



# PLAZA Hotel Project New VENTURE

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The Hotel under special contract  
by REXCAPITAL FUND LUXEMBOURG -Partners & Hotel Managers

REX CAPITAL LUXEMBOURG FUND is honored to participate under special contract by ASHAAD  
on this PRESTIGIOUS PROJECT This MEMO has been undertaken by ASHAAD GROUP TEAM ;  
REXCAPITAL TEAM SHALL UPDATE AND REVISE IN TIME ALL CONTENTS &  
MATERIALS AND RE PUBLISH A FINAL MEMO.





## HOTEL LICATION

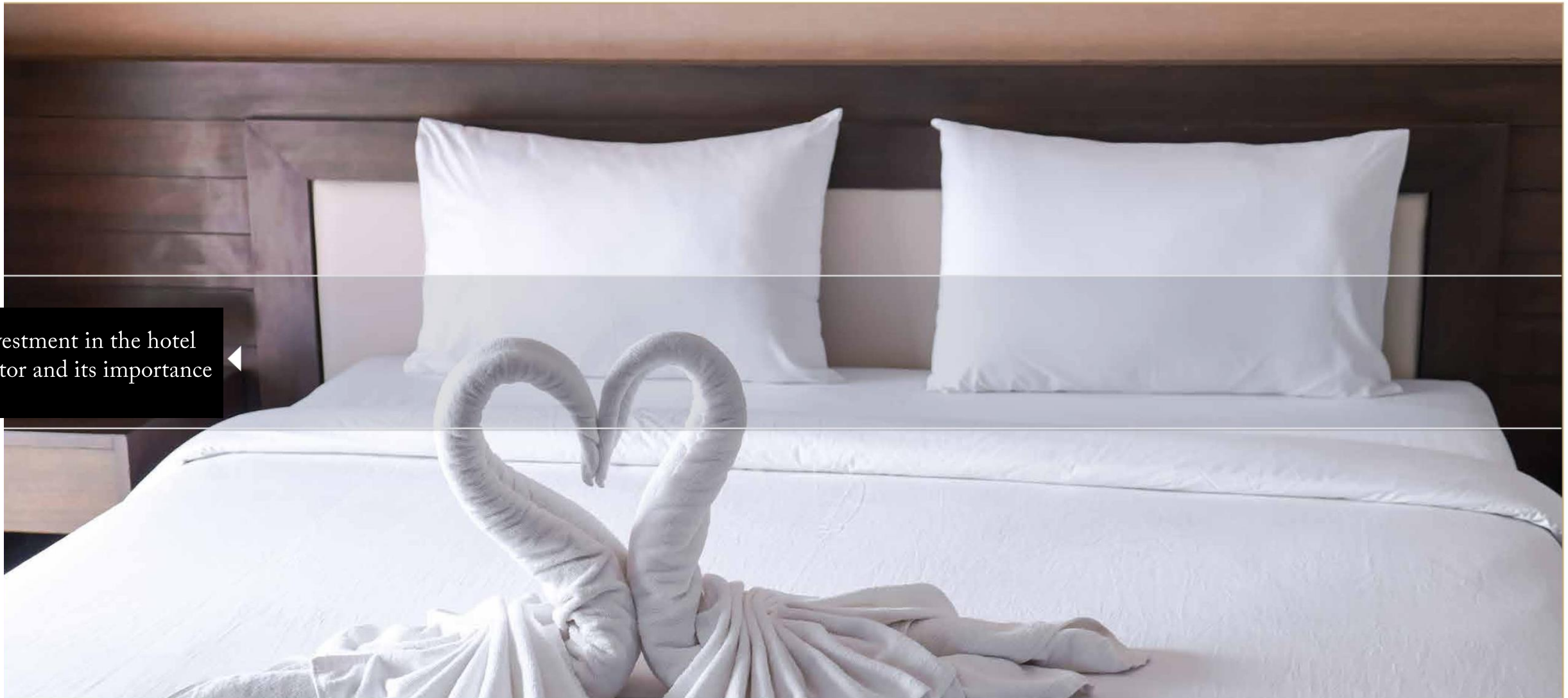
The city of Riyadh is considered a central station for traders because of its strategic location in the Arabian Peninsula. This location has earned it a strategic dimension as the link between East and West. The Arabian Peninsula is the link between East and West, between the two largest continents. Riyadh currently covers more than 1782 square kilometers, and population growth is increasing. Diverse and modern city of Riyadh and advanced multi-spectral and distinguished commercial and financial advanced centers, and the character of the heritage, cultural and urban where it shows the most beautiful images and the diversity that surrounds the city of Riyadh in all corridors makes them heart feeds the kingdom of life, they are the present and the future that rejoices development and prosperity, thanks to the location of Riyadh's strategic,

