



J and H.K. Joyce Pty Ltd

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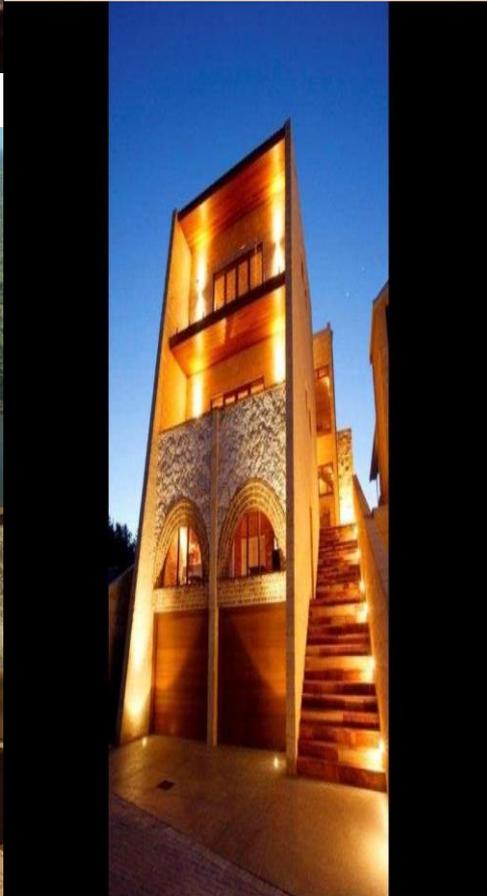
J and HK Joyce Pty Ltd  
t/as

Fremantle Short Stay  
Accommodation

The Orient Hotel

Brick House Cattle  
Station and Terra  
Australis (Great  
Southland) Luxury  
Wilderness Retreat

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The Orient Hotel  
Brick House Cattle Station and Great Southland Eco Wilderness  
Tourist Retreat

**LOCATION OF PROJECT- Fremantle Short Stay Accommodation**

Various (4) addresses in Fremantle, Western Australia, Australia.

Plus one in Joondalup, Western Australia, Australia.

The Orient Hotel, 39 High Street, Fremantle,  
Western Australia, Australia.

Brick House Cattle Station and Great Southland Luxury Eco  
Wilderness Tourist Retreat. Carnarvon, Western Australia, Australia.

**FUNDING AMOUNT REQUIRED IN US DOLLARS-**

**\$29,149,812 US Dollars**

EXPENSE ITEM	AMOUNT
Purchase of 8 Ameling Rise, Fremantle	\$ 1,700,000.00
Stamp Duty	\$ 82,278.00
Establishment Costs	\$ 65,000.00
Purchase of 3/8 Collie Street, Fremantle	\$ 1,100,000.00
Stamp Duty	\$ 46,711.00
Establishment Costs	\$ 65,000.00
Purchase of 175 Hampton Road, Fremantle	\$ 905,060.00
Stamp Duty	\$ 41,515.00
Establishment Costs	\$ 65,000.00
Purchase of Old Mill B&B Essex St, Fremantle	\$ 1,842,000.00
Stamp Duty	\$ 79,185.00
Establishment Costs	\$ 65,000.00
48 Lakeside Drive, Joondalup	\$ 5,028,100.00
Stamp Duty	\$ 253,385.00
Establishment Costs	\$ 65,000.00
Purchase of Orient Hotel as Going concern, including freehold property, liquor license, and all fittings and chattels.	\$ 4,595,000.00
Stamp Duty	\$ 87,500.00
Refurbishment and renovation of accommodation, Conference, meeting, reception facilities and luxury guest suites.	\$ 2,212,495.00
Brickhouse Station, located 16 km's from the Carnarvon Town Centre, is a working Cattle Station of 224,243 hectares (554,117 acres) with over 60km's (36miles) of ocean frontage, 40km's (24miles) of Gascoyne River frontage and superb outback plains.	\$ 6,235,600.00
Terra Australis (Great Southland) Luxury Wilderness Retreat 50 luxury wilderness eco guest tents, restaurant and coffee shop, plus guest centre, beachside shelters, 5 X wilderness huts, chattels, fittings, and all requirements for accommodating guests in 5 star luxury.	\$ 2,672,400.00
Excising of 500 acres for horticulture, addition of irrigation, solar and wind power generation, reticulation, packing/storage shed with refrigeration.	\$ 1,200,000.00
<b>TOTAL</b>	<b>\$ 29,149,812.00</b>
5% Commission	\$ 1,457,450.00



