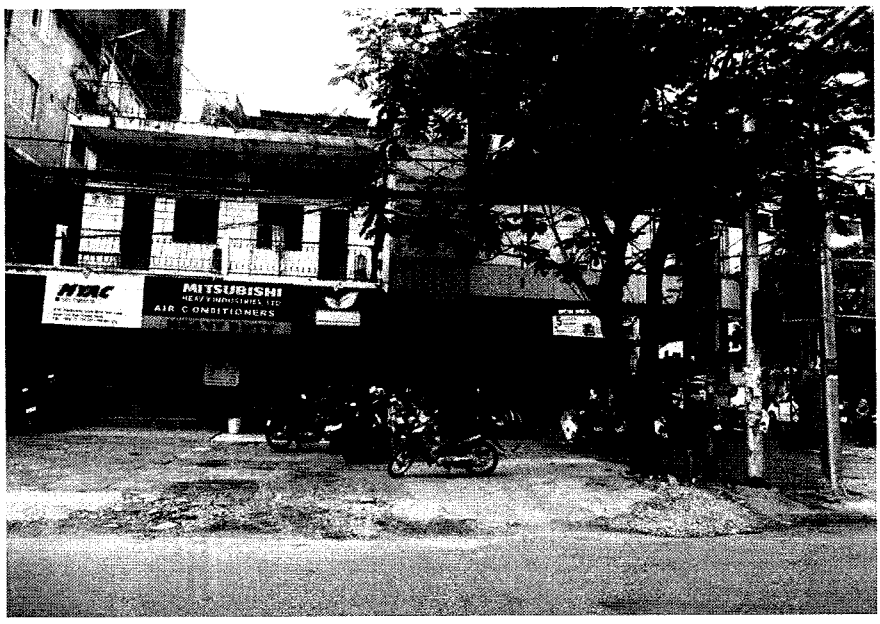
KEY REAL ESTATE
Your win-win partner

VALUATION OF

A parcel of land accommodating a 3-storey flat



Street 128, Village of 8, Commune of Teuk Laak I, District of Tuol Kork,
Capital City of Phnom Penh, Kingdom of Cambodia.

Under legal interest of
Kung Chung Heng and Bo Srey Pov

Prepared for
RHB Indochina Bank Limited
(City Mall Branch)

Date: 28 February 2017

Ref: V17-225

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KEY REAL ESTATE
Your win-win partner

Srey Neang/Beakna

Valuation Certificate

Ref: V17-225
Date of valuation: 23 February 2017
Purpose of valuation: Financing
Name of owner(s): Kung Chung Heng and Bo Srey Pov
Prepared for: RHB Indochina Bank Limited (City Mall Branch)

Valuation of a parcel of land accommodating a 3-storey flat held under Certificate of Real Estate Ownership No. 12040408-0114, Lot No. 114, Village of 8, Commune of Teuk Laak I, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.

Market Value
USD460,000 (Four hundred and sixty thousand US dollars).

Breakdown Market Values:

Subject Property	Area (sq.m)	USD/sq.m	Market Value (USD)
Land	64	About $6,500	$416,000
Building	172	About $255	$44,000

Forced Sale Value
USD368,000 (Three hundred and sixty eight thousand US dollars).

Fire Insurance Value
USD47,000 (Forty seven thousand US dollars).

For and on behalf of
Key Real Estate Co., Ltd

TOUCH BIN BEAKNA
Valuation Manager
Certificate No. V-10-079-03

For

SORN SEAP
Executive Director
License No. EV-10-079

1.0 Introduction

Property valuation is the process of forming an opinion of value-in-exchange under certain assumptions. Supply and demand within the property market as a whole and in specific submarkets will be changing all the time and therefore a valuation is a snapshot estimate of exchange price at a particular point in time. In our valuation practice, we use 5 common property valuation methods as follow:

Comparison Method

This approach considers the sales of similar or substitute properties and related market data, and establishes a market value estimated by adjustments made for differences in factors (such as time element, location, frontage, shape, size, lot type, tenure and other relevant factors) that affect value.

Cost Method

This approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or could offer comparable utility.

In practice, the approach also involves an estimate of depreciation for older or less functional properties where the estimated cost of a new replacement is likely to exceed the price that would be paid for the subject property.

Investment Method

This approach considers the net income that a property might generate, typically in the form of rent, and this income is capitalized using an appropriate yield at a suitable target rate of return.

Profits Method

This approach is most appropriate for properties occupied as business premises and in essence, attempts to determine the net operating profit from the trading accounts which is then capitalized using an appropriate yield.

Residual Method

This approach is used to estimate land value remaining from value of the completed development, measured in terms of Gross Development Value, after deduction of the costs of creating the development, Gross Development Cost, and the Developer's Profit requirement.

1.1 Terms of Reference

We have been instructed by RHB Indochina Bank Limited (City Mall Branch) to ascertain the current **Market Value, Forced Sale Value** and recommended **Fire Insurance Value** of the subject property for **Financing** purpose.

1.2 Date of Valuation

The date of valuation is 23 February 2017. The site inspection of the subject property was carried out with the assistance of owner, Mr. Kung Chung Heng.

