

Valuation Report as at 17th August 2021



CLIENT: Azizi Developments

PRESENTED TO: Finance House

PROPERTY: Plot No. 289, Sector No. 3,
Al Helio (Emirates City), Ajman, United Arab Emirates
(the "Subject Property")

Private and Confidential

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VALUATION REPORT

Chestertons Reference : **VA.21.08.069**
Client : **Azizi Developments**
Presented To : **Finance House**

1. INSTRUCTIONS

We refer to the Client's instructions dated 16th August 2021 to carry out a Market Valuation of the above-mentioned property, in accordance with our agreed Terms and Conditions. This Valuation and Report has been prepared by Maged Arafa, MSc, Senior Valuer, supervised by Adam Wilson, BSc (Hons) MRICS ACI Arb, Director of Valuations - MENA, acting as external valuers. Our Valuation and Report is prepared in accordance with the Emirates Book Valuation Standards (EBVS) and the RICS Valuation – Global Standards 2020 incorporating the International Valuation Standards (the "Red Book") and we confirm that we have the necessary knowledge, skill and understanding to undertake the Valuation competently. We understand that our opinion of Market Value is to be used by the Client in support of an application for secured lending from Finance House only.

We are not aware of any potential conflicts of interest, on the part of the individual members of the team assigned to this project, which would prevent us from providing an independent and objective opinion of value of the Subject Property.

2. BASIS AND DATE OF VALUATION

In accordance with your instructions, the Subject Property was inspected by Maged Arafa on 17th August 2021. During our inspection, we were accompanied by Mr. Aries, a representative of the Client. We are pleased to set out below our opinion of the Market Value of the Subject Property as defined in the Red Book:

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 had acted knowledgeably, prudently and without compulsion".

We provide further details and guidance in Appendix 1.

The valuation date is 17th August 2021.

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3. DOCUMENTATION AND DETAILS OF PROPERTY

3.1. Property Overview

3.1.1. Address

Plot No. 289, Sector No. 3, Al Helio (Emirates City), Ajman,
United Arab Emirates.

3.1.2. Property Type

According to our observations during our inspection and the Affection Plan dated 18th February 2009, issued by the Municipality & Planning Department – Ajman and provided by the Client, we understand that the Subject Property comprises an undeveloped land plot with open boundaries and permission to develop a G+29 hotel/resort.

3.1.3. Community

Al Helio (Emirates City).

3.1.4. Zoned

Commercial (hotel/resort).

3.1.5. Tenure

Freehold (transferable between all nationalities; under the laws of the Government of Ajman).

3.1.6. Title

The Subject Property's title is held under the name of "Azizi Development Limited"; according to the Title Deed dated 3rd March 2009, issued by the Government of Ajman and provided by the Client.

3.2. Property Specifics

3.2.1. Land Lease

Not applicable.

3.2.2. Plot Size

Description	Area (sq m) (Approximately)	Area (sq ft) (Approximately)
Total Plot Area	4,500	48,437.66
Permissible GFA	Not Provided	Not Provided

Source: The Affection Plan referred to above.

3.2.3. Original Price

According to the Initial Sale Agreement dated 11th February 2007, issued by R Holdings and provided by the Client, the Subject Property was purchased for AED 40,000,000.

4. DESCRIPTION

4.1. Location

Wider Location

Ajman is one of the seven Emirates comprising the United Arab Emirates (UAE). It is the smallest Emirate, covering an area of approximately 460 sq km (178 sq mi), and located along the west coast of the country, with a coastal beach (Corniche) area of 16 km (10 miles). It is located close to the Emirates of Sharjah, Dubai, and Umm Al Quwain and is surrounded by the Emirate of Sharjah to its north, south and east.

Community

The Subject Property is located on a corner land plot with frontage onto four internal streets within Al Helio, Ajman, United Arab Emirates. The area is predominantly residential and currently comprises mostly of high-rise residential buildings (some with ground floor retail) and several land plots under various stages of development.

