



VALUATION OF

A ground floor of 4-storey flat held under Certificate of Real Estate
Ownership No. PP 23079



Angkor Meas Phone Shop

No. 298 Eo, Mao Tse Toung Boulevard (Street 245), Commune of
Boeung Salang, District of Tuol Kork, Capital City
of Phnom Penh, Kingdom of Cambodia.

Under legal interest of
Sin Voun

Prepared for
RHB Indochina Bank Limited
(City Mall Branch)

Date: 7 March 2014

CONTENTS

PAGE

EXECUTIVE SUMMARY

1.0	INTRODUCTION	1
1.1	Terms of Reference	2
1.2	Date of Valuation	2
2.0	PROPERTY DESCRIPTION	2
2.1	General Description	2
2.2	Building Description	5
2.3	Property Photos	6
3.0	SWOT ANALYSIS	8
3.1	Internal Factors	8
3.2	External Factors	8
4.0	OCCUPANCY STATUS	8
5.0	TITLE PARTICULARS	8
6.0	BASES OF VALUATION	9
6.1	Market Value	9
6.2	Forced Sale Value	9
6.3	Fire Insurance Value	10
7.0	VALUATION METHODOLOGY	10
8.0	OPINION OF VALUE	11

APPENDICES

EXECUTIVE SUMMARY

Purpose of Valuation	: Financing.
Date of Valuation	: 6 March 2014
Type of Property	: A ground floor of 4-storey flat.
Address	: No. 298 Eo, Mao Tse Toung Boulevard (Street 245), Commune of Boeung Salang, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.
Location	: Fronts onto Mao Tse Toung Boulevard (Street 245) and is located about 100 meters due south-west of Doem Kor Market and 150 meters due north-west of Inter-continental Hotel.
Legal Description	: Certificate of Real Estate Ownership No. PP 23079, Lot No. 3, Page No. 83, Commune of Boeung Salang, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.
Building Area (GFA)	: 49.4 sq.m.
Registered Owner	: Sin Voun.
Market Value	: USD253,000 (Two hundred and fifty three thousand US dollars).
Forced Sale Value	: USD202,000 (Two hundred and two thousand US dollars).
Fire Insurance Value	: USD15,000 (Fifteen 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, Forced Sale Value** and recommended **Fire Insurance Value** of a ground floor of 4-storey flat held under Certificate of Real Estate Ownership No. PP 23079, Lot No. 3, Page No. 83, Commune of Boeung Salang, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia (hereinafter referred as subject property) for **Financing** purpose.

1.2 Date of Valuation

The date of valuation is 6 March 2014. The site inspection of the subject property was carried out with the assistance of owner, Mr. Sin Voun.

2.0 PROPERTY DESCRIPTION

2.1 General Description

Type of property

The subject property is a ground floor of 4-storey flat.

Address

No. 298 Eo, Mao Tse Toung Boulevard (Street 245), Commune of Boeung Salang, 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

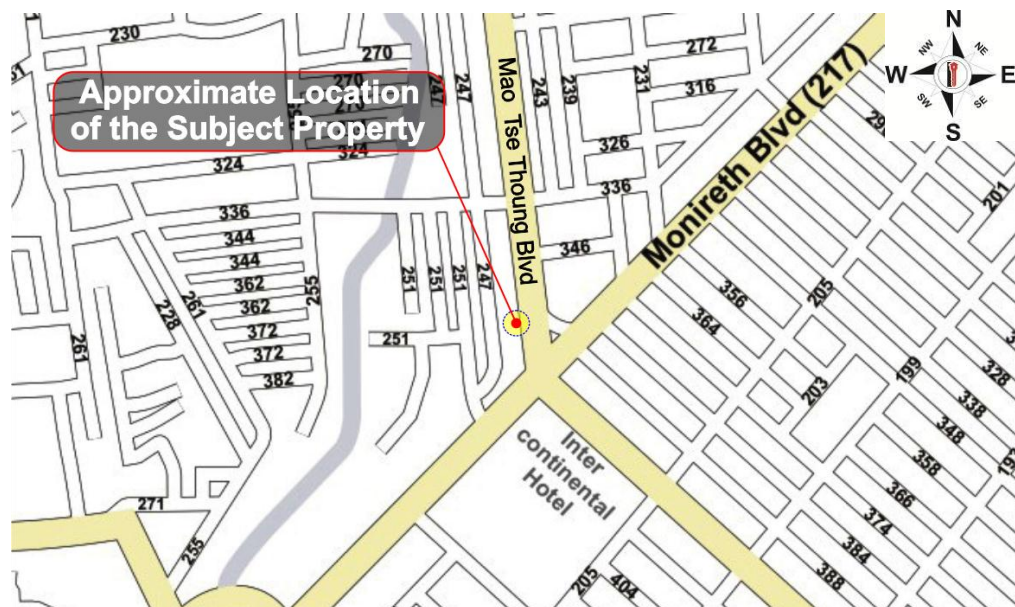
Our investigation and enquiry conducted with Commune of Boeung Salang, revealed that the subject property is located within an area designated for mixed use.

