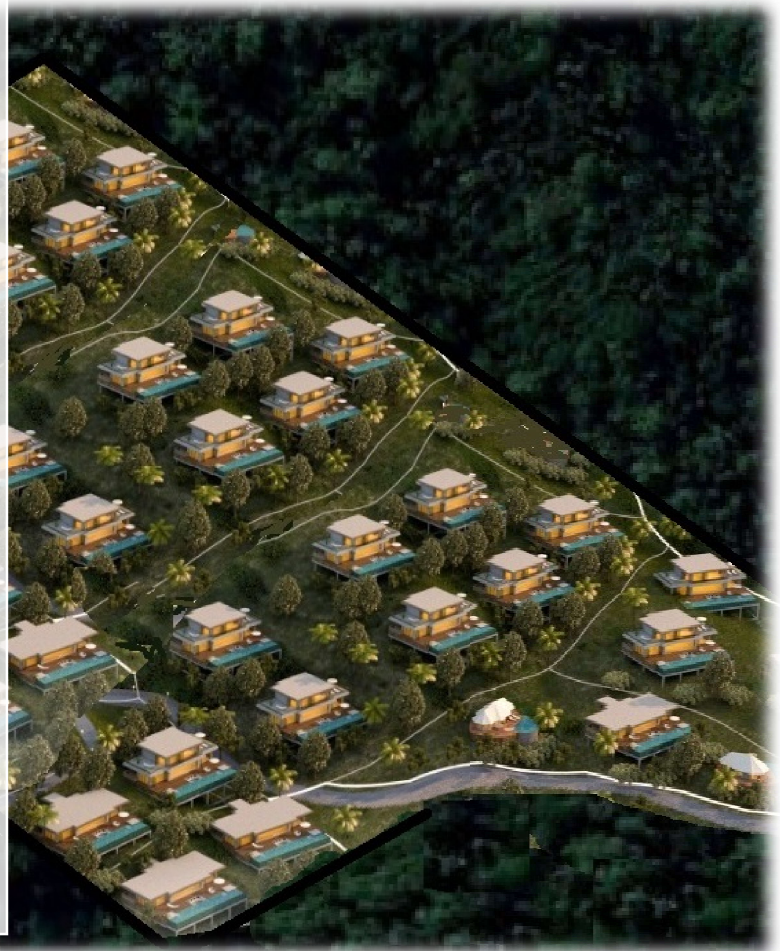


Business plan

# Mankalika-Hills Resort



This business plan aims to investigate the feasibility of a Villa Hotel Resort in Mandalika, Indonesia. The "Mandalika-Hills Resort" will consist in 37 Villas with private garden and pool, and 1 ClubHouse.

- 
- EXECUTIVE SUMMARY
  - COMPANY SUMMARY
  - STRATEGY & IMPLEMENTATION
  - FINANCIAL PLAN
- 

## EXECUTIVE SUMMARY

We seek funds to acquire a 5 ha land on a hillside with a fantastic seaview of Kuta Bay in Lombok, and the construction of a Resort with 37 villas "boutique-style."

The resort will specialize 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 hotel also is close to the circuit of "Mandalika Moto GP," which will have his first race in October 2021. "**Mandalika-Hills Resort**" shall fill an affordability niche not presently available in Mandalika in the future.

"**Mandalika developers**" have a team with already experience in design and build hotels/resorts in the area. The owner Juan Manuel Fernandez has a Master's degree from La Salle Barcelona as Management in construction and a Certificate from 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 Hospitality companies as **Melia** already have expressed their intention of managing the hotel, knowing the potential of Mandalika in the following years.

## **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 Developers** management team 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**

Sophisticated business planning helps management answer questions, such as: What will be our record of achievement? How have we fared compared to our competitors? Are we setting realistic and attainable goals and objectives?

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 and marketing, latest technology, and managing growth are critical components in assessing a company's opportunities and risks.

- **Developing the Business Plan**

The Team of “**Mandalika Developer**” has developed this disciplined planning methodology to help the latest hotel to anticipate its start-up costs and other critical information to arrive at this realistic plan.

We include in our team architect, engineer, administration, etc., and all the professionals needed to develop the project

“**Mandalika Developer**” has additional partners and advisors to assist during the development, planning, and initial planning phases..

