



LUXE VILLAS

**THE #1 IN INDONESIA BEST SMALL HOTEL AND
AWARD-WINNING RESTAURANT IN BALI FOR SALE, ANNUAL
ROI 10.2% OVER 10 YEARS, 9.8 YEARS PAYBACK**





Watch video about Luxe Villas



SUMMARY

LUXE Villas Bali (TripAdvisor Awards # 1 Best Small Hotel in Indonesia 2018, 2019, #12 Best Small Hotel in the World) is available for sale.

The hotel is nestled in a lush green setting surrounded by rice paddies and tropical jungle with views of Bali's volcanoes in the distance. A prime location, only a ten-minute walk or three-minute scooter ride to downtown Ubud.

The hotel consists of two Luxury Villas, four Luxurious Suites, a fine dining restaurant seating 22 guests and three fresh water pools. All buildings sit on 900 m2 of freehold land, with an additional 4,000 m2 surrounding rice fields on long term lease for view rights.

All buildings are constructed to the highest standards, utilizing the finest materials, engineering & craftsmanship, all meticulously maintained.

The 10-year financial plan conservatively projects an average yearly sales revenue until 2030 of \$1,085,490 Total of \$10,854,908.

The total projected 10-year profit is \$3,685,215

The sale price for the property is \$3,608,125 based on Discounted Cash Flow basis, then reduced by 10% as a result of anticipated losses in 2021 due to the COVID-19 pandemic and imposed travel restrictions.

With an initial investment of \$3,608,125, the average ROI will be 10.2% over 10 years with payback in 9.8 years.

There is an opportunity to expand the hotel by building 6 one-bedroom villas, gym, yoga studio & massage spa on a nearby rice-field, which requires an estimated 950,000 USD of additional investment. With the 6 additional villas, the average ROI will be 15.5% over 10 years with payback in 6.5 years.

TABLE OF CONTENTS

LOCATION	5
AMENITIES	6
CONSTRUCTION DETAILS	8
10-YEAR FINANCIAL PLAN	9
EXPANSION OPPORTUNITY	10
TRANSACTION PLAN	12
TRANSITION PROCESS	13
A NOTE FROM PAUL & GRACE	14

LOCATION



Luxe Villas is located 1,400 meters from the Ubud Palace in the center of Ubud on the Juwuk Manis (Sweet Orange) rice field walk. The setting offers the guests a unique experience of natural beauty, 10 minutes walk or 3 minute moped ride from Ubud center.

Total land area of the property is 4,900 M2:

900 M2 freehold land with 100% foreign ownership – all 5 buildings are located on this land

1,900 M2 on North and West side are on 25 year lease for view rights, must remain rice fields, first right of refusal on sale by owner.

2,100 M2 on South side are on 6 years lease for view rights,(lease could be extended), must remain rice fields, first right of refusal on sale by owner.

AMENITIES

Total finished space of the hotel is 1463 m2, including 6 accommodations:

2 padi suites

(81 m2, one bedroom, 2-3 guests)



