



YAO TENG FUTURO INCOME & GROWTH FUND - 2

YAO TENG INVESTMENT FUND SPC - SP2





# TERM SHEET

**YT**  
ao Teng  
Investment Fund

**YAO TENG FGI**  
Property Development

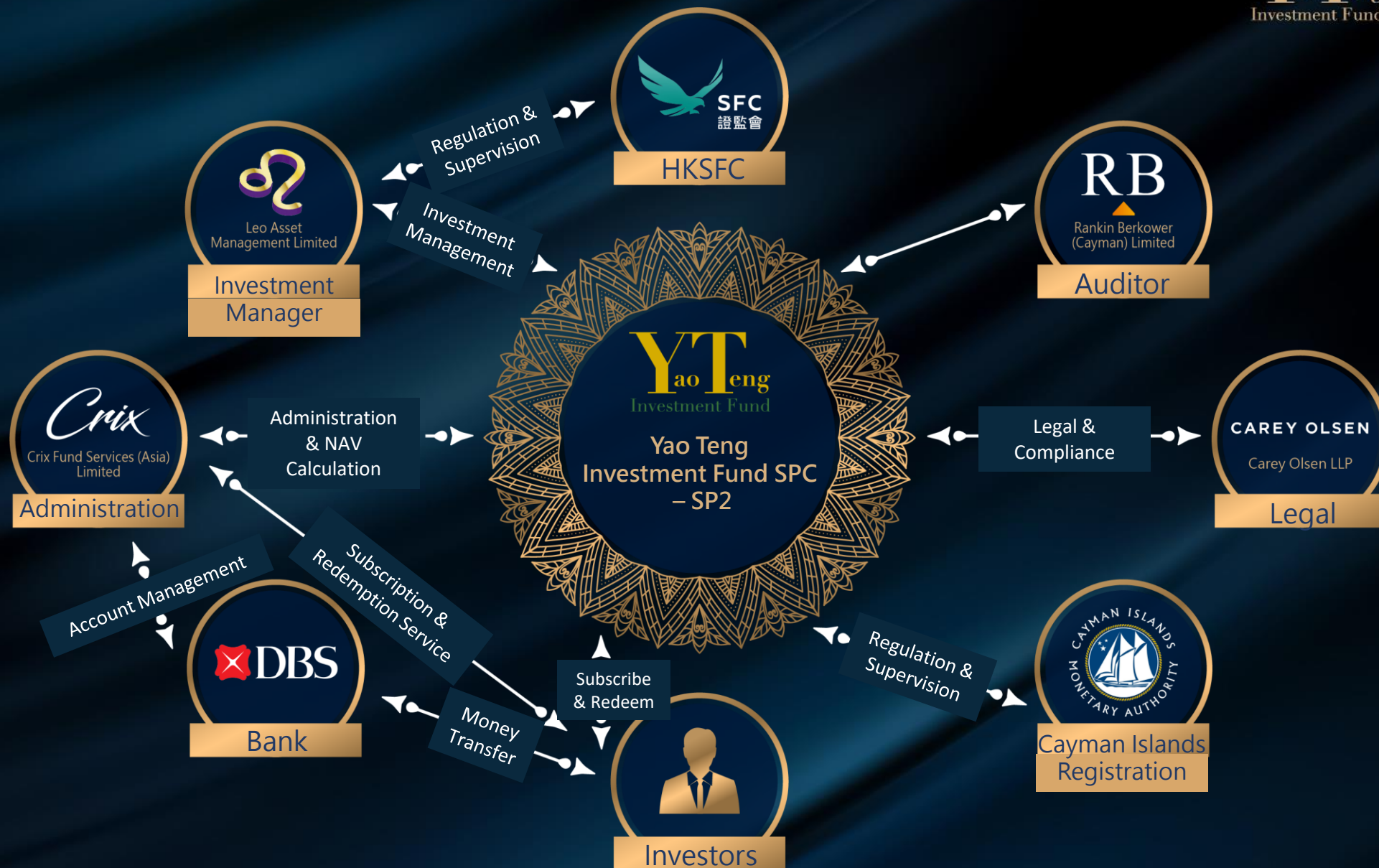
## CLASS B

|                     |   |
|---------------------|---|
| Fund Type           | Open End  |
| Cap                 | USD 20,000,000  |
| Subscription        | 2022-11-3 till cap reached  |
| Initial Offering    | Ends at 2022-12-25  |
| Domicile            | Cayman Islands  |
| Issuing Entity      | Yao Teng Investment Fund SPC ( Mutual Fund Registered No. 1625606 )   |
| Lock-up Period      | 3 years   |
| Redemption          | Every 3 months ( 1 <sup>st</sup> day of January / April / July / October ) after lock-up period   |
| Investment Manager  | Leo Asset Management Limited ( Hong Kong SFC No. BMT 230 )  |
| Auditor             | Rankin Berkower (Cayman) Limited  |
| Legal Counsel       | Carey Olsen LLP   |
| Bank                | DBS Bank  |
| Fund Administration | Crix Fund Services (Asia) Limited ( Trust & Company Service Provider No. TC008108 )   |
| Minimum Investment  | USD 100,000   |
| Management Fee      | 2% ( 1% of NAV every 6 months )   |
| Standard Dividend   | 4% ( 2% of Subscription amount every 6 months )   |
| Special Dividend    | 50% of the accumulated profit at 4 <sup>th</sup> anniversary, all remaining profit at 8 <sup>th</sup> anniversary   |
| Subscription Fee    | 2% ( maximum )  |
| Redemption Fee      | 30% of NAV (after 3 <sup>rd</sup> and before 4 <sup>th</sup> anniversary)<br>20% of NAV (after 4 <sup>th</sup> and before 5 <sup>th</sup> anniversary)<br>10% of NAV (after 5 <sup>th</sup> anniversary and before 7 <sup>th</sup> anniversary)<br>Waived (after 7 <sup>th</sup> anniversary) |
| Performance Fee     | 25% of profit ( every 6 months )  |