## **Five Objectives of “*Mandalika Developer*”**

1. Attract \$15 million to buy the land and build the hotel (2+13)
2. Focus on ideas and establish goals
3. Identify and quantify objectives
4. Track and direct growth
5. Create benchmarks for measuring success

## • Ideal Property Location

The resort will be located in 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 hotel competitors. Some companies such as Paramount, Bayan tree, and Pullman have started to build their hotels.

The Mandalika area will have two golf courses, a water park, numerous dining establishments, various retail and specialty shops, a new bamboo beach club, and local art shops. Hotels and resorts of this characteristic still are not operating in the area

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 build 37 Villas. Approximately 20 Villas will be two bedrooms, ten Villas with one bedroom, five villas with three bedrooms, all of them with a private pool and garden area. Also build a Clubhouse with all kind of facilities as a community pool, yoga sala, gym, restaurant, meeting room, parking, offices for administration, mechanical room, etc.

Other improvements include a few golf car for internal circulation of staff and clients to keep the area clean of pollution as smoke and noise. Land improvements include a beautiful landscaping with a mature variety of trees and shrubs.

**“Mandalika-Hills Resort”** mission will be to provide quality hospitality services to the guests in a comprehensive and cost-competitive manner, providing the finest accommodations in Mandalika.

## COMPANY SUMMARY

- Resort Ownership

The safest and increasingly popular solution for build a Hotel 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 buy 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..

- Corporate Development Plan

For purposes of this Business Plan document, the “**Mandalika Developer**” has separated the process into two stages. Phase I to make the company and buy the land and Phase II for the construction process, are defined below:

### Phase I

This phase involves the preparation and development of “**Mandalika-Hills Resort**”

Before the HillSide land is acquired, the investor will have to create a PMA company in Indonesia to inscribe the land ownership to this company later.

The process of design the resort and all the permits will be obtain in this Phase I

“**Mandalika Developer**” will start to manage the tender with the Hospitality companies, which will develop the hotel.

### Phase II

Resort construction of 37 Villas and a Clubhouse in approximately 2 years.

- Industry Keys to Success

1. A property designed for the guest
2. Controlled overhead and operational costs
3. Regular and ongoing guest feedback
4. Latest technology/software capacity
5. Unique, timeless, and comfortable environment
6. Dedicated management and associate support staff

## STRATEGY & IMPLEMENTATION

Establishing a resort clientele won't take long time if you have a reputation Hospitality brand managing the resort based on word-of-mouth /recommendations /referrals and value as the primary way in which guests have had before.

People who are entirely new to the area may look to the Internet and find the Hospitality brand behind us to trust in **"Mandalika-Hills Resort"**

### • 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 some time. 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
- Middle- and upper-income bracket
- Returning visitors to the area
- Businesses needing to hold small overnight planning and strategy sessions
- Area wedding parties
- Couples and Families

## Pricing Strategy

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 depending upon the number of villas reserved.

Example fees:

Villas Fees	Low Season	High season
1 Bedroom Villa	\$100	\$200
2 Bedroom Villa	\$320	\$400
3 Bedroom villa	\$500	\$600
High Season Rates (May through October)		
Low Season Rates (November through April)		



## FINANCIAL PLAN

Here is the Project Funding Summary

KUTA HILLS RESORT					2 years			MotoGP		
		2021								
Task Name	Cost	april	may	june	july	august	september	october	november	december
Buy land	\$2,000,000		\$1,000,000						\$1,000,000	
Design	\$130,000									
Resort Design	\$100,000	\$50,000			\$50,000					
Company (PMA)	\$10,000	\$10,000								
Permit	\$20,000				\$2,000					
STAGE 1	\$774,000									
Cut & Fill	\$370,000		\$5,000	\$5,000	\$5,000	\$5,000				
Mock-Up	\$355,000		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000		
PLN 33kw	\$27,000		\$5,000							
ROAD Excavator	\$22,000		\$5,000	\$5,000	\$5,000	\$7,000				
Stage 2 Resort	\$11,245,000	april	may	june	july	august	september	october	november	december
Masterplan Resort	\$230,000				\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Villa + BHO + CH	\$10,500,000						\$500,000	\$500,000	\$500,000	\$500,000
MEP Resort	\$125,000							\$20,000		
Retaining Walls	\$90,000				\$10,000		\$10,000		\$10,000	
Road Const	\$135,000				\$15,000	\$135,000	\$15,000		\$15,000	
Landscape Const	\$90,000									
PLN Resort 350kw	\$75,000									
TOTAL	\$14,149,000	\$60,000	\$1,065,000	\$60,000	\$147,000	\$72,000	\$585,000	\$630,000	\$1,535,000	\$510,000
		april	may	june	july	august	september	october	november	december
		2021								

