WHITE CUBES
REAL ESTATE VALUATION REPORT

Al Khabeer Capital

B&Q (HomeWorks)

Awal Al Malqa Real Estate Company

Riyadh City
December 2023

TAQEEM
VISION 2030 رؤيـــة
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA
REAL ESTATE VALUATION REPORT

REF: 23-0907
Code:
Date: 31/12/2023

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

Dear Awal Al Malqa Real Estate Company,

In accordance with your approved request dated 30th of October 2023, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad 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

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SUMMARY

Executive Summary

Reference No.	23-0907
Dep. Code	
Report Type	Detailed Report.
Client	Awal Al Malqa Real Estate Company.
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Commercial Project.
Property Location	King Fahad district, Riyadh City.
Title Deed No.	214002002199, 314009006126, 314004005870
Title Deed Date	14/09/1440, 15/09/1440
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)	7,000 Sqm
BUA (Sqm)	9,181 Sqm.
GLA (Sqm)	5,275 Sqm.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Market Approach, Cost Approach and Income Approach (DCF).
Currency	Saudi Arabian Riyal
Final Property Value	SAR 68,158,000
Report Date	31/12/2023
Valuation Date	30/11/2023
Inspection Date	20/11/2023

WHITE CUBES

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

Fair Value: 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 market approach-comparable method, cost approach-DRC method and Income approach- DCF method**.

1.5 Currency

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

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **20/11/2023** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership**: The property under evaluation is assumed to mortgage to Al Rajhi Banking Investment Company., implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information**: It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope**: This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies**: The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates**: The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.

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PROPERTY DETAILS

PROPERTY DETAILS

Property and Location Description

2.1 Property Description

The subject property is a retail project (B&Q) located in King Fahad district, Riyadh city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 7,000 square meters and a total built-up area (BUA) of 9,181 square meters, composed of showrooms.

During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 3 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view of King Abdullah Road from the southern side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on King Abdullah 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 has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by three title deeds. Here are the details of the subject property:

City	Riyadh	**Land Area**	2,625 Sqm
District	King Fahad	**Plot No.**	37 to 40
T.D Type	Electronic	**Block No.**	4
T.D Number	314004005870	**Layout No.**	1324
T.D Date	15/09/1440	**Ownership Type**	Mortgage
Owner	Awal Al Malqa Real Estate Company	**Limitation of Document**	Mortgage to Al Rajhi Banking Investment Company.
Issued From	Riyadh Center Primary Notarial		
City	Riyadh	**Land Area**	1,750 Sqm
District	King Fahad	**Plot No.**	43, 44
T.D Type	Electronic	**Block No.**	4
T.D Number	314009006126	**Layout No.**	1324
T.D Date	15/09/1440	**Ownership Type**	Mortgage
Owner	Awal Al Malqa Real Estate Company	**Limitation of Document**	Mortgage to Al Rajhi Banking Investment Company.
Issued From	Riyadh Center Primary Notarial		
City	Riyadh	**Land Area**	2,625 Sqm
District	King Fahad	**Plot No.**	39 to 42
T.D Type	Electronic	**Block No.**	4
T.D Number	214002002199	**Layout No.**	1324
T.D Date	15/09/1440	**Ownership Type**	Mortgage
Owner	Awal Al Malqa Real Estate Company	**Limitation of Document**	Mortgage to Al Rajhi Banking Investment Company.
Issued From	Riyadh Center Primary Notarial		
North Side	12 meters street	**East Side**	20 meters street
South Side	80 meters street	**West Side**	Private property plot 35and 36

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	Commercial Project
Construction Permit No.	9/1/7/27
Construction Permit Date	20/02/1419

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

2.7 Leasing Contract

The client informed us that the mater lease rent is for 15 years starting on 01/08/1438 ending 30/07/1453. Yet, the net income from rent is:
First 5 years as follows:
- 3 years: SAR 6.00 mm per year
- 2 years: SAR 4.50 mm after discount

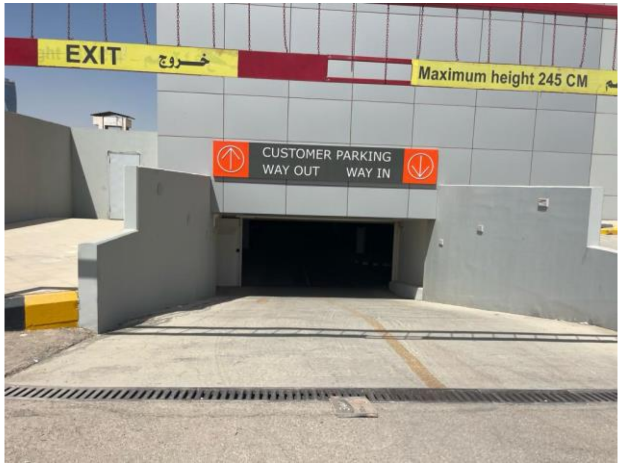
Second 5 years: SAR 4.75 mm after discount
Third 5 years: SAR 5.00 mm after discount

