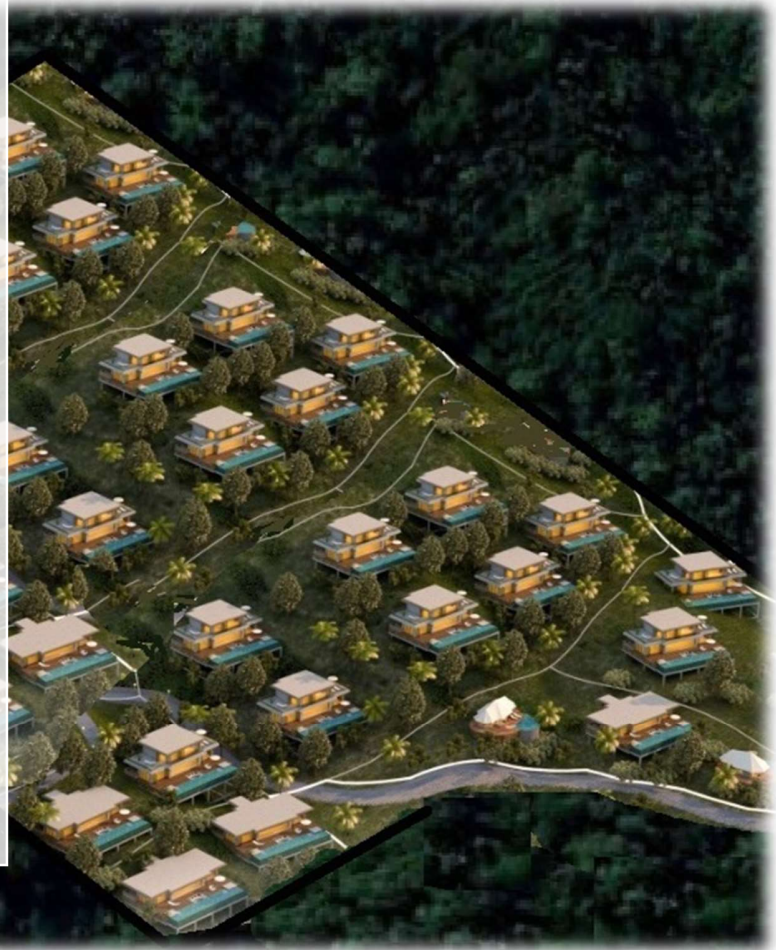


Business plan

Mankalika-Hills



This business plan aims to prove the feasibility of a Residential Villa Development in Mandalika, Indonesia. The "Mandalika-Hills" will consist in 40 luxury plots with sea-view.

-
- EXECUTIVE SUMMARY
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EXECUTIVE SUMMARY

We seek funds to acquire a 5 ha land on a hillside with a fantastic seaview of Kuta Bay in Lombok. Later this land after make the infrastructure will be sale by plots of approximately 1.000m2 for build 40 villas and 1 Clubhouse.

The development will specializes in providing relaxation and recreation in Mandalika Lombok, a new popular tourism spot located in Special Economic Zone created by Indonesia's government with a 3 Billion dollar investment in the 1.175ha. The development also is close to the circuit of "Mandalika Moto GP," which will have his first race in October 2021. **Mandalika-Hills** shall fill an affordability niche not presently available in Mandalika.

Mandalika developer have experience in design and build hotels/resorts in the area. The owner Juan Manuel has a Master's degree from La Salle Barcelona as Management in construction, and is Certificate by Project Management Institute. He has extensive project management background experience, including over 14 years of experience in Barcelona, and five years in Bali, before arriving in Lombok to design and build a Hong Kong company's resort.

Some big hotels chains already have expressed their intention of create hotels in the area, knowing the potential of Mandalika in the following years. The highway directly to the airport will be finish in October 2021, means will be connected in just 15 minutes to Mandalika.

BUSINESS PLAN PURPOSE

- ***Introduction***

In today's highly competitive environment, formal business planning is an essential element in achieving business success.

Considering that numerous investment opportunities inundated lenders from which they choose only a few, this business plan describes our story and how we intend to help them with a great proposal. [Mandalika Developer](#) has made an in-depth analysis of these opportunities and weaknesses, and it has concluded that the project has an excellent chance to succeed.