This specific community is also known as Emirates City; it is one of the most upscale residential neighbourhoods in Ajman. It is also one of the sought-after residential areas in Ajman for apartments. One of the arterial roads of the Emirate, Sheikh Mohammed Bin Zayed Road (E311), runs along with Emirates City. Being next to this highway allows the community to be well connected to other cities, such as: Ras Al Khaimah, Umm Al Quwain, Sharjah, Dubai and Abu Dhabi. Separated by the same road, Emirates City is closely neighboured by the community of Al Aaliah to its west.

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4.2. Topography	The site upon which the Subject Property is located is relatively level.
4.3. Condition	Undeveloped land plot with open boundaries; no construction works have commenced yet.
4.4. Access	The immediate access to the Subject Property and the surrounding roads are fully made up and adopted by the Master Developer/Government. The Subject Property can be approached via Sheikh Mohammed Bin Zayed Road (E311) onto internal streets that lead to the Subject Property.
4.5. Occupancy	The Subject Property is an undeveloped land plot and not yet ready to be occupied.
4.6. Services	We understand that the Government supply of electricity, water, telephone, sewer and drainage are not yet available to the Subject Property. We have not checked the provided services and assume that they will be in working condition once the Subject Property is developed.

5. COMMENTARY

5.1. Market Commentary	<p>Ajman is the smallest emirate within the UAE and the fourth most populous, with an estimated 500,000 residents and a total land area of 259 sq km.</p> <p>Ajman's residential sector, while traditionally largely comprising villas and low-rise apartment buildings, has seen a notable volume of new mid to high-rise apartment developments completed over the past decade. Recent developments have often been aimed at attracting Dubai-based employees looking for a cheaper alternative to Sharjah.</p> <p>The majority of Ajman's residential areas are designated as freehold communities, where expatriates are permitted to own property. Apartment buildings are generally clustered across Ajman Downtown, Al Nuaimiya, Al Rashidiya, Ajman Corniche and Emirates Industrial City, while popular villa communities include Al Rawdha, Al Mowaihat, Al Hamidiya, Musherief and Al Zahraa.</p> <p>A notable number of buildings in areas such as Al Nuaimiya, Al Rashidiya and Liwara, while freehold, are held under single ownership. Prominent residential developments with strata titles include Al Khor Towers, Ajman One Towers, Rashidiya Tower and Falcon Towers.</p> <p>Freehold villa communities, such as Al Rawdha and Al Mowaihat, are now well-established and benefit from supporting retail and community facilities, with demand largely driven by expatriate residents.</p> <p>In line with the wider UAE real estate market, we expect property values and rents to face downward pressure over 2020, with improvements over 2021 contingent on a broader economic recovery.</p>
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6. VALUATION APPROACH

We have adopted the Market Approach (Comparable Method), which derives the value of a property by comparing it to other properties for which the price is known. Ideally, the property is compared and contrasted to identical properties which have recently been sold, or where no recent transactions have taken place, the asking price at which the comparable properties are currently listed for sale. Adjustments may be required to reflect the period of time that has passed between the transaction date and the date of valuation or the price that is expected to be achieved following a negotiated sale. Following an analysis of the terms of the sale, an appropriate unit of comparison is chosen, for example a rate per square foot/metre. Further subsequent adjustments may be required to factor in differences in location, size (quantum), quality, specifications, views and permitted use.

Valuation Analysis:

The Subject Property comprises an undeveloped land plot (48,437.66 sq ft) with open boundaries. According to the Affection Plan referred to above, we understand that the Subject Property has permission to develop a G+29 hotel/resort. As observed during our inspection, the existing/under construction immediate surrounding properties mostly comprise G+4P+25+HC residential buildings.

