

*Report And Valuation Of A 3-Storey Office Building,
Held Under Title Deed No. 12070506-0395, Located Along An Unnamed Laterite Road,
Phum Rong Chak, Sangkat Phnom Penh Thmey, Khan Russey Keo, City Of Phnom Penh, Kingdom Of Cambodia..*

**REPORT AND VALUATION
OF
A 3-STOREY OFFICE BUILDING,
HELD UNDER TITLE DEED NO. 12070506-0395,
LOCATED ALONG AN UNNAMED LATERITE ROAD,
PHUM RONG CHAK, SANGKAT PHNOM PENH THMEY, KHAN RUSSEY KEO,
CITY OF PHNOM PENH, KINGDOM OF CAMBODIA.**

(APPLICANTS: TRANG HEANG & TRANG TY)

CONTENTS PAGE

1.0 INTRODUCTION

1.1	TERMS OF REFERENCE	2
1.2	DATE OF VALUATION	2
1.3	DEFINITIONS	2
1.4	QUALIFICATIONS AND DISCLAIMERS	3

2.0 PROPERTY SEARCH DETAILS

2.1	TITLE PARTICULARS	4
2.2	TOWN PLANNING	5

3.0 SITE DETAILS

3.1	DESCRIPTION	6
3.2	LOCATION	6
3.3	SURROUNDING LOCALITY	6
3.4	SITE	7
3.5	SERVICES	7

4.0 BUILDING DETAIL

4.1	BUILDING	8
4.2	STRUCTURAL SURVERY	9

5.0 OCCUPANCY STATUS

5.1	TENANCY	10
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6.0 VALUATION METHODOLOGY

6.1	BASIS OF VALUATION	11
6.2	COMPARABLES	11
6.3	SUMMARY/OPINION OF VALUE	12

APPENDICES

- Location Plan **Appendix I.**
- Sketched Site Plan **Appendix II.**
- Building Layout Plan **III.**
- Photographs **Appendix IV.**
- Comparable Plan **Appendix V.**



HB CONSULTANCY (CAMBODIA) PTE LTD
A Member of the Henry Butcher Group

Your Ref : --
Our Ref : VR/10-16/0288

Date: October 06, 2016

RHB Indochina Bank (City Mall Branch)
Charles de Gaulle Blvd (217)
Phnom Penh Cambodia.

Attention: Sir/Madam

REPORT AND VALUATION OF A 3-STOREY OFFICE BUILDING, HELD UNDER TITLE DEED NO. 12070506-0395, LOCATED ALONG AN UNNAMED LATERITE ROAD, PHUM RONG CHAK, SANGKAT PHNOM PENH THMEY, KHAN RUSSEY KEO, CITY OF PHNOM PENH, KINGDOM OF CAMBODIA.
(APPLICANTS: TRANG HEANG & TRANG TY)

We refer to your instructions to advice on the current **Market Value**, **Forced Sale Value** and recommended **Fire Insurance Value** of the above-mentioned property for loan financing purpose. The property is shown in the attached plans and is more fully described in the Report.

The subject property was inspected and referenced on October 04, 2016. The material date of valuation is the date of inspection. This Report contains an analysis of the available data. In arriving at the current **Market Value** of the subject property, we have adopted the "Comparison" of valuation. It is our considered opinion that the current **Market Value (MV)**, **Forced Sale Value (FSV)** and recommended **Fire Insurance Value (FIV)** of the freehold unencumbered interest in the subject property in its existing physical condition with the benefit of vacant possession, is as follows:-

MV – USD 578,000 (United States Dollar: Five Hundred And Seventy Eight Thousand Only)

FSV – USD 462,000 (United States Dollar: Four Hundred And Sixty Two Thousand Only)

FIV – USD 349,000 (United States Dollar: Three Hundred And Forty Nine Thousand Only)

We would also draw your attention to the Limiting Conditions at the end of this Report, governing its use and applications.

Please do not hesitate to contact us if you require any further information or assistance.

Yours faithfully,
HB CONSULTANCY (CAMBODIA) PTE., LTD.



CHRISTOPHER RANGEIT PONNIAH
Executive Director

Chris/Chenda/Bros

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Valuation | Marketing | Consultancy | Agency | Management | Plant & Machinery

1.0 INTRODUCTION

1.1 TERMS OF REFERENCE

We have been instructed by **RHB Indochina Bank (City Mall Branch)** to ascertain the current **Market Value** and **Forced Sale Value** of the subject property for loan financing purpose.