2.8 Building Gross Leasable Area (GLA)

Use	No. of Units	BUA (Sqm)	GLA (Sqm)	Information Source
Showrooms	----	9,181	5,275	Rental spaces are provided by the client

The client informed us with the below:
Al Futtaim Group Company has been added as an additional party to the lease agreement concluded between Awal Al Malqa Real Estate Company and Al Futtaim International Company. And changing the brand name from HOMEWORKS to B&Q. with extension of the discount previously granted to Al Futtaim International Company until the end of the contract.

2.9 Photographs of the Subject Property



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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

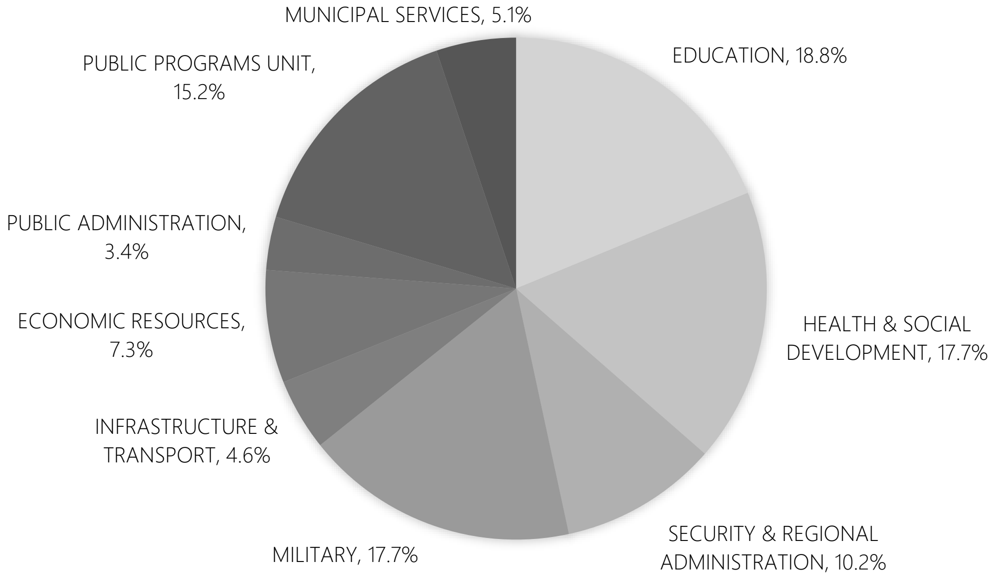
3.1 Saudi Arabia Economic Indicators

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

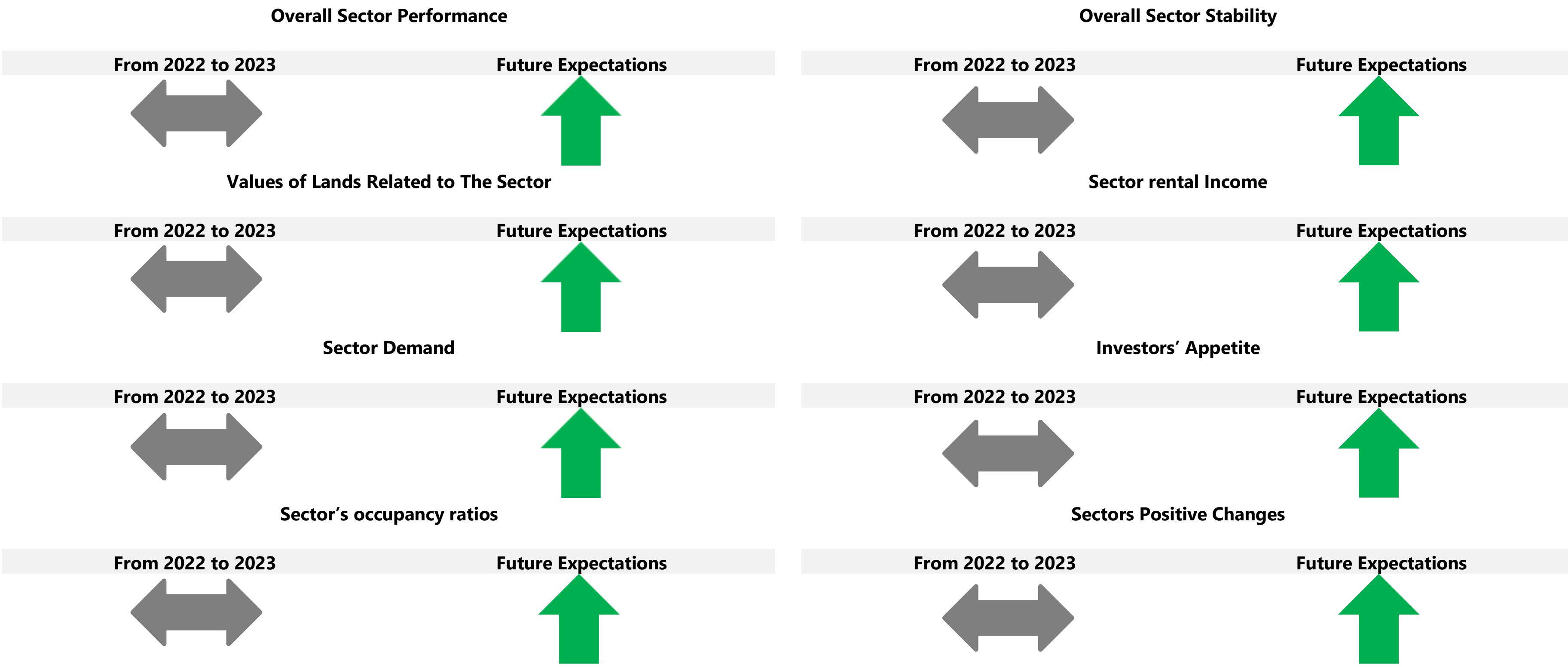