2.0 PROPERTY DESCRIPTION

2.1 General Description

Type of property

The subject property is a parcel of land accommodating a 3-storey flat.

Address

Street 128, Village of 8, Commune of Teuk Laak I, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.

Utilities/facilities

Public electricity, water supply and drainage system have been connected to the subject property.

Zoning

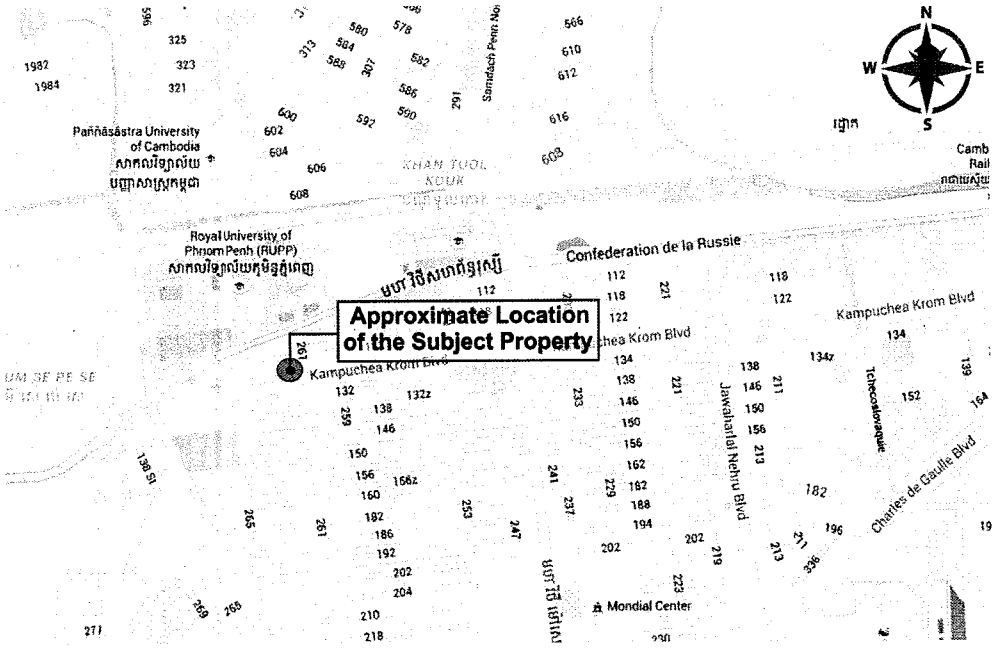
Our investigation and enquiry conducted with Commune of Teuk Laak I, revealed that the subject property is located within an area designated for mixed use.

However, at the date of our inspection we note that the subject property is currently located within commercial area.

Location

It front onto Street 128 and is located about 530 meters due north-west of Chea Sim Santhor Mok High School and 150 meters due south of Institute of Foreign Languages.

It is accessible from Skyway 7 Makara via Street 128, totally travelling about 440 meters.



APPROXIMATE LOCATION OF SUBJECT PROPERTY

LOCATION OF SUBJECT PROPERTY
CAPTURED FROM GOOGLE EARTH

GOOGLE EARTH POINT: (11°33'59.54"N 104°53'36.02"E)

Neighborhood

Within 1 kilometer radius from the subject property, there are market, school, shop, bank, hospital, university, restaurant, hotel, apartment, condo, guesthouse, petrol station and residences.

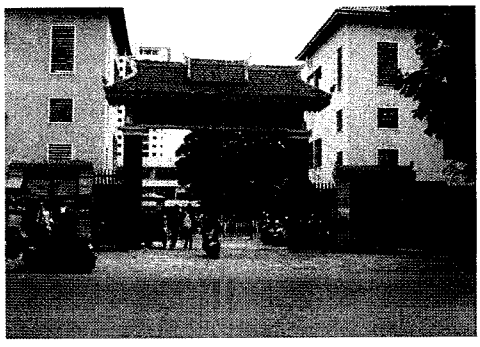
Landmark

Chea Sim Santhor Mok High School is located about 530 meters due south-east of the subject property.

Institute of Foreign Languages is located about 150 meters due north of the subject property.

Teuk Laak I Commune Hall is located about 200 meters due south-east of the subject property.

Royal University of Phnom Penh is located about 200 meters due north-west of the subject property.



CHEA SIM SANTHOR MOK HIGH SCHOOL

ROYAL UNIVERSITY OF PHNOM PENH

2.2 Site Description

Land area

The subject site has titled land area of 64 sq.m.

Land shape

It is an intermediate lot and rectangular in shape.

