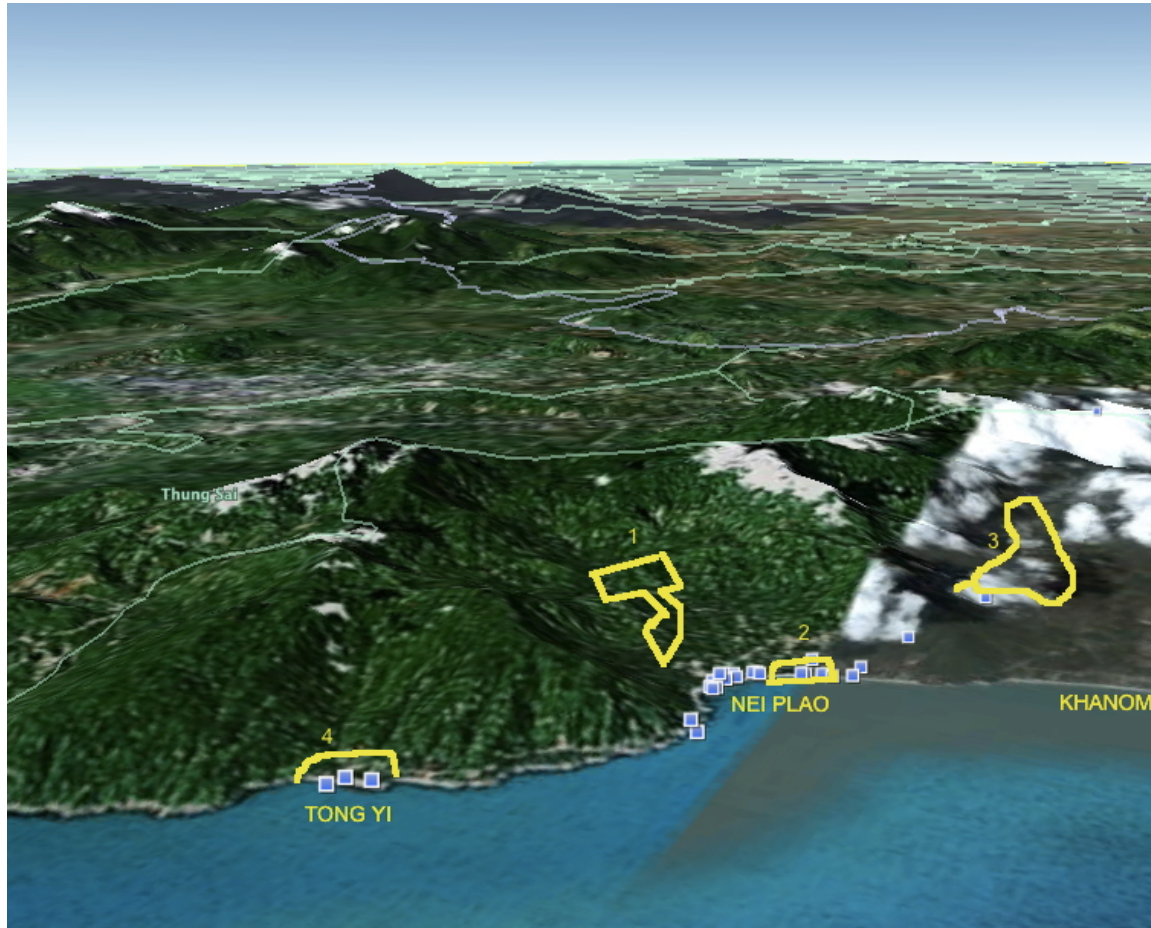


6 TONG YI (spell TONG YEE)

a) bird view PICTURES:



above: the bay called TONG YI (real orientation, sea to the east)
in yellow the plots required to purchase

left:

- 1) NEI PLAO HILL
- 2) NEI PLAO BEACH, from where the road to TONG YI goes
- 3) closest distance for a possible farming project
- 4) TONG YI bay - no satellite picture available

b) SIZE AND LAND TITLE:

several small sizes available, 4 to 8 rai only (6'400 to 12'800 m2 or 0,64 to 1.28 ha, equivalent to 1.58 to 3.16 acres), mainly to bor ha or so koh nueng land titles, only the plot on the left border is nor sor sam kor.
possible to upgrade everything to nor sor sam kor or chanote, but nobody knows when. the plot on the right border is available only as long term lease.
the overall size we look at is about 100 rai (160'000 m2 os 16 ha or roughly 40 acres).

