

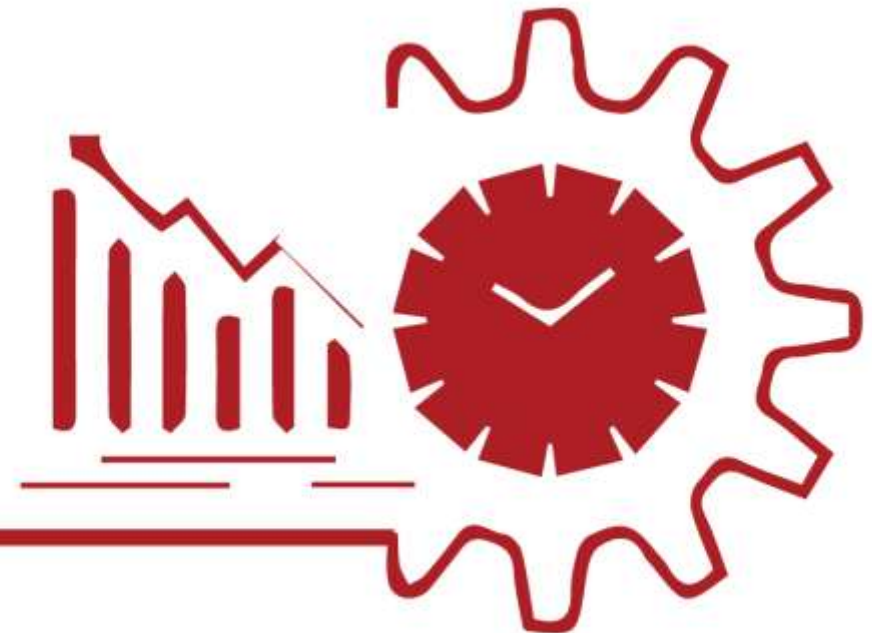
# AL FARABI TRAINING CENTER AL KHABEER CAPITAL

RIYADH CITY

JULY 2020



## Valuation Report





**REF:** 2010493-1  
**Date:** 09/07/2020  
**M/S** AL KHABEER CAPITAL

**Subject: Valuation Report for an Under Construction Educational Facility (AlFarabi Training Center) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on July 08, 2020 for valuation service of an educational facility (AlFarabi Training Center), located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

***Issued without prejudice and liabilities***

**WHITE CUBES REAL ESTATE**

**Mr. Essam Al Hussaini – GM- WHITE CUBES KSA**

Member of the Saudi Authority of Accredited Valuers (Taqeem)



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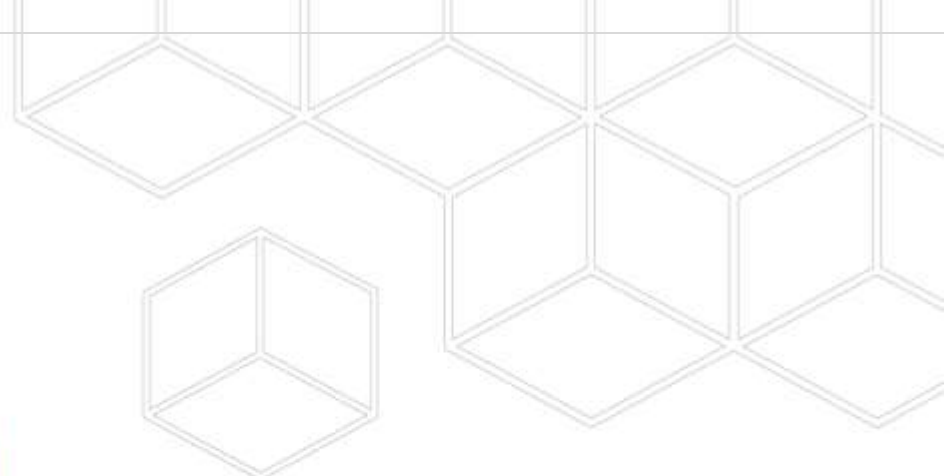
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# EXECUTIVE SUMMARY

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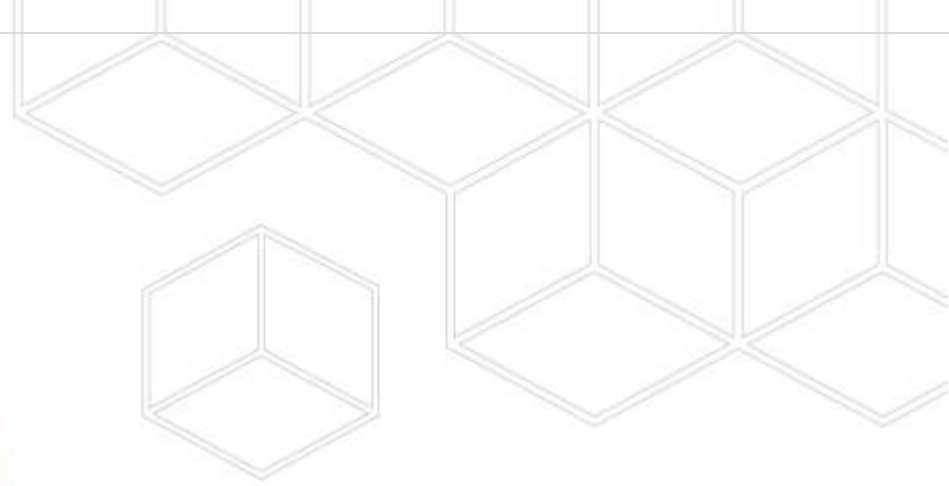