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

Location

It fronts onto Mao Tse Toung Blvd and is located about 100 meters due south-west of Doem Kor Market and 150 meters due north-west of Inter-continental Hotel.

It is accessible from Tuol Kork Antenna via Samdach Penn Nouth Boulevard (Street 289) and thence turning onto Mao Tse Toung Boulevard (Street 245), totally travelling about 3.5 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 markets, schools, pagoda, shops, shopping center, hotels, guesthouses, restaurants, banks, garages, petrol station, project developments, government institutions and residences.

Landmark

Doem Kor Market is located about 100 meters due north-east of the subject property.

Inter-continental Hotel is located about 150 meters due south-east of the subject property.

Mondial Center is located about 700 meters due south-west of the subject property.

Samnang 12 Market is located about 1 kilometer due north-west of the subject property.



INTERCONTINENTAL HOTEL



DOEM KOR MARKET

Site Boundaries

	Description
North	Abuts onto neighbouring lot.
South	Abuts onto neighbouring lot.
East	Abuts onto Mao Tse Toung Boulevard (Street 245).
West	Abuts onto neighbouring lot.

2.3 Property Photos



VIEW FROM EASTERN ANGLE



VIEW FROM SOUTH-EASTERN ANGLE



VIEW FROM NORTH-EASTERN ANGLE



VIEW OF GROUND FLOOR



VIEW OF BEDROOM ON GROUND FLOOR



VIEW OF BEDROOM ON MEZZANINE FLOOR



VIEW OF KITCHEN

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"> - 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 	<ul style="list-style-type: none"> - The subject property is currently under building title - It has limited parking lot - The building erected on site is a little old

3.2 External Factors

Opportunities	Threats
<ul style="list-style-type: none"> - The subject property is currently located within commercial area - It is located within high density of population - It can easily be converted into office, restaurant, shop 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 occupied and being operated as shop named 'Angkor Meas Phone Shop'.

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. PP 23079, Lot No. 3, Page No. 83, Commune of Boeung Salang, District of Tuol Kork, Capital City of Phnom Penh, Kingdom of Cambodia.

Boundaries	: North - Lot No. 300Eo. South - Lot No. 296Eo. East - Street 245. West - Lot No. 280z.
Building Area	: 49.40 sq.m.
Registered Owner	: Sin Voun.
Summary of Evidence and Court Judgement	: The State sold house No. 298Eo to Loun Chanrithy and Heng Sochenda in accordance with sub-decree No. 25 O.N.Kr dated 22 April 1989 and in accordance with the written approval of Phnom Penh Municipal dated 5 January 1998. Loun Chanrithy and Heng Sochenda definitively sold it to Sin Voun, letter dated 26 October 2000.

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 advised 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 **Investment 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, forced sale value and recommended fire insurance value of the subject property as at 26 February 2014 are estimated to be as follow:

Market Value

USD253,000 (Two hundred and fifty three thousand US dollars).

Forced Sale Value

USD202,000 (Two hundred and two thousand US dollars).

Fire Insurance Value

USD15,000 (Fifteen thousand US dollars).

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

KHAN SOVANNAROTH

Deputy General Manager

Professional Certificate

No. 014SHV.OH