it features. With a rich and varied history bearing the hallmarks and influences of many civilizations that have established in the region, visitors to Riyadh can travel. Cross time to learn about all the places. Whereas, the hotel is located in the north and east of Riyadh city and is a strategic location linking the north and east of Riyadh with its center through Arabism, in addition to its proximity to King Khalid International Airport, the Ministry of Defense and the public sector.

Riyadh now covers an area of more than 1782 square kilometers, and population growth continues to increase investment in the hotel sector and its importance.



Investment in the hotel  
sector and its importance ◀





## The development of industry in the Kingdom

In recent years, the hotel industry in the Kingdom of Saudi Arabia has become one of the most popular industries amongst international investors, especially as it deduces a share of their budgets for organizing conferences, workshops, and private investments by government ministries and workshops. Dominate On the local market.

According to specialists and investors, the Saudi hotel sector will record an increase in the volume of investments over the next five years by \$ 100 billion, compared to a number of Arab countries. The sector, according to the hospitality committee in the industrial room of 300 commercial rooms in Jeddah, To become the largest sector Attractiveness among young people.

## Investment in the hotel sector and its importance

Hotels, resorts, road hotels and resorts, which number about 3.6 thousand properties, 721 hotels and 2860 furnished units. Mecca and Medina, according to previous statistics on the chambers of commerce in Mecca, the largest share by 75% Of hotel investments in Saudi Arabia. The hotel or hospitality sector in Saudi Arabia has about 230,000 rooms

The development of industry in the Kingdom The hotel or hospitality sector in Saudi Arabia has about 230,000 rooms, which is expected to increase by the end of 2020 to about 310 thousand, while the number of hotels still under construction is estimated at 149 hotels in all cities of Saudi Arabia, including tourist accommodation facilities, ie hotels Furnished apartments, hotel flats and apartments. Masterminding PLAZA HOTEL PROJECT.





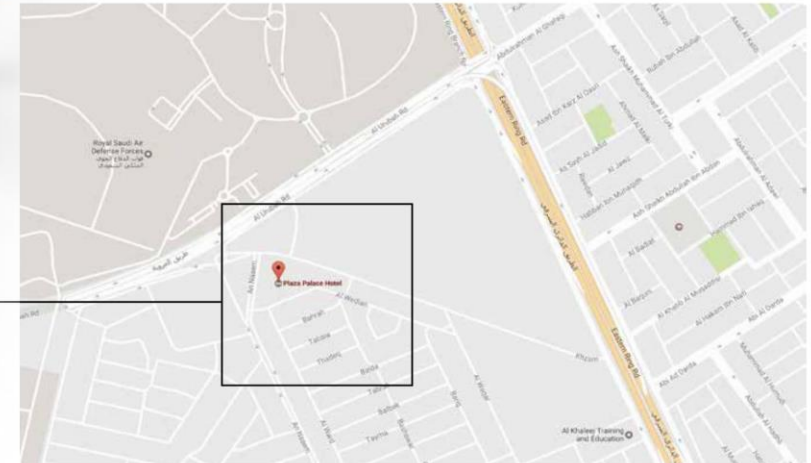
## The Idea

THE idea of investing in the hotel sector started with the idea of establishing a hotel that contains all the requirements of luxury hotel investment in terms of the number of rooms, tourist accommodation, halls and organizing conferences at the highest levels to serve all sectors of society. The following is a brief overview of the project, hoping that you will gain your acceptance and admiration.