Source: Ministry of Finance



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 of 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



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

4.1 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 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.

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.

4.2 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.

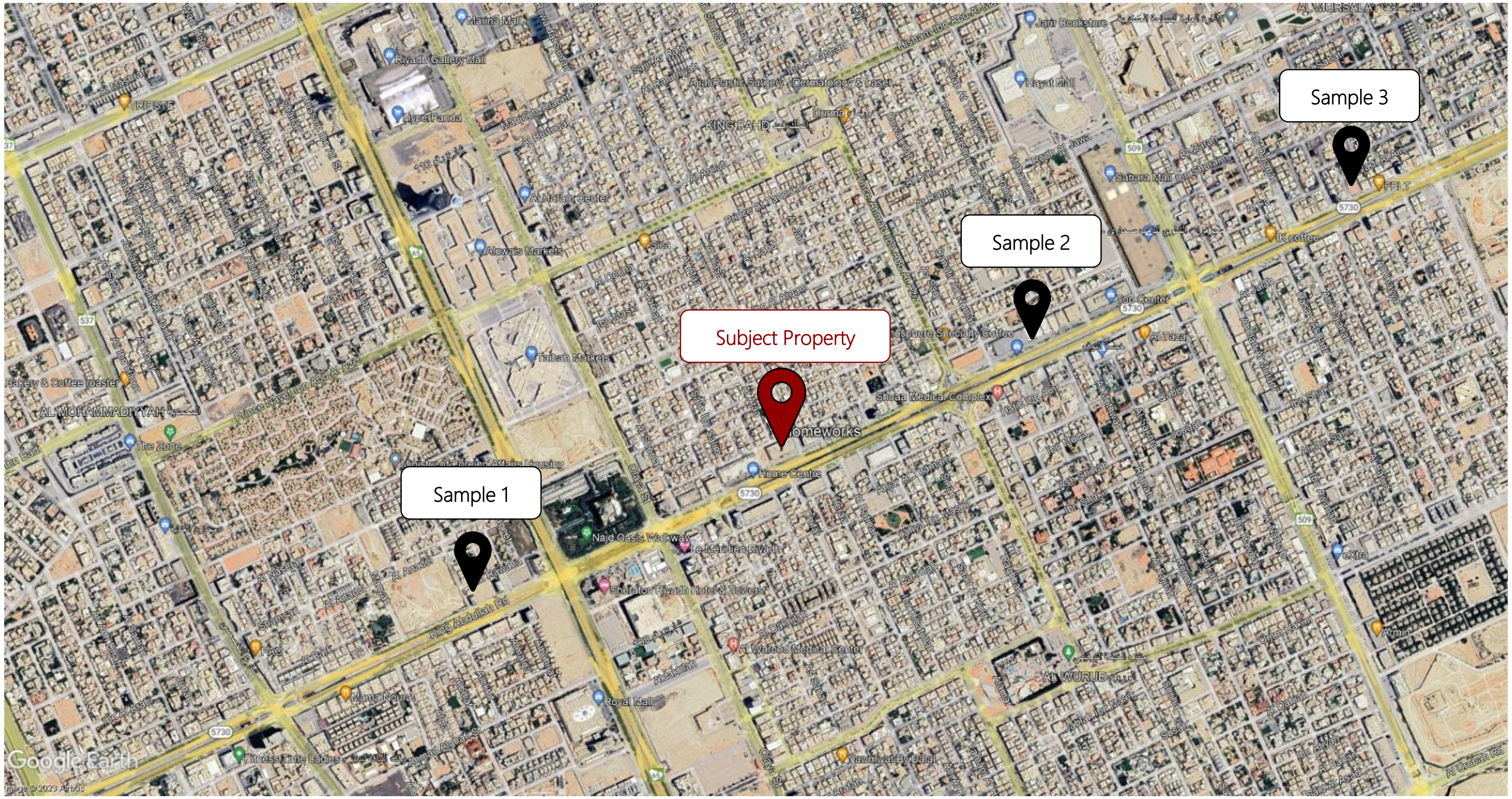
Characteristics of Samples				
Feature	**Subject Property**	**Sample 1**	**Sample 2**	**Sample 3**
Quoting	---------	Offering	Offering	Offering
City	Riyadh	Riyadh	Riyadh	Riyadh
Sale Price	----------	SAR 32,000,000	SAR 27,000,000	SAR 24,370,000
Data Source	Client	Market Survey	Market Survey	Market Survey
Area Size	7,000.00	3,850.00	3,000.00	2,900.00
SAR / Sqm	--------	SAR 8,312	SAR 9,000	SAR 8,403