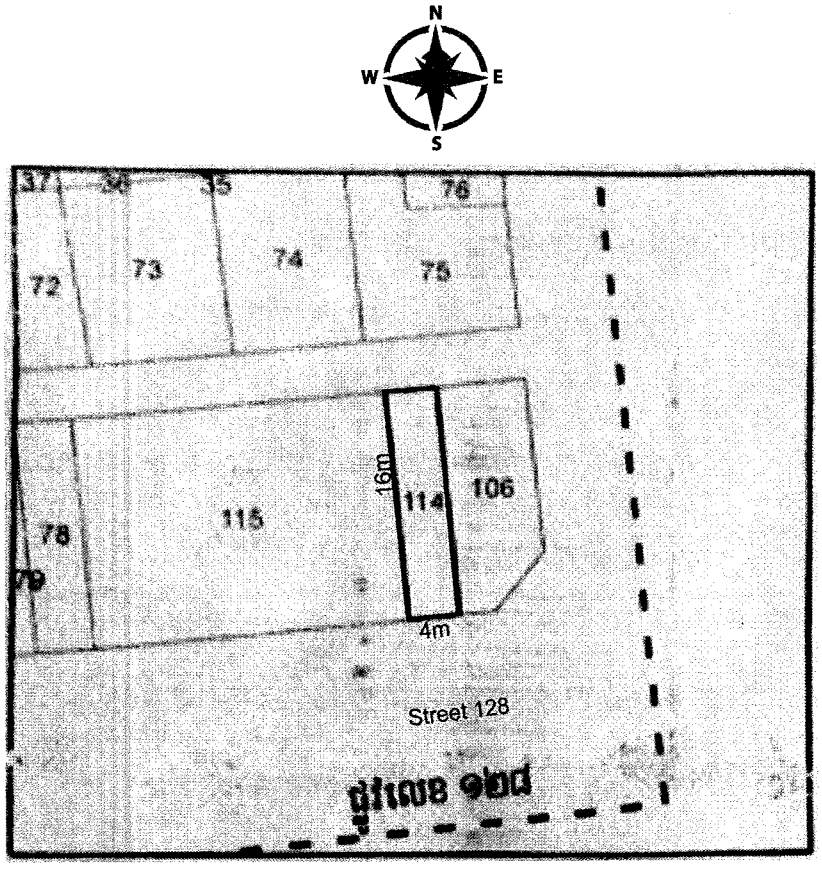
Terrain

The site is generally flat and lies slightly higher than frontage road level.

Site Boundaries

	Description	Demarcation
North	Abuts onto Back lane.	Plastered brickwalls.
South	Abuts onto Street 128.	Plastered brickwalls.
East	Abuts onto neighbouring lot.	Plastered brickwalls.
West	Abuts onto neighbouring lot.	Plastered brickwalls.

- Site plan of the subject property 'edged red' extracted from title deed is attached as follow:



2.3 Building Description

The building specifications and finishes are as follows:

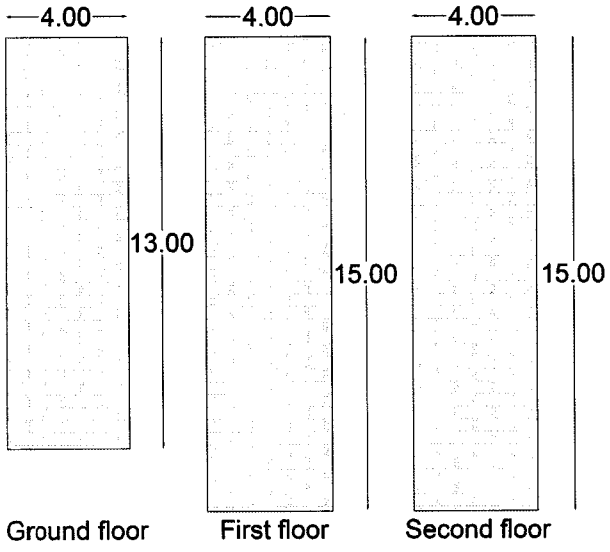
- Structure : Reinforced concrete frameworks.
- Floor : Ceramic tiles.
- Wall : Plastered brickwalls.
- Ceiling : Cement plaster.
- Roof : Concrete flat roof.
- Doors : Timber and metal frame incorporating glass panels.
- Windows : Aluminum casement incorporating glass panels.

- Vertical access : Concrete staircase incorporating timber handrail.
- Accommodation : Shop.

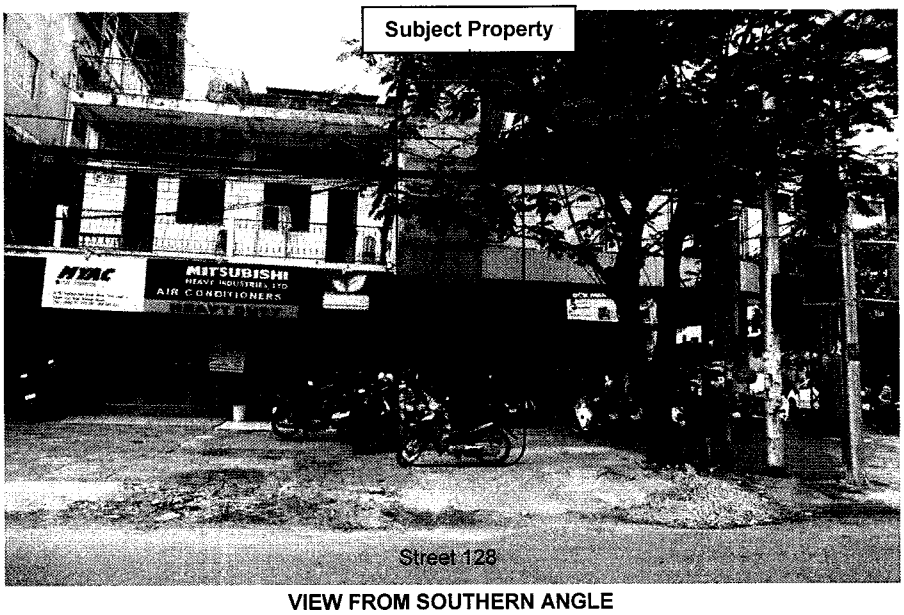
- Main floor area (MFA) : 172 sq.m.
- Ancillary floor area (AFA) : 0 sq.m.