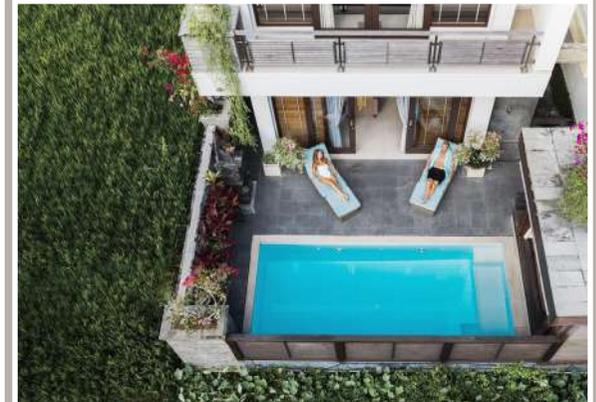
2 two-floor sky lofts

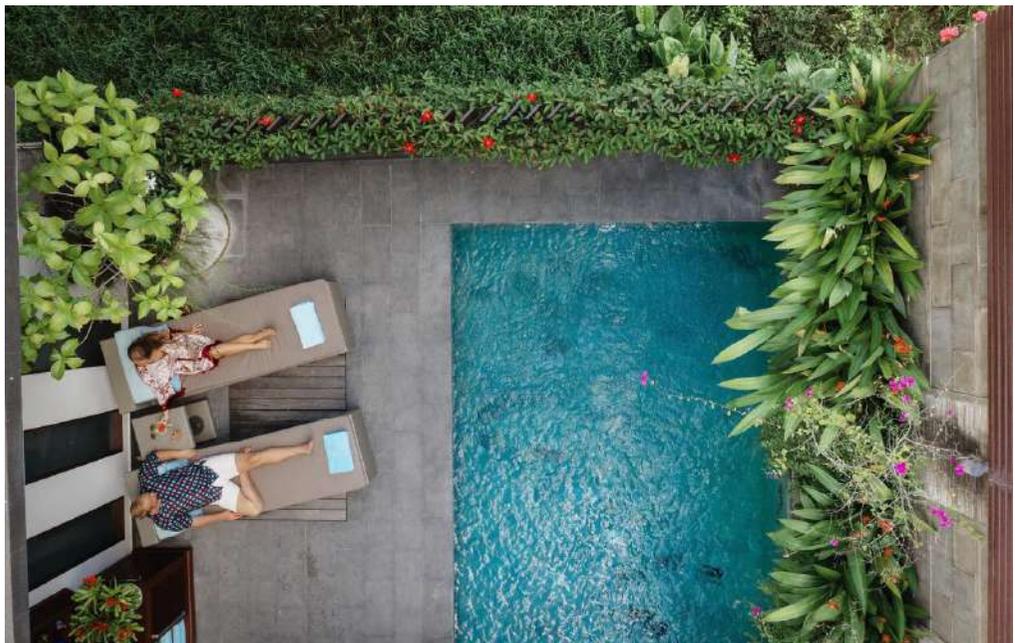
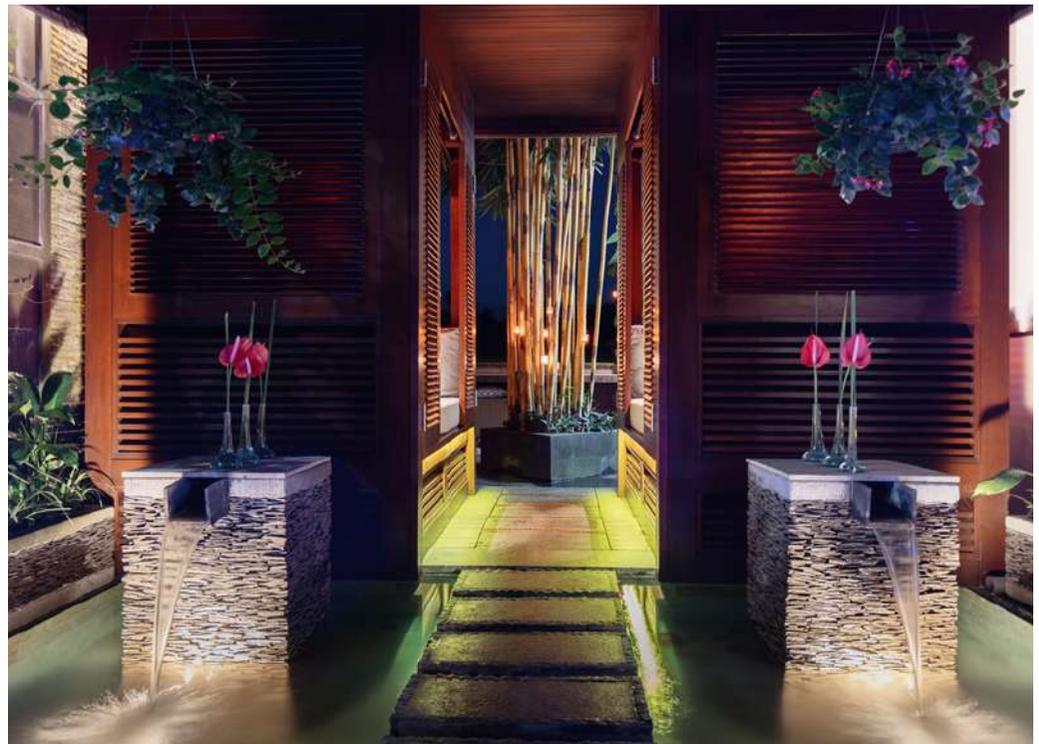
(162 m2, one bedroom, 2 guests)