Market Conditions Adjustment Analysis							
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**	
SAR/ Sqm before Adj.	--------	SAR 8,311.7		SAR 9,000.0		SAR 8,403.4	
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 8,311.69		SAR 9,000.00		SAR 8,403.45

Location Adjustment Analysis							
	Subject Property	**Sample 1**		**Sample 2**		**Sample 3**	
Area Size	7,000.00	3,850.00	-2.50%	3,000.00	-2.50%	2,900.00	-2.50%
Location Desirability	Average	Average	0.00%	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%	Average	0.00%
Main Street Width (m)	80	80	0.00%	80	0.00%	80	0.00%
Sides Open	3	3	0.00%	3	0.00%	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%		-2.50%		0.00%
Total Adjustment Amount			-SAR 207.8		-SAR 225.0		SAR 0.0
Net After Adjustment			SAR 8,103.9		SAR 8,775.0		SAR 8,403.4
Weighted Mean			**70%**		**20%**		**10%**
			SAR 5,672.73		SAR 1,755.00		SAR 840.34
SAR / Sqm	**SAR 8,268**						
Rounded Value	**SAR 8,300**						

Property Value	Sensitivity Analysis					
		-10%	-5%	0%	5%	10%
SAR 58,100,000	**Land Area**	7,000	7,000	7,000	7,000	7,000
	SAR / Sqm	SAR 7,470.0	SAR 7,885.0	SAR 8,300.0	SAR 8,715.0	SAR 9,130.0
	Property Value	SAR 52,290,000	SAR 55,195,000	SAR 58,100,000	SAR 61,005,000	SAR 63,910,000

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 8,000 - 8,500 SAR / Sqm with an average of 8,300 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.



4.3 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 450	SAR 550	SAR 500
Site Improvements	SAR 100	SAR 140	SAR 120
Developer Profit	18%	22%	20%

Land			
Land Area	**SAR / Sqm**		**Total Value**
7,000.00	SAR 8,300		SAR 58,100,000

Building			
	Unit		**Total BUA**
Basement	Sqm		3,906.00
Ground Floor	Sqm		3,906.00
Upper Floors	Sqm		1,369.00
Fences	Lm		70
Total (SQM)	**9,181.00**		

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

Development Cost					
Hard Cost - (Upper Floors)					
	Area	**SAR / Sqm**	**Total**	**Completion Rate**	**Total Cost**
Skeleton and Block	5,275.00	SAR 1,000	SAR 5,275,000	100%	SAR 5,275,000
Electro Mechanic	5,275.00	SAR 600	SAR 3,165,000	100%	SAR 3,165,000
Finishing	5,275.00	SAR 500	SAR 2,637,500	100%	SAR 2,637,500
Site Improvements	7,000.00	SAR 120	SAR 840,000	100%	SAR 840,000
Total			**SAR 11,917,500**	**100%**	**SAR 11,917,500**