- **Methodology for Business Planning**

Constructive and proper business planning requires a broad-based understanding of changes in the marketplace in which the company competes or plans to compete and the ever-changing financial markets. In-depth technical skills in various disciplines such as financial analysis, sales, marketing, latest technology, and managing growth are critical components in assessing a company's opportunities and risks.

- **Developing the Business Plan**

[Mandalika Developer](#) has developed this disciplined planning methodology to help the latest resorts to anticipate its start-up costs and other critical information to arrive at this realistic plan.

We include in our team and in our partners; architect, engineer, economist... and all the professionals needed to develop the project in all the phases.

COMPANY SUMMARY

• **Development Ownership**

The safest solution for a real estate development business in Indonesia is to acquire HGB (Right to Build, Hak Guna Bangunan) through the formation of a foreign-owned company (PT PMA).

A foreign individual cannot own the right to build title but can own a 100% foreign-owned PMA-licensed company, which then has the freedom to build and develop buildings on the land during the term of the HGB. This structure, therefore, can provide a foreign investor with direct legal control over the company and land. The duration of the HGB is for 80 years.

The actual proposal for the partnership between the Investor and [Mandalika Developer](#) have to be agree. The standar agreement use to be 15% for the Developer and 85% for the Investor.

• **Corporate Development Plan**

[Mandalika Developer](#) has separated the process into two stages defined below:

Phase I. Make the company and buy the land.

Before the Hill Side land is acquired, the investor will have to create a PMA company in Indonesia in partnership with the developer to inscribe the land ownership to this company later. We can do it with just a letter of attorney from notary abroad. In this phase I we will start the design of the infrastructure of [Mandalika-Hills](#).

The duration of this phase is expected to be **4 months**.

Phase II. Infrastructures and plots sales.

The process of design the residential area will be finish in Phase II and all the permits will be obtain.

We will build all the infrastructures for the clients could build their own Villa and live; road, supply water and electricity to every plot, etc

The process of sales will start with marketing abroad and in Indonesia, mainly with Real Estate partners in Singapore, Jakarta, etc. Local market have a huge opportunity.

The duration of this phase is expected to be **2 years**.

Location

• Ideal Property Location

The development will be located in Mandalika Lombok, the Special Economic Zone of Indonesia with 1.175ha and \$3 Billion Investment that will situate on beautiful landscapes with white sand beaches and transparent water.

Mandalika is a new area without established residential competitors. Some hotel companies such as Paramount, Bayan tree, Louvre and Pullman have started to build their hotels and some condotel resorts as Samara or Tampah Hills.

The Mandalika area will have two golf courses, a water-park, business center, numerous restaurants, various retail and specialty shops, bamboo beach club, and local art shops.

The preferred location is a 5 Hectare Hill Side with a ocean-view of the bay of Kuta Lombok, located just 1km from a heavenly beach, so the sea's beautiful serenity is not far.

All of this will make Mandalika a famous tourist destination.

• Ideal Property Development

For the contour of the terrain on the hill we will have to build a road to achieve the top of the hill and the capacity to access and build 40 Villas.

The Clubhouse with all kind of facilities as a community pool, yoga sala, gym, restaurant, meeting room, parking, offices for administration, mechanical room, etc. Also will provide the hospitality services to all the clients who wanna rent their villas for have income; reservation, payments, house keeping, gardening, rent car...

Mandalika-Hills mission will be to provide best luxury views and infrastructure in a comprehensive and cost-competitive manner, providing the finest accommodations in Mandalika. Land improvements include a beautiful landscaping with a mature variety of trees and shrubs.

STRATEGY & IMPLEMENTATION

Establishing a residential clientele won't take long time because we don't have competitor in such international development project.

• Economic Environment

Positive forces include the generally prosperous economy currently in Indonesia, employment, rising wages, leading more people to be able and willing to spend money, and getting away for urbane areas as Singapore, Hong Kong.... The high increase of middle and high class in Indonesia last years makes the local market's perspective excellent in a country of 250 million population.

The close locality to Singapore in just 2.5 hours makes Lombok an easy international connection.

• Target Markets – Consumer:

- New visitors traveling to the area and fall in love of the new Bali
- The new trend of live in more open houses and in contact with nature
- Middle- and upper-income bracket
- Returning visitors to the area
- Couples and Families

• Return of investment for plot buyers :

The residences in **Mandalika-Hills** could offer many advantages, as attracting a wide range of overnight clients while generating margins that ensure excellent return on investment. Its all-in-one concept also enables to maximize add-on offers and generate New visitors traveling to the area could rent an amazing villa when owners are not using it.

