

Development Opportunity in Republic of Panama

Playa Grande, District of San Lorenzo, Province of Chiriqui

Presented by



Applied Enterprise Limited

Jan 2016

Disclaimers:

All figures and assumption in this report are preliminary and are subject to the completion of the ongoing project initiation research phase and further discussions on master planning, engineering and marketing. All sales values, revenue, costs and expenditure are in US dollar constant. Whilst all the assumptions made in this report are considered reasonable and logical, no warranty can be given as to the accuracy and content herein.

This document has been updated constantly to take account of the latest version of the conceptual master plan, land surveys, planning opportunity and market studies.

Applied Enterprise Limited. is continually advancing the project and information is constantly being updated. Interest parties should ensure that they are working from the latest available documentation.

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Agenda

- ▶ Corporate Profile
- ▶ Executive Summary
- ▶ Introduction on Panama
- ▶ Facts of the Property
- ▶ Vision of the Property
- ▶ Financial Analysis
- ▶ Introduction of Development Opportunity
- ▶ List of Additional List Reports

Corporate Profile

- Applied Enterprise Limited ("AEL"), established in 1975 as an electronic OEM manufacturer for multi-national well-known clients such as Texas Instrument, IBM, Phillips, Atari, Tiger Toys, Sega etc.
- Mr. Raymond Hung, CEO and Founder of AEL, was awarded Entrepreneur of the Year for Arizona in 1994. He was also interviewed by Forbes Magazine, Fortune Magazine, Wall Street Transcript, Success Magazine etc.
- Rated in 1995 by Asia Inc. Magazine as Asia's 88 fastest growing company for continuous three years
- Engaged in Property Investment in Hong Kong and China since 1990
- Mission to become one of the best and the most successful resort developer for the luxurious class in the world

Our Vision

"Artists Create beautiful things..."

... We create Paradise"



Executive Summary

- ▶ Panama's economy has experienced an economic boom. GDP Annual Growth Rate in Panama averaged 9.31 Percent from 2010 until 2013
- ▶ The Panamanian economy has been among the fastest growing and best managed in Latin America.
- ▶ The expansion project of the Panama Canal, combined with the conclusion of a free trade agreement with the United States, is expected to boost and extend economic expansion for some time.



Executive Summary

- ▶ Tourism in Panama kept its growth during the past 5 years due to the government offering tax and price discounts to foreign guests and retirees.
- ▶ Modern Maturity magazine (the largest circulation of any consumer magazine in the world, upward of 20 million subscriber) rated Panama as top retirement destinations and world class tourist location.
- ▶ Panama is an amazing tropical country, boasting plenty of pristine beaches and soaring mountains. The range of natural landscapes in Panama is impressive and visitors will surely not find a lack of tourist attractions for Panama.



Introduction on Panama

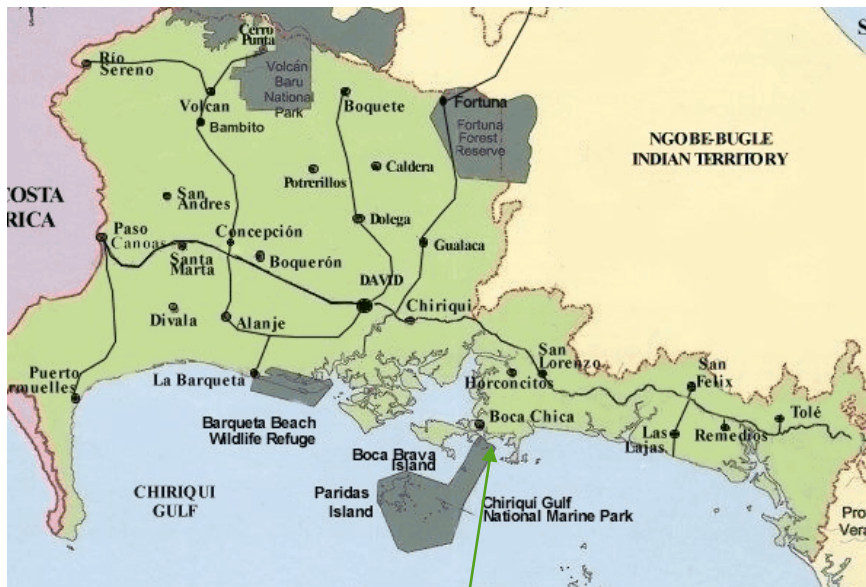
- ▶ Panama's economy rests primarily on a well-developed services sector that accounts for 80% of GDP. Services include operating the Panama Canal, banking, the Colon Free Zone, insurance, container ports, flagship registry, and tourism.
- ▶ The government has implemented tax reforms, as well as social security reforms, and backs regional trade agreements and development of tourism.
- ▶ Panama Economic Data
 - GDP (PPP): \$61.54 billion (2013 est.)
 - GDP per capita (PPP): \$16,539 (2013 est.)
 - GDP Growth Rate (Real): 10.6% (2011), 10.2% (2012), 8.4% (2013)
 - Unemployment Rate: 2.7% (2012)
 - Population: 3,661,868 (Jan 2013)
 - Government Type: Constitutional Democracy
 - Legal System: Based on Civil Law System
 - Currency: US dollar/Balboa
 - Total Tourism Arrival: 2,200,000 (2012)