Hard Cost - (Underground)					
	Area	**SAR / Sqm**	**Total**	**Completion Rate**	**Total Cost**
Skeleton & Block	3,906.00	SAR 1,500	SAR 5,859,000	100%	SAR 5,859,000
Electro Mechanic	3,906.00	SAR 500	SAR 1,953,000	100%	SAR 1,953,000
Finishing	3,906.00	SAR 300	SAR 1,171,800	100%	SAR 1,171,800
Total			**SAR 8,983,800**	**100%**	**SAR 8,983,800**
Overall Soft Cost					
			Total Hard Cost	**Ratio**	**Soft Cost**
Initial Project Pre Cost			SAR 20,901,300	0.10%	SAR 20,901
Design			SAR 20,901,300	1.00%	SAR 209,013
Eng Consultant			SAR 20,901,300	1.00%	SAR 209,013
Management			SAR 20,901,300	5.00%	SAR 1,045,065
Contingency			SAR 20,901,300	5.00%	SAR 1,045,065
Others			SAR 20,901,300	0.00%	SAR 0
TOTAL				12.10%	**SAR 2,529,057.30**
Total Hard Cost	**SAR 20,901,300**			**BUA**	**9,181.00**
Total Soft Cost	**SAR 2,529,057.30**			**SAR / Sqm**	**SAR 2,552**
Total Construction Cost	**SAR 23,430,357.30**			**Overall Completion**	**100 %**

After knowing the total construction costs at a rate of 2,552 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 23,430,357**	**Annual Dep Rate**	2.0%
Total Completion Rate	100%	**Actual Age**	22
Developer Profit Rate	20%	**Total Dep Rate**	44.00%
Dev. Profit Amount	SAR 4,686,071	**Add Appr Rate**	0.00%
Development Value	**SAR 17,807,072**	**Net Dep Rate**	**44.00%**
Economic Age	50	**Cost After Depreciation**	**SAR 13,121,000**

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:

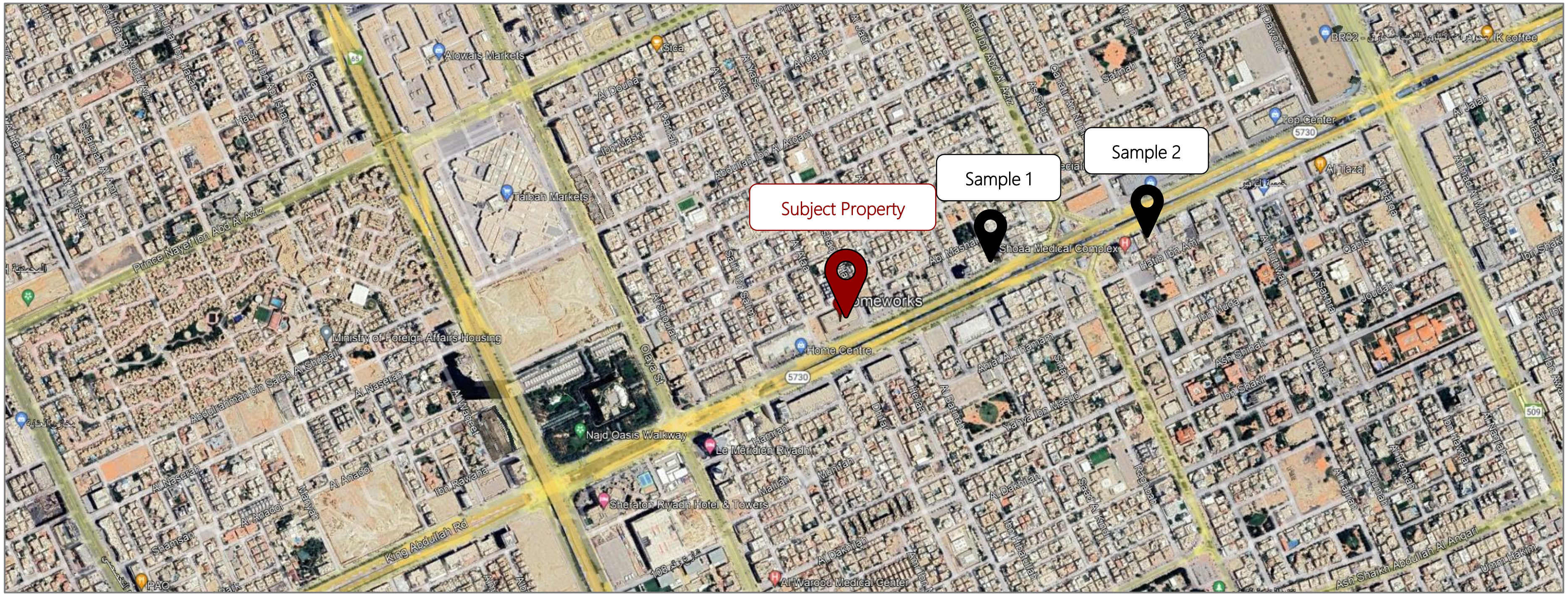
Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 17,807,072	**SAR 58,100,000**	**SAR 75,907,072**	**SAR 75,910,000**

