



17th May 2017

The Directors
Rockcastle Global Real Estate Company Limited
Level 3, Alexander House
35 Cybercity, Ebene 72201
Mauritius

Dear Sirs

RE: INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT ON ROCKCASTLE GLOBAL REAL ESTATE COMPANY LIMITED'S ("ROCKCASTLE") PROPERTY SITUATED IN THE CZECH REPUBLIC ("PROPERTY")

In accordance with your instruction of September 2016, I confirm that we have visited and inspected the property listed in the attached schedule ("**the property**") during October 2016 (Section 13.23 (a) (iii)) and have received all necessary details required to perform a valuation in order to provide you with my opinion of the property's market value as at 30th September 2016 (Section 13.23 (c)).

[13.23 (a) (iii)]

[13.23 (c)]

1. INTRODUCTION

The valuation of the property has been carried out by the valuer who has carefully considered all aspects of the property. The property has a detailed valuation report which has been given to the management of Rockcastle. The detailed report include commentary on the current economy, nature of the property, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk. All these aspects have been considered in the valuation report of the property. The detailed report have further addressed the tenancy income capability and expenditure for the property and tenant. Historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the fair market value for the property which is detailed in the detailed report and which has been summarised on a summary schedule, attached hereto, for the property. There is one property and the important aspects of the detailed valuation report including the property market value for the property have been summarised in the attached schedule.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

- 2.1. a willing seller and a willing buyer in a market;
- 2.2. that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the property, for the agreement of price and terms and for the completion of the sale; and
- 2.3. that the state of the market, level of values and other circumstances are, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

3. VALUE CALCULATION

The calculation of the market value of the property has been based on income capitalisation. This is the fundamental basis on which commercial income producing property are traded on the market in the Czech Republic. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market. (Section 13.23 (d)).

[13.23 (d)]

Property traded in the current market reflect a yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

The discounted cash flow value has, however, also been calculated for the property as a check to ensure that the capitalised value calculated is consistent with market norms and expectations.

[13.23 (f) (i) and (ii)]

The considerations for the capitalised valuations are as follows:

- 3.1. calculating the forward cash flow of all contractual and other income from the property;
- 3.2. calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed;
- 3.3. the current area vacancy as a percentage of the property is approximately 17%. In order to apply a conservative approach, I have deducted approximately 5% of the net income as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting during the course of the coming year. The current vacancy is market related. The void provision used in the valuation is therefore adequate. (Section 13.23 (f) (i));
- 3.4. generally the rentals are market related. This has been determined by comparing similar buildings in comparable areas to the property valued, in terms of rental per square metre. The property is 1.7% under-rented therefore there is, a positive upside potential for real growth in rental, given the low base off which the average rentals flow. This is provided that the economy remains in a slow recovery pattern as currently being experienced as that there are no major economic fluctuations which may upset the economy. (Section 13.23 (f) (iii));
- 3.5. capitalising the net contractual income derived from the property for a period of 1 year in advance, calculated from 1st October 2016;
- 3.6. the valuation has considered published market statistics regarding rental rates and expenditure for the different types of property. It is also considered numerous other portfolios of similar property in order to determine if any property are over rented or have excessive expenditure; and
- 3.7. various provisions for capital contingencies were deducted from the capitalised value.

4. BRIEF DESCRIPTION

The property represents a modern shopping centre with associated parking. The property have been well constructed, have good architectural merit, aesthetic appeal, sufficient parking facilities and is of 84% leased. The leases tend to be of a general contractual rental nature with provision for the recovery of services consumed by the lessee's and turnover rental from various retail outlets. Escalations are market related but are high enough to ensure a more than positive growth rate is ensured without creating an over rent potential in the medium term. The property is generally highly visible and dominate their environment.

In respect of the property, the current net annual rental and the estimated future net annual rentals at specified dates and for specified periods are included in the detailed property valuation report.

5. VALUATION QUALIFICATIONS

[13.23 (e)]

Qualifications are usually detailed as a consequence of: leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised property; large

exposure to a single tenant; potential tenant failure due to over-rent; expenses required for major repairs; maintenance or other exposure to maintain the lettability of the building.

I have, to the best of my knowledge, considered all of these aspects in the valuation of all the property. There is no property that is prejudiced in value by the influence of the above factors.

The valuer is however not responsible for the competent daily management of these property that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

6. OPTIONS OR BENEFIT / DETRIMENT OF CONTRACTUAL ARRANGEMENTS

To my knowledge there are no contractual arrangements on the property other than the leases as detailed in the provided tenancy schedule that have a major benefit or are detrimental to the fundamental value base of the property. (Section 13.23 (g)).

[13.23 (g)]

To the best of my knowledge, there are no options in favour of any parties for any purchase of any of the property. (Section 13.23 (h)).

[13.23 (h)]

7. INTRA-GROUP OR RELATED PARTY LEASES (Section 13.23 (a) (xi))

[13.23 (a) (xi)]

Having inspected all the tenant schedules and sample of leases it is noted that there are no intra-group or related party leases to our knowledge.

[13.24(a)]

[13.24(b)]

[13.24(c)]

[13.24(d)]

[13.24(e)]

[13.25]

[13.26(a)]

[13.26(b)]

8. CURRENT STATE OF DEVELOPMENT

There is no property which is currently being developed.