Facts of the Property

Location of the Main Property

Playa Grande, District of San Lorenzo, Province of Chiriquí, Panama



Playa Grande

District of San Lorenzo



Facts of the Property

Photos of the Property



Facts of the Property

Photos of the Property



Facts of the Property

Photos of the Property



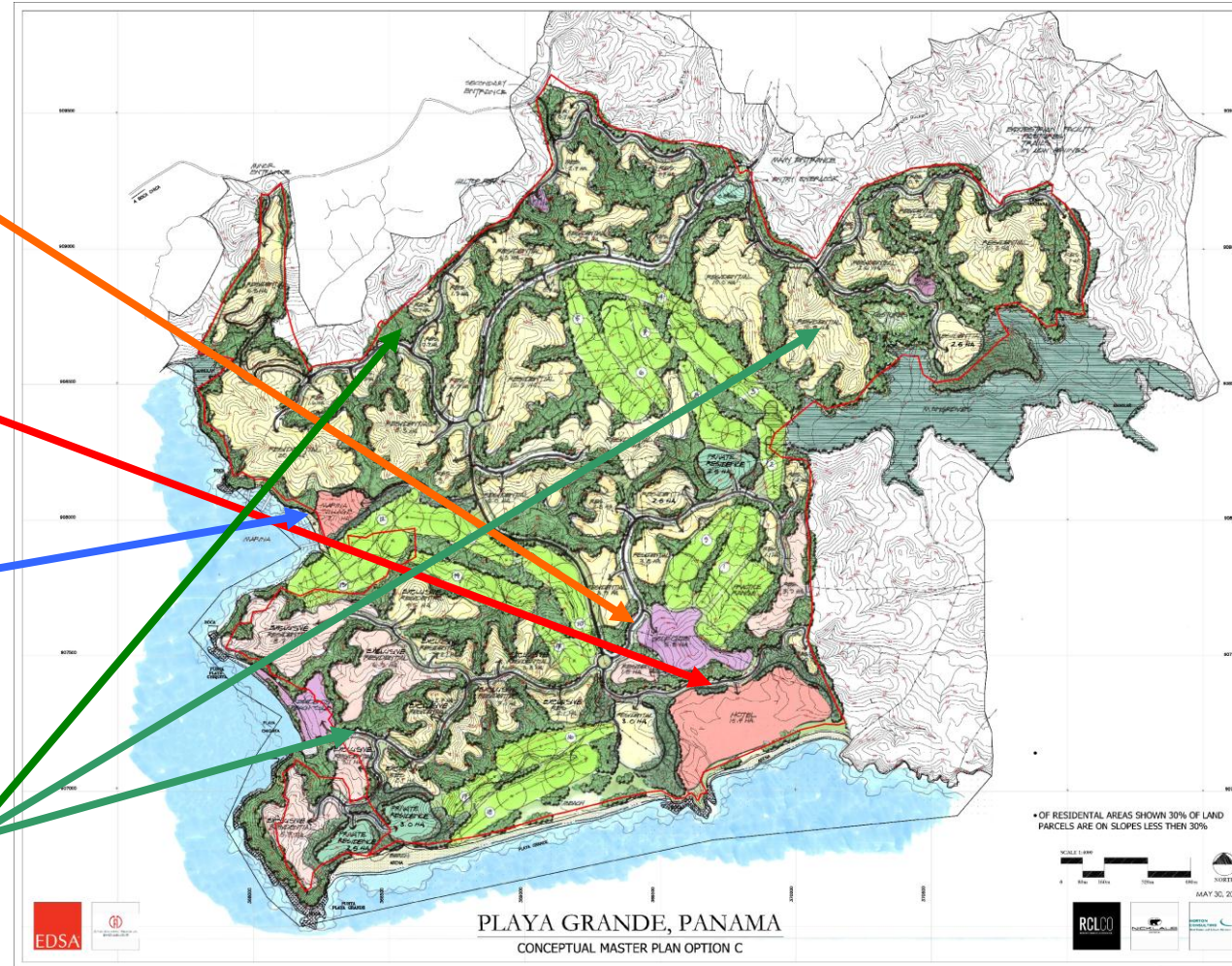
Vision of the Property

18 Holes Jack Nicklaus
Signature Golf Course,
Club House
and Golf Residence

5 Star Luxury Hotel
& Boutique Hotel

Marina Facility, Marina
Fractional Ownership
Club, Marina Hotel &
Marina Village

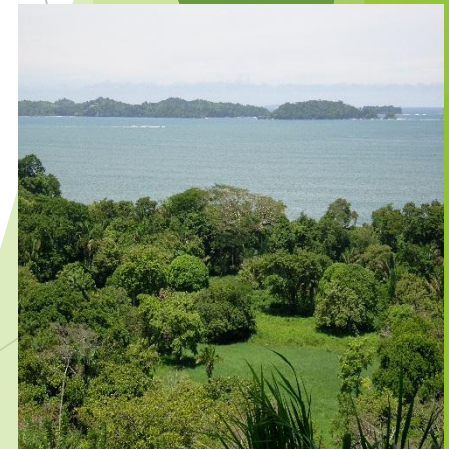
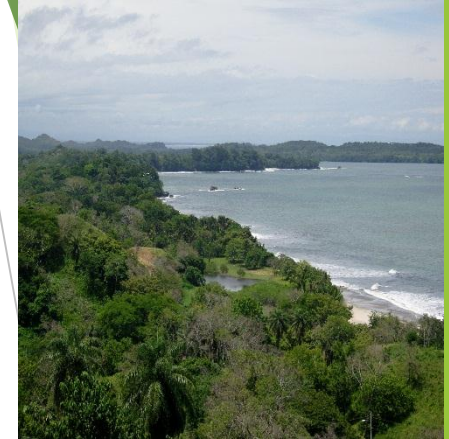
Various Branded
Residential & Fractional
Ownership Club



Master Plan for the Main Property, Playa Grande

Facts of the Property

Lots Number	Lots 1807, 4920, 4921, 4923, 4924, 4935, 4936, 4942, 4943, 4944, 4945, 6921, 20435, 33248, 35039, 41583, 41619 together with all beach front property known as Playa Grande in Boca Chica, District of San Lorenzo, Province of Chiriqui, Panama
Gross Site Area	495 Hectares/1,224 Acres/53.3 million sq.ft.
Existing Condition	Undeveloped Land
Lease Term	Freehold
Pre-Development Expenditure	~\$2M
Beach Frontage	2.1 km
Nearby Towns	San Jose de David, Boquete, Puerto Armuelles
Proximity to Airport	Enrique Malek International Airport (The second largest international airport in Panama and is 45 minutes driving from the property)
Proximity to major highway	Pan-American Highway (the property is only 15 minutes driving from the highway and the road between the property and highway is all pavement road)
