WHITE CUBES

REAL ESTATE VALUATION REPORT

Al Khabeer Capital

Elite Centre

Awal Al Malqa Real Estate Company

Jeddah City

December 2023

تقييم TAQEEM

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

REAL ESTATE VALUATION REPORT

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

Subject: Valuation Report for a Commercial Centre (Elite Centre) in Jeddah 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

Table of Contents

WHITE CUBES

EXECUTIVE SUMMARY

EXECUTIVE 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	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)	4,319.75 Sqm.
BUA (Sqm)	15,712 Sqm.
GLA (Sqm)	13,766 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 150,000,000
Report Date	31/12/2023
Valuation Date	30/11/2023
Inspection Date	20/11/2023

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- capitalization method (CAP RATE)**.

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 **10/10/2023** 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.

WHITE CUBES

PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is a commercial project located in Al Andalus district, Jeddah city, Kingdom of Saudi Arabia. The property's title deed and construction permit documents confirm a total land area of 4,319.25 square meters and a total built-up area (BUA) of 15.712 square meters, composed of 7 offices floors and retail unit on the ground floor.
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 Prince Mohammad bin Abdulaziz Road from the north side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

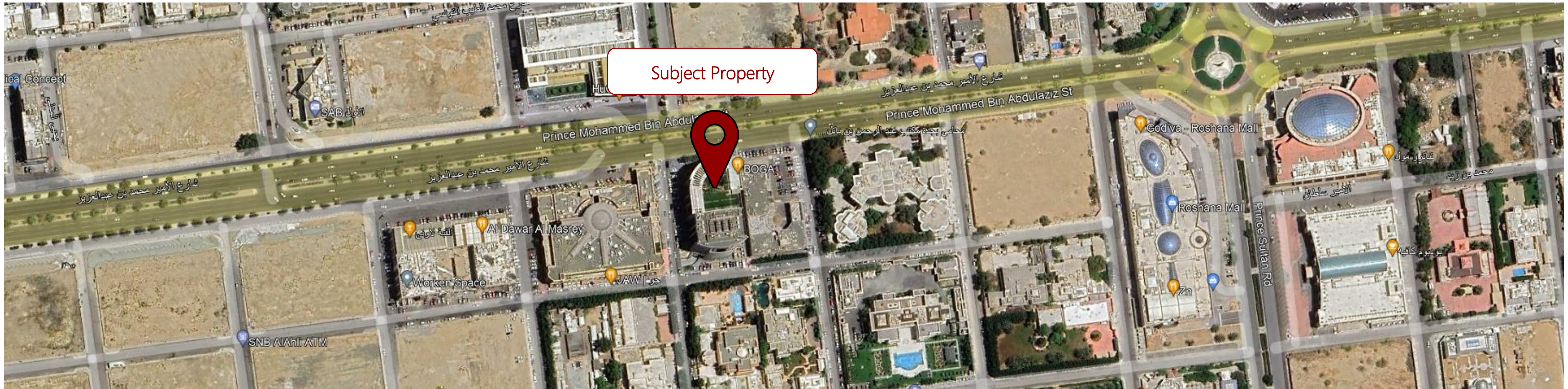
The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on 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 has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are 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	17/08/1440	**Ownership Type**	Mortgage
Owner	Awal Al Malqa Real Estate Company	**Limitation of Document**	Mortgage 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 GLA (sqm)			**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






WHITE CUBES

MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

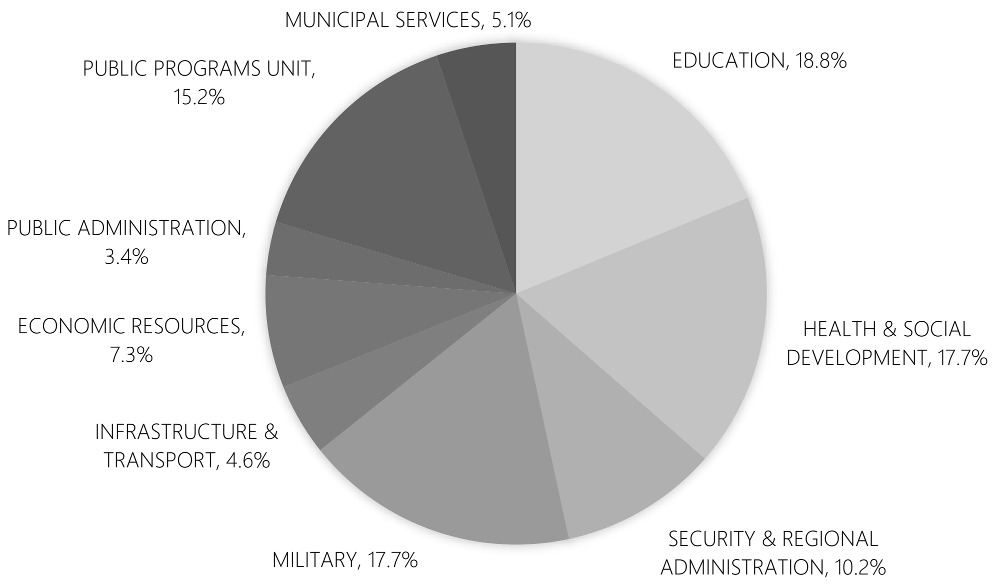
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Budget	Expectations	Estimated	
	2022	2023	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

Overall Sector Performance

From 2022 to 2023	Future Expectations
↔	↑

Overall Sector Stability

From 2022 to 2023	Future Expectations
↔	↑

Values of Lands Related to The Sector

From 2022 to 2023	Future Expectations
↔	↑

Sector rental Income

From 2022 to 2023	Future Expectations
↔	↑

Sector Demand

From 2022 to 2023	Future Expectations
↔	↑

Investors’ Appetite

From 2022 to 2023	Future Expectations
↔	↑

Sector’s occupancy ratios

From 2022 to 2023	Future Expectations
↔	↑

Sectors Positive Changes

From 2022 to 2023	Future Expectations
↔	↑

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

WHITE CUBES

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.

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.

4.2 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	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 with an average of 12,900 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 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**

4.4 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**

4.5 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**

4.6 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

4.7 Subject Property Value

Based on our analysis utilizing the income approach- market rates 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 150,000,000**
One Hundred Fifty Million 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

شركه اول الملقا بعقد

بسم الله الرحمن الرحيم

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 اربعون 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) أربعةآلاف 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/ بمبلغ 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 وأله 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 (٠١٢-٠٣-١)
(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)
مصلحة مطابع الحكومة - ٢٨٢٠٢٢

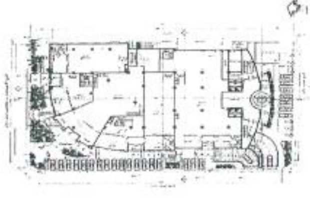
الإدارة المركزية لرخص البناء
رخصة بناء مفعلة

أمانة 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	جده	
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: محلات	تجاري: مكاتب	مواقف السيارات	وحدات أخرى	مساحة الدور
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 والاقلي		
رقم رخصة المكتب المشرف	دار الاقليم لإستشارات هندسة التخطيط الحضري والاقليم		
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

فضلي تكم بالتعليمة بموجب رخصة البناء رقم 35218 في 18/ 10/ 1430هـ بموجب موافقة المشاريع الريادية برقم 300065544 في 21/ 6/ 1430هـ والمطلوب هو تعديل لهوية المبنى حسب الشرائط المعتمدة

جدة أمانة.
فلنؤد الأمانة

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