# FUND STRUCTURE







## INVESTMENT HIGHLIGHTS

Yao Teng  
Investment Fund

YAO TENG FGI  
Property Development



Explore projects with high growth potential after development or refurbishment



Redevelopment & management of projects in Europe



High effective return & substantial growth



Fixed interests 4% p.a. distribute every 6 months



Freehold properties, safeguard under inflationary market

Continuous assessment on growth investment opportunities in realty projects while maintaining a balanced risk & return metrics to generate fixed return & lucrative uplift on assets value in the Portfolio





## INVESTMENT HIGHLIGHTS

Yao Teng  
Investment Fund

YAO TENG FGI  
Property Development

SP2 continues and strengthens on the lucrative success on SP1, with increased capital & improved investment structure to focus on more scalable realty projects

The only fund in the market that combines high fixed income and capital growth. A well balanced risk & return investment opportunities for investors.



High return realty  
redevelopment  
projects in Portugal

# SP2

SP2 aims to  
outperform SP1 with  
proven success



Fixed Income 4% p.a.  
Distribute every 6  
months



Substantial Special  
Dividend every 4 years

Strictly Confidential





## PAST TRACK RECORDS

SP1 fund investment portfolio includes 3 quality residential property projects in Lisbon. Two of the projects are undergoing redevelopment and already succeed in selling half of the units off-plan

Just within first year, SP1 already distributed dividends to investors total 17.294% (twice semi-annual standard dividends in the sum 7.294% and 10% special dividend)

Net off all expenses and dividends distributed, SP1 still results a NAV growth of 2.44% in first year.

### Remarks

- > SP1 successfully sold off-plan 45.5% of the acquired residential units in the first year
- > Including the dividends distributed, NAV of SP1 is calculated to grow for 19.734% during first year
- > Fund prices can fluctuate to rise and fall, performance quoted represents past performance and does not guarantee future results





# INVESTMENT STRUCTURE

**Yao Teng**  
Investment Fund

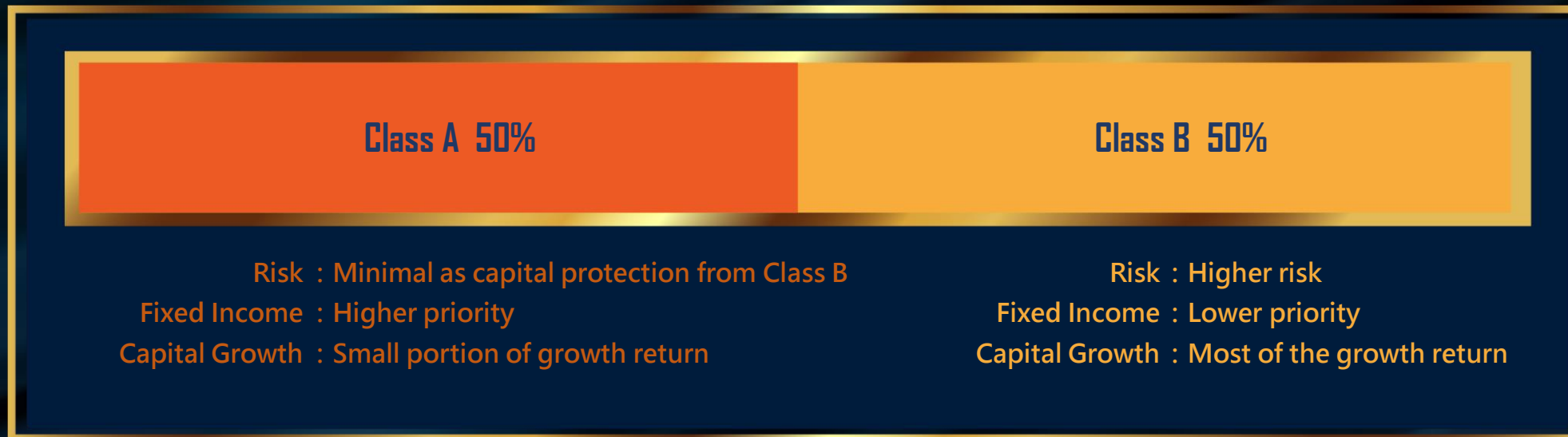
**YAO TENG FGI**  
Property Development







## FUND LEVEL - 1 : 1 PROTECTION



Class A senior tranche shareholders capital risk are fully covered by Class B; because Class B shareholders principal amount as junior tranche receives capital return after Class A been repaid first.

Class A shareholders Standard Dividend as fixed income and Special Dividend to capture small portion of capital growth also has higher distribution priority than Class B shareholders

Class B shareholders on the other hand, are entitled to higher Special Dividend. With Class A amount that leverages up the total investment, Class B shareholders capture maximum capital growth return at the end

Remarks : The actual Class A : Class B capital ratio might differ according to fundraising situation





## INVESTMENT RETURN PROJECTION

Yao Teng  
Investment Fund

YAO TENG FGI  
Property Development

### Annual ROI Comparison ( Projects with IRR25% )

| YEAR | Class A | Class B |
|------|---------|---------|
| 1    | 10.08%  | 31.10%  |
| 2    | 11.19%  | 40.73%  |
| 3    | 12.53%  | 48.72%  |
| 4    | 14.16%  | 58.55%  |
| 5    | 14.13%  | 57.77%  |
| 6    | 16.05%  | 67.85%  |
| 7    | 18.41%  | 82.13%  |
| 8    | 21.30%  | 99.67%  |