## 1.1 EXECUTIVE SUMMARY

<b>Introduction</b>	We received instructions from Mrs. Rana Al Shaibi on 08/07/2020 to implement a real estate valuation service in Riyadh city.
<b>Client</b>	For whom this report is being prepared is Al Khabeer Capital, a valuation for AlFarabi Training Center in Riyadh city.
<b>Reference No.</b>	2010493 - 1
<b>Purpose of Valuation</b>	Acquisition Purpose
<b>Subject Property</b>	Educational Facility
<b>Property Location</b>	The property is located in Ishbiliya district, Riyadh City.
<b>Title Deed Information</b>	Title Deed No: 810125029659, Title Deed Date: 23/06/1441 AH, Issued from Riyadh Notary
<b>Ownership Type</b>	Freehold
<b>Owner</b>	شركة المقصد العقارية
<b>Land Use</b>	Educational
<b>Land Area (Sqm)</b>	Based on the title deed, the land has an area size of 11,340 Sqm
<b>BUA (Sqm)</b>	The building is composed of 4 floors
<b>Vacancy Rate</b>	Based on the leasing contract provided by the client, the subject property is fully leased to one tenant, although the property is still under development
<b>Valuation Approach</b>	The Depreciated Replacement Cost (DRC) and the Comparable Approach
<b>Final Property Value</b>	68,920,000 SAR
<b>Valuation Date</b>	09/07/2020
<b>Inspection Date</b>	09/07/2020

# TERMS OF REFERENCE & VALUATION

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## 1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital to estimate the market value of the real estate that is the subject of this report for the mentioned purpose only. This report may not be used for other purposes. The evaluation was prepared in accordance with the International Evaluation Standards of the Council of International Assessment Standards (IVSC) issued in 2017 by the Saudi Authority for Accredited Residents in the Kingdom of Saudi Arabia.

## 1.3 BASIS OF VALUATION

### Market Value

Market Value is defined as: -

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

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

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

### AN ASSET SHOULD EXCHANGE

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

### ON THE VALUATION DATE

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

### BETWEEN WILLING BUYER

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



AND  
WILLING  
SELLER

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

IN AN ARM'S  
LENGTH  
TRANSACTION

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

AFTER  
PROPER  
MARKETING

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

KNOWLEDGEABLY  
AND  
PRUDENTLY

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

AND  
WITHOUT  
COMPULSION

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



**1.4 CLIENT APPROVAL DATE**

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

**July 08, 2020.**

**1.5 INSPECTION DATE**

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

**July 09, 2020.**

**1.6 VALUATION DATE**

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

**July 09, 2020.**

**1.7 REPORT DATE**

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

**July 09, 2020.**

**1.8 OPINION OF VALUE**

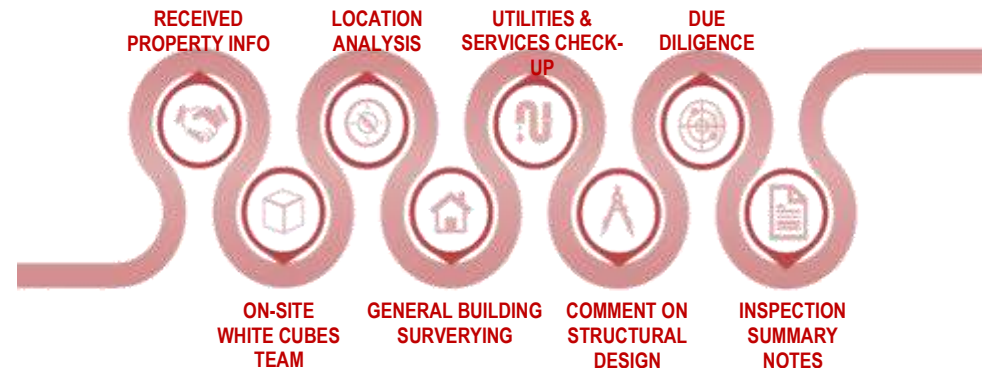
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

**1.9 PURPOSE OF VALUATION**

The client requested to know the current market value of the subject property for Acquisition Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach, The Depreciated Replacement Cost (DRC), The Comparable and the Discounted Cash Flow Approach (DCF)

**1.10 INSPECTION ROLE**

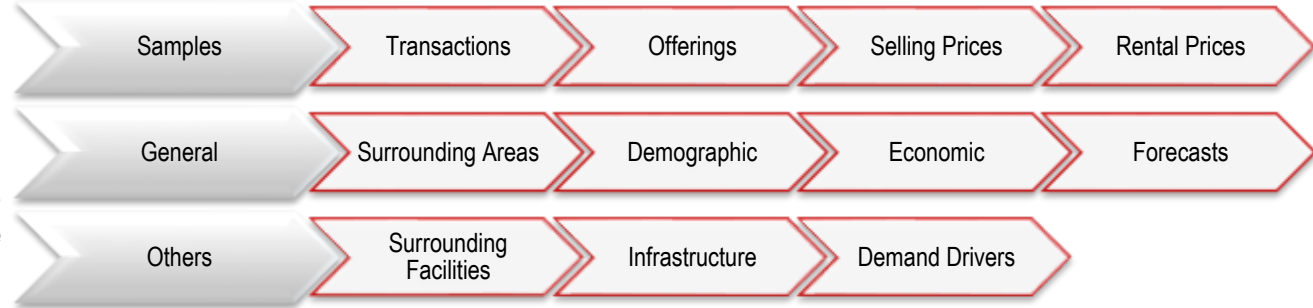
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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





