



VALUATION OF

A parcel of vacant land



Village of Kork Kleang, Commune of Phnom Penh Thmey,
District of Russey Keo, Capital City of Phnom Penh,
Kingdom of Cambodia.

Under legal interest of
Choeng Ieng Cheu

Prepared for
RHB Indochina Bank Limited
(City Mall Branch)

Date: 23 July 2015

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EXECUTIVE SUMMARY

Purpose of Valuation : Financing.

Date of Valuation : 22 July 2015.

Type of Property : A parcel of vacant land.

Address : An unnamed laterite road, Village of Kork Kleang, Commune of Phnom Penh Thmey, District of Russey Keo, Capital City of Phnom Penh, Kingdom of Cambodia.

Location : Fronts onto an unnamed laterite road and is located about 900 meters and 430 meters due south-east of Chhouk Meas Market and 620 meters due north-east of Hun Sen Samaki Primary School.

Legal Description : Certificate of Real Estate Ownership No. 12070509-1930, Lot No. 1930, Village of Kork Kleang, Commune of Phnom Penh Thmey, District of Russey Keo, Capital City of Phnom Penh, Kingdom of Cambodia.

Land Area : 1,296 sq.m.

Registered Owner(s) : Choeng leng Cheu.

Market Value : **USD259,000** (Two hundred and fifty nine thousand US dollars).

Forced Sale Value : **USD181,000** (One hundred and eighty one thousand US dollars).

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** and **Forced Sale Value** of the subject property for **Financing** purpose.

1.2 Date of Valuation

The date of valuation is 22 July 2015. The site inspection of the subject property was carried out with the assistance of owner, Mr. Choeng Ieng Cheu.

2.0 PROPERTY DESCRIPTION

2.1 General Description

Type of property

The subject property is a parcel of vacant land.

Address

An unnamed laterite road, Village of Kork Kleang, Commune of Phnom Penh Thmey, District of Russey Keo, Capital City of Phnom Penh, Kingdom of Cambodia.

Utilities/facilities

Public electricity, water supply and drainage system have not been connected to the subject property.

Zoning

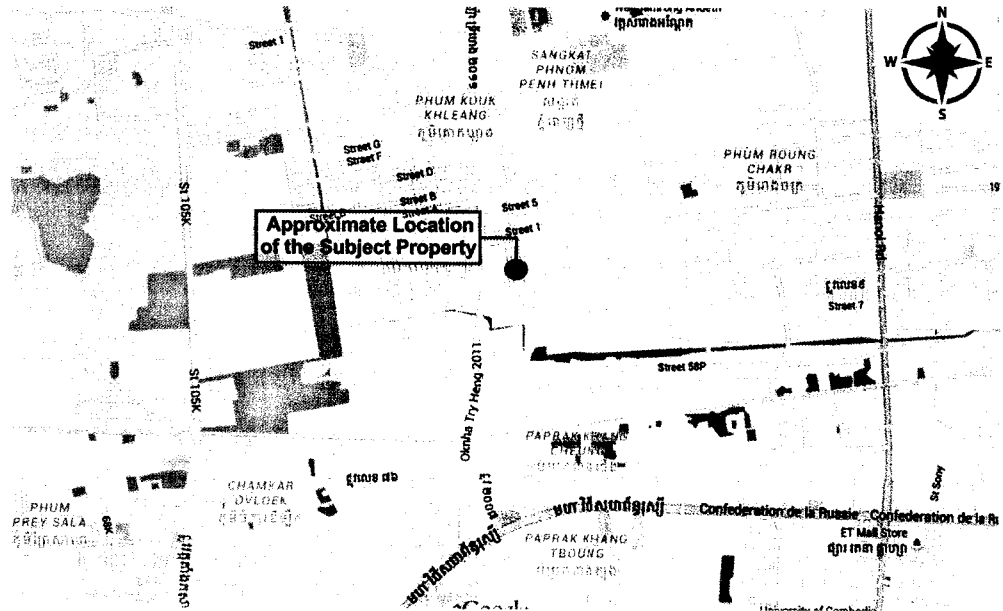
Our investigation and enquiry conducted with Commune of Phnom Penh Thmey, revealed that the subject property is located within an area designated for mixed use.

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

Location

It fronts onto an unnamed laterite road and is located about 440 meters and 430 meters due south-east of Chhouk Meas Market and 620 meters due north-east of Hun Sen Samaki Primary School.