2 luxury three-story villas with private pools

(384 m2, two bedrooms, 2-6 guests)





Fine dining restaurant with seating for 22 guests. (120 m²)

Reception desk, storage room, gift shop, offices, etc. (121 m²)

The property features 3 pools, 2 private ones belong to the villas and 1 shared pool is for guests of the suites

CONSTRUCTION DETAILS

All areas of the hotel and restaurant are built to the highest standards, engineering, materials & craftsmanship. All interiors are beautifully designed to capture the essence of an elegant residential feel, styled with luxurious finishes, fabrics and materials.



Features of the property:

- all water on the property comes from three 60 m deep wells that flow through a German engineered filtration / sterilization system producing drinkable water from every tap & chemical free fresh water infinity pools
- the property boasts six outdoor waterfall / fountain features including two Waterfall Koi ponds.
- all furniture & Balinese roofs are made from rainforest teak wood (the best quality teak) to ensure lasting quality
- all windows, interior staircases, interior floors, all doors, outside pavilions are made from Marbau wood.
- all exterior railings on both villas, architectural details are Ulin wood (commonly referred to as Iron wood)
- all the bed linens, mattresses, curtains, soft furnishings are made from best-in-class materials, often imported from other countries
- solar-powered assisted water heaters and LED-lighting throughout the property help to keep the electricity bill at low level, reducing the ecological footprint
- the hotel has 13 Bathrooms, including six - five-piece spacious marble wrapped luxurious spa bathrooms, two - expansive four piece spa bathrooms, two three piece bathrooms and three exquisitely designed two piece bathrooms
- All suites and villas are havens of outstanding style, offering enchanting views of terraced rice fields with inviting glimpses of the jungle and mountains beyond.

10-YEAR FINANCIAL PLAN

In a 10-year financial plan we conservatively assume that for year 2020 and 2021 the hotel will suffer loss, because of COVID-19 pandemic and travel restrictions imposed by various international governments.

We believe that the 2022 occupancy rate of the hotel will return to the figures of 2019 (with residence villa added to the hotel inventory). We prepared a comprehensive marketing plan to reach 80% of occupancy by 2024 and keep it the same for the later periods. We deliberately kept standard yearly rate increase at 5% (average for Bali) to be conservative.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
TOTAL SALES (USD)	343 982	603 812	846 657	1 022 400	1 125 352	1 114 476	1 285 277	1 374 628	1 470 955	1 574 858	10 854 908
ACCOMMODATION	165 249	330 505	513 486	618 425	649 346	681 813	715 904	751 699	789 284	828 748	6 044 458
FOOD & BEVERAGE	143 979	239 966	287 959	345 550	414 660	456 127	501 739	551 913	607 104	667 815	4 216 812
OTHER INCOME	34 754	33 341	49 847	58 425	61 346	64 413	67 634	71 016	74 566	78 295	575 706
TOTAL EXPENSES (USD)	354 456	469 938	572 484	651 974	712 796	765 170	819 382	878 418	942 731	1 012 818	7 180 166
NET PROFIT (USD)	-10 473	133 874	278 807	370 426	412 556	437 183	465 895	496 210	528 224	562 040	3 674 742

The financial plan based on the initial investment of \$3,608,125, projects an average ROI will be 10,2% over 10 years with full payback in 9,8 years.

