
مساحة الأرض :	٦٠٠١.٥م٢ محيط الأسوار: م/ط	النطاق العمراني :	مرحلة ١

الجهة	الحدود	الأبعاد	الإرتداد
شمال	شارع عرض ٢٠م	٤٠	٤
شرق	شارع عرض ٣٠م	١٠٩	٢٠
جنوب	شارع عرض ١٥م	٤١	٣
غرب	ممر مشاه عرض ١٠	١١٤	٣

مكونات البناء	عدد الوحدات	المساحة	الإستخدام
ميزانين	٠	٢٦٠٣.٧٠	تجاري
ارضي تجاري	١٥	٢٩١٦.٢٠	تجاري
غرفة كهرباء	٠	١٢٨.٣٤	خدمات
اسوار	١	١٧١.٠٠	خدمات

تم اخذ تعهد خطي من المالك بانه لن توصل له الخدمة الكهربائية في حال عدم تنفيذ العزل الحراري طبقا لكود البناء السعودي

المكتب المصمم : الدار الفنية العربية للاستشارات الهندسية

رقم الترخيص : ٣٨٥ رقم المشروع : ١٢ رمز النظام : مناسيب الشوارع المحيطة : مستوي

سدد الرسوم مبلغ وقدره : ٤٥٩٧ ريال بموجب الإيصال رقم : ٣٧٠٠٥٢٢٨١٩ وتاريخ : ١٤٣٧-٠٢-١٧ هـ

ملاحظات : المكتب الهندسي: بدون مبلغ سداد:١٠٣ رقم الفاتورة:٣٧٠٠٠٨٧٨٢٥٣ تاريخ الفاتورة:١٤٣٧-٠٣-٢٣ ١- نوع الرخصة : اصدار رخصة فورية ٢- بموجب نظام رخصة البناء الفورية للعمائر ٣- بموجب التقرير المساحي رقم ١٤٣٦/٤٨٣١٦ بتاريخ ١٤٣٦-١٢-٢٤هـ الصادر من بلدية العليا الفرعية والمالك لديه معرفة بموقع ارضه على الطبيعة ومسئول مسئوليه كامله على البناء ضمن حدودها. ٤- ارتداد بمقدار ٢٠م جهة شارع الملك محمد الخامس عرض (٣٠م) يستخدم كمواقف سيارات ٥- عمل اسوار جهة الشوارع الفرعيه مع ارتداد ١/٥ عرض الشارع و ٣م جهة المجاورين وفي حال الرغبه في اقامة دائري حول المشروع يجب ان لا يقل الارتداد جهة الشوارع الفرعيه والمجاورين عن ٤م ٦- الميزانين يمثل دور اول ٧- تم عمل عقد اشراف مع مكتب الدار الفنيه العربية للاستشارات الهندسية وعليه يكون مسؤولا عن التنفيذ حسب الرخصة والمخططات وعليه ابلاغ الأمانة خطيا حال حدوث أي مخالفات تحدث أثناء التنفيذ لإخلاء مسئوليته ٨- بموجب شهادة التنسيق من شركة الكهرباء رقم ١٥١١٥٩١٠٥ وتاريخ ٢٠١٥/١١/٢٩ . ٩- احداثيات الموقع : الشمال ٢٧٣٢٨٨٨.٦٠٧ الشرق ٦٧٤١٨٣.٤٧٧ . ١٠- المكتب الهندسي والمالك مسئولين مسئولية كاملة عن نظامية المخططات المقدمة والمساحات المذكورة فيها وفي حالة عدم تطابق المساحات والمخططات المنفذة مع رخصة البناء وانظمة البناء المعمول بها ستتخذ الامانة كافة الإجراءات النظامية حيال مخالفة الأنظمة والتعليمات والاشراف على الموقع حسب العقد المبرم بين الطرفين . ********

الختم الرسمي – إدارة رخص البناء

رئيس بلدية العليا – م/ خالد سليمان الرويشد

وكيل البلدية للتعمير – م/ محمد ابراهيم السياري

مدير رخص البناء – م/ عبدالرحمن ابراهيم العجلان

اي كشط او شطب يلغي هذه الرخصة . يجب الإلتزام بالشروط الموضحة خلف الرخصة

5.2 Real Estate Valuation License

وزارة التجارة والاستثمار
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 التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

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