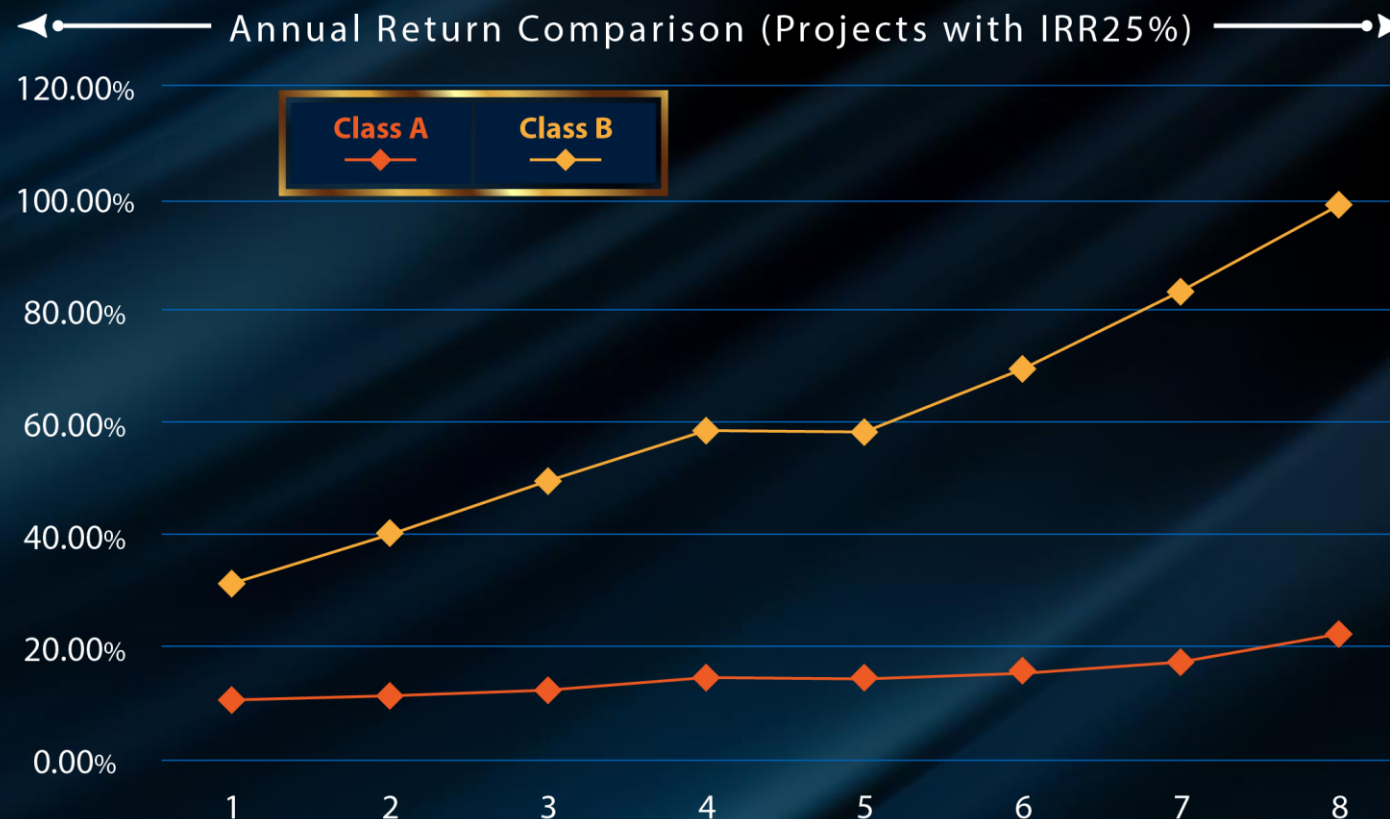


Illustration based on:

- 1) Projected average return of realty redevelopment projects with IRR 25% after tax and Class A: Class B capital ratio 1:1. actual ratio might differ according to fundraising situation
- 2) Management Fee & Performance Fee deducted, Redemption Fee not yet included
- 3) For simple reference only, actual ROI might differ due to variations in actual income & expenses of the fund and the realty redevelopment projects.