EXPANSION OPPORTUNITY



There is an opportunity to expand the hotel by building 6 one-bedroom villas, gym, yoga studio & massage spa on a nearby rice-field, which requires an estimated 950,000 USD of additional investment.

The expansion will consist of: six one-bedroom pool villas, Massage Bale, Gym and additional Storage in house laundry facility in the rice fields in front of the existing hotel.

- These rice fields would have to be rented (approximately 1,800 – 2,200 m²) on a long-term lease, which is common in Indonesia, or purchased.
- Lease or purchase of these rice fields are dependent on the current owners willing do so and there will be no necessary changes to be made to the current licenses.
- We have connected with a very reputable contractor to complete this expansion opportunity.
- The Grill @ LUXE is designed to accommodate these additional guests, no renovations needed.

Here is the brief summary of financial result of this investment:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
TOTAL SALES (USD)	1 073 163	1 617 693	1 749 081	1 888 368	2 003 519	2 126 502	2 257 914	2 398 405	2 548 681	17 663 326
ACCOMMODATION	742 656	1 218 443	1 279 365	1 343 333	1 410 500	1 481 025	1 555 076	1 632 830	1 714 471	12 377 698
FOOD & BEVERAGE	239 966	287 959	345 550	414 660	456 127	501 739	551 913	607 104	667 815	4 216 812
OTHER INCOME	90 542	111 292	124 166	130 374	136 893	143 738	150 925	158 471	166 394	1 212 795
TOTAL EXPENSES (USD)	708 475	915 339	988 107	1 064 160	1 135 173	1 208 234	1 287 370	1 373 125	1 466 099	10 146 082
NET PROFIT (USD)	364 689	702 354	760 974	824 208	868 346	918 267	970 544	1 025 280	1 082 582	7 517 244

TRANSACTION PLAN



The villa and restaurant are operated by Indonesian company PT INSPIRIT SERVICES that is fully licensed for 100% foreign ownership.

The shares of PT INSPIRIT SERVICES are held by a holding company in Hong Kong.

The share sale / purchase will take place in Hong Kong.

The Hong Kong holding Company is included in the purchase price.

There will be a stamp duty imposed by the Hong Kong Government on the purchase consideration at 0.2%.

This tax is split 50/50 between the buyer & seller.

TRANSITION PROCESS

All of 29 staff members are well trained and execute their functions with the highest guest satisfaction rate.

Luxe Villas TripAdvisor Awards:

The #12th Best Small Hotel in the World 2020, 2019, 2018 – making LUXE Villas Bali rated in the Top 1% of hotels in the world, the only hotel in Indonesia in the top 25 Best Small Hotels in the world.

The #1 Best Small Hotel in Indonesia two consecutive years, 2019 & 2018, (2020 award has yet to be announced for Indonesia)

The #6 Best Small Hotel in Asia three consecutive years, 2020, 2019, 2018

Awarded “Certificate of Excellence” for 4 consecutive years 2019, 2018, 2017, 2016

Awarded “Traveler’s Choice, Best of the Best” for three consecutive years, 2020, 2019, 2018

The Grill @ LUXE TripAdvisor Awards:

Certificate of Excellence for 6 consecutive years, 2020, 2019, 2018, 2017, 2016, 2015