Major Attractions	<ul style="list-style-type: none"> ➤ The Gulf of Chiriqui-A world-renowned fishing area. ➤ Isla Coiba-An important UN World Heritage Site



To provide the complete Panama experience, a hot-springs property is acquire in an area 40 minutes away from the Main Property.

Location of the Hot Spring Property
The Borough of San Felix, Province of Chiriquí, Panama



Facts of the Property

Photos of the Property



Facts of the Property

Lots Number	Lots 60004, The Borough of San Felix, Province of Chiriqui, Panama
Gross Site Area	9 Hectares/22.2 Acres/968,760 sq.ft.
Existing Condition	Undeveloped Land
Lease Term	Freehold
Nearby Towns	San Jose de David, Boquete, Puerto Armuelles
Proximity to Airport	Enrique Malek International Airport (The second largest international airport in Panama and is 1 hr & 15 minutes driving from the property)
Proximity to major highway	Pan-American Highway (the property is only 5 minutes driving from the highway)
Proximity to Playa Grande	➤ 40 minutes driving from Playa Grande



Vision of the Property

Master Planners/
Landscape Architect



Website: www.edsaplan.com

Resort & Club Architect



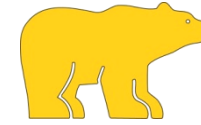
Website: www.hksinc.com

Resort & Club Interior
Designer



Website: www.wilsonassoc.com

Golf Course Architect



Nicklaus Design

Website: www.nicklaus.com

Marina Infrastructure
Architect



Website: www.appliedtm.com

Island Infrastructure



Harris Civil Engineers, LLC

Website: www.harriscivilengineers.com

Real Estate Advisor



Website:
www.rclco.com

Applied Enterprise has assembled a stellar team of experienced international residential, hotel, and resort designers, architects, planners, and consultant.