4.4 Discounted Cash Flow- 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 No.	Rental Rate/ Unit
Comparable 1	1,500 SAR/ Sqm
Comparable 2	1,100 SAR/ Sqm
Average	**1,300 SAR/ Sqm**



Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 15% to 20% 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	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	2% to 3%

Property Operation and Maintenance Expenses

The client did not provide us with details of the actual maintenance and operation costs of the project and accordingly market averages for similar projects will be assumed. Therefore, we will apply the rate of 15% 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 7% to 8%. 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 8% and the maximum is 7%. A capitalization rate of 7.5% was assumed, and it is considered a reasonable percentage 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. on the net operating income of the property

Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the cumulative model, which includes a calculation of a number of risks related to the real estate, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates was based on current developments in the real estate market.

Discount rate calculation (cumulative model).			
Government Bond Rate of Return	3.1%	Source	Central Bank
Inflation Rate	2.5%		General Authority for Statistics
Regular Risk Premium	0.5%		Including increased interest rates, dependency risks on income earnings and competition risks, estimated according to the experience of our team
Irregular Risk Premium	2.0%		The risks of the property itself include a decrease in rental values, an increase in the occupancy rate, and the extent of competitiveness in the market for the coming period, estimated according to the experience of our team
Discount Rate	8.02%		

Cash Flow		2023 0	2024 1	2025 2	2026 3	2027 4	2028 5	2029 6	2030 7	2031 8	2032 9
Increase Revision	2.50%	**0.00%**	**2.50%**	**0.00%**	**0.00%**	**2.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Expected Revenues											
Showrooms	Sqm	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275
Rate	SAR	1,300	1,333	1,333	1,333	1,366	1,366	1,366	1,366	1,367	1,367
Total	SAR	6,857,500	7,028,938	7,028,938	7,028,938	7,204,661	7,204,661	7,204,661	7,204,661	7,209,936	7,209,936
Overall Revenues		**6,857,500**	**7,028,938**	**7,028,938**	**7,028,938**	**7,204,661**	**7,204,661**	**7,204,661**	**7,204,661**	**7,209,936**	**7,209,936**
Vacancy Rates											
		10%	10%	10%	10%	7%	7%	7%	7%	7%	7%
Showrooms		685,750	702,894	702,894	702,894	504,326	504,326	504,326	504,326	504,696	504,696
Total		**6,171,750**	**6,326,044**	**6,326,044**	**6,326,044**	**6,700,335**	**6,700,335**	**6,700,335**	**6,700,335**	**6,705,240**	**6,705,240**
Expenses											
OPEX	15.00%	1,028,625	1,054,341	1,054,341	1,054,341	1,080,699	1,080,699	1,080,699	1,080,699	1,081,490	1,081,490
Others	5%	34,288	35,145	35,145	35,145	25,216	25,216	25,216	25,216	25,235	25,235
Overall Expenses		**1,062,913**	**1,089,485**	**1,089,485**	**1,089,485**	**1,105,915**	**1,105,915**	**1,105,915**	**1,105,915**	**1,106,725**	**1,106,725**
NOI		**5,108,838**	**5,236,558**	**5,236,558**	**5,236,558**	**5,594,419**	**5,594,419**	**5,594,419**	**5,594,419**	**5,598,515**	**5,598,515**
Terminal Value	**7.50%**										**74,652,870**
Discount Rate	8.02%										
Market Rate / Net Present Value											**68,158,305**

4.5 Discounted Cash Flow- Leasing Contract

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

First Party	شركة الفطيم العالمية التجارية
Second Party	شركة الفطيم الرائدة التجارية
Contract Date	01/08/1438
Contract Duration	15 years
Contract Effective Date	30/07/1453
Contract Value	75,750,000 SAR
OPEX	Paid by The Tenant

Al Futtaim Group Company has been added as an additional party to the lease agreement concluded between Awal Al Malqa Real Estate Company and Al Futtaim International Company. And changing the brand name from HOMEWORKS to B&Q. with extension of the discount previously granted to Al Futtaim International Company until the end of the contract.