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# CLASS B

## ACCUMULATED DIVIDEND PAYMENTS & CAPITAL GROWTH

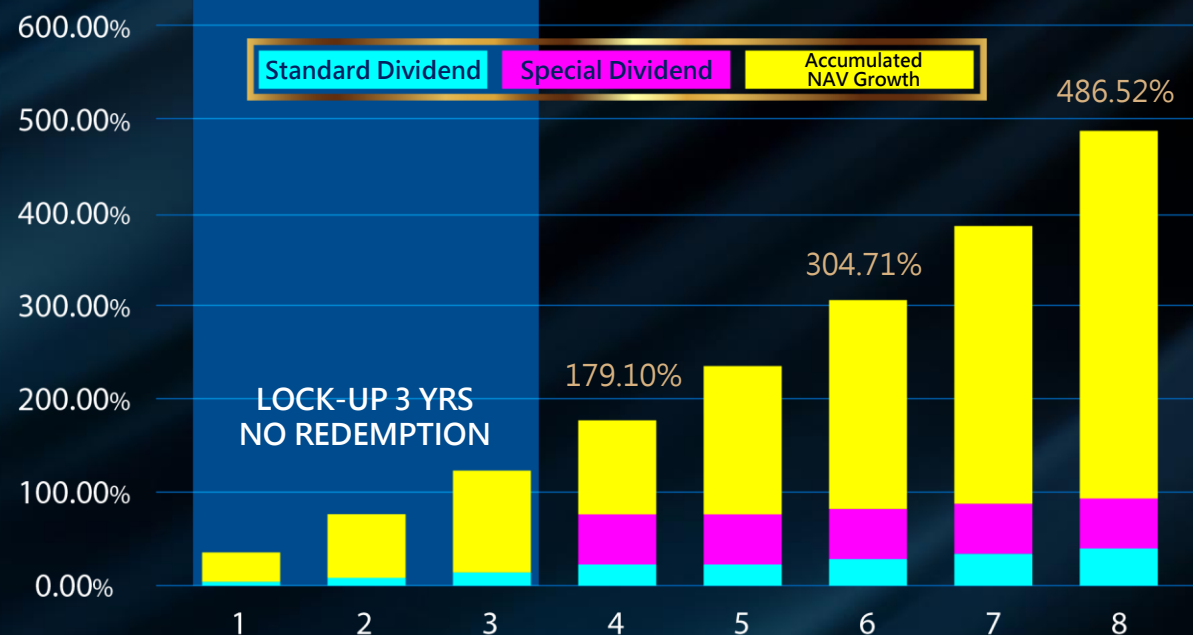
### Accumulated Dividend & NAV

| YEAR | Standard Dividend | Special Dividend | Accumulated NAV Growth | Total Return |
|------|-------------------|------------------|------------------------|--------------|
| 1    | 4.00%             | 0.00%            | 27.10%                 | 31.10%       |
| 2    | 8.00%             | 0.00%            | 55.83%                 | 71.83%       |
| 3    | 12.00%            | 0.00%            | 108.55%                | 120.55%      |
| 4    | 16.00%            | 50.03%           | 113.07%                | 179.10%      |
| 5    | 20.00%            | 50.03%           | 166.83%                | 236.87%      |
| 6    | 24.00%            | 50.03%           | 230.68%                | 304.71%      |
| 7    | 28.00%            | 50.03%           | 308.81%                | 386.84%      |
| 8    | 32.00%            | 50.03%           | 404.48%                | 486.52%      |

LOCK-UP 3 YRS, NO REDEMPTION

### Total Return

#### Class B Accumulated Dividend & NAV



### Illustrations based on:

- 1) Projected average return of realty redevelopment projects with IRR 25% after tax and Class A: Class B capital ratio 1:1. actual ratio might differ according to fundraising situation
- 2) Management Fee & Performance Fee deducted; Redemption Fee not yet deducted
- 3) Class B Standard Dividend 2% distributed every 6 months · profit ( net off management fee & performance fee) will be accumulated (after Class A Standard Dividend distributed and Class A Special Dividend reserved)
- 4) 50% of accumulated profit will be distributed as Special Dividend at 4<sup>th</sup> anniversary; all remaining accumulated capital and profit will be distributed at 8<sup>th</sup> anniversary
- 5) For simple reference only, actual ROI might differ due to variations in actual income & expenses of the fund and the realty redevelopment projects.





# CLASS B

## ACCUMULATED DIVIDEND PAYMENTS & CAPITAL GROWTH (AFTER REDEMPTION FEE)

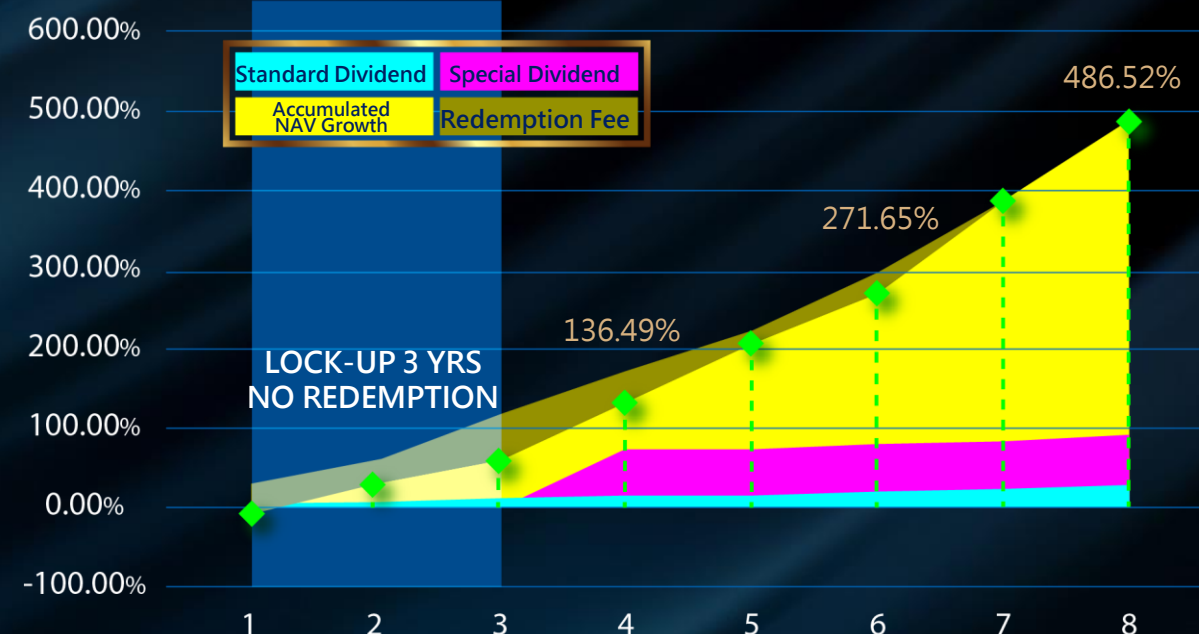
### Accumulated Dividend & NAV

| YEAR | Standard Dividend | Special Dividend | Accumulated NAV Growth | Total Return | Redemption Fee (NAV%) | Redemption Fee (subscription%) | Total Return (net Redemption Fee) |
|------|-------------------|------------------|------------------------|--------------|-----------------------|--------------------------------|-----------------------------------|
| 1    | 4.00%             | 0.00%            | 27.10%                 | 31.10%       | -30%                  | -38.15%                        | 7.03%                             |
| 2    | 8.00%             | 0.00%            | 63.83%                 | 71.83%       | -30%                  | -43.55%                        | 22.68%                            |
| 3    | 12.00%            | 0.00%            | 108.55%                | 120.55%      | -30%                  | -62.57%                        | 57.99%                            |
| 4    | 16.00%            | 50.03%           | 113.07%                | 179.10%      | -20%                  | -42.61%                        | 136.49%                           |
| 5    | 20.00%            | 50.03%           | 166.83%                | 236.87%      | -10%                  | -26.68%                        | 210.18%                           |
| 6    | 24.00%            | 50.03%           | 230.68%                | 304.71%      | -10%                  | -33.07%                        | 271.65%                           |
| 7    | 28.00%            | 50.03%           | 308.81%                | 386.84%      | 0%                    | 0.00%                          | 386.84%                           |
| 8    | 32.00%            | 50.03%           | 404.48%                | 486.52%      | 0%                    | 0.00%                          | 486.52%                           |