9. RENTALS USED IN VALUATIONS

[13.29]

[13.29(a)]

[13.26(e)]

Note that the property is rented out. The current annual rental and future annual rentals have been calculated in a separate discounted cash flow check schedule. It is noted that there are no material rental reversions and that the rentals for all the property increase on average by approximately -1.7% compounding per annum.

10. EXTERNAL PROPERTY

No property is situated outside the Czech Republic.(Section 13.28).

[13.28]

11. OTHER GENERAL MATTERS AND VALUATION SUMMARY (Sections 13.30 and 13.31)

[13.30 and

13.31]

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Rockcastle and will be available for inspection at the offices of Rockcastle.

12. ALTERNATIVE USE FOR A PROPERTY (13.27)

[13.27]

The property have been valued in accordance with their existing use which represents their market value. No alternative use for the property have been considered in determining their value.

13. OTHER COMMENTS

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

14. CAVEATS

14.1. Source of information and verification (Section 13.23 (a) (xiii))

[13.23 (a) (xiii)]

Information on the property regarding rental income, recoveries, turnovers and other income detail has been provided to me by the current owners and their managing agents.

We have not been instructed to review copies of all of the leases of the existing property.

I have further compared certain expenditures given to me, to the market norms of similar property. This has also been compared to historic expenditure levels of the property themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the property in order to assess potential expenditure going forward. The municipal values on the property are very low. At the current transaction values there is some potential for the municipal value to increase by a considerable amount, should the municipality revalue these property, in which event the rates could increase to 3 or 4 times their current amount.

14.2. Full disclosure

This valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to myself.

I have to the best of my ability researched the market as well as taken the steps detailed in paragraph 14.3 below.

14.3. Leases (Section 13.23 (a) (ix))

Our valuation has been based on a review of actual tenancy schedule and other pertinent details supplied to us by the managing agents and by Rockcastle.

[13.23 (a) (ix)]

All recovery details in respect of the existing leases e.g. utility cost and other recoveries as provided for in the leases, option terms and other lease information have been disclosed within provided tenancy schedule.

14.4. Lessee's credibility

In arriving at our valuation, cognizance has been taken of the lessee's security and rating. In some cases this has influenced the capitalisation rate by way of a risk consideration.

14.5. Mortgage bonds, loans, etc.

The property have been valued as if wholly-owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the property.

14.6. Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents.

The property generally appear to have the stated square meterage which could only be more accurately determined if remeasured by a professional. The reported square meterage is considered as correct as possible without full a remeasurement exercise being undertaken.

14.7. Structural condition

The property have been valued in their existing state. I have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have I arranged for the testing of any electrical or other services.

14.8. Contamination

The valuation assumes that a formal environmental assessment is not required and further that none of the property are environmentally impaired or contaminated, unless otherwise stated in our report.

14.9. Town planning (Section 13.23 (a) (vi) and (vii))

Full town planning details and title deeds have been supplied in the detailed valuation reports including conditions and restrictions and the property have been checked against such conditions. This is to ensure that they comply with town planning regulations and title deeds. There do not appear to be any infringements of local authority regulations or deeds by any of the property.

[13.23 (a) (vi)
and (vii)]

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these property.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the property which infringement could decrease the value of the property as stated.

15. MARKET VALUE

I am of the opinion that the aggregate market value of the property as at 30th September 2016 is €82,100,000 (excluding VAT). A summary of the valuation and details of the property is attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I have more than 7 years experience in the valuation of all nature of property and I am qualified to express an opinion on the fair market value of the property.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

[13.23(b)]

Jan Zibura MRICS
Head of Valuation Department
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SCHEDULE OF PROPERTY

No	Property name	Physical address	Registered legal description (Erf number)	Property description and use	Valuer's inspection date	Freehold / Leasehold	Tenure of leasehold	Rentable area (GLA) (m ²)	Approximate age of building	Building grade	Zoning, town planning and statutory contravention (if any)	Assumed perpetual void/vacancy	Gross Rental income (Day 1)	Valuation (R) as at 30 th September 2016
1	Forum Liberec	nám. Soukenné 669/2A, 460 01 Liberec		Shopping centre	10/10/2016	freehold		47,231	8 years	A		17%	€4,541,140	€82,100,000

Property in the process of development

No	Property Name	Physical Address	Registered legal description (Erf number)	Property description and use	Valuer's inspection date	Freehold / Leasehold	Tenure of leasehold	Rentable area (GLA) (m ²)	Zoning, town planning and statutory contravention (if any)	Estimated cost of carrying out development	Income projection (R)	Valuation (R) as [xxx] 2015 in current state	Estimated value after development completed	Estimated value after completion and letting of property	Planning permission obtained (Y/N) and date permission received	Expected date of completion
1	N/A															

Property held for development

No	Property name	Physical address	Registered legal description (Erf number)	Property description and use	Valuer's inspection date	Freehold / Leasehold	Tenure of leasehold	Rentable area (GLA) (m ²)	Zoning, town planning and statutory contravention (if any)	Nature of proposed development	Expected development duration	Estimated cost of carrying out development	Income projection (R)	Valuation (R) as at [xxx] 2015 in current state	Planning permission applied for (Y/N)	Planning permission obtained (Y/N) and date of permission obtained/ref used
1	N/A															

