

The Location

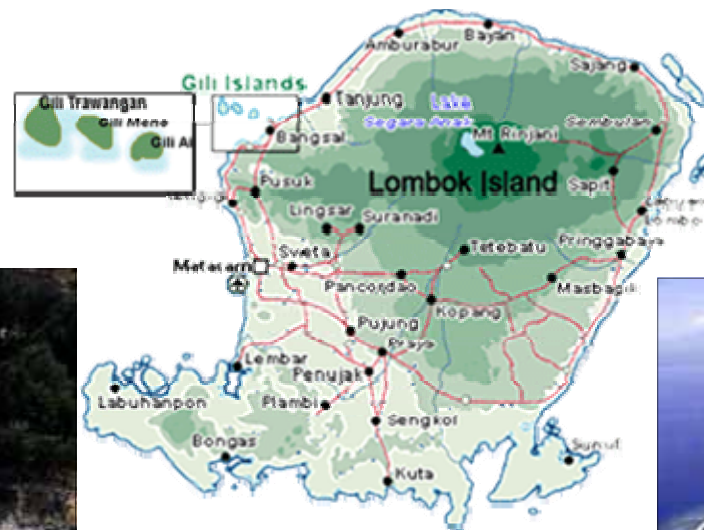
Gili Trawangan is one of three small islands just off the north-west coast of Lombok. Lombok is located directly east of Bali (a short 20 minute flight) and is often referred to as "10 years ago".

Gili Trawangan: What is it?

Gili Trawangan is a small, idyllic and charming island surrounded by white sand beaches. It boasts stunning sunrises over Lombok's Rinjani Volcano and equally dramatic sunsets over Bali's Agung Volcano. Regarded by many as Indonesia's best kept secret, Trawangan has no motorized transport making it the ideal peaceful getaway.

Gili Trawangan: What does it offer?

Snorkeling, Scuba diving, horse riding, cycling, waterskiing, wakeboarding, deep sea fishing, spa treatments, a huge variety of beach front restaurants, bars, no motorized transport only horsecarts, babysitting services, fully equipped gym, 18 hole golf course only 10 minutes by speed boat and trekking in Lombok. The villas are strategically located for the rental market, 100m from the beach and only a few minutes walk to the restaurants and bars.



The Concept

The concept is to combine the hotel and villa experience, to offer stunning accommodation with all the comforts and amenities you would expect from a luxury hotel.

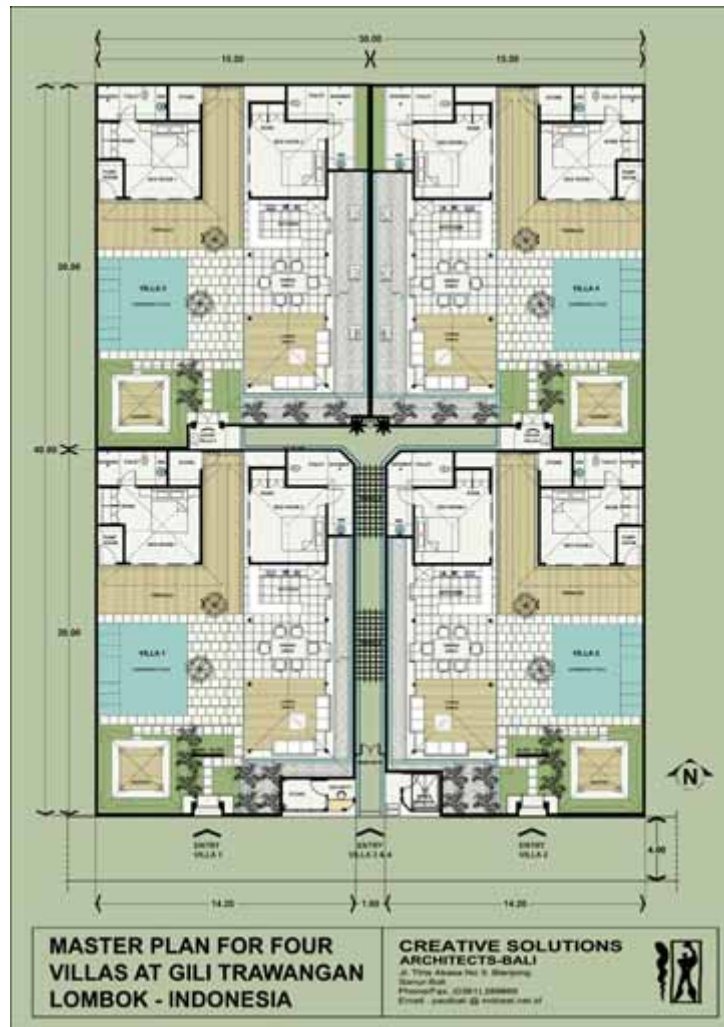
As an investor you are not just buying a villa but are also buying into a business, which is effectively a hotel. This will be managed by us and we will use the relevant professionals and agents to maximize investor's returns. We are also committed to being on site at all times to oversee the everyday management of the business.