- Gross floor area (GFA) : 172 sq.m.

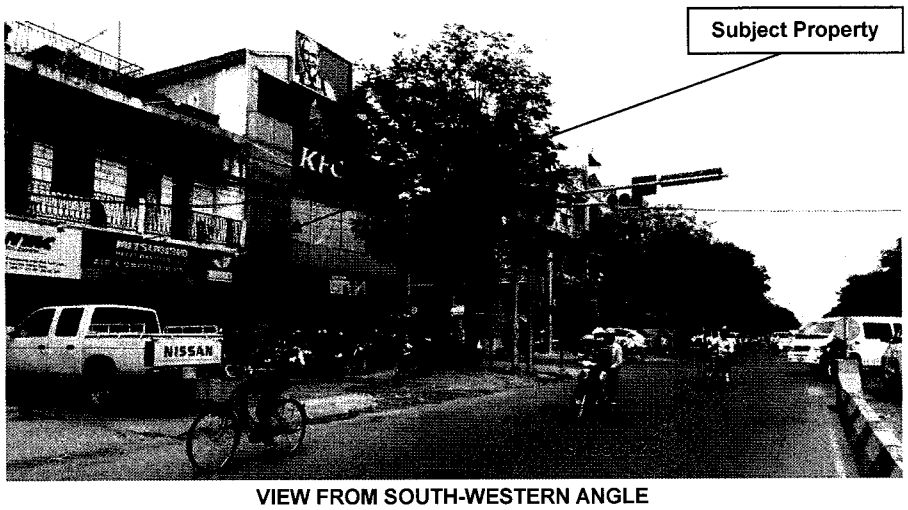
- Sketched floor layout plans of the building are attached as follow:



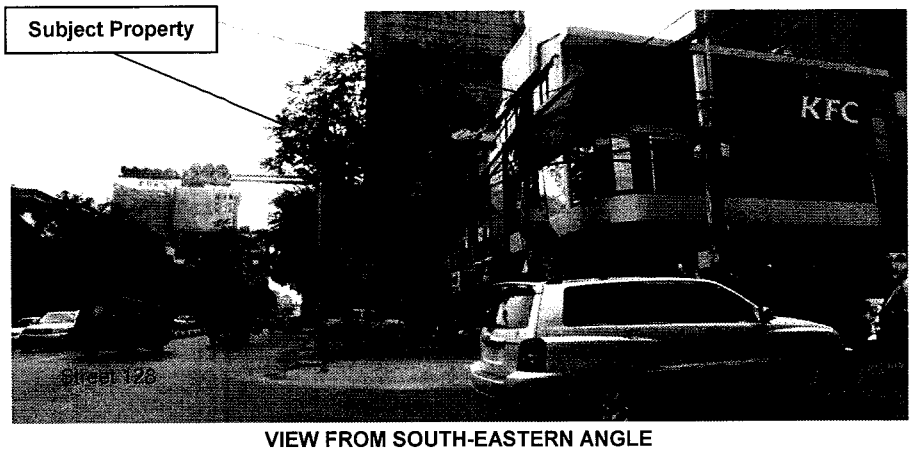
2.4 Property Photos



VIEW FROM SOUTHERN ANGLE



VIEW FROM SOUTH-WESTERN ANGLE



VIEW FROM SOUTH-EASTERN ANGLE

VIEW OF GROUND FLOOR

3.0 SWOT ANALYSIS

The analysis groups key pieces of information into two main categories which are briefly described as follow:

3.1 Internal Factors

Strengths	Weaknesses
- The subject property is under hard title - It fronts onto paved road - It is rectangular shape - The terrain of the subject site is generally flat - It lies slightly higher than frontage road level - Subject property is being under commercial use	- It has limited parking lot

3.2 External Factors

Opportunities	Threats
- The subject property is currently located within commercial area - It is located within high density of population with 5 kilometers radius - It has alternative accessibilities - It can easily be converted into guesthouse, office, restaurant and other workable business activities	- The changing of inflation rate cam affect the market price of the subject property

4.0 OCCUPANCY STATUS

At the date of our inspection, we noted that subject property is currently tenanted.