## GENERAL information of the hotel

- Five star integrated hotel building .
- Property lot area 17,274 sq mt.
- Located in King Abdullah neighborhood - Al-Orouba road east.





## Hotel Components

- (245) Room
- (76) miscellaneous suites
- (1) Royal Suite (Royal suit)
- (36) hotel villas Bride suite with private elevator access to the ballroom.

The total number of the hotel (358) different hotel units.



## Hotel Components

- Central kitchen area (800 meters) equipped with the highest service capacity to serve more than 2,000 people with a global protection system and self-extinguishing system and the latest international devices.
- Business center equipped with the latest technology. Central Laundry. 11 elevators to serve guests.
- Parking for 300 cars.
- The hotel has been furnished to international standards, and has been secured the hotel buildings, equipment and furniture, and the hotel against terrorism and natural disasters.
- All facades were clad with natural stone and sculpture for all stone blocks.
- Completion rate for the entire hotel is approximately 90%.



## Hotel Components

- RESTAURANTS (3), which is (2) internal and (1) external in the hotel garden area of 4000 square meters.
- Integrated health club (10) massage rooms, Moroccan bath, barber, gym, swimming pool, steam, sauna, Jacuzzi.
- 14 meeting halls and 4 halls for men and women.



STRUCTURAL And  
Architectural Specifications





## STRUCTURAL And Architectural Specifications

One base of the project has been made (for concrete concrete) with an area of (11.250) square meters. The structural design of the project allows internal modification of changing partitions and cutting parts of the roof without affecting the building. Flat Slab system. The highest level of insulation was made by the system (Double Wall) with a thickness (50 cm). All facades have been clad in natural stone as well as all cornices were carved from stone blocks of limited sizes and this was done with specialized companies to implement the design of the facades professionally and high accuracy by design Outer.

Selected types of marble with high quality and strength, high durability is not affected by the use and obsolescence of years, and was supplied and implemented by The most famous marble companies. The latest mechanics were used in the project both in central and concealed carrier air conditioning with efficiency and energy 7 Stars with a renewable air system. All roofs and water places were insulated with a waterproofing using Dermabit PY40 with a thickness (8 mm).



## STRUCTURAL And Architectural Specifications

- KOTO & TOTO sanitary ware is a Japanese company.
- Electricity was carried out at high levels of quality such as French LEGRAND and cabling (Riyadh Cables Factory).
- American Specifications. German-made centralized water network with US-made central heaters and a water network of four separate lines for each heat-insulated cycle.
- Drainage system is a mooring drainage system (light and heavy line) with the combination of the light line network with a treatment plant Centralization.
- Firefighting and firefighting system Addressable System according to the American code (automatic spraying system with fire extinguishers, fire extinguishers and a wet line for all roles and positions according to the specifications of the cities and the requirements of the defenders) System.



GENERAL SPECIFICATIONS  
OF THE HOTEL





## GENERAL SPECIFICATIONS OF THE HOTEL

- The kitchen and laundry are equipped to serve the largest number of guests and outside service.
- The area is equipped to serve the workers.
- The hotel has been furnished and supervised according to the approved design and international standards of hotels.
- The hotel has been provided with insurance for buildings, equipment and furniture as well as the hotel from individual responsibility as well as insurance against terrorism and against natural disasters.
- The building is subject to a (Smart System) system in terms of control and control of all entrances, corridors and services provided
- The building is equipped with IP (Low Current).
- CCTV Network System. Public address system.
- Telephone system (IP-Tel).
- TV system (IPTV).
- Wired and wireless internet system (Data - wifi) covers the entire project.
- Access system for rooms.