### • Financial Plan Assumptions

We will incorporate the following assumptions into the proforma statements.

- All operating costs are based on “**Mandalika Developer**” management research of similar projects.
- Developmental start-up costs are amortized over five years.
- Property Hospitality management is based on a fixed and variable basis, an attached example of **Melia**.
- 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.

### • Cash flow next page

## MANDALIKA-HILLS RESORT

Feasibility by Mandalika Developer

REVENUE							
Model	Number of Units	Number of Rooms	ARR (Average Room Rate)	Year 1		Year 11	
				2023		2033	
1 Bedroom	10	1	\$200	\$2,000		\$2,811	
2 Bedroom	20	2	\$150	\$6,000		\$8,434	
3 Bedroom	7	3	\$135	\$2,835		\$3,985	
Special	0	0	\$0	\$0		\$0	
Annual ARR Increase						0%	
Max Daily Gross				\$10,835		\$15,231	
Occupancy				50%		70%	
ADR (Average daily rate)				\$5,418		\$10,662	
Total Days open per Year				(half year) 182		365	
Room Revenue				98.40%	\$985,985	99.11%	\$3,891,523
F&B Revenue				1.50%	\$15,000	0.84%	\$33,000
Other Revenue				0.10%	\$1,020	0.05%	\$1,800
Total Revenue (yearly)				100.00%	\$1,002,005	100.00%	\$3,926,323

EXPENSES					
DEPARTMENTAL EXPENSES					
Rooms		25.00%	\$250,501	25.00%	\$981,581
F&B		5.00%	\$50,100	5.00%	\$196,316
Other Departmental Expenses		1.00%	\$10,020	1.00%	\$39,263
Total Departmental Expenses		31.00%	\$310,622	31.00%	\$1,217,160

UNDISTRIBUTED OPERATING EXPENSES					
Administrative and General		5.00%	\$50,100	5.00%	\$196,316
Marketing Cost		3.00%	\$30,060	3.00%	\$117,790
Utility Cost		3.00%	\$30,060	3.00%	\$117,790
Property Operations and Maintenance		3.00%	\$30,060	3.00%	\$117,790
Total Undistributed Operating Expenses		14.00%	\$140,281	14.00%	\$549,685

OPERATOR FEE					
Marketing Fee		2.00%	\$19,720	2.00%	\$77,830
Reservation contribution		1.00%	\$9,860	1.00%	\$38,915
Basic Management Fee		1.80%	\$18,036	1.80%	\$70,674
Incentive Fee*		7.00%	\$38,577	7.00%	\$151,163
Total Operator Fee		8.60%	\$86,193	8.62%	\$338,583

SELECTED FIXED CHARGED					
Taxes		3.00%	\$30,060	3.00%	\$117,790
Insurance		0.30%	\$3,006	0.30%	\$11,779
FF&E Reserve		1.00%	\$10,020	3.50%	\$137,421
Total Selected Fixed Charge		4.30%	\$43,086	6.80%	\$266,990

DEVELOPER FEE					
Mandalika Developer		5.00%	\$50,100	5.00%	\$196,316
Total Developer Fee		5.00%	\$50,100	5.00%	\$196,316

Owners' Profit		37.10%	\$371,723	34.58%	\$1,357,589
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Total Development Cost		\$15,000,000		Year 1		Year 11	
TOTAL ACCUMULATIVE ROI				2.48%	\$ 371,723	89.29%	\$ 13,393,401
Land Appreciation							
Total size of Land:		50,000		\$2,000,000		\$12,383,473	
Purchase Price per sqm:		\$40					
Value of Land:		\$2,000,000					
Annual increase:		20%					