5.0 TITLE PARTICULARS

Title particulars extracted from the copied title document provided to us by the client are as follow:

Legal Description	:	Certificate of Real Estate Ownership No. 12040408-0114, Lot No. 114, Village of 8, Commune of Teuk Laak I, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.
Boundaries	:	North - Back lane. South - Street 128. East - Lot No. 100. West - Lot No. 116.
Type of Land	:	Nil.
Land Area	:	64 sq.m.
Name of Owner(s)	:	Kung Chung Heng and Bo Srey Pov.
Date of Issue	:	06 December 2016.

A photocopy of the aforesaid title deed is attached as **Appendix 'A'**.

6.0 BASES OF VALUATION

The bases of valuation adopted are as follow:

6.1 Market Value

It is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Value is understood as the value of a property estimated without regard to cost of sale or purchase, and without offset for any associated taxes.

6.2 Forced Sale Value

It is the amount that may reasonably be received from the sale of a property under forced sale conditions that do not meet all the criteria of a normal market transaction. It is a price which arises from disposition under extraordinary or atypical circumstances, usually reflecting an inadequate marketing period without reasonable publicity.

Forced Sale is an inappropriate mode of sale reflecting an unwilling seller condition, and/or disposal under compulsion or duress.

The recommended Forced Sale Value is arrived based on assumptions that the disposal of the property is carried out in a manner reflecting the position of an unwilling seller under conditions of compulsion or duress without an adequate period of marketing for the sale of such property.

6.3 Fire Insurance Value

It is the recommended total cost of reinstatement / reproduction of the building(s) erected on the site including costs of demolition and debris clearance plus the professional fees.

The recommended Fire Insurance Value for building does not include advice on cover for loss of rent or benefits, or cost of use of alternative premises during their period of reconstruction. Clients are therefore advice to seek guidance from professional insurance consultants in respect of their insurance needs.

7.0 VALUATION METHODOLOGY

In arriving at our opinion of the market value, we have used **Comparison Method** and/or **Cost Method** to value the Subject Property.

Using the Comparison Method, we have considered the sales of similar or substitute properties and related market data, and establishes a market value estimated by adjustments made for differences in factors (such as time element, location, frontage, shape, size, lot type, tenure and other relevant factors) that affect value.

Detail worksheet and comparable plan are attached as **Appendix 'B'**.

**Worksheet: Market Value Analysis*

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ

វិញ្ញាបនបត្រសម្គាល់ម្ចាស់អចលនទ្រព្យ

លេខ : 12040408-0114

ភូតគាមរាជធានី ខេត្ត : ភ្នំពេញ
ក្រុង ស្រុក ខណ្ឌ : មានជ័យ
ឃុំ សង្កាត់ : មឹកល្អក់ទី១
ភូមិ : ៨

លេខកូដសំណង់ : 5932-II 81 b 2
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ទំហំ : 64 ម២
ប្រភេទដី :
រូបភាពប្រើប្រាស់ដី : លំនៅឋាន
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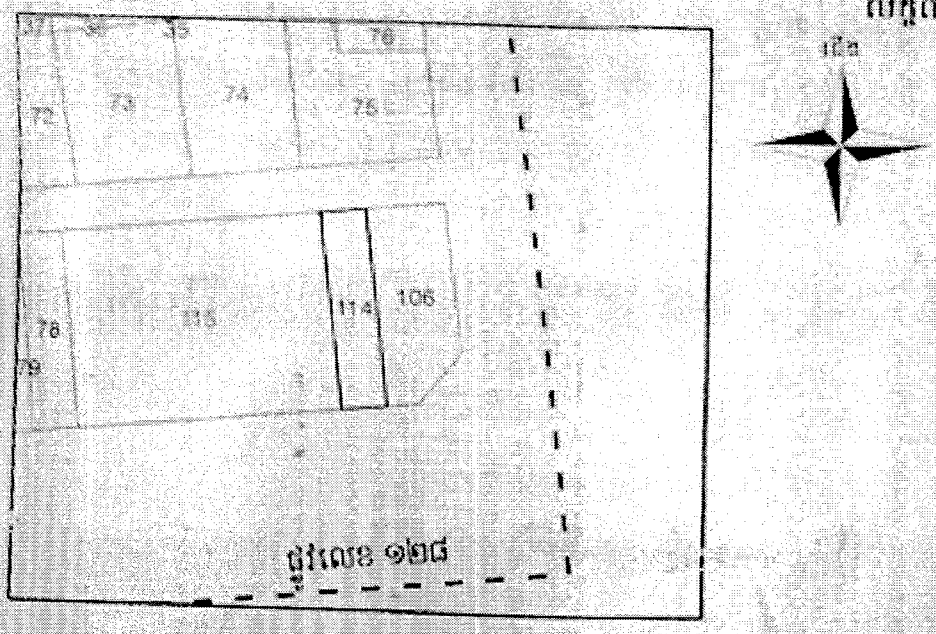

មាត្រដ្ឋាន 1/700

ធ្វើនៅភ្នំពេញ,ថ្ងៃទី ០៦ ខែ ១២ ឆ្នាំ ២០១៤

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ប្រធានមន្ទីរសាស្ត្រាវជ្រាវ និងកិច្ចការដីធ្លី នគរូបនីយកម្ម សំណង់ និងស៊ីសង្កាត

