

YAGUR PROPERTY VALUATIONS

VALUATION

Accepted by:

30/11/21

of a

RESIDENTIAL PROPERTY

situated at

**ALLOTMENT 47 SECTION 307, HOHOLA
HAGITA PLACE, GEREHU STAGE 4**

under instructions from

KINA BANK LIMITED

on the basis of

**MARKET VALUE
(FOR MORTGAGE SECURITY PURPOSES)**

as at

18 NOVEMBER 2021

Skyview Estate, 7 Mile Boroko
National Capital District
Papua New Guinea

P.O Box 3518, Boroko
National Capital District
Papua New Guinea

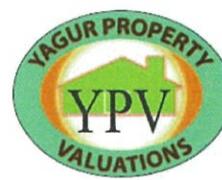
Phone: 343 4157
Mobile: 7160 7292
Email: yagurmjanet@gmail.com

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1. PREFACE

INSTRUCTIONS

In accordance with our instructions issued by Kina Bank Limited, we have inspected the residential property situated at Hagita Place, Gerehu Stage 4, Port Moresby to assess the Market Value of the property for mortgage security purposes. This assessment can be relied upon by Kina Bank Limited.

This assessment is solely for the use of Kina Bank Limited for mortgage security purposes and cannot be relied on by any other party for any purpose whatsoever without our express written permission. Assignment of this valuation to a third party is at the sole discretion of the valuer and no assignment will be granted after 90 days of issue of this report. Only properly authorised and original signed copies of this full report are valid and no responsibility whatsoever will be accepted for unauthorised copies of or extracts from this report.

DEFINITIONS

The Market Value of the property is defined as the estimated amount which the State Leasehold interest in the property being valued might reasonably be expected to realise, on the date of valuation in an exchange between a willing vendor and a willing purchaser in an arms length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

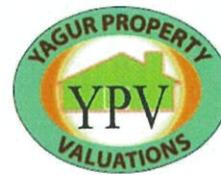
This is not a forced sale assessment and it is assumed that the asset is exchanged after an adequate period of marketing to obtain the best price.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

It is assumed that no significant event occurs between the date of inspection and the date of valuation that would impact on the value of the subject property.

GST

The specific sums adopted in our assessment are **exclusive** of the Goods and Services Tax (GST).



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2. CERTIFICATE OF VALUE

LOCATION: Hagita Place, Gerehu Stage 4, Port Moresby

REGISTERED LESSEE: Malee Thomson

REAL PROPERTY DESCRIPTION: Allotment 47 of Section 307, Hohola City of Port Moresby

DATE OF INSPECTION: 18 November 2021

DATE OF VALUATION: 18 November 2021

VALUATION:

In our opinion the unencumbered Market Value of the property as at the 18 November 2021 on the terms and conditions contained herein and subject to its having good and marketable State Lease title is assessed at:-

K 2,000,000.00 (Two Million Kina).

This assessment as a whole may be relied upon by the Kina Bank Limited for mortgage security purposes.

For and on behalf of
YAGUR PROPERTY VALUATIONS

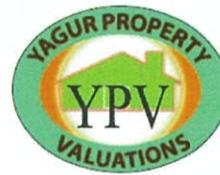
A handwritten signature in blue ink, appearing to read "Janet Yagur".

Janet Yagur
MPNGIVLA, BLST (PNGUT)
Registered Valuer No.124

A handwritten signature in blue ink, appearing to read "Tanya-Marie Bagore".

Tanya-Marie Bagore
MPNGIVLA, BLST, (PNGUT)
Assistant Valuer

*** THIS CERTIFICATE MUST NOT BE READ IN ISOLATION AND MUST BE READ IN CONJUNCTION WITH OUR FULL REPORT ***



3. PROPERTY REPORT

REGISTERED LESSEE

We have relied on the copy of the State Lease details provided by the client and indicate that the land is held as a State Lease and the registered lessee is Malee Thomson.

DESCRIPTION OF TITLE AND LAND DIMENSIONS

The land is described as Allotment 47 of Section 307, Hohola, City of Port Moresby, National Capital District, and is the whole of the land contained in Residence Lease Volume 84 Folio 59.

Area of Land:	Approximately 421 square metres.
Term:	99 Years.
Commencement Date:	7 June 1982
Annual Rental:	K150.00 per annum

We have sighted the copy of the State Lease provided by the client and whilst we have undertaken some check searches at the Department of Lands and Physical Planning we have not been able to validate the State Lease details provided. This valuation is made on the basis that the search provided reflects the current tenure and the lease is not subject to any additional conditions, encumbrances or similar effects. If any changes or defects in title are revealed by formal search we reserve the right to amend our valuation.