1.2 DATE OF VALUATION

The subject property was inspected on October 04, 2016. The material date of valuation for the above exercise is the date of inspections, i.e., October 04, 2016. The site inspection of the subject property was carried out with assistance of the owner, **Mr. TRANG TY**.

1.3 DEFINITIONS

The term "**MARKET VALUE**" as used herein 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.

The term "**FORCED SALE VALUE**" in this context 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.

The term recommended "**FIRE INSURANCE VALUE (REINSTATEMENT BASIS)**" is defined to include the total cost of reinstatement/reproduction of the building(s) standing on the land including the provision for the cost of demolition and cost of professional fees. No allowances are given for piling and foundations, external works and services (eg the electronic and telecommunication infrastructure works, external lighting installations, etc.) loose furniture and fittings and any additional costs required to satisfy requirements of the Local Government, State or Federal Government or other regulatory bodies imposed before approval for reconstruction or before buildings are certified to be fit for habitation.

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

1.4 QUALIFICATIONS AND DISCLAIMERS

The Valuer has no pecuniary interest in the said property past, present or prospective, and the opinion expressed is free of any bias in this regard.

The Report and Valuation is in accordance with established international standards.

Any encumbrance, restriction or other factor not specifically referred to in this report, which is or should be revealed by the appropriate land and title searches and which would, in the opinion of the client's solicitor, affect the value or marketability of the property, should be referred to the valuer for comment before any advancement is made.

This Valuation represents our opinion of value as at the date of the valuation. It must be recognised that the real estate market fluctuates with internal and external influences and the valuation should be reviewed at regular intervals.

2.0 PROPERTY SEARCH DETAILS

2.1 TITLE PARTICULARS

The history of the title deed has not been investigated and we recommend that solicitors be instructed to undertake this task.

The following details were obtained from a copy of the title deed issued by Department of Land Management Urban Planning, Construction and Cadastral as provided by the client. The details as provided are assumed to be correct for the purpose of this valuation.

Certificate of Real Estate Ownership No. 12070506-0395

Plot No.	:	395.
Village	:	Rong Chak.
Commune	:	Phnom Penh Thmey.
District	:	Russey Keo.
City	:	Phnom Penh.
Date of Issue/Acquisition	:	June 25, 2006.
Land Area	:	Approximately 587 sq.m.
Registered Owners	:	Trang Heang & Trang Ty.
Type of Land	:	Not Stated.
Type of Ownership	:	Private.
Boundaries	:	North: An Unnamed Laterite Road. South : Plots No. 9, 10, 17. East : Plot No. 19. West : Plot No. 381.
Encumbrance	:	N/A.
Remark	:	Not Stated.

A copy of Title Deed is attached as **Appendix II** for easy reference.

2.2 TOWN PLANNING

Information on Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we strongly recommend that your solicitor or other professional advisors undertake this task of verification.

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

3.0 SITE DETAILS

3.1 DESCRIPTION

The subject property comprises a 3-storey office building, Held Under Title Deed No. 12070506-0395, located along an unnamed laterite road, phum rong chak, sangkat phnom penh thmey, khan russey keo, city of phnom penh, kingdom of cambodia.

3.2 LOCATION

The subject property is located along an unnamed laterite road, phum rong chak, sangkat phnom penh thmey, khan russey keo, city of phnom penh, kingdom of cambodia. Geographically, it is about 6.10 kilometres due north-west of the Phnom Penh City Centre (Central Market).

The subject property is easily accessible from Phnom Penh City Centre (Central Market) via Kampuchea Krom Boulevard (Street 128) heading west about 2.18. kilometer, then turning right onto Mao Tse Toung Boulevard (Street 245) heading north about 0.30 kilometer, then turning left onto Confederation De La Russie (Street 110) heading west about 3.36 Kilometer, then turning right onto Hanio Street heading north about 1.70 Kilometer, then turning left onto Concrete Road heading west about 0.25 Kilometer, then turning right onto Concrete Road heading north about 0.17 and finally then turning left onto An Unnamed Laterite Road heading west about 0.28 Kilometer, which leads to the subject on the left hand side.