សារ៉ាន ១ណ្ណា

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លេខ : 010303480
គោត្តនាមនិងនាម: គង់ ជុងហេង
KUNG CHUNG HENG
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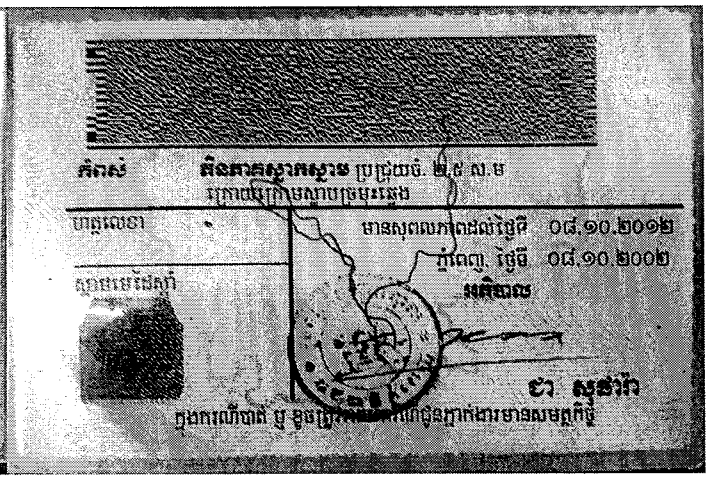

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លេខ : 010651899
គោត្តនាមនិងនាម ប៉ូ ស្រីពៅ
BO SREY POV
ថ្ងៃខែឆ្នាំកំណើត ០៥-០៣-១៩៧៨ ភេទ ស្រី
ស្រុកកំណើត ២ម្ចាស់ផ្ទះ
ខណ្ឌឫស្សីកែវ ក្រុងភ្នំពេញ
ទីលំនៅអចិន្ត្រៃយ៍ ផ្ទះ១៦៨ ផ្លូវ២៥៨ ភូមិ១
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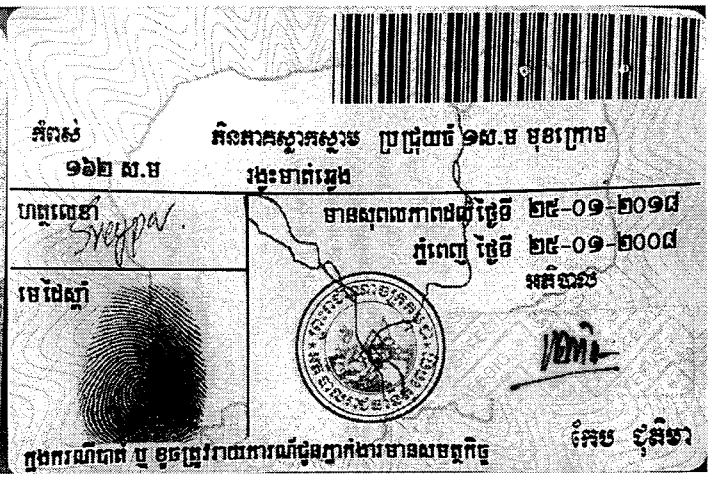

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ទេមដៃស្តាំ
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ភ្នំពេញ ថ្ងៃទី ២៥-០១-២០០៨
អតិថិជន
ក្នុងករណីបាត់ ឬ ខូចត្រូវការការណ៍ជូនភ្នាក់ងារមានសមត្ថកិច្ច
កែម ជុំតិមា

Comparison Method of Ref: V17-221

Property Detail	Subject Property (SP)	Comp 1	Comp 2	Comp 3	Comp 4
Property Type	A parcel of land accommodating a 3-storey flat	A 2-storey flats	A 3-storey flat	Vacant land	A 3-storey flat
Location	Refer to comparable plan	Refer to comparable plan	Refer to comparable plan	Refer to comparable plan	Refer to comparable plan
Land Area (sq.m)	**64**	**63**	**60**	**510**	**64**
Frontage (meter)	**4m x 16m**	**4.5m x 14m**	**6m x 16m**	**20m x 25.5m**	**4m x 16m**
Building area (sq.m)	**-**	**189 sq.m**	**180 sq.m**	**-**	**192 sq.m**
Type of Information	Valuation	Asking	Asking	Asking	Transaction
Date of Information	23-Feb-17	May-16	Jan-17	Nov-16	Mar-15
Source	-	Owner	Owner	Owner	Owner
Amount (USD)	-	**$680,000**	**$335,000**	**$2,142,000**	**$400,000**
		$601,000	**$289,000**	**-**	**$358,000**
Analyzed (USD psm)	-	**$9,540 psm**	**$4,817 psm**	**$4,200 psm**	**$5,594 psm**
Negotiation		-15%	-10%	-5%	0%
Market/Time		0%	0%	0%	15%
Adjustement Base		**$8,109 psm**	**$4,335 psm**	**$3,990 psm**	**$6,433 psm**
Location					
Road condition	Street 128	-10%	20%	20%	-
Reason		Comp is better	Comp is inferior	Comp is inferior	Similar
Distance from town/commercial area	Due south of Institute of Foreign Languages	-10%	30%	30%	-
Reason		Comp is better	Comp is inferior	Comp is inferior	Similar
Physical Characteristics					
Size	64	-	-	25%	-
Reason		Similar	Similar	Comp is inferior	Similar
Frontage	4m x 16m	-	-	-10%	-
Reason		Similar	Similar	Comp is better	Similar
Shape	Rectangular in shape	-	-	-	-
Reason		Similar	Similar	Similar	Similar
Lot type	Intermediate lot	-	-	-	-
Reason		Similar	Similar	Similar	Similar
Terrain	Slightly higher frontage road level	-	-	-	-
Reason		Similar	Similar	Similar	Similar
Title	Hard title	-	-	-	-
Reason		Similar	Similar	Similar	Similar
Tenure	Free hold	-	-	-	-
Reason		Similar	Similar	Similar	Similar
Total adjustment		**-20%**	**50%**	**65%**	**0%**
Adjusted Value		**$6,487 psm**	**$6,503 psm**	**$6,584 psm**	**$6,433 psm**
Weighted comparable	100%	25%	25%	25%	25%
	$6,501	$1,622	$1,626	$1,646	$1,608

