



BALI KUTA

hotel & residence



**Studios, 1 and 2 bed apartments
fully furnished starting at just £25,000**

50% FINANCE AVAILABLE

ENTRY LEVEL JUST £12.5K

OPTION OF GUARANTEED NET RENTAL
YIELD OF 8% OR FLOATING INCOME ROI
WITH EXPECTED RETURNS OF 15-19%

GUARANTEED BUY BACK OPTION FROM
DEVELOPER AT YEAR 4

STAY UP TO 4 WEEKS FREE A YEAR

UNDERWRITTEN BY HSBC AND ALLIANZ

INVEST FROM JUST
£25K
WITH OPTION OF
8%
NET RENTAL YIELD OR
FLOATING INCOME ROI
15-19%
EXPECTED RETURNS



Opportunity Overview

A 4 star hassle free investment with option of **GUARANTEED NET** return of 8% or Floating Income ROI of between 15-19%, 4 weeks **FREE** personal use and **GUARANTEED** buy back option from Developer



Investment Features

50% FINANCE AVAILABLE

OPTION OF **GUARANTEED 8% NET RETURN** OR **FLOATING INCOME ROI** WITH ANTICIPATED RETURN OF 15-19%

4 WEEKS **FREE** PERSONAL USE

DEVELOPER BUY BACK OPTION AT YEAR 4 FOR FULL PURCHASE PRICE

JUST £5,000 **DEPOSIT** REQUIRED TO RESERVE A UNIT

SCHEME **UNDERWRITTEN** BY HSBC AND ALLIANZE INSURANCE

COMPLETION DATE OCTOBER 2008

The Bali Kuta is a luxurious 4 star hotel complex managed by Aisa's leading hotel management company with over 60 years experience.

We are proud to offer to the market a unique selection of Studios, 1 and 2 bed apartments from just £25,000 with an entry level of just £12.5k. The apartments come with free personal use of up to 4 weeks and either a **GUARANTEED NET** return of 8% per annum or the option of a Floating Income ROI with returns anticipated to be between 15-19%

At year 4 there is also a **GUARANTEED** buy back option for which the Developer guarantees that he will buy back the apartment for the price that you paid for it. Investors will receive 70% of income generated by rooms and the scheme has been underwritten by HSBC and Allianz.

This is an excellent buy to let opportunity as last year Bali attracted more than 1.6 million visitors and 2007 saw an increase of 32% compared to 2006. This upward trend is set to continue with visitor numbers growing significantly in the coming years and demand for overnight accommodation set to continue and increase. The first quarter of 2008 is already showing an increase of 28% on the same period in 2007.





Location

Bali : a tropical fiesta for the senses where watching the sun set is an event in itself



Bali Highlights

CAPITAL CITY IS DENPASAR

3 MILLION POPULATION

95% ARE BALI HINDUS

MAIN INCOME DERIVED FROM
TOURISM & AGRICULTURE

AVERAGE TEMPERATURE IN
COSTAL AREAS, APPROX. 28°C
DURING MAY, JUNE, JULY;
APPROX. 30°C IN MARCH AND
OCTOBER

VISITED BY 1.66 MILLION
TOURISTS IN 2007

EXTENSIVE CHOICE OF HIGH
STANDARD GOLF COURSES &
FACILITIES

EXTENSIVE WATER ACTIVITIES
WORLD CLASS SCUBA DIVING

Bali is one of 17,500 islands spread across the Indonesia archipelago and makes up one of the 33 provinces of the Republic of Indonesia.

Last year more than 1.66 million tourists visited this little Indonesian paradise which measures just 80km by 145km, yet boasts some of the most beautiful beaches in the world with year round sunshine, lush tropical forests and over 20,000 temples and palaces. Stretching from East to West across the island there is a chain of 6 volcanoes ranging up to 3,014 meters high that sit alongside pristine crater lakes, fast flowing rivers and deep ravines, picturesque rice terraces and fertile fruit and vegetable gardens.

And there is enough entertainment to keep even the most demanding visitor happy with lively restaurants, bars, clubs and water sports, particularly scuba diving where divers from all over the world are attracted to its warm waters, extensive coral reefs and abundance of tropical fish and marine life.