c) LAND TYPE: (No. 4 in the picture above only)

structure: the land has a slight slope, all kinds of trees, plenty of coconuts, some very big and beautiful rocks, accessible by public road. healthy soil, no previous farming.

borders: east: sea, about 300 meters sandy beach front with mainly coconut trees
south: national park, high hills with mixed forest - could be used as recreation area
west: mountain with mixed trees, slope, privately owned
north: forest, mixed vegetation with coconut trees, slope, privately owned

REMARK: the plot in the middle is run as a small resort with restaurant and camping.

unique: a dream of a bay, should it be possible to purchase the whole one it provides unmatched privacy, as the main beach road from khanom is ending at this bay. extremely charming vegetation, flat land around the beach, slight slope in the back.

d) FINANCE:

purchasing price: since all the owners try to upgrade their land title before selling the land in order to get a higher price, it is difficult to predict a price. even the owners willing to sell don't indicate a price yet. i expect an average price of about 5 million baht, once the titles are changed, but can go up until 8 million. the best strategy would be to go now to the owners and offer them something like 3 million baht cash, then most likely they would sell once they "smell" the money. the price below is an estimated price for 70 rai, as about 30 rai are only available as a long term lease. in a location like this i expect prices around 20 million baht per rai within the next 10 or 15 years.

TOTAL: **70 rai** (112'000 m2 or 11.2 ha) = 350 mio baht = **around 10 mio USD** (price per m2 = 90 USD = 3'000 baht

remark: additional farming land would probably be around 500'000 baht per rai. i suggest at least 200 rai, which is an additional 3.3 million USD, which would bring the total price up to **13.3 mio USD**. if we would choose the option with the mentioned 200 rai near khanom beach, which has chanote title and goes for 1 mio baht per rai, then an additional 3.3 mio would add up to **16.6 mio USD**.

financial projection: since the time frame for a purchase of TONG YI as a whole is unknown, it does not make sense to come out with numbers yet. given my estimates are real then the purchasing price is still reasonable and it is therefore a MUST as a long time investment. a future P+L would be similar to the option NEI PLAO and would show an equity demand of about 40 mio USD, including land purchase, construction and operation for the first six years, generating a revenue of about 5 mio USD per year. any kind of future hospitality business would be financially very successful.

e) IDEAL PURPOSE:

TONG YI would be absolutely perfect for THE SOURCE, if it would be possible to purchase the whole bay, which, at this time, is unfortunately not granted, even though most likely, with the restriction that nobody knows when this is possible. For the time being TONG YI would be best considered a long time investment, since land titles do not allow construction yet. TONG YI is also perfect for any other high end hospitality project, with the option to extend to the north, purchasing another 50 rai with sandy beaches. further north are no sandy beaches anymore until the main beach of khanom.

f) RESTRICTIONS / RISKS:

one risk is that nobody can predict 100% if and when the land titles will be upgraded. one owner tries to do so since many years, but simply because of the fact that they don't like him they slow the process endlessly down. it is likely that once he sells the rest goes very fast. some tea money would speed up this process. as long as the titles don't change there is absolutely no construction allowed. on the majority of the plots are actually buildings which all have been built without permission, but they are mostly simple bungalow constructions. Even though for thai nationals there is not much risk in doing so, for a foreign company this would be the out. one restriction is the fact that one owner would leave us the most beautiful plot of the whole beach only as a lease. we could live with that if the price would be acceptable. It is also possible that finally he would sell.