### 1.11 MARKET SURVEY

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



# PROPERTY DETAILS

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### 1.12 PROPERTY & LOCATION DESCRIPTION

- Property Description** AlFarabi Training Center is an under construction educational facility with a land area of 11,340 square meters. As per the provided information by construction permit, the subject property has a total BUA of 48,770.66 square meters, overlooking 4 streets, where the main façade is the western side, which overlooks Al Bahar Al Arabi Street.
- Location Description** The property being valued is AlFarabi Training Center in Ishbilila District in the northeast of Riyadh.  
 The property is bordered from the north by a vacant land  
 The property is bordered from the south by AL Farabi College of Medicine  
 The Property is bordered from the east by residential buildings  
 The property is bordered to the west by the main road, Al Bahar Al Arabi Rd.
- Ease of Access** The ease of access to the property is high, based on its current location as it is located on Al Bahar Al Arabi Street.
- Area Surrounding the Property** Mostly of residential and commercial uses.
- The Main Landmarks** The property subject of valuation is surrounded by several major landmarks such as Ishbilila Residential Compound.

Land		Building	
Land Use	Commercial	Building Type	Educational Building still under development
No. of Streets	4	Building Structural Conditions	Under Development
Land Shape	Graded	External Elevation Conditions	Under Development
Direct View on the Main Road	Al Bahar Al Arabi Street	Building Finishing Conditions	Under Development
Direct View on an Internal Street	Yes, Al Naham Street	Overall Building Conditions	Under Development
Land Condition	Under Development		

### 1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	N/A	All the infrastructural facilities are available in the surroundings, but they are not connected to the subject property.
Electricity	✓	N/A	
Tele-Communication	✓	N/A	
Sewage	✓	N/A	





## 1.14 LOCATION

The subject property is in Ishbiliah district, Riyadh city and surrounded by several landmarks as follows:



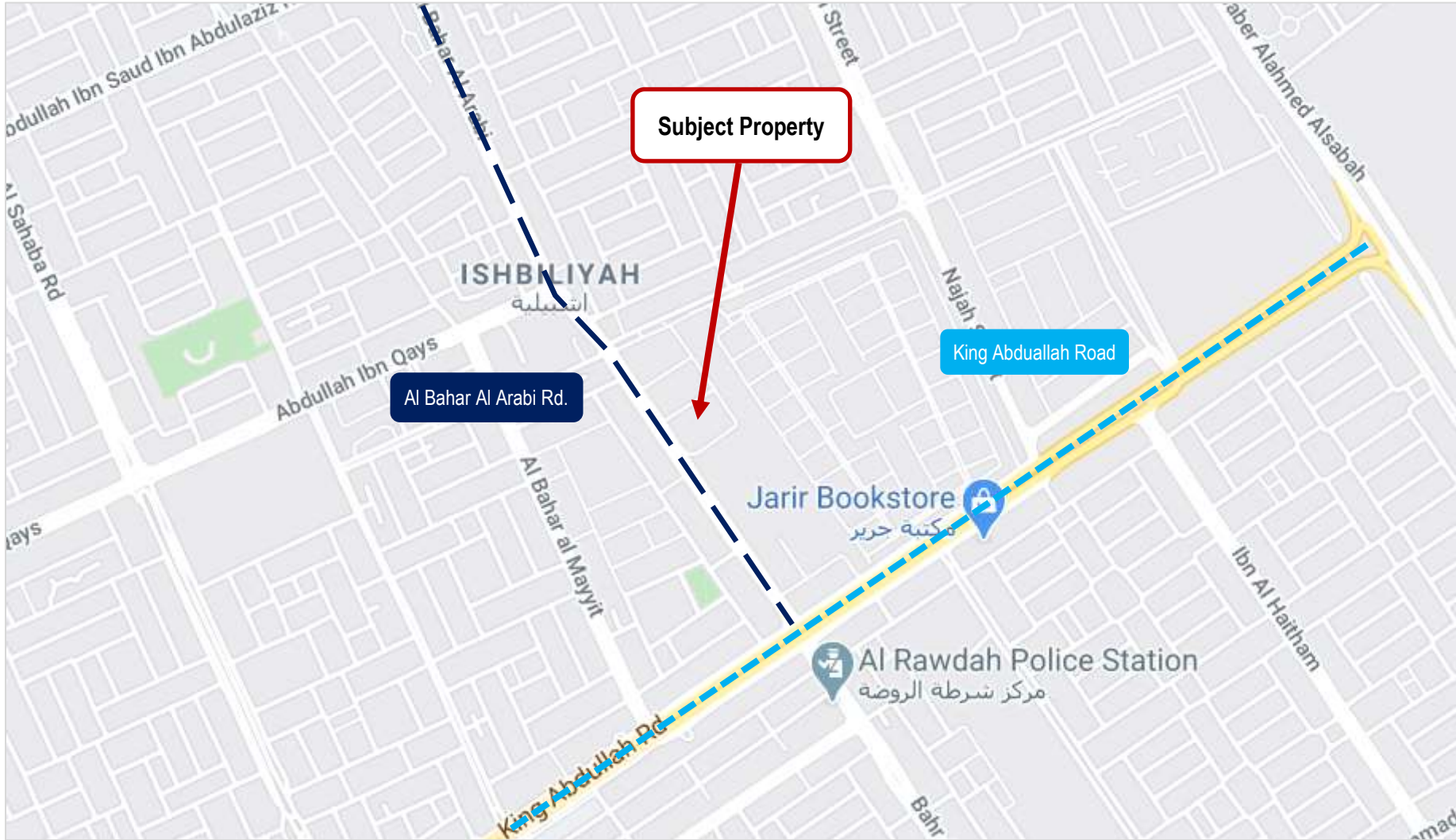
### Surrounding Landmarks

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>1- Ishbiliah Residential Compound (0.25 Kilometers)</li> <li>2- Sevilla School for the memorization of the Koran girl (0.20 Kilometers)</li> <li>3- Kids Saray International School (0.33 Kilometers)</li> <li>4- Beam Crossfit (0.40 Kilometers)</li> <li>5- Al Itisaliyat Company (0.30 Kilometers)</li> </ul> | <ul style="list-style-type: none"> <li>6- Oasis Day Care Center (0.30 Kilometers)</li> <li>7- Bgirdl Albayan High Institute for Training Co (0.50 Kilometers)</li> <li>8- Al Rawdah Police Station (0.60 Kilometers)</li> <li>9- Al Rowad Schools - Ishbiliah (0.45 Kilometers)</li> <li>10- Ishbiliah Kindergarten (0.45 Kilometers)</li> </ul> |
|---|--|



### 1.15 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:







## 1.16 TITLE DEED & OWNERSHIP

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

<b>City</b>	Riyadh	<b>Land Area</b>	11,340 Sqm
<b>District</b>	Ishbilila	<b>Plot No.</b>	From Plot No.9 to No.16
<b>T.D Type</b>	Electronic	<b>Block No.</b>	N/A
<b>T.D Number</b>	810125029659	<b>Layout No.</b>	2932
<b>T.D Date</b>	23/06/1441 AH	<b>Owner</b>	شركة المقصد العقارية
<b>T.D Value</b>	3,000,000 SAR	<b>Ownership Type</b>	Freehold
<b>Date of Last Transaction Issued From</b>	07/03/1441 AH Riyadh Notary	<b>Limitation of Document</b>	N/A
<b>North Side</b>	15 m Wide street	<b>East Side</b>	15 m Wide street
<b>South Side</b>	15 m Wide street	<b>West Side</b>	40 m Wide street
<b>Notes</b>		The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.	

## 1.17 CONSTRUCTION & BUILDINGS

The client provided us with a construction permit to the subject property with a total BUA of 48,770.66 Sqm distributed on 3 underground floors and 2 upper floors. 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, if the customer does not provide us with a copy of the approved plans, the evaluation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will evaluate them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

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



The customer provided us with a building permit for the property under evaluation, which contains the following data:  
The subject property is an under development commercial building consisting of 4 floors.

### Subject Property

Construction Permit Type	New Permit
Property Type	Educational Facility
Construction Permit No.	1434/20267
Construction Permit Date	15/09/2013
Permit Expiry Date	14/08/2016

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	5946.95	Educational
Basement 3	0	11,322	
Basement 2	0	11,322	Parking Area
Basement 1	0	11,322	Parking Area
First Floor	0	6060.61	Educational
Electricity Chamber	0	20.00	Electricity Chamber
Upper Annexes	0	2777.10	Educational
Fences	1	430.96	Services
<b>Total BAU (sqm)</b>		<b>48770.66</b>	

The Total BUA as per the construction permit is 48770.66 Sqm, yet, only 2 basement floors have been executed although the permit allows 3 floors. So, the current BUA of the building excluding Basement 3 is 37448.66 Sqm and we will use this number in our valuation process.

### 1.18 INSURANCE

We have not been provided with any insurance policy for the underlying asset.



## 1.19 PHOTO RECORD





# MARKET INDICATORS

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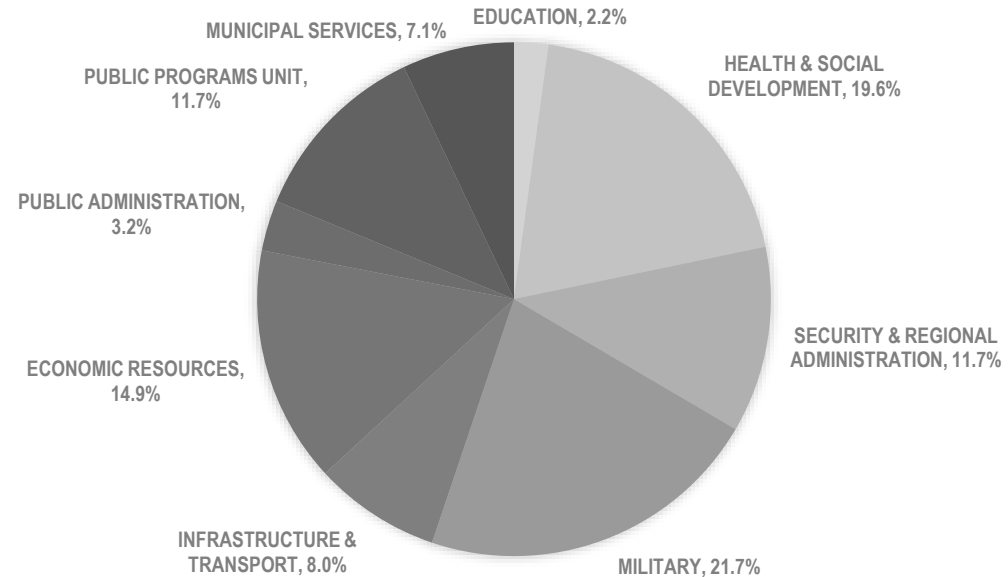
### 1.20 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