As a customer renting a villa, you will experience the service that you would expect from a hotel while enjoying tropical villa style living.

This project is a 4 villa development. Each private villa has 2 ensuite bedrooms, open plan living with kitchen/dining/living area overlooking the garden, swimming pool and gazebo. There will also be a communal bicycle bay, security post, housekeeping and storage room at the entrance of the complex. The villas will be built and finished to the highest standard using first class materials, setting a new benchmark in luxury accommodation available on Gili Trawangan. Services available will include, but are not limited to, airport transfers, daily maid service on call, breakfast prepared by your maid, massages, phone, fax and internet, and food 3 delivery from 7am-11pm.



The Master Plan



The Investment

We are offering a fully furnished pre-completion sale price of US\$265,000, based on a 50 year contract. To take advantage of this initial offer price we would require a deposit of 10% and have contracts signed by June 30th 2007. After this date the remaining villas will go on the market at US\$275,000.

Rental Income forecast based on 2006 occupancy levels

Occupancy Levels	High Season \$175	Low Season \$125
January 2006 50%		\$1,937.50
February 40%		\$1,400.00
March 50%		\$1,937.50
April 50%		\$1,875.00
May 70%	\$3,797.50	
June 85%	\$4,462.50	
July 85%	\$4,611.25	
August 85%	\$4,611.25	
September 85%	\$4,462.50	
October 70%	\$3,797.50	

Forecast based on worst case scenario

Occupancy Levels	High Season \$175	Low Season \$125
January 30%		\$1,162.50
February 30%		\$1,050.00
March 30%		\$1,162.50
April 30%		\$1,125.00
May 50%	\$2,712.50	
June 65%	\$3,412.50	
July 65%	\$3,526.25	
August 65%	\$3,526.25	
September 65%	\$3,412.50	
October 50%	\$1,875.00	

The Investment

Rental Income forecast based on 2006 occupancy levels

Occupancy Levels	High Season \$175	Low Season \$125
November 2005 50%		\$1,875.00
December 2005 70%	\$3,797.50	
Total	\$29,540	\$9,025.00
Total	\$38,565	
Less Annual Costs	\$5,269	
Total	\$33,296	
Less 2% Sinking Fund for Repairs	\$665	
Less 30% Management Fee	\$9,988	
Total	\$22,643	
ROI on \$265,000 ex capital growth		8.5%

Forecast based on worst case scenario

Occupancy Levels	High Season \$175	Low Season \$125
November 30%		\$1,125.00
December 50%	\$2,712.50	
Total	\$21,178	\$5,625.00
Total	\$26,803	
Less Annual Costs	\$5,269	
Total	\$21,534	
Less 2% Sinking Fund for Repairs	\$431	
Less 30% Management Fee	\$6,460	
Total	\$14,643	
ROI on \$265,000 ex capital growth		5.5%

The Investment

The first forecast is based on actual occupancy levels in Gili Trawangan during 2006. This period immediately followed the second Bali bomb so occupancy levels were much lower than we would have expected. The second forecast is a worst case scenario based on occupancy levels lower than we have experienced in the last eight years. So far in 2007, there has been a 30% increase in occupancy levels as compared to 2006.