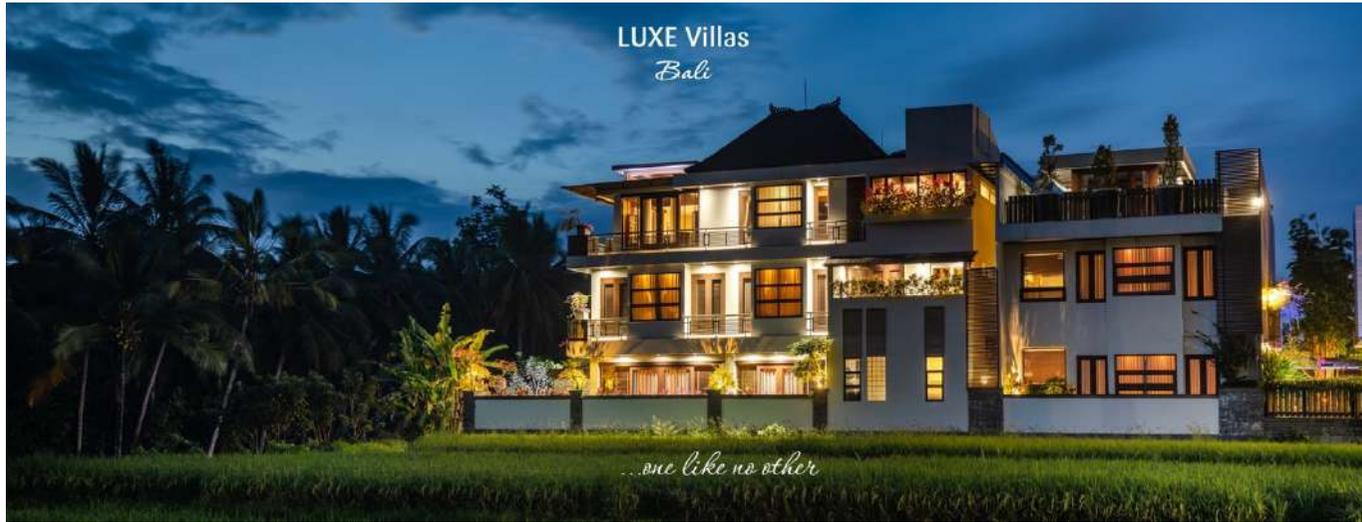
Awarded entry to the “Hall of Fame” for 5 years of consecutive excellence

OTA Ratings:



The owners of the hotel – Paul and Grace are available to assist with the transition of property to the new management team for 90 days after executing a sales agreement. The forward budgets include the expense of an experienced General Manager.

In mid-2020 we expanded the marketing department under supervision of a Chief Marketing Officer with 15 years of experience, who has established a comprehensive marketing strategy. The Chief Marketing Officer is available for 90 days after executing a sales agreement to ensure that the goals on occupancy & rates in the marketing plan will be achieved. The forward budgets include the expense of an experienced Sales & Marketing Executive.



A note from Paul & Grace

Ten years ago, after many years in the international fashion business, we decided it was time for a change and retired from our last posts in Hong Kong. A year later we started traveling and found ourselves drawn back to the beautiful and magical land of Bali where we had been on vacation the year before. We decided to rent a villa in Ubud for seven months with the intention of moving to Europe after that.

During this time we had many friends and family members come to stay with us. We watched with fascination as their stresses and cares evaporated after just a few days, giving way to peace, serenity and a gentle smile. Everyone who visited fell in love with the Balinese people, culture, way of life, and the breathtaking landscapes. On leaving, many turned to us and thanked us for introducing them to paradise. This was the turning point, we decided then to make our dreams of one day owning an elegant boutique hotel a reality.

After thirty-five years of traveling the world for business and pleasure we stayed in many hotels, including some of the best in the world. We were always drawn back to the smaller boutique hotels where service is paramount and the sense of where you are in the world pervasive. These hotels are a home away from home and after so many years of travel we believe we have a good understanding of what people like ourselves are looking to experience.

We began searching for a site and quickly found what we were looking for, a green zone, surrounded by rice paddies, lush tropical jungle and views of Bali's mountains in the distance. A prime location, only a ten-minute walk or three-minute scooter ride to the center of Ubud.

In September 2011 we began construction on Luxe Villas. Skilled workers and local craftsmen honing their talents were busy on the property for four and half years. Our focus was on the highest quality engineering, design, materials while remaining committed to reducing our ecological footprint. We paid attention to every single detail in the design process. Together we created our vision of a modern oasis that perfectly balances elegance, style and a sense of belonging for our guests.

The gates to LUXE Villas Bali along with our Award-Winning fine dining restaurant, The Grill @ LUXE, opened in June 2015 and we began to welcome guests from around the world. We celebrate with a humble sense of pride the outstanding reward for two consecutive years being awarded the #1 Best Small Hotel in Indonesia, #12 in the World by TripAdvisor. We realize that through our drive and determination, through many ups and downs, together we have turned our dream of creating an elegant hotel with a heart, a feeling of belonging, authentic intuitive service & unrivaled privacy...into a reality.