It is accessible from 7Makara Skyway via Confederatoin de la Russie (Street 110), Oknha Try Heng 2011, an unnamed paved road and thence turning onto an unnamed laterite road, totally travelling about 5.6 kilometers.



APPROXIMATE LOCATION OF SUBJECT PROPERTY



LOCATION OF SUBJECT PROPERTY CAPTURED FROM GOOGLE EARTH

Neighborhood

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

Landmark

Chhouk Meas Market is located about 440 meters due north-west of the subject property.

Hun Sen Samaki Primary School is located about 620 meters due south-west of the subject property.

Samroung Andet Pagoda is located about 1.2 kilometers due north-east of the subject property.

Borey Varyna is located about 770 meters due north of the subject property.



CHHOUK MEAS MARKET



HUN SEN SAMAKI PRIMARY SCHOOL

2.2 Site Description

Land area

The subject site has titled land area of 1,296 sq.m.

Land shape

It is an intermediate lot and rectangular in shape.

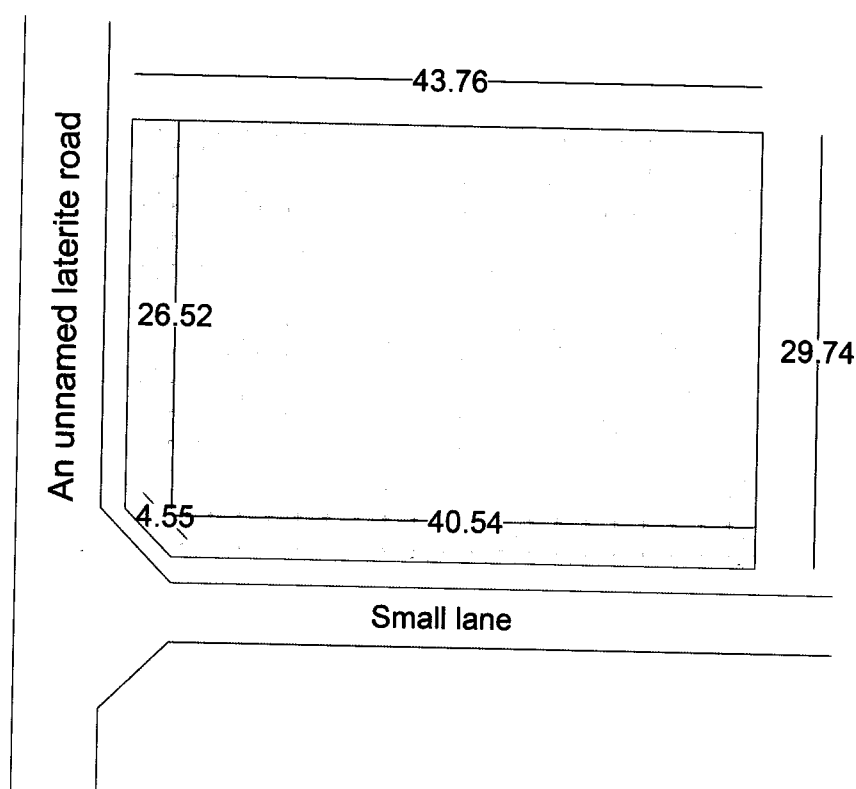
Terrain

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

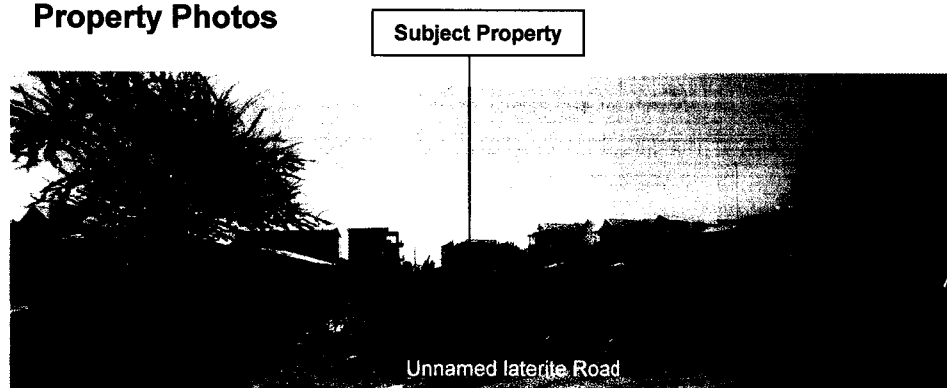
Site Boundaries

	Description	Demarcation
North	Abuts onto neighbouring lot.	2-meter high plastered brickwalls.
South	Abuts onto small lane.	2-meter high plastered brickwalls.
East	Abuts onto neighbouring lot.	2-meter high plastered brickwalls.
West	Abuts onto an unnamed laterite road	2-meter high plastered brickwalls.