CENTRAL MARKET

3.3 SURROUNDING LOCALITY

Surrounding developments comprises within mainly commercial and residential, including restaurants, hospital, markets, banks, petrol stations, guesthouses, schools, pagodas, shops, vacant land and residences.

Notable landmarks including Borey New World City (Samrong Andeth) and Phnom Penh Thmey Primary School are located approximately 0.45 kilometre and 0.62 kilometre due north and due south-east of the subject property respectively.

Other landmarks include Wat Samrong Andeth and Hun Sen Phnom Penh Thmey High School are located approximately 0.64 kilometre and 0.84 kilometre due north-west of the subject property respectively.

For easy reference, the subject property is shown marked red in the attached **Location Plan as Appendix I.**

3.4 SITE

The subject site is rectangular in shape, encompassing land area of approximately 587 sq.m. (about 6,318.42 sq.ft.) with an elongated access of about 18 m width onto An Unnamed Laterite Road and average depth about 24 m. The subject site is generally flat and lies slightly equal frontage road level.

Appendix II shows the **Site Plan** of the subject property which provided by the client.

3.5 SERVICES

Public electricity, water supply and drainage system is available and has been connected to the subject property.

Street lighting, road maintenance, sewage disposal and garbage collection are provided by Phnom Penh Municipality.

4.0 BUILDING DETAILS

4.1 BUILDING

The building specifications and finishes are as follows:-

A 3-STOREY OFFICE BUILDING

At the date of our inspection, we were unable to measure the building and enter to the subject property, therefore the following built-up area and building description were provided by the property's owner, Trang Heang & Trang Ty and we assume that all of the above information considered to be correct. The building is generally constructed of reinforced concrete. The doors are metal framework to the main entrance whilst the window is aluminum casement incorporating glass panels, the floor finishes with Concrete flat roof. The building has an approximate Gross Floor Area of 1,145.08 sq.m square metres (about 12,325.53 sq.ft).



A 3-STOREY OFFICE BUILDING

4.2 STRUCTURAL SURVEY

We have not sighted a building surveyor/engineer's report or inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation or the improvements. However, at the date of our inspections, we note that the subject property was in a fair state of decorative repair and maintenance.

Appendix II shows the Site Plan whilst some photographs of the subject property are attached as **Appendix IV**.

5.0 OCCUPANCY STATUS

5.1 TENANCY

At the date of our inspection, we noted that the subject property was owner occupied and being operated as “Multinational Advertising Group PTL., Ltd And MAGG Construction Products Trading Co., Ltd”.

6.0 VALUATION METHODOLOGY

6.1 BASIS OF VALUATION

We have adopted the "Comparison method" in formulating our opinion of the current **Market Value** of the subject property.

This approach is the Market Approach of comparing the subject property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as location, size, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

6.2 COMPARABLES

In arriving at our opinion of value, we have taken into consideration amongst others, the following recent sale transaction and asking price in the vicinity:-

Comp	Information	Land Area	Price	Date
1	Location: Phum Rong Chak and is located approximately 0.01 kilometer north of the subject property. Type: <i>A Vacant Land</i> . Lot type : Intermediate lot. (Source : Asking Price)	648sq.m.	USD \$ 401.3 psm	October 2016
2	Location: Phum Rong Chak and is located approximately 0.02 kilometer due north-west of the subject property. Type: <i>A Vacant Land</i> . Lot type : Intermediate lot. (Source : Asking Price)	600sq.m.	USD \$ 400 psm	October 2016
3	Location: Phum Rong Chak and is located approximate 0.10 kilometer due north-east of the subject property. Type: <i>A Vacant Land</i> . Lot type: Intermediate Lot. (Source: Asking Price)	856sq.m.	USD \$ 397 psm	October 2016

The **Comparable Plan** is attached as **Appendix V**.