For Golf enthusiasts there is a wealth of high standard golf courses to choose from including the Nirwana, designed by Greg Norman and voted Best Golf Course in Asia, the Bali Golf and Country Club, voted by Fortune Magazine as "One of Asia's 5 Best Golf Courses" or Bali Handara Kasaido, home of "one of the greatest 50 golf holes in the world, as voted by GolfWorld magazine"





Resort & Facilities

The Bali Kuta : A tropical home from home that you won't want to leave



No expense has been spared at the Kuta Bali and it has been built to the highest standard to ensure that when guests arrive they never want to leave.

All rooms come with cool marble flooring throughout, LCD televisions and high speed broadband connections for the internet. The hotel also offers guests a free pick-up service from the main airport which is just a 15 min drive away. The location of the development is just a few minutes walk away from the beach and for Golf enthusiasts there are three 18 hole championship standard golf courses within a 25 min drive of the complex.



- International high quality restaurant
- 24 hour room service
- Sports bar
- Rooftop sundeck and sky lounge
- Secure underground parking
- Complete Spa and Beauty treatment
- Pool Café
- Large swimming pool and Childrens pool
- Business conference centre and meeting room
- Tennis courts
- Fully equipped gymnasium





Returns

An attractive NET rental guarantee of 8% per annum for the first 3 years is offered to buyers providing maximum security on their investment.

However, this is calculated on conservative estimates of just a \$50 nightly room rate and occupancy levels of only 40%. Through the superior management of the resort, occupancy levels of over 70% hope to be achieved after the guarantee period during which the hotel will have developed its brand name, reputation and customer loyalty. Based on the same average nightly room rate of 50\$, NET yields are expected to be 18.06% (based on 70% occupancy). See the table below:

Studio (Purchase price from: \$49,500 Room rate (per night): \$50 Maintenance: \$700 Management fee: 30%)

Occupancy (%)	Gross Income (\$)	Management Fee (30%)	Maintenance Levy	Income	Yield (%)
40	7,300	2,190	700	4,410	8.90
50	9,125	2,737	700	6,388	12.90
60	10,950	3,285	700	7,665	15.48
70	12,775	3,832	700	8,943	18.06

1 bd (Purchase price from: \$74,800 Room rate (per night): \$80 Maintenance: \$1,200 Management fee: 30%)

40	11,680	3,504	1,200	6,976	9.32
50	14,600	4,380	1,200	9,020	12.05
60	17,520	5,256	1,200	11,064	14.79
70	20,440	6,132	1,200	13,108	17.52

2 bd-Orchid Suite (Purchase price from: \$104,500 Room rate (per night): \$125 Maintenance: \$1,800 Management fee: 30%)

40	18,250	5,475	1,800	10,975	10.50
50	22,813	6,844	1,800	14,169	13.55
60	27,375	8,213	1,800	17,363	16.61
70	31,938	9,581	1,800	20,556	19.67

Currency: \$ US Dollars

Gross Income: Based on room rate per night multiplied by the occupancy rates



Management

One of Aisa's best known and most successful hotel management companies, with over 60 years experience in managing some of the most profitable hotels in Asia



Aston International, who will manage this scheme, currently manages resorts and properties all across Indonesia, ranging from 5 star luxury hotels, serviced residences, resorts, luxury villas, executive clubs and also budget hotels.

Aston is also a leader in the highly specialised field of setting up and managing serviced apartments in conjunction with guaranteed income programmes for investors. Further information on Aston International can be found at their web site: aston-international.com

Financial model and payment structure

- 1) A 50% LTV mortgage is available via the developer which must be repaid quarterly over 8 years (total of 32 installments). The loan carries a variable interest rate based on the United States Prime Lending Rate (Currently 5%) +3%
- 2) Alternatively, investors may opt for an interest free staged payment plan provided by the developer. Investors put down a 30% deposit with the remainder of the price paid back over 2 years free of interest.
- 3) Outright cash purchase for immediate income generation.

Please note:

A 10% VAT surcharge is applicable for property transactions in Indonesia. Legal fees are estimated at 2% of the purchase price. Properties are leasehold with a term of 30 years, renewable for the same period of time, after the initial leasehold has expired.





