

## **EXECUTIVE SUMMARY**

PT. KABR (the Company), the developer of a First Fully Integrated Marine Tourism and Conference Center (the Project) and its subsidiary, namely PT. OD, which will undertake to construct and sell the villas and apartments in the same location as the Project.

The Project is located at Karang Bolong Beach, in Sunda Strait, West Java, a 90 minutes drive from Jakarta to the west through toll road. On the hill side facing the beach, villas and apartment will be built with a beautiful view of the sea. The business concept of the Project is to provide a full range of maritime sports activities as well as recreational activities for the whole family in one location complete with accommodation and conference / convention center facilities.

The marina facilities offered by the Company is the first and the most complete one among all of its competitors along the coast of Sunda Strait and in Indonesia. This is possible because the founder of the Project has spent more than 7 years surveying the area, studying and exploring the sea, climate, waves, current pattern, wind pattern, and coral reefs in the surrounding area.

Therefore, the owners of the villas and apartments will get additional benefits from these complete facilities. They will automatically be entitled to become a member of one of the various sea-sport clubs activities, such as jet-sport, sport boating fishing, scuba diving, snorkeling, water-ski, sailing and be allowed to have special

privileges in using the other facilities such as swimming pool, fishing pond, club house, tennis courts, children playground, tower house, restaurants, meeting facilities, etc.

The estimated total investment and operational cost for the marina facilities and conference center, villas and apartments from 1996 - 1999 is Rp 270.7 billion.

The financial projection assumes that the business will generate cash from 1997 when the club member pay the membership fees and the marina facilities and the conference center starts to operate. This internally generated cash will also be used to part finance the investment. Taking this source of funds into consideration, the Company will only need additional funds of Rp 47.9 billion.

For the purpose of developing the financial projection, it is assumed that Rp 4.1 billion will be obtained through bank loans and Rp 6.8 billion will be further contributed by new investors. In addition to bank loan and addition capital, the Company will collect receivable due from shareholder (founder) amounting to Rp 4.8 billion which will also be used to part finance the Project. In the first semester of 1997, the founder will also submit 4.1 hectare land at estimated value of Rp 11.9 billion in exchange for new shares (the fair value of land is subject to the appraisal report).

However, the above financing structure is only tentative and the final composition of the financing sources will ultimately depend on the interest of the prospective investors and/or lenders.

**From the Financial projection, we got :**

- **The IRR of the Project is 37%**
- **The NPV is Rp 30 billion**
- **The payback period of the Project starting in 1996 is about 4 years.**

**The Company intends to list its shares on the Jakarta Stock Exchange in 2001.**