LOCK-UP 3 YRS, NO REDEMPTION

### Total Return (after Redemption Fee)

Class B Accumulated Dividend & NAV (after Redemption Fee)



### Illustrations based on:

- 1) Projected average return of realty redevelopment projects with IRR 25% after tax and Class A: Class B capital ratio 1:1. actual ratio might differ according to fundraising situation
- 2) Management Fee, Performance Fee and Redemption Fee deducted
- 3) Class B standard dividend 2% distributed every 6 months · profit ( net off Management Fee & Performance Fee) will be accumulated (after Class A Standard Dividend distributed and Class A Special Dividend reserved)
- 4) 50% of accumulated profit will be distributed as Special Dividend at 4<sup>th</sup> anniversary; all remaining accumulated capital and profit will be distributed at 8<sup>th</sup> anniversary
- 5) For simple reference only, actual ROI might differ due to variations in actual income & expenses of the fund and the realty redevelopment projects.





## PROJECT STRENGTHS

1



Sustainable price growth for Lisbon properties; high demand in city centre; big increment margin as compared to other capital cities in Europe

2



Experienced professional team in acquisition & redevelopment of realty, projects pipeline with properties 20%-30% below market price

3



Bank Financing Ready  
Leveraged Up Return





## PROJECT STRENGTHS

Yao Teng  
Investment Fund

YAO TENG  
Property Development



Investment in city centre realty redevelopment projects in Portugal, improving the quality of assets and resell to maximize return



Facilitation of bank financing on redevelopment projects to increase cashflow and leverage up investment return



Assessment of high growth potential areas, seek to acquire properties that are undervalued



Capturing the low Euro-US dollar exchange rate opportunity now to enjoy the growth potential of assets acquisition in Euro



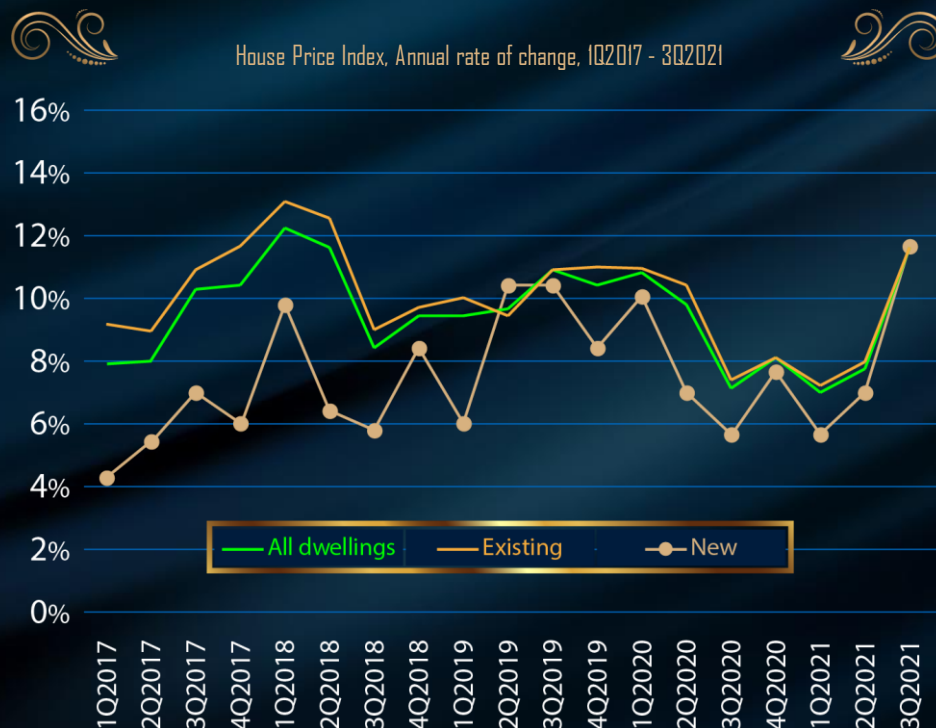
Professional design and redevelopment construction to improve quality and value of the assets



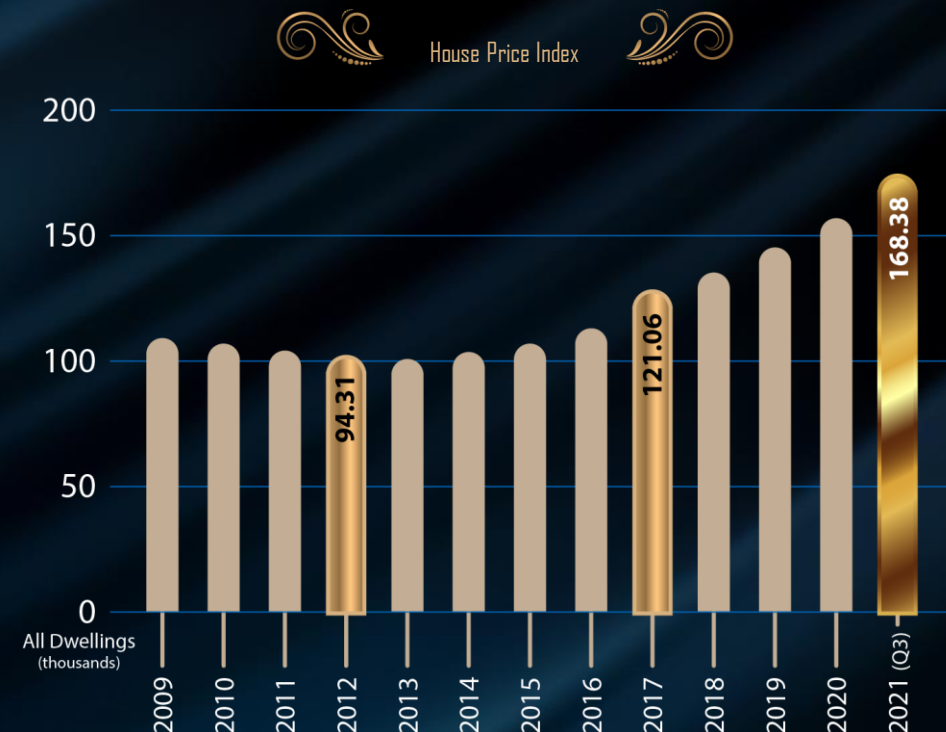
Portugal golden visa immigration demand still very strong directly benefiting the property market on transaction quantity and price level