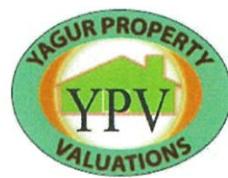
EASEMENTS AND ENCROACHMENTS

There were no easements recorded on the copy of the State Lease Title or revealed by our enquiry and counter search at the Department of Lands and Physical Planning.

With regard to encroachments, none were obviously apparent upon our physical inspection. However, a surveyor's certificate would be required to determine the existence or otherwise of encroachments on or by the subject property.

TOWN PLANNING

The State Lease issued state that the land is to be utilised for Residence purposes and the present use appears to be permissible in that zoning.



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FLOOD EFFECTS

The Department of Lands and Physical Planning does not hold any record of flood information and a formal investigation of flood effects over this property has not been undertaken. This is a reasonably drained property and this assessment has been carried out on the basis that the property is not flood affected. However if a formal investigation reveals that the land is likely to be inundated by local flooding, overland flow or runoff to any significant degree or to any degree which will have an adverse impact on the property, the matter should be referred to us for review and we reserve the right to amend our valuation.

CONTAMINATED SITES REGISTER

Papua New Guinea does not maintain a public register of contaminated sites. No noxious or hazardous contaminants or significant site contamination was obviously apparent on inspection or revealed to us by our client. However we do not warrant the existence or otherwise of any site contamination and draw your attention to the express disclaimer in this regard contained in our Limitations statement.

STATUTORY UNIMPROVED VALUE

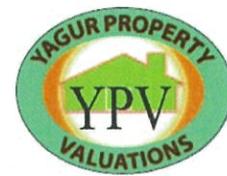
The Department of Lands and Physical Planning unimproved value for land rental and taxation purposes has not been verified but the initial annual Land Rent is K150.00 per annum and thereafter as determined in accordance with *Section 54* of the *Land Act Chapter 185*.

LOCATION

The property is situated in the suburb of Gerehu, north of Port Moresby and north west of Gerehu commercial area. The property is located at Hagita Place and is within walking distance to Gerehu shopping area, bus stop, Gerehu General Hospital, Schools and other public services and amenities.

ROADS AND ACCESS

Hagita Place in this vicinity is a double lane carriageway which is in fair state with road expansion and maintenance construction currently on the main Gerehu Drive. Good pedestrian and vehicular access are available direct to the property from Hagita Place.



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SITE IMPROVEMENTS

- The property is fully fenced with panel deck on block wall fencing.
- There is a panel deck gate for access.
- There is a guard house on site.

ANCILLARY WATER AND ELECTRICITY SERVICES

- Not available.

SECURITY

- The property is fenced as above.
- There are security lights on the building.
- There are security frames to doors and windows.
- Security guards on site.

4. BASIS OF VALUATION

METHODOLOGY

An analysis of available market evidence indicate that the direct comparison approach were the most appropriate methods.

This is an assessment of the market value of the lessee's interest in a property held under State Lease and this assessment assumes that:

- the State Lease is current,
- the Lessee has complied with all State Lease terms and conditions,
- the Lessee is not in breach of any State Lease terms and conditions.

SALE EVIDENCE:

SALE 1

Location: Allotment 26 Section 305, Gerehu, City of Port Moresby
 Sale Date: 2021
 Sale Price: K850,000
 Land Area: Approximately 450 square metres
 Comments: Erected on the property is a two level residential quadruplex building.

SALE 2

Location: Allotment 12 Section 20, Pine Street, City of Port Moresby
 Sale Date: March 2020
 Sale Price: K850,000
 Land Area: Approximately 1,302 square metres
 Comments: Erected on the property is a ground set multi-units residential building.

SALE 3

Location: Allotment 11 Section 79, Boroko, City of Port Moresby
 Date of Sale: May 2020
 Sale Price: K2,000,000
 Land Area: 1,366 square metres
 Comments: Erected on the property is a two level 1 x 3 bedroom and 2 x 1 bedroom units with detached ground set residence. The property is in fair condition

5. LIMITATIONS

No soil analysis or geological studies were ordered or carried out in conjunction with this report. Substances such as asbestos, chemical or toxic wastes, or other potentially hazardous materials could adversely affect the value of the property. Unless stated otherwise in our report, the existence or extent of hazardous substances, which may or may not be present on or in the property, was not considered by us in making our assessment. The value as assessed by us is on the assumption that there is no material within the property that would cause a loss in value. No responsibility is accepted or assumed with regard to the existence or otherwise of any such conditions and the recipient of this report is advised that the valuers are not qualified to detect such substances. We would require separate instructions together with appropriate engineering advice to enable us to identify the existence and extent of such substances, quantify the impact on values or estimate the remedial cost.