Vision of the Property

Project Content	
18 holes Jack Nicklaus Signature Golf Course	Practice range and Golf Club House
5-Star Luxury Condo Hotel	125 keys Condo Hotel (Two Bedrooms, Three Bedrooms) with ocean view
Luxury Boutique Hotel	50 keys Boutique Hotel with ocean view
State-of-the-art mega-yacht facility	Up to 150 berths, accommodating mega yacht up to 150ft.
Luxury Marina Hotel	30 keys Marina Hotel on the Marina Village
Marina Village	Marina Condo with average size of 1,500 sq.ft.
Marina Fractional Ownership Club	2, 3 & 4 Bedroom Duplex with average size of 1,500 sq.ft.

Vision of the Property

Project Content	
Golf Residential	Estate Lots with average size of 33,750sq.ft & Bungalow with average size of 1,750 sq.ft.
Hotel Residences	Average Size: 2,500 sq.ft
Ocean-view Residential	Villas with average size of 2,300 sq.ft., Condo with average size of 1,500 sq.ft. & Ocean View Lots Size of 33,750 sq.ft.
Fractional Ownership Club	2, 3 & 4 Bedroom Duplex with average size of 2,400 sq.ft.
Large Interior Lots	Average size: 540,000 sq.ft.
Beachfront Lots	Average size: 18,000 sq.ft.



Financial Analysis

Republic of Panama-Playa Grande Development

Total Project Revenue	US\$1.05 billion revenue is expected to be contributed
Project Construction Period	10-12 years
Total Cost of Investments	US\$ 780 million

Data Source: Financial Analysis and IRR Study, RCLCO, Real Estate Advisor



Financial Analysis

		YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	TOTAL	0	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REVENUES	\$1,053,658	\$0	\$24,952	\$52,704	\$239,418	\$108,833	\$107,704	\$116,558	\$120,002	\$111,635	\$93,522	\$44,282	\$29,277	\$4,771
TERMINAL VALUE REALIZATION	\$121,487	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,882	\$0	\$73,853	\$0	\$21,242	\$9,510
TOTAL COSTS	\$780,784	\$39,300	\$83,236	\$83,061	\$70,187	\$80,401	\$72,825	\$76,900	\$76,502	\$78,576	\$63,429	\$29,522	\$22,682	\$4,163
TOTAL NET REVENUES W/TERM VALUE	\$394,361	(\$39,300)	(\$58,284)	(\$30,357)	\$169,231	\$28,432	\$34,879	\$39,658	\$60,382	\$33,059	\$103,946	\$14,760	\$27,837	\$10,118
DEBT REQUIRED	65%	(\$83,162)	(\$25,545)	(\$37,885)	(\$19,732)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EQUITY REQUIRED	35%	(\$44,779)	(\$13,755)	(\$20,399)	(\$10,625)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT SERVICE	8.5%	(\$17,080)	\$0	(\$3,781)	(\$6,230)	(\$7,069)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT REPAYMENT		(\$83,162)				(\$83,162)								
DEVELOPER/INVESTOR NET CASH FLOW	\$377,281	(\$13,755)	(\$24,181)	(\$16,855)	\$79,001	\$28,432	\$34,879	\$39,658	\$60,382	\$33,059	\$103,946	\$14,760	\$27,837	\$10,118

Data Source: Financial Analysis and IRR Study, RCLCO, Real Estate Advisor

List of Additional Reports

If this brochure has piqued your interest, please contact us for further information. We would be happy to provide you with all of the following more detailed reports and technical documents:

- ▶ Conceptual Master Plan. EDSA, Land Planners.
- ▶ Boating Market Assessment and Marina Design Recommendations, Playa Grande. ATM, Costal and Marine Engineers.
- ▶ Golf Course Master Plan. Jack Nicklaus Design, Golf Course Designers.
- ▶ Strategic Market Analysis for the Playa Grande Property. RCL, Real Estate Advisors.
- ▶ Financial Analysis and IRR Study. RCLCO, Real Estate Advisors.
- ▶ Preliminary Market and Gross Economic Analysis. Norton Consulting, Inc., Real Estate Advisors.
- ▶ Environmental Zoning Study, Playa Grande. Provided by Ingemar Panama, Environmental Advisors.
- ▶ Soil Study, Playa Grande. Laboratorios Contecon-Urbar, Engineering Consultants.
- ▶ Draft Scoping Report for Shoreline Improvements & the Construction of a Marina at Playa Grande. Ocean Caraibas, Engineering Consultants.



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