# PORTUGAL PROPERTY MARKET ANALYSIS



Source: Instituto Nacional de Estatística (INE)



Source: JLL & INE

Portugal residential properties market outperformed most of other European countries and UK for the past 5 years, price level risen for around 40% while average rental yield is 5% to 6% p.a.

Due to Covid-19, annual rate of price increase for 2Q2020 to 2Q2021 slows down gently to 7% . Since the re-opening for traveling within Europe and relaxation of all local restriction since 3Q2021, the annual price increase rate are back in the 10% range reflecting strong demand for properties in Portugal for local and overseas buyers

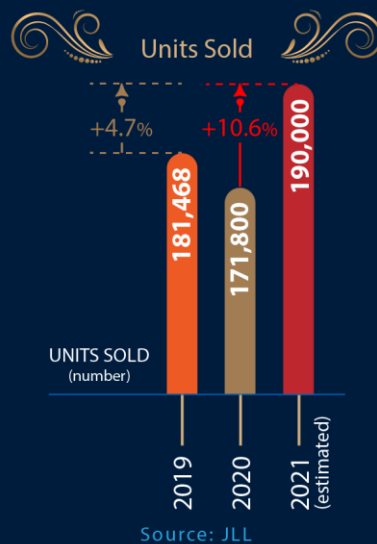




## PORTUGAL RESIDENTIAL DEMAND & PROPERTY MARKET ANALYSIS

Yao Teng  
Investment Fund

YAO TENG FGI  
Property Development



According to JLL market research, Portugal housing demand keep increasing, 2021 forecast sales of 190,000 units which demonstrates an annual growth of 10.6%, an astonishing 4.7% increment to 2020 vs 2019 growth.

Golden visa immigration also facilitate more overseas buyers. In 2012 only 5% of Portugal residential properties are bought by overseas buyers. In 2021, the figure increased to 10% to 15% which a high proportion of overseas buyers are from the United States and Brazil.

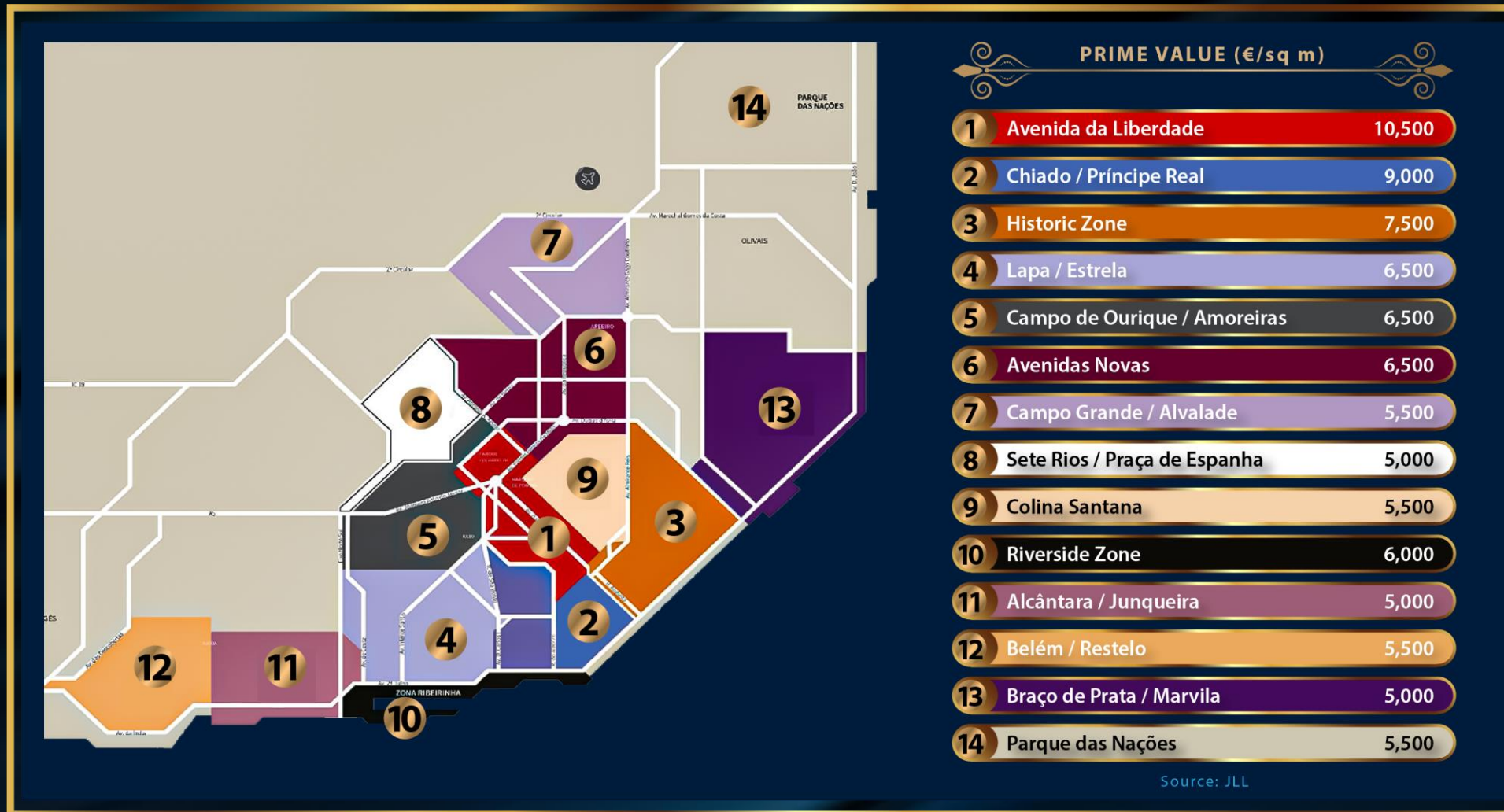
Population of Portugal is 10.19 million with 3 million living in the capital Lisbon. Residential properties prices in the city has grown substantially these few years. Other European and multinational corporates also open their branch offices in Lisbon thus creating more housing demand for expatriates while prices will rise to catch up with other capital cities in Europe. Being also a historical city, the central part of Lisbon lacks land plot for high-rise residential development thus redevelopment & refurbishment projects remain a lucrative real estate investment opportunity with sufficient market liquidity.