There is no published information with regards to open market sales transactions of similar mixed-use land plots within Ajman; we have therefore relied on the current listings, agent's feedback and our internal database to arrive at our opinion of Market Value. We have focused our search for appropriate comparable evidence by looking at similar mixed-use land plots within Ajman; we have analysed the following recent market activity:

At the **Al Aaliah** community, which is separated by Sheikh Mohammed Bin Zayed Road (E311) and located to the west of Emirates City, undeveloped land plots (2,700 sq ft to 2,800 sq ft) with permission to build G+3 mixed-use buildings are currently listed for sale for capital rates in the range between approximately AED 140 to AED 150 per sq ft of plot area. Undeveloped land plots (around 4,300 sq ft) with permission to build G+4 mixed-use buildings are currently listed for sale for capital rates in the range between approximately AED 130 to AED 140 per sq ft of plot area. We note that Al Aaliah community is under-developed in comparison to Emirates City community; it currently comprises several existing/under construction villas, low-rise mixed-use buildings and large parcels of undeveloped land. Infrastructure works are also still on-going within the community.

At the **Al Nuaimia** community, which is located within the City Centre sector of Ajman, an undeveloped land plot (6,460 sq ft) with permission to build a G+6 mixed-use building is currently listed for sale for a capital rate of AED 310 per sq ft of plot area. Undeveloped land plots (10,000 sq ft to 14,000 sq ft) with permission to build G+10 to G+15 mixed-use buildings are currently listed for sale for capital rates in the range between approximately AED 230 to AED 240 per sq ft of plot area.

At the **Al Rashidiya** community, which is also located within the City Centre sector of Ajman, an undeveloped land plot (7,605 sq ft) with permission to build a G+4 mixed-use building is currently listed for sale for a capital rate of AED 237 per sq ft of plot area. Undeveloped land plots (around 10,000 sq ft) with permission to build G+6 mixed-use buildings are currently listed for sale for capital rates in the range between approximately AED 165 to AED 180 per sq ft of plot area.

We have also observed several mixed-use land plots (8,000 sq ft to 21,400 sq ft) with permission to build G+15 to G+20 mixed-use buildings, which are located within communities towards the City Centre sector of Ajman. These land plots are currently listed for sale for capital rates in the range between approximately AED 350 to AED 500 per sq ft of plot area.

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All of the above listings represent recent market activity of similar properties within Ajman, and in our opinion provide the most comparable data for the Subject Property. The asking prices are generally inflated to allow a margin for negotiations and therefore the transaction price achieved is likely to be lower. We have discussed with agents who have listed similar plots for sale and who indicated that there is very limited demand for such plots due to subdued market condition; the achievable sale prices are likely to be within the range of AED 280 to AED 320 per sq ft of plot area.

When arriving at our opinion of value, we have also made adjustments to the market price for the specific location, size and permitted use of the Subject Property and estimated a Market Value of AED 15,000,000, which is equivalent to approximately AED 310 per sq ft of plot area.

7. VALUATION

7.1. Market Value

In our opinion, the Market Value of the freehold interest in the Subject Property, as at 17th August 2021, is:

AED 15,000,000/-
(Fifteen Million UAE Dirhams)



Maged Arafa, MSc
Senior Valuer
For Chesterton International
Real Estate Valuation Services LLC



Adam Wilson, BSc (Hons) MRICS ACI Arb
Director of Valuations - MENA
For Chesterton International
Real Estate Valuation Services LLC



APPENDIX 1

DEFINITIONS, ASSUMPTIONS AND CONDITIONS

Reports and valuations are undertaken by Chestertons subject to the following definitions, assumptions and conditions. Valuations may need to be reviewed if assumptions are not correct. Unless specifically agreed with the client, our valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2020 Incorporating the International Valuation Standards (the Red Book).