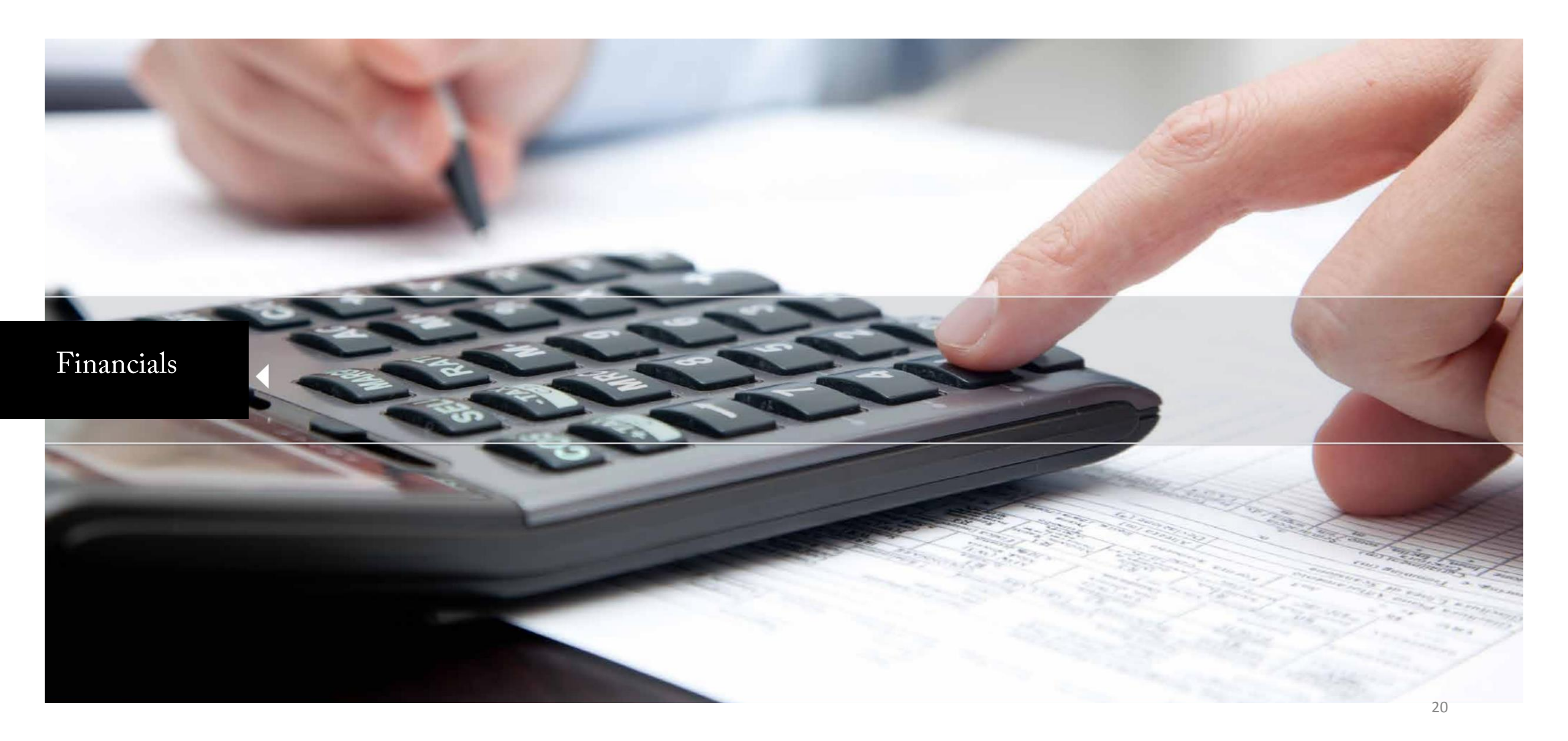


## GENERAL SPECIFICATIONS OF THE HOTEL

- Lightning protection and grounding network system for the project.
- External lighting system and general location, which works by control.
- Interior lighting system distributed according to the work of brushes and decoration.
- The hotel is equipped with a security system of barriers, security gates for entry of cars, security gate for entry of personnel and baggage inspection system.
- Main power stations with (4) stations for each station (1500) kVA. Backup generator works in conjunction with power outages.
- Main and secondary cable network for feeding buildings and rooms.
- Main and sub electrical panels. Indoor panel system for energy saving rooms.