Pricing Strategy example

Rooms per night fees have been developed. The fee schedule takes into account seasonal rates that are common in the area. For businesses and other large group functions, pricing can be discounted. Example fees:

Villas Prices with private garden and pool	Villa price	Price per night
1 Bedroom Villa	\$250.000	250\$
2 Bedroom Villa	\$300.000	300\$
3 Bedroom villa	\$400.000	400\$

FINANCIAL PLAN

• Financial Plan Assumptions

We will incorporate the following assumptions into the proforma statements.

- All operating costs are based on **Mandalika Developer** research of similar projects.
- Developmental start-up costs are amortized in just 1 year.
- All fixed and variable labor costs should rise annually at 2.5% per year.

All revenues will figuratively rise annually at five percent. Fixed annual, administrative, and office expenses rise at an annual rate of one-half of one percent.

• Milestone Timeline Investor:

Here are some of the most important milestone in the project.

- June '21 Make company, 4 months 7.000\$
- June '21 Deposit land 10% 100.000\$
- October '21 Income Sales 300.000\$
- October '21 1st Payment land 40% 900.000\$ - Sales
- April '22 Income Sales 1.000.000\$
- April '22 2nd Payment land 50% 1.000.000\$ - Sales
- August '22 ROI Investor 50% 500.000\$

MANDALIKA-HILLS Residential												MotoGP																						
20 months		2021												2022																				
Task	Cost	june	july	august	september	october	november	december	january	february	march	april	may	june	july	august	september	october	november	december	january	february	march	april	may	june	july	august	september	october	november	december		
Make company	\$7,000		\$7,000																															
Buy land	\$2,000,000		\$100,000			\$900,000						\$1,000,000																						
Design	\$46,000																																	
Masterplan Design	\$10,000		\$5,000		\$5,000																													
Landscape Design	\$6,000				\$3,000		\$3,000																											
MEP Design	\$10,000				\$5,000		\$5,000																											
Construction license	\$20,000				\$2,000		\$18,000																											
Construction	\$240,000																																	
PLN Electricity	\$5,000				\$5,000																													
Road Const	\$100,000				\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000			
MEP Const	\$70,000						\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000			
Road Retaining wall	\$50,000				\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000			
Landscape Const	\$15,000												\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000		\$5,000			
Expenses project	\$290,000	\$0	\$112,000	\$8,000	\$27,000	\$923,000	\$33,000	\$25,000	\$25,000	\$25,000	\$1,030,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Pots sold monthly (1500/plot 1.000m2)	40	april	may	june	july	august	september	october	november	december	january	february	march	april	may	june	july	august	september	october	november	december	january	february	march	april	may	june	july	august	september	october	november	december
Total Revenue for plots sold	\$5,200,000	0	0	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$260,000	\$260,000	\$260,000	\$260,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$260,000	\$260,000		
Total Revenue PLOTS accumulative					\$260,000	\$390,000	\$520,000	\$650,000	\$910,000	\$1,170,000	\$1,430,000	\$1,690,000	\$1,950,000	\$2,340,000	\$2,730,000	\$3,120,000	\$3,510,000	\$3,900,000	\$4,290,000	\$4,680,000	\$5,070,000	\$5,460,000	\$5,850,000	\$6,240,000	\$6,630,000	\$7,020,000	\$7,410,000	\$7,800,000	\$8,190,000	\$8,580,000	\$8,970,000			
Developer/Sales 15%	\$780,000	0	0	\$19,500	\$19,500	\$19,500	\$19,500	\$19,500	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$39,000	\$39,000	\$39,000	\$39,000	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$39,000	\$39,000		
Marketing	\$40,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		
TAX 10%	\$520,000	0	0	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$26,000	\$26,000	\$26,000	\$26,000	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$39,000	\$26,000	\$26,000		
Cash flow INVESTOR		\$0	-\$114,000	-\$26,500	\$42,000	-\$748,500	-\$712,000	-\$662,500	-\$484,500	-\$316,500	-\$149,500	-\$266,500	-\$822,500	-\$842,000	-\$271,500	\$119,000	\$309,500	\$660,000	\$960,000	\$1,181,000	\$1,374,000	\$1,567,000												
																																	\$1,567,000	