1. DEFINITIONS

- 1.1. **Market Value** is defined in the Red Book 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 had each acted knowledgeably, prudently and without compulsion.”
- 1.2. **Market Rent** is defined in the Red Book as “The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”
- 1.3. **Fair Value** as per IASB in IFRS 13 is defined 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”.
- 1.4. **Fair Value** as per IVSC is defined as “The estimated price for the transfer of an asset or liability between identified, knowledgeable and willing parties that reflects the respective interests of those parties”.
- 1.5. **Reinstatement Cost Assessment** is a broad estimate of the likely reinstatement cost, provided as an indicative figure only and should be used for guidance purposes only. It should not be relied upon in arranging actual insurance cover as a formal estimate would need to be sought from a Quantity Surveyor, Structural Engineer or similar expert. If the property forms part of a larger building, we are unable to provide a reinstatement estimate as there may be areas outside the area of the property which benefit it and which would also require insurance as part of the whole building policy. As such a reinstatement cost estimate would be required for the whole building and not just a property that forms part of it.
- 1.6. **The Comparable Method** compares the property being valued with prices of similar properties and making allowances against those properties to assess the value of the subject property.
- 1.7. **The Cost Approach** can be used in instances of unique properties or where few market comparables exist. The Depreciated Replacement Cost Method assesses the cost of the land and adds the cost of the existing structure. After making deductions for depreciation and obsolescence of the existing buildings the market value of the land and building as one unit is obtained. This method will also be used where it reflects the local valuation method.
- 1.8. **The Residual Method** of valuation of development schemes and land is set out in RICS valuation information paper (VIP). This approach recognises that the value of a development scheme is a function of a number of elements; the value of the completed development (gross development value (GDV)), the direct costs of developing the property (gross development cost (GDC)), the return to the developer for taking the development risk and delivering the scheme, the cost of any planning obligations and the cost or value of the site. The residual approach is used for development situations where the direct comparison with other transactions is not possible due to the individuality of development projects. In brief the method takes the GDV and deducts GDC, other costs and developers profit to arrive at the underlying value of the land.

2. ASSUMPTIONS

- 2.1. **Reliance on Information.** We have made the assumption that all information supplied by you, the applicant, government and other stated sources, is correct and up to date. Where we have not been provided with a new property address by the Client and have had to rely upon the address information given to us by the Client’s contact person, if the new address provided to us is subsequently found to be materially incorrect, we reserve the right to amend our valuation and report accordingly.
- 2.2. **Legal Issues.** Any interpretation of leases and other legal documents and legal assumptions is given in our capacity as Chartered Surveyors and must be verified by a suitability qualified lawyer if it is to be relied upon. No responsibility or liability is accepted for the true interpretation of the legal position of the Client or other parties in respect of the valuation of the property.
- 2.3. **Leases.** Where we have not been advised of a tenancy nor provided with a tenancy agreement relating to a property we will value on the assumption of vacant possession unless specifically instructed to value a property subject to an existing tenancy.
- 2.4. **Title.** We assume that the property is not subject to any defect in title, any adverse covenant, or subject to any unusual or other onerous restrictions, rights or outgoings or disputes. We will also assume that the property is free from mortgages, charges or any other encumbrances and that the property benefits from good and marketable title.

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- 2.5. **Services.** We assume that the property is connected or is capable of connection without undue expense, to the public service of gas, electricity, water and drainage. We will not undertake any tests to ascertain the condition or the capacity of these services and will assume they are fit for purpose.
- 2.6. **Taxation.** No allowance will be made for any taxation which might arise in the event of a disposal.
- 2.7. **Floor Areas.** Unless otherwise stated, the floor areas quoted in our reports have been provided by the Client, the Client's advisers or other parties. They do not necessarily comply with RICS Property Measurement, 2nd Edition which incorporates IPMS but are assumed to follow market practice in the region which in general is in accordance with the practices adopted by the Government of Ajman and its departments and agencies.
- 2.8. **Statutory Enquiries.** We assume that the Property and its value are unaffected by any statutory matters and neither the property, its condition or its use, is or will be unlawful, and that there are no restrictions or statutory notices which may adversely affect the property. It is assumed that buildings are constructed in accordance with valid approvals and permissions, with direct access from maintained highways and that all roads and sewers are adopted and maintainable at public expense.
- 2.9. **Structure and Condition of the Property.** Our inspection of a property does not constitute a structural survey. We do not give any assurances or warranties as to the condition of the structure, foundations, walls roofs, ground conditions or services etc. We assume that the property and/or building has/have been constructed and used in accordance with all statutory and bye-law requirements. Our Valuation assumes that the property is in reasonable repair and condition, structurally sound and free from any latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques that would potentially have an adverse effect of value. The valuation report does not constitute a building survey or condition survey. We will have regard to the apparent state of repair and condition of the Property, as noted during the inspection for valuation purposes but a condition survey will not be undertaken.
- 2.10. **Environmental Considerations and Materials.** We assume that the property and its surroundings are free from contamination, adverse environmental matters or ground conditions that could affect value. We will not investigate the potential presence of any deleterious materials used within the construction process and therefore will not be able to confirm that the property is free from risk in this regard. We will not test any panels within the Property to see whether there are any composite panels which may result in the Property being uninsurable, with an adverse impact on value.
- 2.11. **Plant & Machinery; Fixtures & Fittings.** We have not made any allowance for Plant & Machinery that does not specifically serve the building. Nor have we made any allowance for any items of plant and machinery and equipment installed in connection with any occupants' businesses. Within our valuation we have also specifically excluded furniture and furnishings, fixtures and fittings and stock.
- 2.12. **Ground Conditions.** We have not undertaken a soil stability, contamination or geological survey and therefore, unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that the land is capable of development without the need for any abnormal costs relating to foundations and/or services.