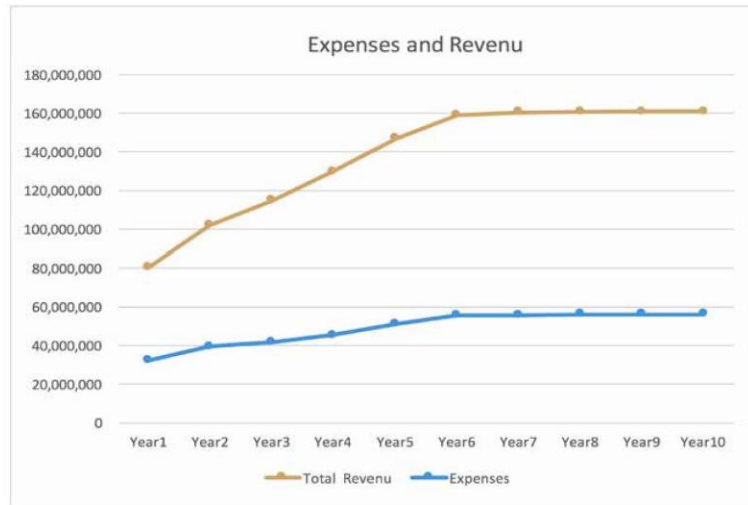


Financials



As the percentage of occupancy for rooms and suites according to the plan was put (47%) in the first year and gradually increase, therefore, any increase in the occupancy rates planned and this is very likely, which will increase the revenues will increase the profits achieved because the proportion of increase in revenues is not followed by an increase in the same level of expenses This can be seen from the expense curve And revenue in the following diagram.

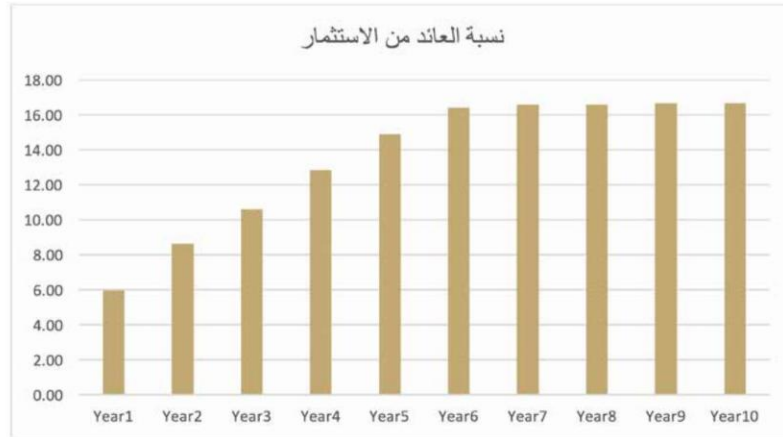
The plan for the operation of the hotel was based on the rationalization of expenses during the planned period of ten years, as the rate of increase in expenses is growing at a rate lower than the increase in revenues and the correlation coefficient between the return on investment and revenues is (0,999) stronger than the correlation coefficient between the return on investment and expenses equal to (0, This indicator confirms the quality and operational efficiency of the investment in particular.



