



Dear Prospective Investor,

Thank you very much for your interest in Kiri Nakara and our investment scheme.

Kiri Nakara's investment scheme will guarantee buyers a 6.5% return per annum on their home for two years. This scheme applies to the purchase of a 2-bedroom or 3-bedroom villa with pool and furniture. The units in the rental pool are fully equipped and ready to serve rental clients who look for a convenient holiday stay and arrive with only suitcase in hand.

#### **HOW ARE INVESTMENT RETURNS GENERATED?**

While the first two years offer a guaranteed return, income over the following years is based on a combination of occupancy rates and rental fees. Essentially Kiri Nakara will manage and rent out the properties, whereby a monthly rental return is generated for each home owner. Our rental fees compare well with current market rates in Hua Hin. Moreover a serviced Club House facility will present its residents with the type of resort style living only few projects can offer, and we therefore believe Kiri Nakara is well positioned to attract rental customers.

#### **RENTAL RATES AND MANAGEMENT FEES**

Kiri Nakara will charge rental customers 35,000 baht per month and 3,000 baht per day for a 2-bedroom unit. A 3-bedroom unit would command 45,000 baht per month and 4,000 per day. For marketing, bookings, management, administration and maintenance Kiri Nakara will charge its home owners a 40% management fee.

## RENTAL RETURN SCENARIO

Based on a combination of occupancy and daily rates, units would generate the following income:

INVESTMENT SCENARIO	TYPE D			
Daily rate	3,000.00	3,000.00	3,000.00	3,000.00
Potential monthly income	90,000.00	90,000.00	90,000.00	90,000.00
Occupancy rate	30%	40%	50%	60%
Gross income per month	27,000.00	36,000.00	45,000.00	54,000.00
Management fees	40%	40%	40%	40%
Amount per month	10,800.00	14,400.00	18,000.00	21,600.00
Net yield per month	16,200.00	21,600.00	27,000.00	32,400.00
Net yield per year	194,400.00	259,200.00	324,000.00	388,800.00
Net yield per year (%)	3.90%	5.19%	6.49%	7.79%

INVESTMENT SCENARIO	TYPE F			
Daily rate	4,000.00	4,000.00	4,000.00	4,000.00
Potential monthly income	120,000.00	120,000.00	120,000.00	120,000.00
Occupancy rate	30%	40%	50%	60%
Gross income per month	36,000.00	48,000.00	60,000.00	72,000.00
Management fees	40%	40%	40%	40%
Amount per month	14,400.00	19,200.00	24,000.00	28,800.00
Net yield per month	21,600.00	28,800.00	36,000.00	43,200.00
Net yield per year	259,200.00	345,600.00	432,000.00	518,400.00
Net yield per year (%)	4.15%	5.53%	6.91%	8.29%

*All figures quoted in Thai Baht.*

## MANAGEMENT SERVICES

For the first two years there are no management fees. However a service and administration fee of THB 20,000 baht per year will apply.

After two years a 30% management fee will apply and this will include housekeeping; towel & linen changing; pool cleaning; window cleaning; gardening; AC and appliances check; replacement of amenities; and cable TV.

## FREE STAY CREDIT

Home owners will receive up to 180 points of credit, which may be exercised throughout the year according to the table below:

SEASONAL POINT CREDIT RATE		
Low season	20 points per week	9 weeks (63 days)
High season	30 points per week	6 weeks (42 days)

This would allow owners to stay up to 9 weeks during low season and 5 weeks during high season. Should the owner opt to spend more time than allocated, rental yields may decrease.

Note: High season is defined as October 1 to March 31, and low season as April 1 to September 30.

## HUA HIN BACKGROUND

Hua Hin is a very attractive rental market. Many foreigners – especially retired people – choose to vacate in Hua Hin during the European winter, and often as long as up to 3-4 months. This means Hua Hin lends itself well to long stay accommodation and the demand for houses is high as privacy and space becomes more important and clients are unwilling to spend months in a small hotel room.

Due to Hua Hin's stable climate, peaceful environment and local flavour it is able to attract many long term holiday makers who are seeking stability and who therefore prefer to stay away from mass market and charter destinations such as Phuket and Samui.