Area (sq.m)	USD/sq.m	Market Value	Forced Sale Value
64	$6,500	$416,000	$333,000

Comparison Method of Ref: V17-225

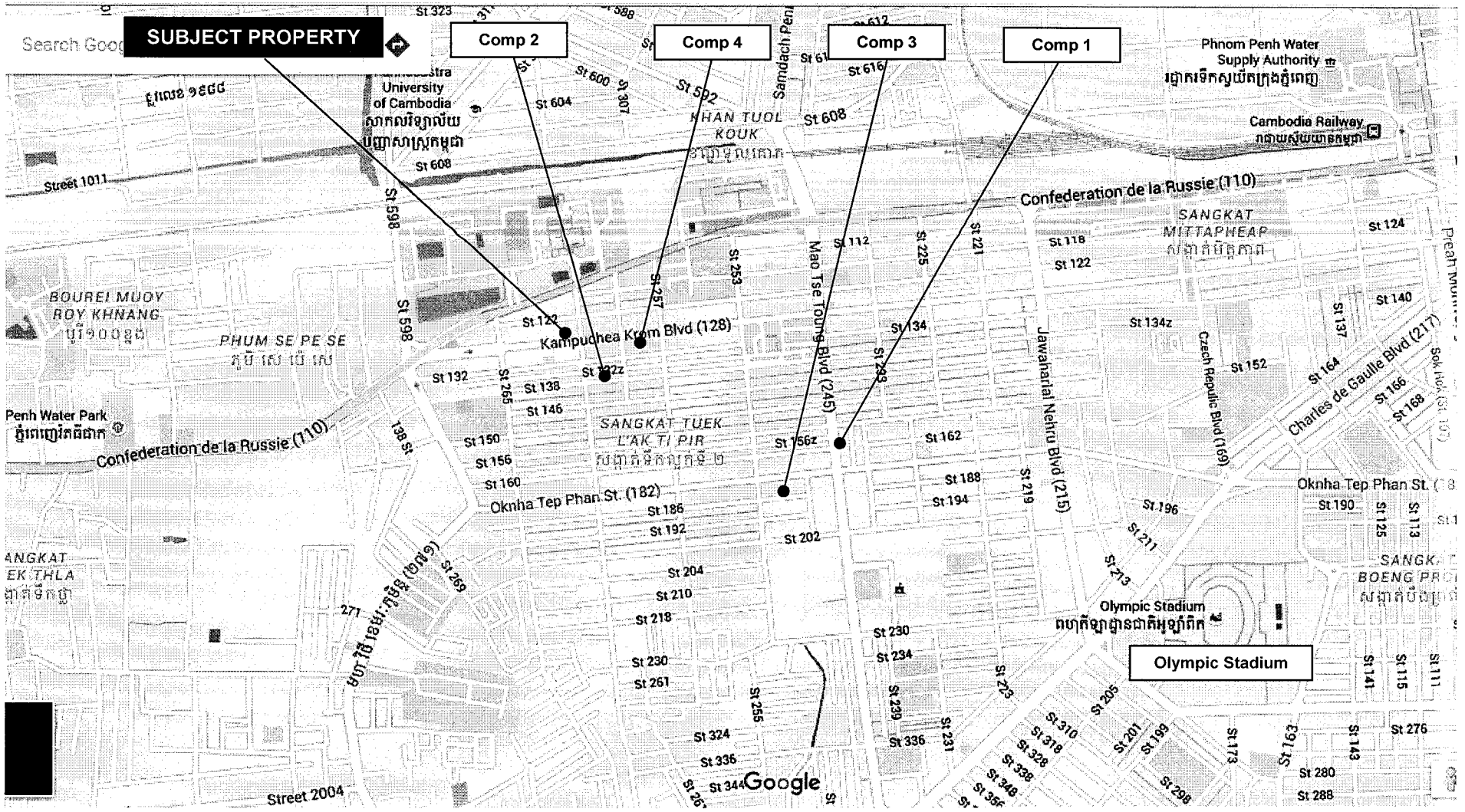
Titled Land area:	**64.0** sqm	$6,500 psm	$416,000
Frontage:	4.0 meters		