6.3 CONCLUSION/OPINION OF VALUE

It is our considered opinion that the current **Market Value (MV)** of the freehold unencumbered interest in the subject property in its existing physical condition with the benefit of vacant possession, is as follows:-

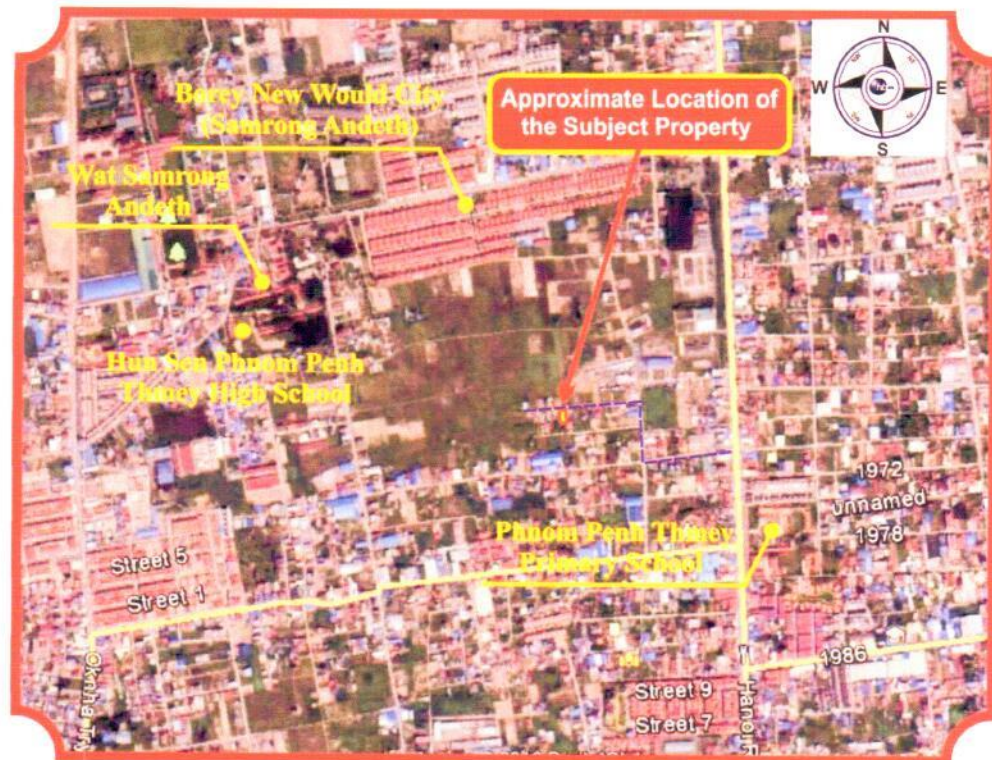
MV – USD 578,000 (United States Dollar: Five Hundred And Seventy Eight Thousand Only)

Estimated Breakdown Values:

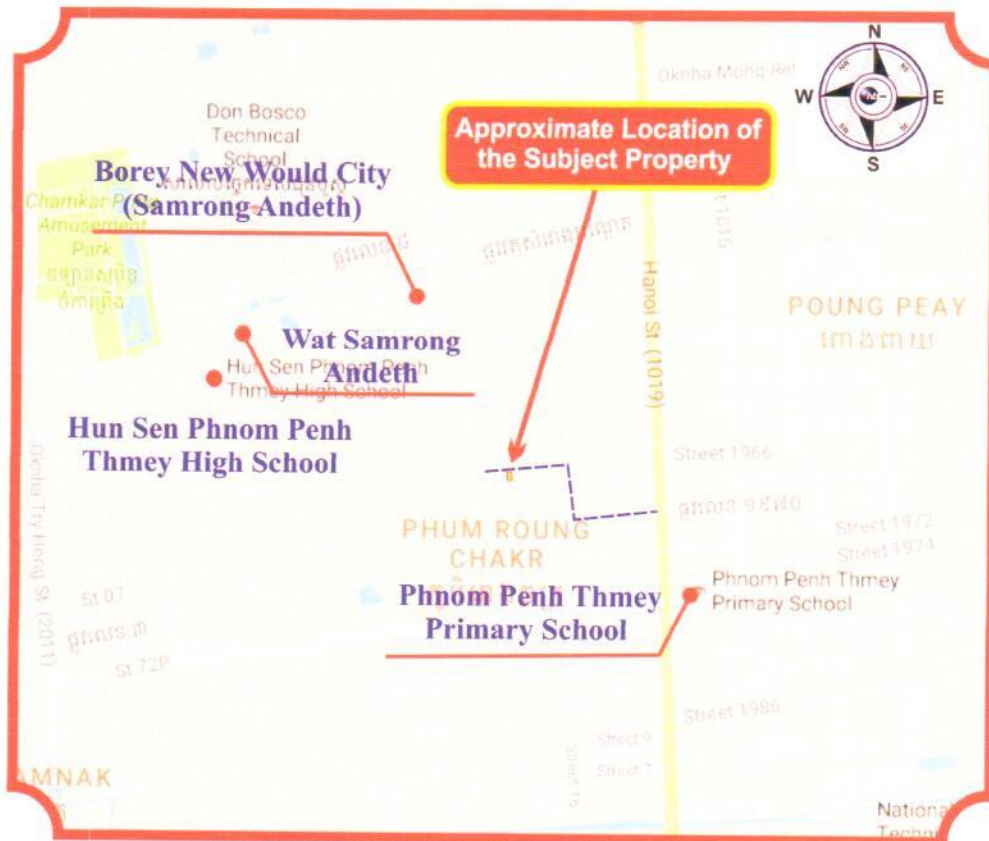
Subject Property	Area (sq. m.)	Value (US\$)
Land	587.00	234,800.00
Building (GFA)	1,145.08	343,200.00