This valuation has been prepared on the basis that full disclosure of all information and facts which may affect the valuation has been made to us by all parties and we cannot accept any liability or responsibility whatsoever for the valuation unless such full disclosure has been made. Furthermore, we do not accept responsibility for any consequential error or defect in the valuation which has resulted from any error, omission or inaccuracy in data or information supplied by the client or its agents.

We emphasise that we have not carried out a survey of the site improvements nor have we examined them for signs of structural or physical deterioration and accordingly cannot be held responsible for either of these matters. We have not carried out a soil survey. The valuers' inspection and report does not constitute a structural survey or soil survey and is not intended as such. Similarly we have not carried out a structural or operational survey of the site services nor have we assessed the capacity, current condition or operational efficiency of the site services and accordingly we cannot be held responsible for these matters.

In reaching our opinion we have utilised certain historical facts and relevant market data available up to the date of our valuation from the database provided by the Department of Lands and Physical Planning. Our instructions did not require us to consider the effect of gains or losses which may arise as a result of the future fluctuations in the property market. We do not accept responsibility whatsoever for claims arising out of, based upon, directly or indirectly resulting from or in consequence of, or in any way involving the depreciation, failure to appreciate or loss on investments and / or property for investment purposes where such depreciation, failure to appreciate or loss is a result of normal or abnormal fluctuations in any financial, stock or commodity or other markets which are outside the influence or control of the valuer.

In accordance with our standard practice, this valuation is solely for the use of the party to whom it is addressed. Reliance on it by a third party cannot be regarded as reasonable, and no responsibility to any third party is or will be accepted for the whole or any part of its contents. No responsibility whatsoever will be accepted for photocopies of the whole or any part of this valuation.

We are not Financial, Investment or Taxation Advisors and this Valuation Report does not purport to offer any such advice, save to any limited extent to which any forecasts or estimates are expressly provided in accordance with accepted valuation methodology. Any advice required of a financial, investment or taxation nature should be obtained from a suitably qualified professional.

Finally, we must point out that neither the whole nor any part of this valuation nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

KINA BANK LIMITED

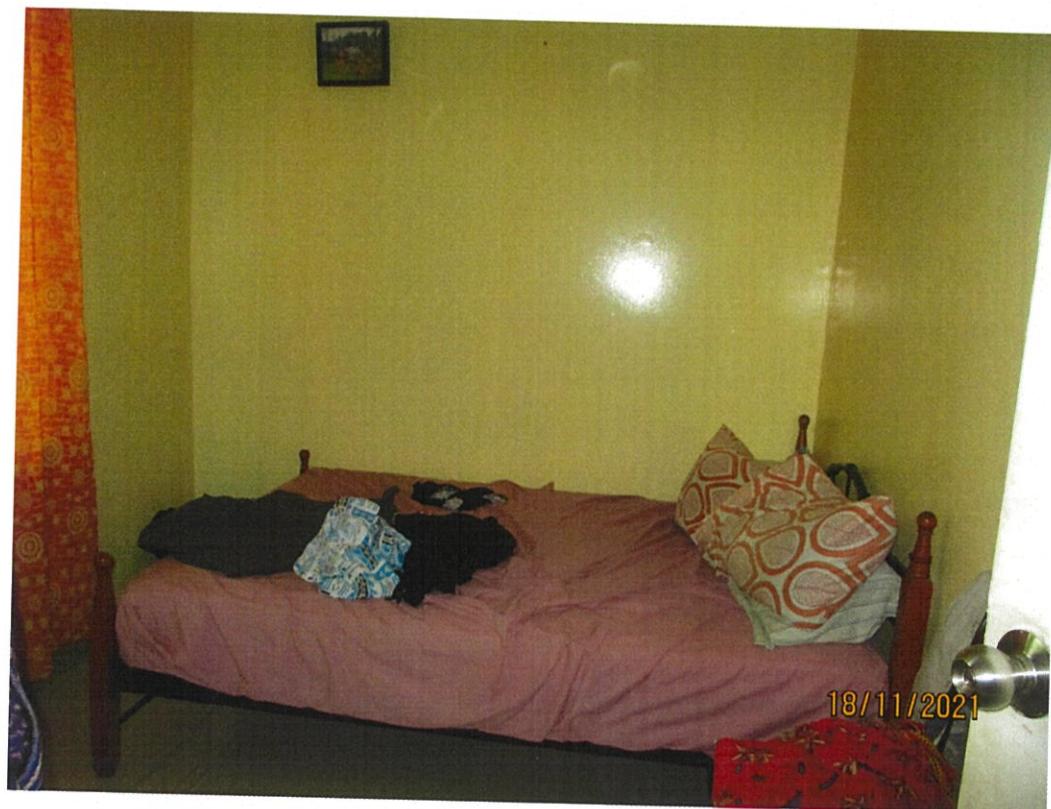
(A) PHOTOGRAPHS



TYPICAL UNIT:



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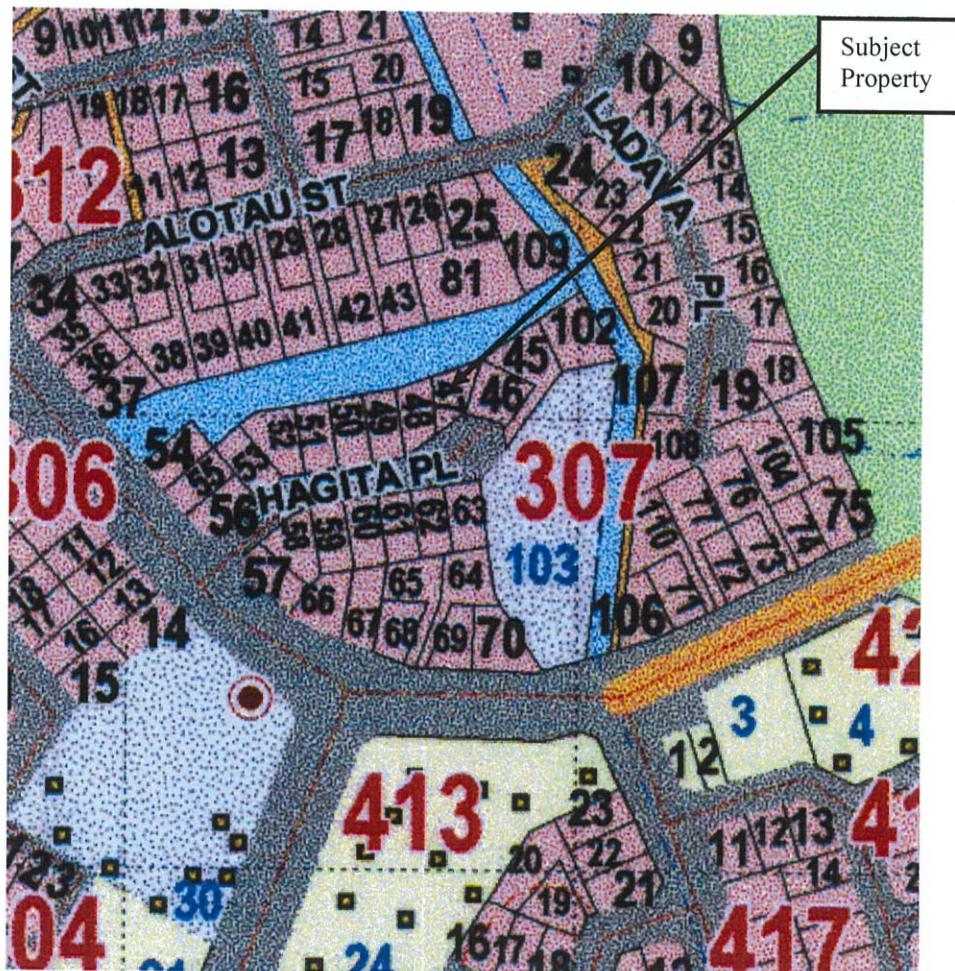


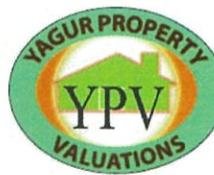
SITE IMPROVEMENTS:



(B) LOCALITY MAP

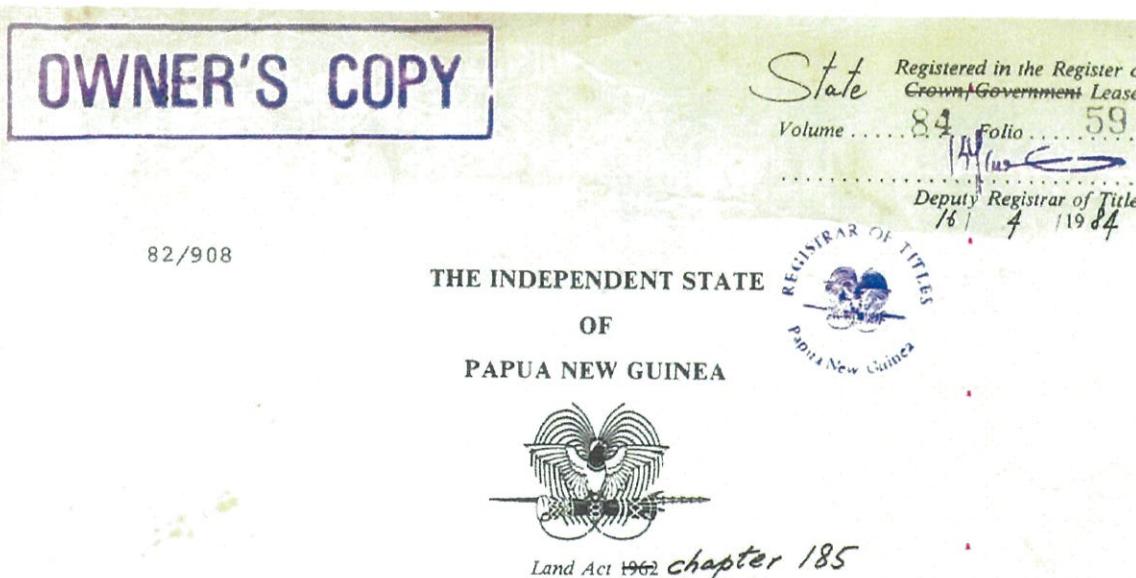
Allotment 47 Section 307, Hagita Place, Gerehu Stage 4, Port Moresby





KINA BANK LIMITED

(C) COPY OF STATE LEASE/TITLE



RESIDENCE LEASE UNDER SECTION 61 54

THE MINISTER FOR LANDS hereby grants to
HOUSING COMMISSION, IN

Papua New Guinea (hereinafter called "the Lessee") a lease under Section 61 of the Land Act 1962 Chapter 185
(hereinafter called "the Act") for a term of NINETY NINE (99) YEARS
from the SEVENTH day of JUNE 19 82
(hereinafter called "the commencement date") to the SIXTH day of JUNE 20 81
for RESIDENCE purposes of all that piece of land being

PORTION ALLOTMENT	MILITARY SECTION	POSTAL TOWN CITY	AREA	PROVINCE DISTRICT
47	307 HOHOLA	PORT MORESBY	0.0421 HA Be the same a little more or less	NATIONAL CAPITAL

which for purposes of identification only is shown coloured yellow
on the plan annexed hereto with all appurtenances thereto (hereinafter called "the land").

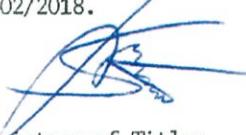
EXCEPTING AND RESERVING therefrom the reservations implied in every Government lease by the Act TO HOLE unto the Lessee for the term of the lease subject to the provisions of the Act and the Regulations thereunder and to the reservation: covenants and conditions hereinafter set forth.

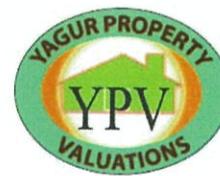
YIELDING AND PAYING therefore during the first ten (10) years of the term in advance on the first day of January in each and every year an annual rent of ONE HUNDRED AND FIFTY KINA (K150.00)
and thereafter such annual rent as shall be or become payable by reason of the annual rent having been redetermined in due course of law.



KINA BANK LIMITED

No.S.80822.TEANSFER to MALEE THOMSON of
University, self-employed. Produced
6/02/2018 at 10.54 a.m. entered
6/02/2018.


Registrar of Titles.



KINA BANK LIMITED

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11. A full disclosure of any information that has the potential to influence the value or marketability of the property (where applicable). This includes details of:
 - a) Relationship that exists between the vendor and the buyer;
 - b) Rental guarantee or lease back arrangement;
 - c) Vendor inducements / subsidies/ rebates, etc; and
 - d) Trades or swaps.
12. A full disclosure of conflict of interest by the valuer, if it exists, must be disclosed in the report;
13. Valuation to be signed and dated by an approved Valuer who is a registered member of Institute Valuer of PNG and holds a Professional Indemnity Insurance Policy; and
14. Valuer is required to have a Professional Indemnity Insurance Policy and confirms that there is no conflict of interest in action for Kina Bank Limited.

To assist in the valuation work, we provide herewith a copy of the State Lease concerned.

Kindly provide a quotation stating the professional fee for the scope of work stated above.

If you require further clarification, please contact the undersigned at 70227932.

Yours faithfully,

-----SIGNED-----

Brendan Paysoy
Business Lending Specialist
Business Banking

together it's possible

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