## 10 Year Profit & Loss Forecasts

| Inflated Year Profit & Loss     | السنة الاولى | السنة الثانية | السنة الثالثة | السنة الرابعة | السنة الخامسة | السنة السادسة | السنة السابعة | السنة الثامنة | السنة التاسعة | السنة العاشرة |
|---------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| SAR                             | Year1        | Year2         | Year3         | Year4         | Year5         | Year6         | Year7         | Year8         | Year9         | Year10        |
| Number Of Day                   | 365          | 365           | 365           | 365           | 365           | 365           | 365           | 365           | 365           | 365           |
| Number Of Rooms                 | 245          | 245           | 245           | 245           | 245           | 245           | 245           | 245           | 245           | 245           |
| Average Annual Occupancy Rooms  | 55%          | 66.8%         | 68.0%         | 69.0%         | 72%           | 72%           | 72%           | 72%           | 72%           | 72%           |
| Average Daily Unit Rate Rooms   | 650          | 715           | 787           | 865           | 952           | 1,047         | 1,047         | 1,047         | 1,047         | 1,047         |
| Revenue of Rooms                | 31,969,438   | 42,711,169    | 47,826,279    | 53,382,567    | 61,273,903    | 67,401,293    | 67,401,293    | 67,401,293    | 67,401,293    | 67,401,293    |
| Number Of Suites                | 76           | 76            | 76            | 76            | 76            | 76            | 76            | 76            | 76            | 76            |
| Average Annual Occupancy Suites | 52%          | 56.8%         | 61.9%         | 64.8%         | 65%           | 65%           | 65%           | 65%           | 65%           | 65%           |
| Average Daily Unit Rate Suites  | 990          | 1,050         | 1,089         | 1,198         | 1,318         | 1,449         | 1,500         | 1,500         | 1,500         | 1,500         |
| Revenue of Suites               | 14,280,552   | 16,544,136    | 18,699,284    | 21,534,673    | 23,761,252    | 26,126,919    | 27,046,500    | 27,046,500    | 27,046,500    | 27,046,500    |
| Number Of Villas                | 36           | 36            | 36            | 36            | 36            | 36            | 36            | 36            | 36            | 36            |
| Average Annual Occupancy Villas | 38%          | 46.8%         | 51.9%         | 54.8%         | 55%           | 55%           | 55%           | 55%           | 55%           | 55%           |
| Average Daily Unit Rate Villas  | 1,650        | 1,800         | 2,000         | 2,200         | 2,400         | 2,400         | 2,400         | 2,400         | 2,400         | 2,400         |
| Revenue of Villas               | 8,238,780    | 11,069,136    | 13,639,320    | 15,841,584    | 17,344,800    | 17,344,800    | 17,344,800    | 17,344,800    | 17,344,800    | 17,344,800    |
| Total Revenue Rooms             | 54,488,770   | 70,324,441    | 80,164,883    | 90,758,824    | 102,379,954   | 110,873,012   | 111,792,593   | 111,792,593   | 111,792,593   | 111,792,593   |
| Revenues                        |              |               |               |               |               |               |               |               |               |               |
| Rooms                           | 54,488,770   | 70,324,441    | 80,164,883    | 90,758,824    | 102,379,954   | 110,873,012   | 111,792,593   | 111,792,593   | 111,792,593   | 111,792,593   |
| Food & Beverage                 | 19,569,587   | 23,858,598    | 25,903,952    | 29,516,122    | 33,442,162    | 36,268,359    | 36,729,560    | 36,942,954    | 37,002,437    | 37,156,962    |
| Minor Operating Departments     | 6,469,944    | 7,784,373     | 8,521,037     | 9,752,022     | 10,854,036    | 11,930,382    | 11,868,942    | 11,885,994    | 12,085,132    | 11,903,096    |
| Total Revenue                   | 80,528,301   | 101,967,412   | 114,589,872   | 130,026,968   | 146,676,152   | 159,071,753   | 160,391,095   | 160,621,541   | 160,880,162   | 160,852,651   |
| Expenses                        |              |               |               |               |               |               |               |               |               |               |
| Total Payroll Cost              | 16,105,660   | 17,334,460    | 17,188,481    | 19,504,045    | 22,001,423    | 23,860,763    | 24,058,664    | 24,093,231    | 24,132,024    | 24,127,898    |
| Rooms                           | 7,730,717    | 11,866,967    | 13,762,244    | 14,076,720    | 15,879,160    | 17,221,108    | 17,245,251    | 17,388,888    | 17,297,835    | 17,294,877    |
| Food & Beverage                 | 5,153,811    | 6,313,822     | 6,692,049     | 7,260,706     | 8,190,396     | 8,882,567     | 8,930,576     | 8,969,107     | 8,957,807     | 8,956,276     |
| Minor Operating Departments     | 3,221,132    | 3,946,139     | 4,182,530     | 4,537,941     | 5,118,998     | 5,551,604     | 5,581,610     | 5,605,692     | 5,598,630     | 5,597,672     |
| Sub Total                       | 32,211,320   | 39,461,388    | 41,825,303    | 45,379,412    | 51,189,977    | 55,516,042    | 55,816,101    | 56,056,918    | 55,986,296    | 55,976,723    |
| Gross Operating Profit          | 48,316,980   | 62,506,023    | 72,764,569    | 84,647,556    | 95,486,175    | 103,555,711   | 104,574,994   | 104,564,623   | 104,893,866   | 104,875,928   |
| Fixed Charges                   |              |               |               |               |               |               |               |               |               |               |
| Insurance                       | 200,000      | 200,000       | 200,000       | 200,000       | 200,000       | 200,000       | 200,000       | 200,000       | 200,000       | 200,000       |
| FF&E Reserve 4%                 | 3,221,132    | 4,078,696     | 4,583,595     | 5,201,079     | 5,867,046     | 6,362,870     | 6,415,644     | 6,424,862     | 6,435,206     | 6,434,106     |
| Sub Total                       | 3,421,132    | 4,278,696     | 4,783,595     | 5,401,079     | 6,067,046     | 6,562,870     | 6,615,644     | 6,624,862     | 6,635,206     | 6,634,106     |
| Operating Profit                | 44,895,848   | 58,227,327    | 67,980,974    | 79,246,477    | 89,419,129    | 96,992,841    | 97,959,350    | 97,939,762    | 98,258,659    | 98,241,822    |
| Depreciation and Amortization   | 15,000,000   | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    | 15,000,000    |
| Net profit                      | 29,895,848   | 43,227,327    | 52,980,974    | 64,246,477    | 74,419,129    | 81,992,841    | 82,959,350    | 82,939,762    | 83,258,659    | 83,241,822    |