Note: The above estimated breakdown values are provided for **RHB Indochina Bank (City Mall Branch)** internal use only. It should also be noted that the opinion of building value is based on the average current market price as of the date of inspection.

APPENDIX I – LOCATION PLAN

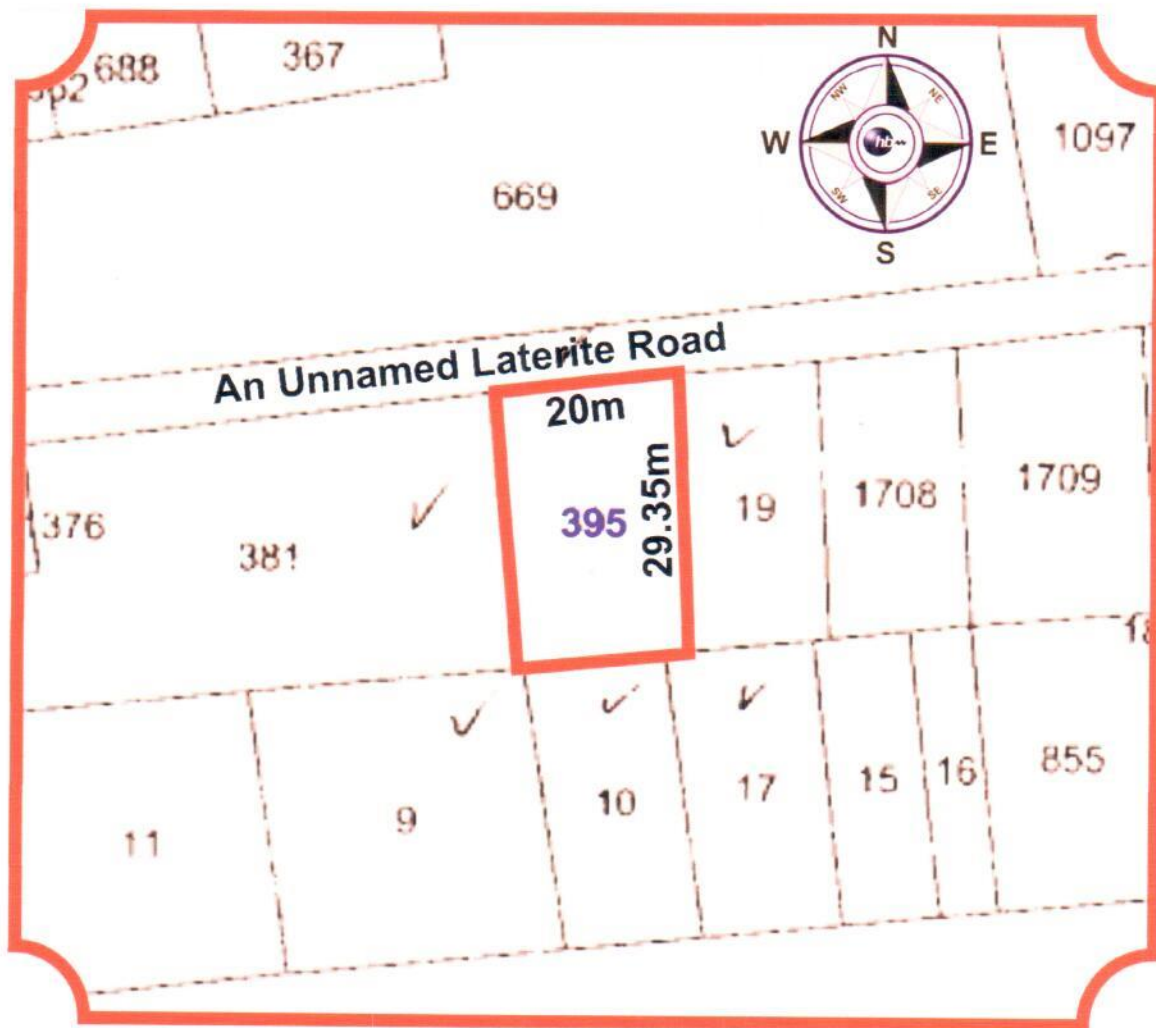


APPROXIMATE LOCATION PLAN OF THE SUBJECT PROPERTY CAPTURED FROM GOOGLE EARTH



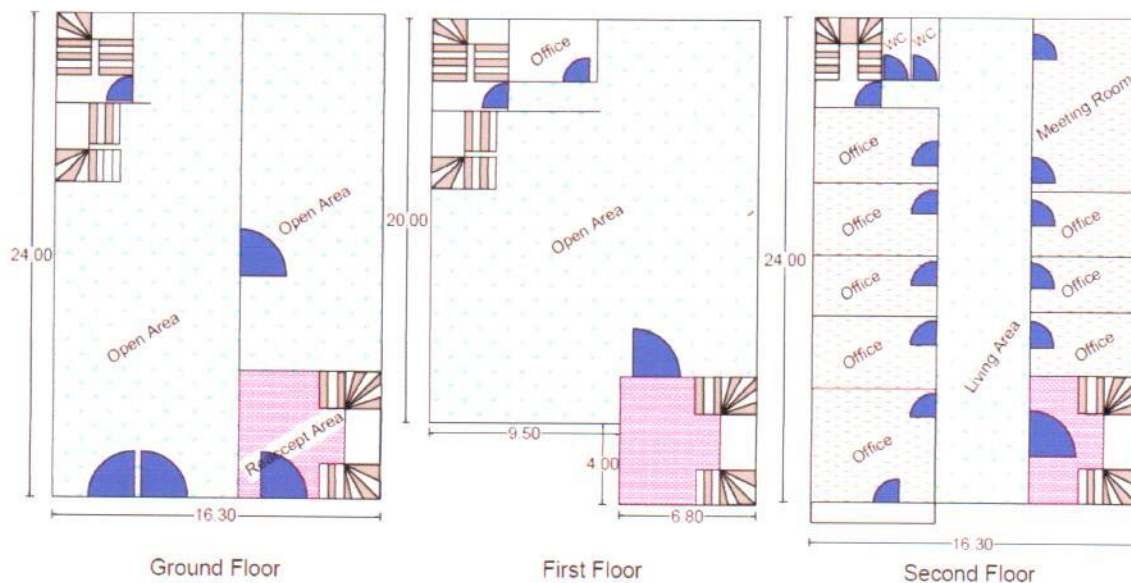
APPROXIMATE LOCATION MAP OF THE SUBJECT PROPERTY

APPENDIX II –SITE PLAN



SITE PLAN OF THE SUBJECT PROPERTY

APPENDIX III –BUILDING LAYOUT PLAN



A 3-STOREY OFFICE BUILDING

APPENDIX IV – PHOTOGRAPHS



GENERAL VIEW AS SEEN FROM NORTH-EAST ANGLE



GENERAL VIEW AS SEEN FROM NORTH-WEST ANGLE

APPENDIX IV – PHOTOGRAPHS (CONT'D)



FRONT VIEW AS SEEN FROM NORTH ANGLE



RECEPTION AREA VIEW OF GROUND FLOOR



LIVING AREA VIEW OF THE GROUND FLOOR

APPENDIX IV – PHOTOGRAPHS (CONT'D)



LIVING AREA VIEW OF THE FIRST FLOOR



LIVING AREA VIEW OF THE SECOND FLOOR



OFFICE VIEW OF THE SECOND FLOOR

APPENDIX V-COMPARABLE PLAN



COMPARABLE PLAN