Structure	Identification	Dimension			MFA (sqm)	AFA (sqm)	GFA (sqm)	Cost After Depriciation	Building Cost After Depriciation
		Width		Length					
Ground floor	A	4.00	x	13.00	52.00		52.00	$269	$13,978
First floor	B	4.00	x	15.00	60.00		60.00	$250	$14,976
Second floor	B	4.00	x	15.00	60.00		60.00	$250	$14,976
					172	0	172	$255	$43,930

Demolition Cost:	$1,720
Total Building Value:	$43,930
Reconciliation Value:	$459,930

Adopted Market Value:	**$460,000**
Forced Sale Value (FSV) - (80% of MV):	**$368,000**
Fire Insurance Value (FIV):	**$47,000**

COMPARABLE PLAN [**V17-225**]



ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ

ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
លេខ.....២៥២.....សហវ.អឧហ

អាជ្ញាបណ្ណសេវាកម្មវាយតម្លៃ (បន្ត)

RENEWAL OF PROPERTY VALUATION LICENSE

នាមការណ៍ក្រុមហ៊ុន	: **យ៉ី ឡេលអ៊ីស្តេត ខូអិលធីឌី** (KEY REAL ESTATE CO., LTD)
នាម និងគោត្តនាមនាយកក្រុមហ៊ុន	: លោក **សន សៀម** ភេទ **ប្រុស** ថ្ងៃខែឆ្នាំកំណើត ១៨.0[illegible]៨១ សញ្ជាតិ [illegible]
ឈ្មោះអ្នកកាន់វិញ្ញាបនប័ត្រវិជ្ជាជីវៈ	: លោក **សុន ណែម** ភេទ **ប្រុស** ថ្ងៃខែឆ្នាំកំណើត ១៩.01.19[illegible] [illegible]ញ្ជាតិ ខ្មែរ
ទីតាំងក្រុមហ៊ុន	: ផ្ទះលេខ ១0៨ ABCD ផ្លូវ ម៉ៅសេទុង សង្កាត់ ទួលទំពូង២ ខណ្ឌ ចំការមន រាជធានីភ្នំពេញ
អត្តលេខក្រុមហ៊ុន	: EV-10-079
សុពលភាពអាជ្ញាបណ្ណ	: អាជ្ញាបណ្ណនេះ មានសុពលភាពរហូតដល់ថ្ងៃទី ០៤ ខែ មិថុនា ឆ្នាំ ២0១៧ ។

រាជធានីភ្នំពេ[illegible] ... ខែ... ... ...

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ

ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
លេខ ២៧៥.....សហវ.អនហ

វិញ្ញាបនប័ត្រវិជ្ជាជីវៈវាយតម្លៃអចលនវត្ថុ
PROFESSIONAL CERTIFICATE FOR VALUER

ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

សូមបញ្ជាក់ថា

លោក **ទូច ប៊ីនបែកណា (Mr. TOUCH BIN BEAKNA)** សញ្ជាតិ **ខ្មែរ**

កើតថ្ងៃទី ០៩ ខែ សីហា ឆ្នាំ ១៩៩០ អត្តលេខ: V-10-079-03

ជា

អ្នកជំនាញផ្នែកវាយតម្លៃអចលនវត្ថុ (Valuer)

វិញ្ញាបនប័ត្រវិជ្ជាជីវៈនេះ មានសុពលភាព ០១ ឆ្នាំ គិតចាប់ពីថ្ងៃចុះហត្ថលេខានេះតទៅ ។

រាជធានីភ្នំពេញ ថ្ងៃទី ២០.....ខែ ...ឧសភា.....ឆ្នាំ២០១៦

ជំនួយការផ្នែកសន្ធិសញ្ញា
ទទួលបន្ទុកការងារក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

បណ្ឌិត. **អុន រ៉ាន្ធមុនីរ៉ា**

<u>សំគាល់:</u> អ្នកកាន់វិញ្ញាបនប័ត្រវិជ្ជាជីវៈត្រូវអនុវត្តទៅតាមប្រកាសស្តីពីការផ្តល់វិញ្ញាបនប័ត្រវិជ្ជាជីវៈ និងអាជ្ញាបណ្ណផ្នែកសេវាកម្ម វាយតម្លៃ និងសេវាកម្មអចលនវត្ថុ និងសៀវភៅបន្ទុកស្តីពីលក្ខខណ្ឌអនុវត្តវិញ្ញាបនប័ត្រវិជ្ជាជីវៈសំរាប់សេវាកម្ម វាយតម្លៃ និងសេវាកម្ម អចលនវត្ថុ ព្រមទាំងបទប្បញ្ញត្តិដែលមានជាធរមាននៅព្រះរាជាណាចក្រកម្ពុជា ។