Our guests arrive from around the world with high expectations that match the devotion every one in the LUXE family have to creating a "Once in a lifetime moments" for each of our guests. We are very grateful to all our guests, our family in Canada, friends from around the world, the Balinese community & our LUXE family for all their support, encouragement, guidance and inspiration.

We have spent the last five years dedicated to our mission to building an exceptional guest experience for every arriving guest. Our focus has been building a team of employees that understood our commitment to excellence. Every decision we make for the business is based on answering the question "How does this enhance our guest experience"

The property is maintained to the highest level. Aside from our normal maintenance protocol, 2019 was a year that the property received the following exceptional upgrades:

- All new soft furnishings in the Emerald Villa and all suites.
- A complete renovation of The Grill @ LUXE dining room, kitchen and exterior. All new furnishings.
- All new marble wrapped Japanese spa bathtubs in every suite and villa.
- All new High Quality black out curtains throughout.
- Enhanced mini bars throughout with the addition of a Nespresso Bar in each suite & Villa
- Installation of Direct USB plugs at every bedside & at writing desk in all Suites & Villas
- New canopies throughout the property.
- All new luxurious towels for the pools & Spa Bathrooms throughout
- Crystal stem wear & glasses, bone China dishes in The Grill & LUXE
- All new licenses for the business that now allows 100% Foreign Ownership.

June 15, 2020 marks the fifth-year anniversary of LUXE Villas Bali. We are extremely proud of the execution of our five-year plan to rise to top recognition in the hospitality business by establishing a world class experience for each of our guests. This mission included reinvesting a large portion of the earnings into upgrades to the building, corporate structure and services we provide. The LUXE team is extremely dedicated to our excellence, loyal and understand our mission clearly.

I believe the business is set up to succeed given our exceptional reputation in the new world of travel. Below are some thoughts on post pandemic travel predictions:

- Travelers will be looking for smaller hotels to stay due to less people, no elevators, outdoor corridors, less contact with larger groups of people, room sterilization protocols.
- Travellers will be in search of personal service, flexible to meet their demands, intimate heart-warming experiences, safe havens, no crowds.
- OUR LOCATION: Our location is prime given we are surrounded by countryside, yet only a 10-minute stroll or 3-minute moped ride to central Ubud. To enjoy Central Ubud guests do not have to take a hotel shuttle bus or car, an event traveller's will be avoiding.
- Currently the hotel has 500,000,000 IDR in forward reservations, non-refundable terms, paid in full, with arrivals up to the end of 2021

Expansion opportunity:

- The development plan was in two phases
 - o Phase one: the existing five buildings – completed in 2015.
 - o Phase two: build six one-bedroom pool villas, Massage Bale, additional Storage, in house laundry facility, gym & yoga studio
- Phase Two – Plan was to build in the rice fields in front of the existing hotel.
- These rice fields would have to be rented (approximately 1,800 – 2,200 m²) on a long-term lease, which is common in Indonesia, or purchased.
- Lease or purchase of these rice fields are dependent on the current owners willing do so.
- The Grill @ LUXE is designed to accommodate these additional guests, no renovations needed.

Our plan was always to sell the business after 5 years to retire back to our homeland, Canada. Unfortunately for all of us in the world we have been struck by the Covid 19 pandemic. Clearly this makes a difference in the value of the business which reflects in the asking price for the property. Like any business, 5 years of establishment takes endless hours of dedication, planning, excess investment and flexibility to establish yourself in the world marketplace.

On closing, we look forward to working with interested investors who are passionate to grow the business to the next level and reap the numerous rewards we have experienced in building and operating LUXE Villas Bali.

In the meantime, stay safe, healthy and maintain a positive outlook.

Kind regards,

Paul & Grace

Founders & Owners of the LUXE Experience