**TOTAL FUNDING**

**\$ 30,607,262.00**

ESTIMATED VALUE OF THE PROJECT:

\$ 34,515,810.00

Three operating Bed and Breakfast businesses operating at 80-85% occupancy, including freehold properties; one luxury short stay executive residence (complete with self-contained luxury apartment unit), operating at 75-85% occupancy per annum; and located in the historic 19th century city of Fremantle, Western Australia. In addition, one, fully let, 58 unit apartment block, located adjacent to Edith Cowan University to act as alternate income stream.

The Orient Hotel is an operating, heritage listed, late 19th century federation hotel, located in the tourist City of Fremantle, Western Australia, Australia. The hotel is located in the centre of the dining and entertainment district of Fremantle, adjacent to Notre Dame University and surrounded by a number of backpacker's hostels and other accommodation providers. Once refurbished from its current 3 star state into a 5 star luxury boutique hotel, the Orient will be an exceptional venue for luxury accommodation, hosting of conferences, wedding and other receptions, meetings, fine dining, a fantastic coffee shop and patisserie, plus a choice of two licensed areas for social drinking and entertainment, making the Orient the place to stay, the place to celebrate, the place to eat and the place to catch up with friends and a drink and good entertainment.

Brick House Cattle Station, located 16 km's from the Carnarvon Town Centre, is a working Cattle Station of 224,243 hectares (554,117 acres) with over 60km's (36miles) of ocean frontage, 40km's (24miles) of Gascoyne River frontage and superb outback plains. Brickhouse Station is for sale for \$6,235,600.00 USD. The sale includes all assets, buildings, stock, vehicles, equipment and much more.

The cost of establishing Great Southland Eco Wilderness Tourist Retreat at Brickhouse Station, Carnarvon is \$2,672,400 USD for the luxury wilderness resort, including restaurant/function centre, luxury wilderness tent accommodation, backpacker accommodation, and equipment.

Additional costs of \$1,200,000 USD are required to fund: solar and wind power generation systems for each luxury wilderness tent and the guest dining/restaurant facility; the reintroduction of a reduced flock of sheep; and, the introduction of horticultural production for sale to local and Perth markets. These additional items introduce significant cost savings and provide for multiple streams of income to strengthen the bottom line viability of the whole operation.

When in operation together under the one business umbrella, the opportunity exists to offer package accommodation arrangements for overseas and interstate visitors for, through accommodation in Fremantle at one of our B&B's or the Orient Hotel to enjoy the local tourist scene prior to heading to Carnarvon and a luxury wilderness experience Great Southland Eco Wilderness Luxury Tourist Resort.

Fremantle Short Stay Accommodation (FSSA), through the purchase of three operating Bed and Breakfast business (including freehold properties) will operate at higher standards of service excellence, by ensuring 100% attention to every aspect of our operation is provided to our guests from the moment they make contact with FSSA, by web, phone or in person, to the time, when having enjoyed a superb B&B experience, they have left our premises, where FSSA will continue to follow up on their experience to establish a lasting and return business oriented relationship.

Other B&B operators are generally husband and wife teams, running a single B&B on a part-time basis. This approach often reflects a more casual attitude to guests and to presentation of the businesses.

FSSA will offer potential guests options to stay in during their visit to Fremantle, increasing the likelihood of obtaining new clients, in lieu of having them go to another B&B site.

FSSA will generate multiple streams of income, which will assist in improving profitability and capability, in terms of cash flow, maintenance, and an alternative high cash flow source in form a 58 unit apartment block – with stable long term residents and high returns.