- Sketched site plan of the subject property is attached as follow:



2.3 Property Photos



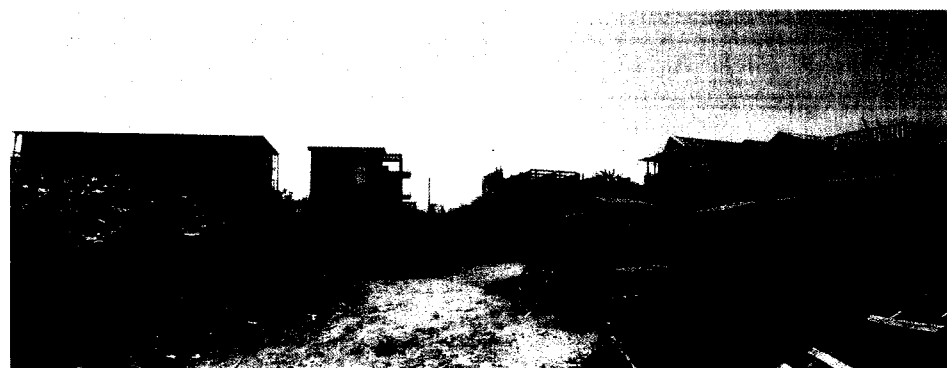
VIEW FROM WESTERN ANGLE



VIEW FROM NORTH-WESTERN ANGLE



VIEW FROM SOUTH-WESTERN ANGLE



VIEW FROM WESTERN SITE BOUNDARY



VIEW FROM EASTERN SITE BOUNDARY

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
<ul style="list-style-type: none"> - The subject property is under hard title - It is rectangular shape - The terrain of the subject site is generally flat 	<ul style="list-style-type: none"> - Nil

3.2 External Factors

Opportunities	Threats
<ul style="list-style-type: none"> - The subject property is currently located near commercial area - It is near to development zone - It has alternative accessibilities - It can easily be converted into warehouse, petrol station and other workable business activities 	<ul style="list-style-type: none"> - Nil

4.0 OCCUPANCY STATUS

At the date of our inspection, we noted that subject property is currently vacant and unoccupied.

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. 12070509-1930, Lot No. 1930, Village of Kork Kleang, Commune of Phnom Penh Thmey, District of Russey Keo, Capital City of Phnom Penh, Kingdom of Cambodia.

Boundaries : North - Lot Nos. 740 and 742.
South - Road.
East - Lot Nos. 1925, 1926, 1927 and 1928.
West - Road.

Type of Land : Nil.

Land Area : 1,296 sq.m.

Registered Owner(s) : Choeng leng Cheu.

Date of Issue : 28 October 2008.

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.

7.0 VALUATION METHODOLOGY

In arriving at our opinion of the market value, we have used **Comparison 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*

8.0 OPINION OF VALUE

Based on our investigation and analysis, it is our opinion that the market value and forced sale value of the subject property as of 22 July 2015 are estimated to be as follows:

Market Value

USD259,000 (Two hundred and fifty nine thousand US dollars).

Market Value Details:

Subject Property	Area (sq.m)	Market Value (USD)	USD / sq.m
Land	1,296	\$259,000	About \$200

Forced Sale Value

USD181,000 (One hundred and eighty one thousand US dollars).

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



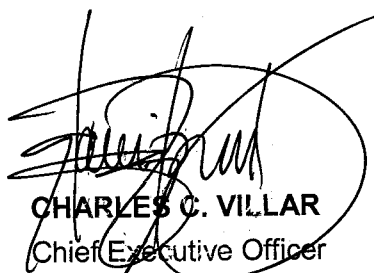
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Deputy Head for Valuation
Valuation Department

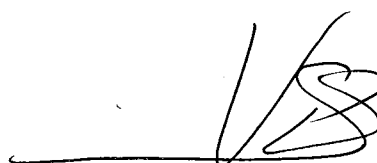


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