### 1.21 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy







### 1.22 SWOT ANALYSIS

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>- Direct view on the main road, Al Bahar Al Arabi Rd.</li> <li>- Surrounded by several landmarks</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>- The property is located far from city center</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Increase in the demand for such properties in the surrounding area due to the high concentration of residential units</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Existing and upcoming similar projects</li> </ul>

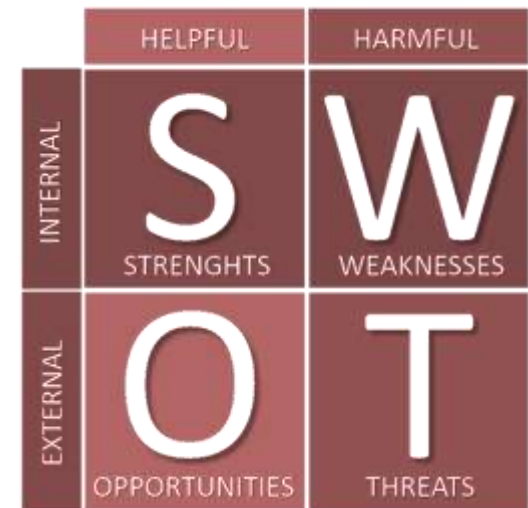
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

### 1.23 SECTOR BRIEF

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



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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations



Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

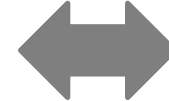


Future Expectations



Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020



Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis





**1.24 RISK ANALYSIS**

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

**Risk Category 16 Risk Points - Medium Risk**

**Sector Analysis**

Risk Category- 16 Risk Points - Medium Risk

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

**Risk Category 10 Risk Points – Minimal Risk**

**Land Analysis**

Risk Category- 10 Risk Points - Minimal Risk

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

**Risk Category 7 Risk Points - Medium Risk**

**Property Analysis**

Risk Category- 7 Risk Points - Medium Risk

# PROPERTY VALUATION

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### 1.25 DOCUMENTS RECEIVED

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

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

### 1.26 GENERAL ASSUMPTIONS

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

### 1.27 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



**1.28 INFORMATION SOURCE**

Referring to the purpose of this report, it has been assumed that all information received from the customer, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

**1.29 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)**

Our service scope does not include any technical testing of buildings or construction structures, and this does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reverse the effect on the value estimate.

**1.30 VALUATION APPROACH**

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

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

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

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

### 1.31 INPUT VALUATION PROCESS

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



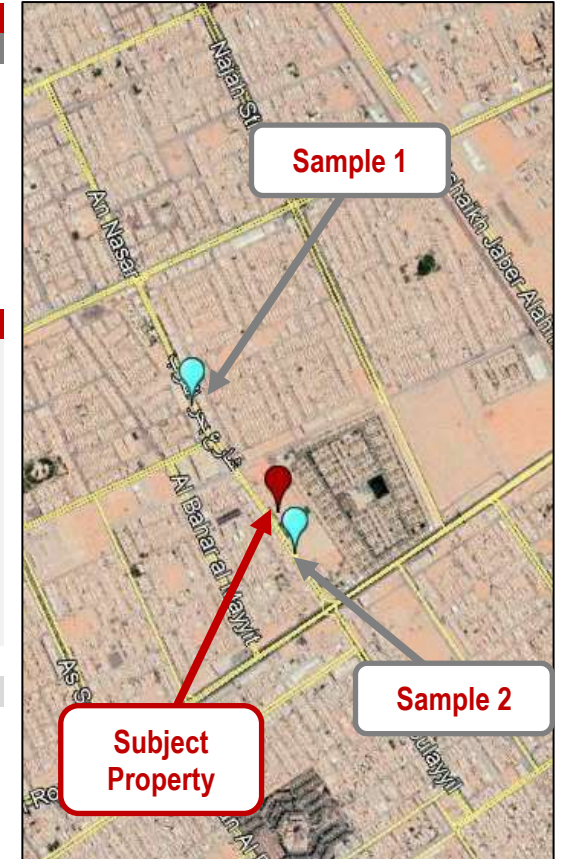
### 1.32 COMPARABLE APPROACH

This method aims to collect data and information on actual sales or current offers of real estate similar to the original subject matter being evaluated, 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 evaluation process in the style of comparisons and the amendments made to the available comparisons

Characteristics of Samples					
Feature	Subject Property	Sample 1		Sample 2	
Quoting	-----	Offering		Offering	
District	Ishbilia	Ishbilia		Ishbilia	
Sale Price	-----	SAR 13,000,000		SAR 24,400,000	
Data Source	Title Deed	Market Survey		Market Survey	
Area Size	11,340.00	4,700.00		12,300.00	
SAR / Sqm	-----	SAR 2,766		SAR 1,984	
Sides Open	4	3		3	

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	11,340.00	4,700.00	-10.00%	12,300.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Excellent	Excellent	0.00%	Excellent	0.00%
Street Width (m)	40	40	0.00%	40	0.00%
Sides Open	4	3	5.00%	3	5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	No	0.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
<b>Total Adjustments Ratio</b>			<b>-5.00%</b>		<b>5.00%</b>
<b>Total Adjustment Amount</b>			<b>-SAR 138.3</b>		<b>SAR 99.2</b>
<b>Net After Adjustment</b>			<b>SAR 2,627.7</b>		<b>SAR 2,082.9</b>
<b>SAR / Sqm</b>		<b>SAR 2,355</b>			
<b>Rounded Value</b>		<b>SAR 2,350</b>			



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 prices for similar properties falls in the range of 2,000 - 2,500 SAR / Sqm with an average of 2,250 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.