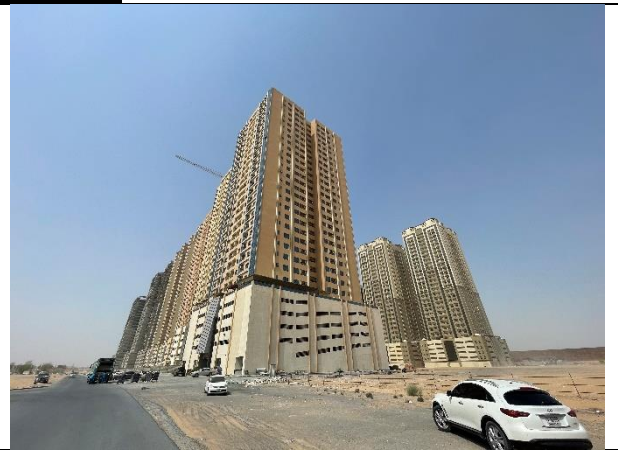
3. CONDITIONS

- 3.1. **Disclosures.** Other than the specified valuation purpose in the Proposal, reports and valuations are for the sole use of the Client and Addressees of the Valuation Report and should not be relied upon by any other person or for any other reasons than that stated above. Subject to paragraph 2 of the Proposal, neither the whole nor any part of a valuation or report may be included in any published article or document without the prior written approval of Chestertons.
- 3.2. **Insurance.** Chestertons has professional indemnity insurance cover in respect of this assignment.
- 3.3. **Complaints Handling Procedure.** All assignments are subject to Chestertons' complaints handling procedure a copy of which is available on request.
- 3.4. **The Royal Institution of Chartered Surveyors (RICS)** is a self-regulating body and is responsible for the monitoring of its members to ensure compliance with its Standards. RICS Regulation therefore has the ability to review all valuations undertaken by its members.