## LISBON RESIDENTIAL PRICE LEVEL BY DISTRICTS







## PROJECT PARTNERS

Yao Teng  
Investment Fund

YAO TENG FGI  
Property Development



LEGAL



BANKS



SALES & MANAGEMENT



CONSTRUCTION



## PROJECT PIPELINES

| PROJECT                     | COST<br>(Acquisition +<br>Development) | DURATION  | DISTRICT /<br>TYPE              | SALEABLE<br>AREA (sq.m.) | EXPECTED<br>RETURN<br>(before tax) | EXPECTED<br>IRR<br>(before tax) |
|-----------------------------|--|-----------|---------------------------------|--------------------------|------------------------------------|---------------------------------|
| Alexandre<br>Herculano no.6 | € 11,460,000                           | 36 months | Liberdade / Luxury<br>Residence | 2,080                    | 90.58%                             | 30.19%                          |
| Aparicio no.7               | € 11,306,000                           | 48 months | Liberdade /Aparthotel           | 3,160                    | 193.47%                            | 48.37%                          |
| Crucifixo no.70-80          | € 8,504,000                            | 24 months | Chiado /Aparthotel              | 1,404                    | 48.59%                             | 24.30%                          |
| Alcantara                   | € 16,159,500                           | 42 months | LX /Aparthotel                  | 4,773                    | 77.22%                             | 22.06%                          |

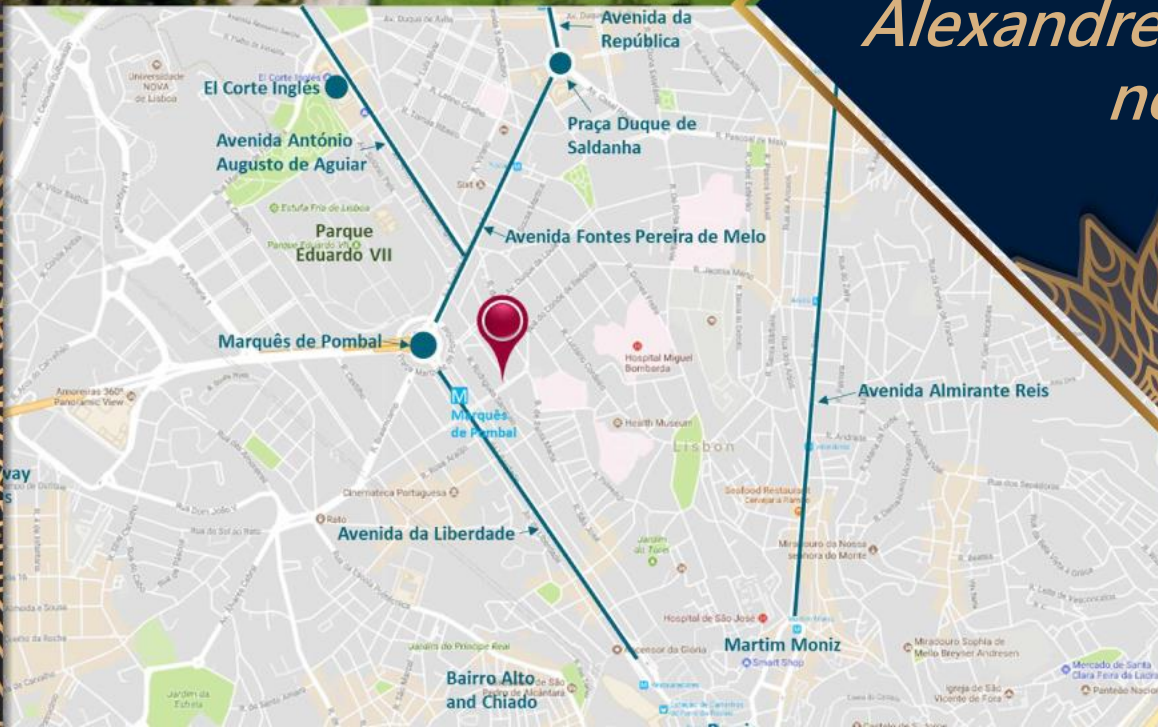
The above illustration are potential projects on our investment pipeline. All figures above including acquisition & development costs, projects duration and investment return are for reference only, all the above projects are undergoing investment analysis, due diligence, acquisition negotiation and architectural design and feasibility study. Actual project details are subject to change and market situation.