Based on these forecasts the expected return on your investment is around 10% per annum from rental income alone.

Over the past years land and property prices throughout Lombok and the Gilis have been consistently rising and are expected to continue for many years to come. Gili Trawangan is a small island and is the most popular tourist destination in the Lombok area. A recent initiative by the government to increase tourism in Lombok, combined with the construction of the new International airport, is set to increase tourism numbers dramatically. As a result of this there will come a time when investment opportunities on Gili Trawangan become limited, which can only increase the value of existing properties. The Gili Villas are ideally located to maximize capital growth.

As non-Indonesian residents can not own land freehold in Indonesia, property investment is commonly



The Spesification

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As non-Indonesian residents can not own land freehold in Indonesia, property investment is commonly dealt with by way of a renewable leasehold contract.

The advantage of a Lease

means that the foreigner's name is registered on the lease, and it is legally notarized by a Public Notary.

For more details of the legal steps required, please contact us at info@ppbali.com

The Spesification

		Materials	Facilities
Bedrooms	Floor Walls Outside bedroom 1 wall	Marble Paint finish to plastered walls Combination of Kerobokan with Jogja stone finish	A/C and Fan Fitted Wardrobe Satellite TV DVD
Bathrooms	Floor Walls Shower Floor	Smooth Jogja Stone Smooth Jogja Stone Candi Stone Finish	Hot Water Shower Toilet
Dining Room	Floor	Smooth Jogja Stone	Table and Chairs
Living Room	Wall	Smooth Jogja Stone	HI Fi System
Kitchen	Floor	Smooth Jogja Stone	Fully Fitted Kitchen
Terrace/Decking	Floor	Paliman Stone/Merbau Timber	Sun Beds * 2
Pool		Green Slate with Palimanan Finish	
Gazebo		Timber	

The Spesification

UNIT		OUTDOOR			TOTAL	TOTAL	PRE COMPLETIO PRICE
	Type	Terrace/ Decking	Gazebo	Pool	Living Area	Area	\$USD
1	Type 1 Villa 1	81.75	5.75	25	111	293.75	\$265 000
2	Type 1 Villa 2	81.75	5.75	25	111	293.75	\$265 000
3	Type 2 Villa 1	81.75	5.75	25	107.85	278.1	\$265 000
4	SOLD Type 2 Villa 2	81.75	5.75	25	107.85	275.6	SOLD

UNIT		UNIT TYPE m 2				SEMI ENCLOSED		
	Type	Bed 1	Bath 1	Bed 2	Bath 2	Living	Dining	Kitchen
1	Type 1 Villa 1	20	14.4	20	7.4	15.8	15.1	12.6
2	Type 1 Villa 2	20	14.4	20	7.4	15.8	15.1	12.6
3	Type 2 Villa 1	20	11.2	20	7.4	15.8	15.1	12.6
4	SOLD Type 2 Villa 2	20	11.2	20	7.4	15.8	15.1	12.6

The Management

The Directors have been running businesses on Gili Trawangan for the past seven years. They have built and managed a dive school, a bar, two bungalow complexes and 3 private residences, giving valuable experience for this new enterprise. The knowledge gained during this time is immensely valuable with regards to pricing, labour, quality control, design, project management, sales, marketing and customer service.

As previously mentioned, you are not just buying a villa but are also buying into a business. The company 'Gili Villas' will be responsible for all aspects of running the villas. The four villas will be treated as one business. There will be no fixed annual maintenance fees typically associated with such properties. The income and costs from all will be shared and the profit then divided once a sinking fund of 2% has been set aside in an interest bearing account for future repairs. A management fee of 30% will be charged on the net profit and the remaining 70% will be divided between the four villa owners. It is therefore in the best interest of both the management and the owners to maximize occupancy levels and business efficiency. Each villa owner will be entitled to a maximum of four weeks free use of their villa a year. While they are in residence they will not receive rental income from