Cash Flow		2023	2024	2025	2026	2027	2028	2029	2030	2031
		0	1	2	3	4	5	6	7	8
Increase Revision		0%	0%	4%	0%	0%	0%	0%	4%	0%
Expected Revenues										
Overall Revenues		4,750,000	4,750,000	4,750,000	4,750,000	4,750,000	5,000,000	5,000,000	5,000,000	5,000,000
Expenses										
OPEX	0.0%	0	0	0	0	0	0	0	0	0
Insurance	SAR	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Overall Expenses		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
NOI		4,725,000	4,725,000	4,725,000	4,725,000	4,725,000	4,975,000	4,975,000	4,975,000	4,975,000
Terminal Value	7.5%									66,333,333
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54
Present Value		4,725,000	4,375,000	4,050,926	3,750,857	3,473,016	3,385,901	3,135,094	2,902,865	38,525,674
Market Rate / Net Present Value										68,324,333

4.6 Subject Property Value in Different Approaches

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 75,910,000	Seventy-Five Million Nine Hundred Ten Thousand Saudi Riyals
DCF- Market Rates	Property	SAR 68,158,000	Sixty-Eight Million One Hundred Fifty-Eight Thousand Saudi Riyals
DCF- Contract	Property	SAR 68,300,000	Sixty-Eight Million Three Hundred Thousand Saudi Riyals

4.7 Subject Property Value

Based on our analysis utilizing the discounted cash flow (DCF) method and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: **SAR 68,158,000**
Sixty-Eight Million One Hundred Fifty-Eight Thousand Saudi Riyals.

4.8 Accredited Valuers

Essam M. Al Husaini	**Nabeel M. Al Husaini**	**Farah E. Al Husaini**	**Abdulrahman A. Al Rajih**	**WHITECUBES Stamp**
President	CEO	Valuation Manager	Valuer	
Fellow Member of (RE Valuation)	Member of (RE Valuation)	Member of (RE Valuation)	Fellow Member of (RE Valuation)	
License No. 1210000474	License No. 1210002782	License No. 1210001964	License No. 1210002523	

4.9 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.

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 : ٣١٤٠٠٩٠٠٦١٢٦
التاريخ : ١٤ / ٩ / ١٤٤٠ هـ

صك رهن وتملك عقار

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

فإن قطعة الارض ٤٣ و قطعة الارض ٤٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٢م بطول: (٢٥) خمسة و عشرون متر
جنوباً: شارع عرض ٨٠م بطول: (٢٥) خمسة و عشرون متر
شرقاً: شارع عرض ٢٠م بطول: (٧٠) سبعون متر
غرباً: قطعة رقم ٤١ وقطعه رقم ٤٢ بطول: (٧٠) سبعون متر

ومساحتها : (١٧٥٠) ألف و سبعمائة 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 ٤١٠١٠٦٠٦٠٠٩٧ 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 الراجحى بموجب سجل تجارى 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 ما في 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.

كاتب العدل
عبدالرحمن بن محمد بن رشيد الحربي

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

صفحة ١ من ١

نموذج رقم (١٢-٠٣-١) (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تقليده) مصلحة مطابع الحكومة

بسم الله الرحمن الرحيم

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

الرقم : ٢١٤٠٠٢٠٠٢١٩٩
التاريخ : ١٤ / ٩ / ١٤٤٠ هـ

صك رهن وتملك عقار

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

فإن نصف القطعة قطعة الارض ٣٩ و نصف القطعة قطعة الارض ٤٠ و قطعة الارض ٤١ و قطعة الارض ٤٢ من البلك رقم ٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٢م بطول: (٣٧.٥) سبعة و ثلاثون متر و خمسون سنتمتر
جنوباً: شارع عرض ٨٠م بطول: (٣٧.٥) سبعة و ثلاثون متر و خمسون سنتمتر
شرقاً: قطعة رقم ٤٣و٤٤ بطول: (٧٠) سبعون متر
غرباً: جزء من القطعتين رقم ٣٩و٤٠ بطول: (٧٠) سبعون متر

ومساحتها : (٢٦٢٥) ألفان و ستمائة و خمسة و عشرون 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 ٥١٠١٠٨٠٤٨٥٠٧ 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 الراجحى بموجب سجل تجارى 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 ما في 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