POTENTIAL  
PROJECT 1

# LIBERDADE *Alexandre Herculano no.6*







# POTENTIAL PROJECT 1

## 《Avenida da Liberdade District - Alexandre Herculano no.6》



### REDEVELOPMENT



1st – 4th floor : each floor one 2-bedroom residence unit (109 sqm) and one 4-bedroom residence unit (185 sqm)

5th – 6th floor : two 3-bedroom duplex residence units (227 sqm & 209 sqm)

Basement : construct 7 more carpark space to increase to total 16 carpark spaces



### Cost & Profit Forecast



#### FORECAST

|                   |                                    |
|-------------------|------------------------------------|
| Saleable Area     | 2,080 sq.m.                        |
| Project Duration  | 36 months                          |
| Acquisition Cost  | € 6,500,000 ( € 3,125 per sq.m.)   |
| Construction Cost | € 4,160,000 ( € 2,000 per sq.m.)   |
| Professional Fees | € 800,000                          |
| Sales Revenue     | € 21,840,000 ( € 10,500 per sq.m.) |

ROI : 90.58%

IRR : 30.19%





POTENTIAL  
PROJECT 2

LIBERDADE  
*Aparicio no.7*





# POTENTIAL PROJECT 2

## 《Avenida da Liberdade District - Aparicio no.7》

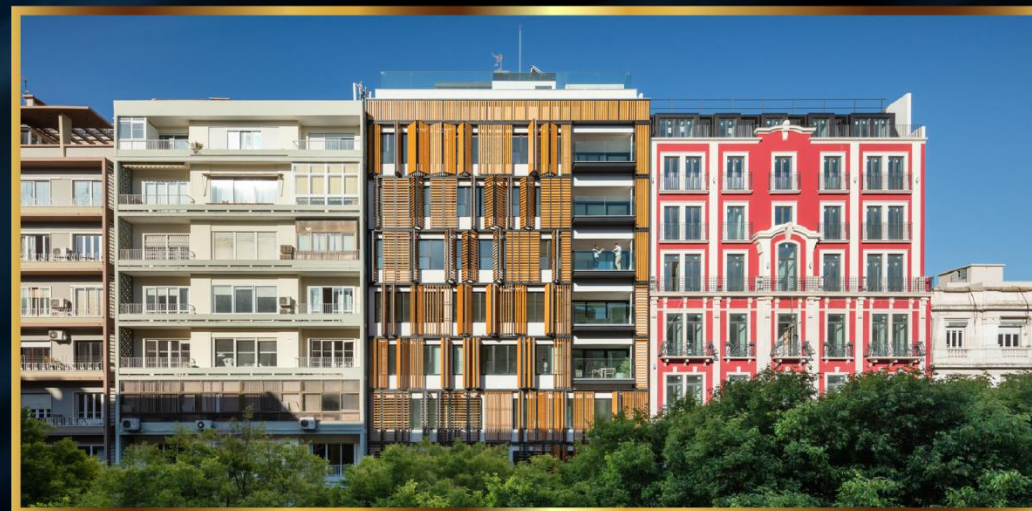


### REDEVELOPMENT



Reconstruct from existing office building into an aparthotel,  
preliminary plan for 60 units of 1-bedroom or 2-bedroom suites

Basement currently with 30 carpark spaces



### Cost & Profit Forecast



FORECAST

|                   |                                   |
|-------------------|-----------------------------------|
| Saleable Area     | 3,160 sq.m.                       |
| Project Duration  | 48 months                         |
| Acquisition Cost  | € 5,300,000 (€ 1,677 per sq.m.)   |
| Construction Cost | € 5,056,000 (€ 1,600 per sq.m.)   |
| Professional Fees | € 950,000                         |
| Sales Revenue     | € 33,180,000 (€ 10,500 per sq.m.) |

ROI : 193.47%

IRR : 48.37%





POTENTIAL  
PROJECT 3

Chiado District  
*Crucifixo*  
*no. 70-80*





# POTENTIAL PROJECT 3

## 《Chiado District - Crucifixo no.70-80》



### REDEVELOPMENT



Located in the prime central tourist and shopping location.

Refurbish from existing 5-storey residential building into an aparthotel with 30 units of suites



### Cost & Profit Forecast



FORECAST

|                   |                                  |
|-------------------|----------------------------------|
| Saleable Area     | 1,404 sq.m.                      |
| Project Duration  | 24 months                        |
| Acquisition Cost  | € 6,500,000 (€ 4,630 per sq.m.)  |
| Construction Cost | € 1,404,000 (€ 1,000 per sq.m.)  |
| Professional Fees | € 600,000                        |
| Sales Revenue     | € 12,636,000 (€ 9,000 per sq.m.) |

ROI : 48.59%

IRR : 24.30%





POTENTIAL  
PROJECT 4

LX Factory Cultural  
District  
*Alcantara*







# POTENTIAL PROJECT 4

## 《LX Factory Cultural District - Alcantara》



### REDEVELOPMENT



Construct and develop the existing ground level retail shops and the connected land plot into an aparthotel with 62 suite units and 20 carpark spaces.



### Cost & Profit Forecast



FORECAST

|                   |                                   |
|-------------------|-----------------------------------|
| Saleable Area     | 4,773 sq.m.                       |
| Project Duration  | 42 months                         |
| Acquisition Cost  | € 8,000,000 ( € 1,676 per sq.m.)  |
| Construction Cost | € 7,159,500 ( € 1,500 per sq.m.)  |
| Professional Fees | € 1,000,000                       |
| Sales Revenue     | € 28,638,000 ( € 6,000 per sq.m.) |

ROI : 77.22%

IRR : 22.06%





## DEVELOPER'S OTHER PROJECTS

**Yao Teng**  
Investment Fund

**YAO TENG FGI**  
Property Development



Arroios 14  
ANJOS



Carro 8  
MARTIM MONIZ



ARROCHELA  
MISERICORDIA





## DEVELOPER'S OTHER PROJECTS

**Yao Teng**  
Investment Fund

**YAO TENG FGI**  
Property Development







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