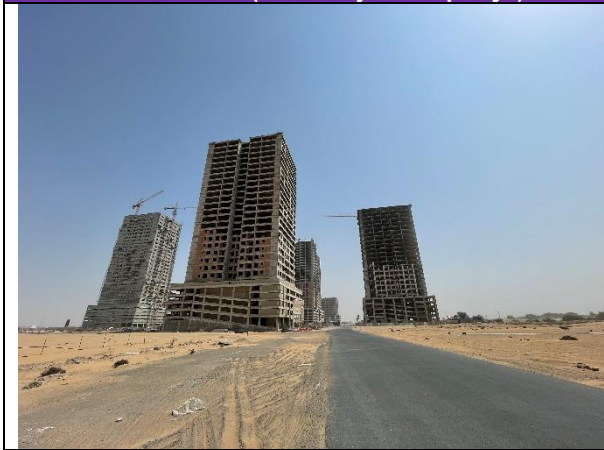
APPENDIX 2
PHOTOGRAPHS



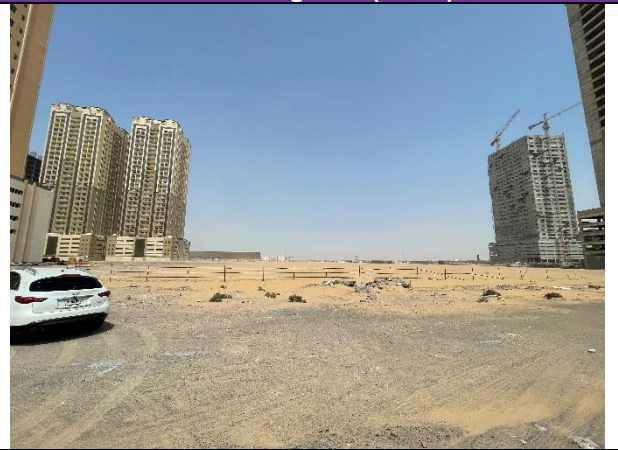
Plot No. 289 (the "Subject Property")



Surrounding Area (South)



Surrounding Area (North)



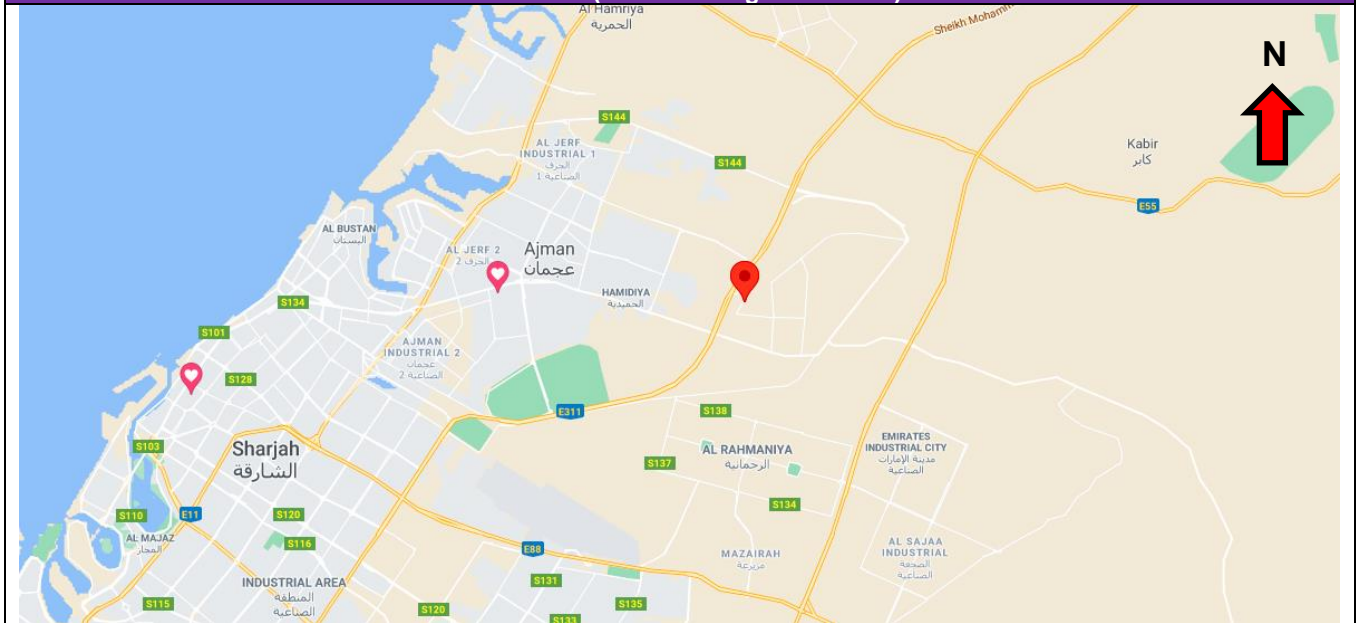
Surrounding Area (West)

Source: Chestertons inspection dated 17th August 2021.

APPENDIX 3
AERIAL VIEW AND LOCATION MAP
GPS COORDINATES: 25°23'35.50"N 55°34'38.18"E



Aerial View (Source: Google Earth Pro)



Location Map (Source: Google Maps)