نسبة العائد من الاستثمار



| Years   | Total Revenue | Expenses   | I.FF&E&.D  | Net profit | %     |
|---------|---------------|------------|------------|------------|-------|
| Year1   | 80,528,301    | 32,211,320 | 18,421,132 | 29,895,848 | 5.98  |
| Year2   | 101,967,412   | 39,461,388 | 19,278,696 | 43,227,327 | 8.65  |
| Year3   | 114,589,872   | 41,825,303 | 19,783,595 | 52,980,974 | 10.60 |
| Year4   | 130,026,968   | 45,379,412 | 20,401,079 | 64,246,477 | 12.85 |
| Year5   | 146,676,152   | 51,189,977 | 21,067,046 | 74,419,129 | 14.88 |
| Year6   | 159,071,753   | 55,516,042 | 21,562,870 | 81,992,841 | 16.40 |
| Year7   | 160,391,095   | 55,816,101 | 21,615,644 | 82,959,350 | 16.59 |
| Year8   | 160,621,541   | 56,056,918 | 21,624,862 | 82,939,762 | 16.59 |
| Year9   | 160,880,162   | 55,986,296 | 21,635,206 | 83,258,659 | 16.65 |
| Year10  | 160,852,651   | 55,976,723 | 21,634,106 | 83,241,822 | 16.65 |
| average | 137,560,591   | 48,941,948 | 20,702,424 | 67,916,219 | 13.58 |





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