### 1.33 COST APPROACH (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of the real estate similar to the property being evaluated, and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard, and in the following table the scope of the expected costs for replacing the building under evaluation.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
<b>Skeleton - Concrete Cost</b>	SAR 1,100	SAR 1,200	SAR 1,150
<b>MEP</b>	SAR 350	SAR 450	SAR 400
<b>Finishing Materials</b>	SAR 650	SAR 750	SAR 700
<b>Site Improvements</b>	SAR 80	SAR 120	SAR 100
<b>Owner Profit</b>	18%	22%	20%

In the following table, we will calculate an estimate of the direct costs of the building in the new condition, according to 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
11,340.00	SAR 2,350	SAR 26,649,000
Building		
	Unit	Total BUA
Upper and Underground Floors	Sqm	37,448.66
<b>Total (SQM)</b>	<b>37,448.66</b>	

Development Cost					
Hard Cost					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	37,448.66	SAR 1,150	SAR 43,065,959	80%	SAR 34,452,767
Electro Mechanic	37,448.66	SAR 400	SAR 14,979,464	0%	SAR 0
Finishing	37,448.66	SAR 700	SAR 26,214,062	0%	SAR 0
Fit outs & Appliances	37,448.66	SAR 200	SAR 7,489,732	0%	SAR 0
Furniture	37,448.66	SAR 0	SAR 0	0%	SAR 0
Site Improvement	11,340.00	SAR 100	SAR 1,134,000	100%	SAR 1,134,000
<b>Total</b>			<b>SAR 92,883,217</b>	<b>38.31%</b>	<b>SAR 35,586,767</b>



Overall Soft Cost			
	Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost	SAR 35,586,767	1.00%	SAR 355,868
Design	SAR 35,586,767	1.00%	SAR 355,868
Eng Consultant	SAR 35,586,767	2.00%	SAR 711,735
Management	SAR 35,586,767	2.00%	SAR 711,735
Contingency	SAR 35,586,767	5.00%	SAR 1,779,338
Others	SAR 35,586,767	0.00%	SAR 0
<b>TOTAL</b>		<b>11.00%</b>	<b>SAR 3,914,544.39</b>
<b>Total Hard Cost</b>	<b>SAR 35,586,767</b>	<b>BUA</b>	<b>37,448.66</b>
<b>Total Soft Cost</b>	<b>SAR 3,914,544.39</b>	<b>SAR / Sqm</b>	<b>SAR 1,055</b>
<b>Total Construction Cost</b>	<b>SAR 39,501,311.59</b>	<b>Overall Completion</b>	<b>38.3%</b>

After knowing the total building construction costs at a rate of 1,055 SAR per square meter, we will estimate the life span of the property according to the type of construction and its general condition, and then apply the depreciation rates based on the actual age of the property. Then, the developer's profitability will be added to the property's value after depreciation to see the estimated market value of the building

DEVELOPMENT VALUE			
<b>Total Dev Cost</b>	<b>SAR 39,501,312</b>	<b>Net Dep Rate</b>	0.00%
		<b>Dev Cost After Depreciation</b>	<b>SAR 39,501,312</b>
<b>Economic Age</b>	40	<b>Total Completion Rate</b>	38.31%
<b>Annual Dep Rate</b>	2.50%	<b>Developer Profit Rate</b>	7.0%
<b>Actual Age</b>	0		
<b>Total Dep Rate</b>	0.00%	<b>Dev. Profit Amount</b>	SAR 2,765,092
<b>Add Appr Rate</b>	0.00%	<b>Development Value</b>	<b>SAR 42,266,403</b>
<b>Net Dep Rate</b>	<b>0.00%</b>		

The total market value of the building is 42,266,403 SAR, which will be added to the market value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 42,266,403	SAR 26,649,000	SAR 68,915,403	SAR 68,920,000





### 1.34 LEASING CONTRACT

The client provided us with a leasing contract with the below details:

1<sup>st</sup> Party: شركة المقصد العقارية

2<sup>nd</sup> Party: شركة كليبات الفارابي للتعليم

Duration: 25 Years

Starting Date: 2021

Ending Date: 2045

As per the leasing contract, there are promissory notes for the contracts full period.

### 1.35 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Comparable Approach	Property	SAR 26,649,000	Twenty-Six Million and Six Hundred Forty-Nine Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 68,920,000	Sixty-Eight Million and Nine Hundred Twenty-Thousand Saudi Riyals

It is true that the subject property considered as a special property (educational facility), but since the subject property is being leased on a long term bases with the availability of the promissory notes (provided by the tenant) and taking into consideration the purpose of valuation, we will indicate the final value of the subject property based on the Cost Approach.