Tourism

Statistics show that Bali remains Indonesia's most popular destination for foreigners



- 1.66 million (1,664,854) tourists visited Bali in 2007
- 1.26 million (1,260,317) visited in 2006
- 2007 represents a 32% increase on 2006
- Population of Bali - 3.25 million

The Central Statistics Agency (BPS) in Indonesia has recently released a report confirming that in 2008 tourist numbers have seen a significant increase in comparison to 2007. Statistics at the time of going to press are available for the first 3 months of 2008 and these months are considered to be the off-peak period during which the lowest number of tourists visit.



Number of Arrivals Jan - Mar 2008 446,886 (Up 28.71% on 2007)

Number of Arrivals Jan - Mar 2007 346,942

Number of Arrivals Jan - Mar 2006 237,260

Full reports can be found here: [2006](#) [2007](#) [2008](#)



The Central Statistics Agency (BPS) said that Indonesia saw a 15.7% increase in the number of foreign arrivals to 1.41 million in the first quarter of 2008. The statistics show that Bali remained the country's most popular destination for foreigners with 446,886 visitors arriving in Ngurah Rai Airport representing a 28.71% increase over the 363,686 received in the same period in 2007.



Additional

A HASSLE-FREE investment with NET yields of 8%, 4 weeks FREE personal use and a GUARANTEED option to liquidate the asset without loss



COMPARABLE EVIDENCE

Comparable evidence shows that the published room rates are significantly lower than other 4 star hotel complexes in Bali where minimum average room rates start from \$90 per night for a single room.

Other 4 star hotels in Kuta, Bali

BALI DYNASTY RESORT

From \$101 per night

MERCURA KUTA HOTEL

From \$108 per night

KUTA SEA VIEW COTTAGES

From \$85 per night

GRAND ISTANA RAMA HOTEL

From \$72 per night

SANTIKA BEACH HOTEL

From \$98 per night

HARD ROCK HOTEL BALI

From \$150 per night

Rooms in basic 2 star hotels start from \$20 per night but go all the way up to \$1,200 per night for cottages in 5 star resorts

Room Revenue

Investors get 70% of the gross rental income generated. 30% goes to the management company and a maintenance charge of \$700 - \$1,800 per annum also applies. Investors will be placed in a rental pool after the 3 year period whereby all rooms will be rotated to ensure rental income is distributed evenly. There will be NO ongoing refurbishment or maintenance costs as these will be borne by the management company.

Exit Strategy

For the cautious investor, the developer is offering a buy back option at year 4 whereby they will offer you the full price that you initially paid for your apartment. While substantial capital growth is expected over the coming years in Bali and your apartment can be resold via other sources, this option offers maximum security. It means that investors have purchased a HASSLE-FREE investment with NET yields of at least 8%, 4 weeks FREE personal use and a GUARANTEED option to liquidate the asset without loss, should they choose to do so.

Bank Guarantee

Despite the development being very close to completion, there is also a bank guarantee in place to offer further security to investors. The development has been underwritten by [HSBC Indonesia](#) and Allianz Insurance

Studio | Choice of 25.40 m² or 27,21 m² or 29.66 m²



- Location: Hibicus & Orchid
- Interior:
- Marble Floor
 - LCDTV with DVD and CableTV
 - Broadband Internet
 - Ensuite bathroom with shower or bathtub
 - Fully furnished with bed, desk and wardrobe
 - Balcony with chairs

1 bedroom | Choice of 45.57 m² or 52.69 m²



Location: Tulip & Orchid

Interior: Marble Floor

2 x LCD TV with DVD and Cable TV

Broadband Internet

Ensuite bathroom with shower

Fully furnished with bed, desk and wardrobe

Dining table with chairs

Complete living room with sofa

Mini kitchen with microwave & refrigerator

Terrace with sofa

2 bedroom | 80.79 m²



- Location: Orchid
- Interior:
- Marble Floor
 - 3 x LCD TV with DVD and Cable TV
 - Broadband Internet
 - Ensuite bathroom with bathtub
 - Second bathroom with shower
 - 2 Fully furnished bedrooms with bed, desk and wardrobe
 - Dining table with chairs
 - Complete living room with sofa
 - Mini kitchen with microwave & refrigerator
 - Terrace with table set