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

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تقليده) مصلحة مطابع الحكومة

بسم الله الرحمن الرحيم

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

الرقم : ٣١٤٠٠٤٠٠٥٨٧٠
التاريخ : ١٥ / ٩ / ١٤٤٠ هـ

وزارة العدل

صك رهن وتملك عقار

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

فإن قطعة الارض ٣٧ و قطعة الارض ٣٨ و جزء من قطعة الارض ٣٩ و جزء من قطعة الارض ٤٠ من البلك رقم ٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ١٢م	بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتمتر
جنوباً: شارع عرض ٨٠م	بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتمتر
شرقاً: قطعة رقم ٤١ ورقم ٤٢	بطول: (٧٠) سبعون متر
غرباً: قطعة رقم ٣٥ ورقم ٣٦	بطول: (٧٠) سبعون متر

ومساحتها : (٢٦٢٥) ألفان و ستمائة و خمسة و عشرون 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 الاول بالرياض برقم ٣١٠١١١٠٥٢٦٤٢ 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 (٦) أشهر من تاريخ صرف التمويل وقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ م وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٥ / ٩/ ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل
كتابة العدل بوسط الرياض
كاتب العدل بمكتب رقم (٤)

كاتب العدل

عبدالعزيز بن محمد بن عبدالعزيز آل طالب

صفحة ١ من ١
نموذج رقم (١٢-٠٢-١)
(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)
مصلحة مطابع الحكومة - ٢٩٢١١٥

يلزم مراجعة ادارة رخص البناء قبل صرف الشهادات او الرخصة المهنية

المملكة العربية السعودية
وزارة الشئون البلدية والقروية
أمانة مدينة الرياض
وكالة التعمير والمشاريع
الادارة العامة للتخطيط العمراني
إدارة رخص البناء

الرياض

الرقم : ٩/١١٧/٤٧
التاريخ : ٢٠/٤/١٤١٩هـ

رخصة بناء صالة عرض لمدة ثلاث سنوات تبدأ من تاريخها

يصرح لـ عبد القادر رشيد أحمد يوسف شبيب الحمد

بناء صالة عرض معارض + ميزانين + أول فقط مع الأسوار على أرضه الكائنة في حي الملك فهد

القطعة رقم من ٣٧ إلى ٤٤ من المخطط التنظيمي المعتمد رقم .... بتاريخ / / ١٤هـ بموجب الصك رقم

وتاريخ .... واعدت المخططات من قبل مكتب المهندس دار التصاميم التجارية

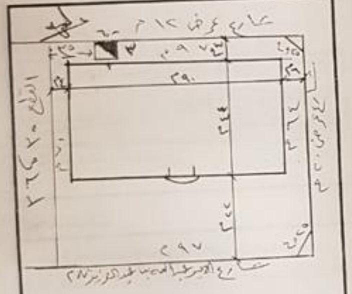
انتقلت الملكية إلى حوزه .... بموجب الصك رقم .... وتاريخ / / ١٤هـ الختم

انتقلت الملكية إلى حوزه .... بموجب الصك رقم .... وتاريخ / / ١٤هـ الختم

حدود الأرض وأطوالها : سم/متر

الشمال : شارع عرض ١٢ م و ٩٧ + ٥٠ م
الشرق : شارع عرض ٢٠ م و ٦٤ م
الجنوب : شارع عرض ٨٠ م و ٩٧ + ٥٠ م
الغرب : القطع ٣٥ و ٣٦ و ٧٠ م
مساحة الأرض : ٦٦٩١ م٢
محيط الأسوار : ٧٠ م ط

كروكي الموقع العام



الدور	قبو	أرضي تجاري	أرضي سكني	ميزانين	أول	مكررات	ملاحق
المساحة بالمتر المربع	٢٩٠٦	٢٩٠٦			١٣٦٩		
الاستعمال	مواقف	معرض			مكاتب		

جدول الارتدادات بالمتر	شمال	شرق	جنوب	غرب
	٤,٦م	٦,٦م	٢٢,٦م	٤,٦م

مستو	مخلف المناسيب
✓	

الشوارع المحيطة بالأرض

رئيس البلدية الفرعية

المساح

كاتب الرخص

مدير إدارة المساحة

ملاحظات

بموجب

وقد تحصل الرسوم منه بمبلغ وقدره ٥٠٤١ ريال بموجب الايصال المالي رقم ٢٦٧٥٥٩ وتاريخ ١٧/١/١٤١٩

رئيس قسم رخص البناء
مدير إدارة رخص البناء
مدير عام التخطيط العمراني
الختم الرسمي

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

WHITE CUBES