### 1.36 SUBJECT PROPERTY VALUE

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

**Property Value: 68,920,000 SAR**

**Sixty-Eight Million and Nine Hundred Twenty-Thousand Saudi Riyals**

### 1.37 VALUATION NOTES

We did not apply the income approach while valuating the subject property for the following 2 reasons:

- The subject property considered as a special property due to its nature of use, where no active market transactions for such property types. Therefore, we have applied the DRC approach.
- The subject property still in the construction phase and expected to be finished in 2 years' time.



### 1.38 REPORT USE

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

### 1.39 DISCLAIMER

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

### 1.40 CONCLUSION

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

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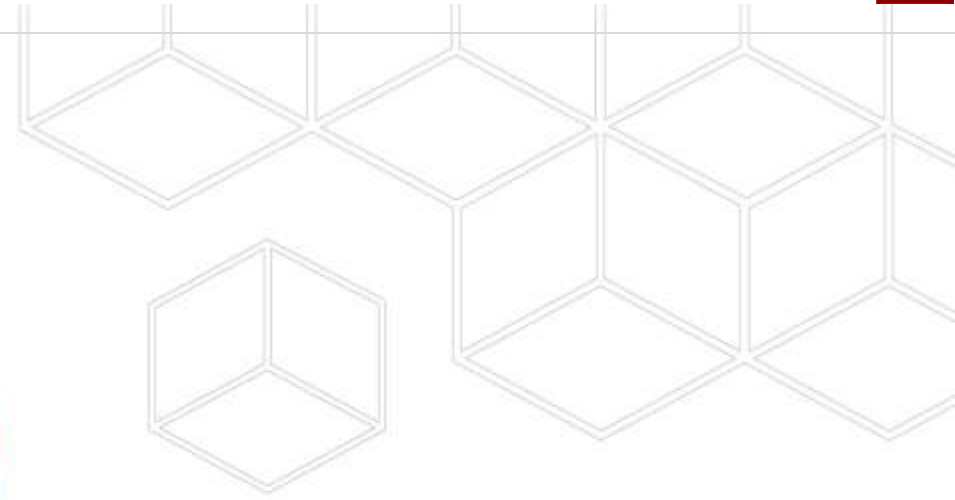
**Essam Hussaini**  
**Site Inspection Check**

**Member of (Taqeem)**  
**License No. 1210000474**

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# GENERAL NOTES

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**1.41 CONSULTANT STATUS**

We confirm that the consultant / valuator has no physical contact or affiliation with the original subject matter of valuation or with the client and can provide objective, unbiased valuation. We confirm that the evaluator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

**1.42 DISCLOSING CONFLICT OF INTEREST**

We affirm that we are completely independent of the customer and the subject of the valuation, and nothing contained in this agreement must be interpreted as constituting any relationship with the customer except for the normal official relationship of work, or that it aims to establish any business relationship whatsoever between the customer and White Cubes employees. We also confirm that we do not have any conflicts of interest with the customer's property. We would like to draw your attention to the following:

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

No	If Yes		Remarks
	Client	Date	
✓	Al Khabeer Cap	Feb 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

**1.43 CONFIDENTIALITY**

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

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



**1.44 ENVIRONMENTAL MATTERS**

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

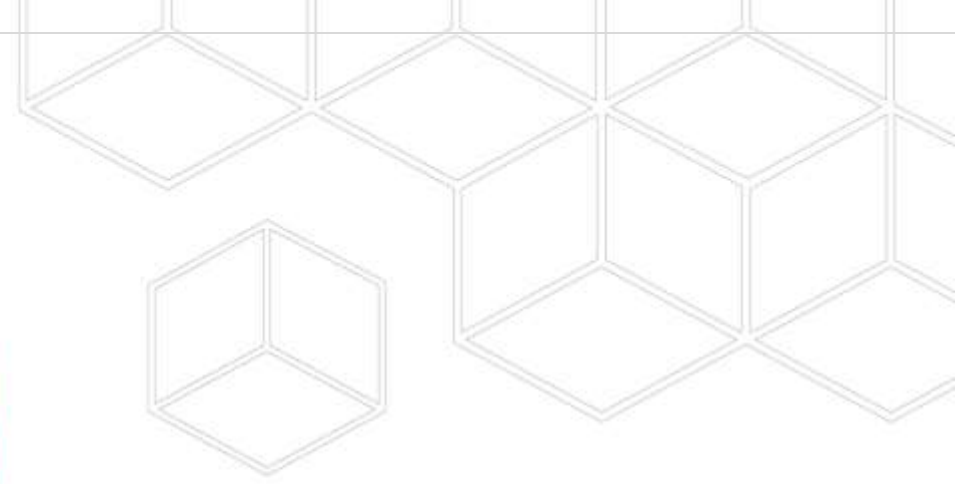
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

