

BMG HOSPITALITY PTE LTD

Strategic Equity · 15–28% IRR · IPO Exit Month 84 · Singapore

\$21M USD Capital Raise	22 Hotels 36-Mo Rollout	1,600–2,400 Bed Capacity	15–28% IRR Target	IPO Yr 7–9 Exit
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THE OPPORTUNITY

Singapore welcomed 16.5M international visitors in 2024 — a 21% YoY increase. Gen-Z and Millennial travellers demand aesthetic, experience-led stays at accessible price points.

The capsule/hostel segment: 89 properties, zero institutional operators, no dominant brand. BMG is executing a rapid consolidation via master leases and a 30-day renovation playbook.

What you need to believe:

- Affordable experience-led travel is structural, not cyclical
- One brand can dominate a fragmented market the way Marriott dominated budget hotels
- Operators who survived COVID are better placed than first-time founders

This is NOT for you if:

- You want 90% SaaS margins with zero operational complexity
- You need liquidity in under 5 years
- You are uncomfortable with physical assets in Asian markets

THE BUSINESS MODEL

Capsule Hotels — 100 beds/unit, SGD \$80–\$120++/night. Centralised management with a standardised renovation playbook.

Integrated F&B — Gabriel restaurants (breakfast + external footfall) and Couch Potato food kiosks (8 outlets). Multiple revenue streams per location.

USE OF FUNDS

22 Capsule Hotels	\$15.0M
4 Restaurants	\$3.0M
8 Food Kiosks	\$3.0M
Total	\$21.0M

COMPETITIVE ADVANTAGES

30-Day Playbook Turn any property cash-flowing in under 30 days — key speed-to-market moat	Full-Stack Margin Own the bed, breakfast & coffee — revenue at every touchpoint, no leakage	Proven Operators \$10M revenue, ~20% EBITDA in 18 months; exited Hotel 1887 to ASX-listed co
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36-MONTH ROLLOUT & CAPITAL DEPLOYMENT

Phase	Hotels	F&B	Tranche	Amount
Months 1–12	6 hotels	1 Gabriel restaurant	Tranche 1	USD 8M
Months 13–24	8 hotels	2 restaurants + 4 kiosks	Tranche 2	USD 8M
Months 25–36	8 hotels	1 restaurant + 4 kiosks	Tranche 3	USD 5M
TOTAL	22 hotels	4 restaurants 8 kiosks	3 tranches	USD 21M

OPERATOR TRACK RECORD

- Hotel 1929, Hotel 1887 (80-room), Hotel 1888, 18 Hours restaurant
- \$10M revenue, ~20% EBITDA in 18 months, 150 staff
- Hotel 1887 exited to a publicly listed Australian company
- Audited P&L records available (2018–2020)

EXIT STRATEGY

- Series A (Month 37): ~\$20M — Hong Kong expansion (~40 capsule hotels)
- Regional: Malaysia, Bali, Phuket, Vietnam
- IPO Exit Year 7–9: NASDAQ or HKEX, 40+ asset platform

INVESTMENT STRUCTURE & SECURITY PACKAGE

INVESTMENT TERMS

Structure	Strategic Equity — 30% of BMG Hospitality PTE LTD (HoldCo)
Raise	USD 21M across 3 milestone-gated tranches
Projected IRR	15–28% (base to upside case)
MOIC	2.4–3.4x
Equity Payback	~11 months per hotel unit
Exit	IPO — NASDAQ or HKEX, Year 7–9

CORPORATE STRUCTURE

- BMG Hospitality PTE LTD — HoldCo (UEN: 202341515H)
- 70% May Lee (Founder) · 30% Partner
- Bryan Ong — CEO & Operating Partner
- Bryan Ong & May Lee are married co-founders
- Subsidiary SPVs per asset — each with 10% employee pool, 10–20% M&A reserve
- Finder's fee: 1–3% per applicable engagement

FOUR-LAYER INVESTOR SECURITY PACKAGE

BMG has structured compounding layers of downside protection. At no stage of the investment lifecycle does the funding party hold unsecured exposure.

#	Security Layer	Coverage	Benefit to Funder
1	Banker's Guarantee — CIMB & DBS	Undrawn USD 13M	Bank-backed assurance on all undeployed capital; institutional-grade protection from Day 1
2	100% Equity Pledge (HoldCo + all SPVs)	Full entity stack	Enforcement rights flow through to each hotel SPV and operating asset — no structural gap
3	Keyman Insurance (Death / Incapacity)	Bryan Ong & May Lee (Funder = beneficiary)	Both key principals covered; funder named as loss payee — continuity risk fully addressed
4	Milestone-Gated Drawdown	Tranche 1 only at close	Capital released only upon verified phase completion; performance-linked deployment

Key Investor Metric: Each hotel unit is projected to return its allocated equity in approximately 11 months of operation — meaning capital recovery begins within the first deployment tranche, well before Tranche 2 is called. The milestone-gated structure ensures that every subsequent dollar is released only after the prior phase has demonstrated performance.

LAYER 1 — BANKER'S GUARANTEE

CIMB Bank & DBS Bank — two of Southeast Asia's most established financial institutions — provide bank-backed security on all undrawn capital. Institutional-grade, not merely a contractual commitment.

LAYER 2 — EQUITY PLEDGE (HOLDCO + SPVs)

100% of HoldCo shares pledged as collateral — and this pledge flows through to every asset-level SPV. Enforcement rights reach the actual hotel assets, not just the holding company shell.

LAYER 3 — KEYMAN INSURANCE

Life insurance covering both Bryan Ong (CEO) and May Lee (Founder). The funding party is named as beneficiary. In the event of demise of either principal, investor exposure is fully protected and continuity is funded.