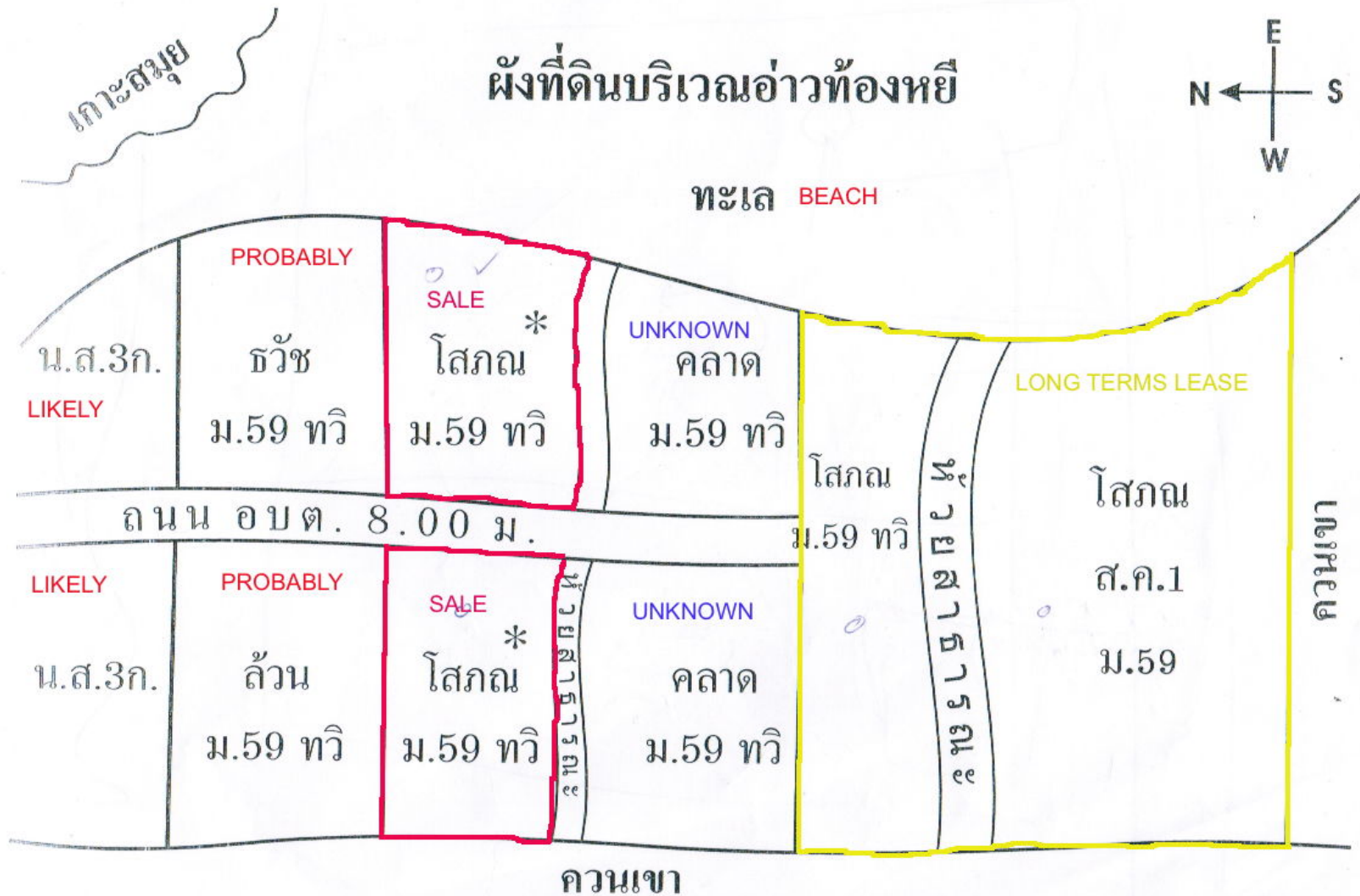
the restaurant and camping is run by the same family since a long time, so they actually don't want to sell. with the proper offer i guess they would change their minds though. In case of a purchase we could not use any of the buildings as they are below any standard.

g) FINAL REMARKS:

a must investment in an absolutely amazing location - independent of the project: BUY as many available plots in TONG YI as possible, independent of the land title, as fast as possible. the fact that one big plot is only available as a long term lease is not ideal for THE SOURCE, but since the owner supports this project it would be a passable solution, given that at least a 30 year contract would be achieved. it is then also possible, as mentioned above, that the owner sooner or later would change his mind and sell. it takes quite an effort to try to get these plots, as most owners do not want to sell now. but this is actually our chance - because it is so difficult others may give up. but it is absolutely worth every effort to get this one and only beach.

FIND ADDITIONAL PICTURES AND MAPS WITH THE LAND TITLES ON THE NEXT PAGES BELOW:

h) additional PICTURES:



yellow =
longterm lease

red =
sale, for sale
probably for sale
likely for sale

blue =
unknown