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

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

# DOCUMENTS COPIES

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TITLE DEED

المملكة العربية السعودية  
وزارة العدل  
[٢٧٧]  
كتابة العدل الأولى بالرياض



الرقم: ٨١-١٢٥-٢٩٦٥٩  
التاريخ: ٢٣ / ٦ / ١٤٤١ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن قطعة الأرض ٩ / ١ / وقطعة الأرض ١١ / ١ / وقطعة الأرض ١٢ / ١ / وقطعة الأرض ١٣ / ١ / وقطعة الأرض ١٤ / ١ / وقطعة الأرض ١٥ / ١ / وقطعة الأرض ١٦ / ١ من المخطط رقم ٢٩٣٢ الواقع في حي اشبيليا بمدينة الرياض، وحدودها وأطولها كالتالي:  
شمالاً: شارع عرض ١٥ م بطول: (١٣٥) مائة وخمسة وثلاثون متر  
جنوباً: شارع عرض ١٥ م بطول: (١٣٥) مائة وخمسة وثلاثون متر  
شرقاً: شارع عرض ١٥ م بطول: (٨٤) أربعة وثلاثون متر  
غربياً: شارع عرض ٤٠ م بطول: (٨٤) أربعة وثلاثون متر  
ومساحتها: (١١٣٤٠) أحد عشر ألفاً وثلاثمائة وأربعون متراً مربعاً فقط  
والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٧١-١٢٤٠-٣٨٩٩٥ في ٧ / ٣ / ١٤٤١ هـ  
قد انتقلت ملكيتها لـ شركة المقصد العقارية شركة شخص واحد بموجب سجل تجاري رقم ١٠١٠٤٥٥٠١ في ١٠ / ١١ / ١٤٣٩ هـ.  
٥٠ بطن وقدره ٣٠٠٠٠٠ ثلاثة ملايين ريال وعليه جرى التصديق تحريراً في ٢٣ / ٦ / ١٤٤١ هـ لاعتماده، وصلى الله على نبينا محمد وآله وصحبه وسلّم.

وزارة العدل  
كتابة العدل الأولى بالرياض  
كتابة العدل بـكمب رقم ٢٧٥  
عبد الرحمن بن عبد الله بن محمد العبدالكريم  
كاتب العدل

نموذج رخصة رقم ١٠١٠٤٥٥٠١ (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تعديله) - مصلحة طبابع الحكومة - ٢٩٣٢٢

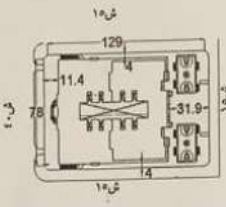
CONSTRUCTION PERMIT

وزارة الشؤون البلدية  
أمانة منطقة الرياض  
إدارة رخص البناء  
رخصة بدء كلية طب أسنان  
رقم الرخصة: ١٤٣٤/٢٠٦٧  
تاريخ الرخصة: ١٤٣٤/١١/١٠  
تاريخ الإنهاء: ١٤٣٧/١١/١٠  
نوع الرخصة: إسد



اسم المسك: شركة تايه الفرابي  
رقم الإحداثيات: ١٠٩٠٢٦٦٥٠١  
رقم الصك: ٩١٠١٢٥٠١٥٥٠٧  
رقم القطعة: ١/١٦ إلى ١/١٩  
الشوارع: -  
الحي: حي اشبيله  
مساحة الأرض: ٢ م ١١٣٢٢ م  
النطاق العمراني: منطقة ٢ محيط الأسوار، م / ط

الجهة	الحدود	الأبعاد	الإرتداد
شمال	شارع عرض ١٥ م	١٢٩	٤
شرق	شارع عرض ١٥ م	٧٨	٣١,٩
جنوب	شارع عرض ١٥ م	١٢٩	٤
غرب	شارع عرض ٢٠ م	٧٨	١١,٤



مكونات البناء	عدد الوحدات	المساحة	الاستخدام
نور أرضي	١	٥٩٤٩,٩٤	تعلمي
قبو ثقي	٠	١١٣٢٢,٠٠	موائق
قبو أول	٠	١١٣٢٢,٠٠	موائق
قبو ثالث	٠	١١٣٢٢,٠٠	موائق
نور أول	٠	٦٠٦٠,٦٧	تعلمي
غرفة كهرباء	٠	٢٠,٠٠	غرفة كهرباء
ملاط علوية	٠	٢٧٧٧,١٠	تعلمي
أسوار	١	٤٣٠,٩٦	خدمات

الكتب المصمم: شركة النظر للاستشارات الهندسية  
رقم الترخيص: ٢٤٢٢  
رقم المشروع: ٣١  
رمز النظام  
مناسيب الشوارع المحيطة: مسددي  
سند الرسوم مبلغ وقدره: ١٧٧٠٩ ريال بموجب الإيصال رقم: ٢٤.٢٧٧٧٧٢٣ وتاريخ: ١٤٣٤-١١-٠٦ هـ

ملاحظات:  
نوع الرخصة إصدار رخصة توريه  
بموجب نظام الرخص للتوريه الصادر  
نوع البناء: مسلح  
١- بموجب التقرير المسلسلي رقم ١٤٣٤/٣٧٧٩٩ تاريخ ١٤٣٤.٧.١٢ الصادر من بلدية الروضه القرعيه.  
٢- منظره التجميع: ١١١٦  
٣- ارتفاع الملاط العلوية عن حد الدور الأول لا يقل عن ٢ م جهة الشوارع.  
٤- اللق موائق سيارات ويبدأ المنحد بعد ٣ م ويكون بعرض ٤ م.  
٥- بموجب خطاب بلدية الروضه رقم ١٤٣٤/١٩٣٦٣ تاريخ ١٤٣٤.٨.٢٩ هـ والتقرير الفني المرفاق بالمعامله رقم ١٣٤٣٨ تاريخ ١٤٣٤.٨.١٣ هـ بموجب