There are only three other similar hotels in Fremantle operating as licensed premises. One has become a micro-brewery, the other has chosen to remain as a 'worker's pub in original condition, and the third relies on its beer garden courtyard for attracting patrons. There is a fourth hotel, for sale at \$15 million with plans to include a cocktail bar, a takeaway fast food store, a basement jazz room and accommodation on the upper two stories. The fourth hotel has been on the market for over 18 months.

Station stay style accommodation has increased in popularity in Australia over the past 10 years, in response to more people being prepared to tour the outback of Australia for a holiday in lieu of travelling overseas. Likewise, trends show increasing numbers of overseas tourists coming to Australia are seeking an authentic wilderness experience. Many stations provide basic accommodation for guests. Few have specific guest accommodation or large numbers of accommodation.

Even less stations have 60 kilometres (35 miles) of pristine ocean frontage or 40 kilometres (24 miles) of major river system to add to the opportunities guests may experience at Great Southland (Terra Australis) Wilderness Retreat. Brick House Cattle station is one of a few stations located close (less than two hours) to two World Heritage listed wilderness locations of Shark Bay and Ningaloo Reef.

No stations are located less than 10 miles from a major regional centre on a major highway system, with an airport handling regular daily flights from Perth, making access to an authentic wilderness site very easy and convenient.

#### Exit Strategy

Fremantle Short Stay Accommodation has the following exit strategies open to it:

49 Lakeside Drive, Joondalup. Current rent is below area average and can be increased by approximately \$30/week. Comprised of eight (8) separate blocks, each block is already separated and able to be sold separately. Current value per block is approximately \$980,000.00.

'Rocky Knoll', 8 Ameling Rise, Fremantle. Specifically designed for executive accommodation, this property can be rented out to two parties at same time via main house and self-contained executive apartment. Weekly rent is between \$2,000 - \$2,500 per week. Alternately, sale to corporate or private buyers to clear debt, is a clear option.

Oceanic Apartments; 3/8 Collie Street, Fremantle. Centrally located in Fremantle's busy restaurant and coffee shop strip, this property would attract weekly rentals of between \$1050 - \$1160.00 per week for rentals. Alternately, it could be sold as a prestige townhouse to reduce debt.

Old Port Mill, 3/17 Essex Street, Fremantle Easily saleable as a three storey villa in a secure private and gated strata property with private parking, this property would attract rent of \$1250 per week, or equally be saleable as private property or ongoing B&B operation to interested purchasers.

The Fish between the Star and the Sea; 175 Hampton Road, Fremantle. As a rental proposition this property would attract \$1650.00 in rent or sell for over \$1 million to reduce debt.

Additional materials: Added to the properties, there is a large number of mainly antique furnishings, chattels and goods, including extensive artworks, many of which are original. These are currently valued between \$450,000 and \$475,000.

Exit Strategy would include immediate sale of hotel to cover loan principal outstanding, with other businesses operating profitably (Fremantle Short Stay Accommodation and Brick House Cattle Station and Great Southland Luxury Wilderness Retreat) funds from these business will be allocated towards meeting cost of loan payments until sale achieved or loan renegotiated, or restructure of business takes place to identify and reduce nonperforming sectors of hotel operation and remedy or closure (this will have occurred before the Hotel found itself in the situation of failing to meet loan payments.)





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Exit Strategy would include immediate review of business operations for Brick House Cattle Station and Great Southland Eco Wilderness Luxury Retreat to identify area/s of poor performance. Action to remedy identified losses, including reduction in funding, scaling back of activity and closure. If required sale of station and tourist resort as complete entity to cover loan principal outstanding, with other businesses operating profitably (Fremantle Short Stay Accommodation and the Orient Hotel), funds from these businesses will be allocated towards meeting cost of loan payments of Station and/or Great Southland Eco Wilderness Luxury Retreat, until sale achieved or loan renegotiated, or restructure of business takes place to identify and reduce nonperforming sectors of business operations and remedy or closure (this will have occurred before the Hotel found itself in the situation of failing to meet loan payments.)

