

PRESS RELEASE

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REAPRA Completes Majority Stake Investment into Kokotel Hotel Chain With S\$4 Million

May 2 2017, Singapore - For the last 2 years, REAPRA, a Singapore-based business builder, has been supporting Kokotel and continues to provide strategic, operational, legal, human capital, and financial support. And in May 2017, REAPRA, a majority stake holder in Newlegacy Hospitality which runs a hotel chain called Kokotel, completes a total of S\$4 million in continuation to support the growth of Kokotel.

Kokotel, a bed-and-café chain, has a hotel in Bangkok, Thailand, and plans to expand its operations to the rest of Southeast Asia. The company, spearheaded by two enterprising management consultants, offers a newly developed concept that's geared at families. Instead of a lobby in its hotels, the public space consists of a café and kids' play area. Room configuration and layouts are inspired by "ryokan", or Japanese traditional inns, allowing family and friends to mix in the rooms rather than being separated into different ones.

"REAPRA's experience in building businesses will be invaluable to our expansion goals," said Rei Matsuda, chief executive officer of Kokotel. "Our goal is to open four hotels this year and target another eight for next year. Bangkok is a good start for us to implement our concept as it has many hotels with good locations but they just need better management."

Kokotel will be opening two more hotels in Thailand this year at popular tourist sites - Krabi and Phuket. In the long term, Kokotel is aiming to run 80 hotels by 2021 and 1,000 in 2026. The hotel operator provides business solutions to those hotel owners with holding hotels with 50-150 rooms. Its business model is to lease existing hotels or other buildings to convert into Kokotel branded hotels. In addition, another business model that is more common in the industry is Management Contract. In this model, the company will manage a hotel on behalf of an owner and the owner gives them a fee for its professional hotel operation, sales channels, marketing capabilities and brand. The company's hotel, Kokotel, in Bangkok is one of the best-rated economy hotels in the city with a review score of 8.8 for Booking.com, 8.6 for Agoda and 4.3 out of 5 for Hotels.com.

REAPRA, a company that was founded by Shuhei Morofuji, targets businesses in Southeast Asia that it can build into industry leaders. The firm has 14 direct subsidiaries, including two VC firms, and is invested in more than 50 start-ups across Southeast Asia in diversified industries including agriculture, healthcare, education, hospitality, digital media, travel, real estate, and aerospace.

"Kokotel has an innovative and promising concept that we believe will translate well into the Southeast Asian region," said Jason Dacaret, head of public relations and CHRO at REAPRA. "Kokotel will benefit from the tourism boom in Asia and REAPRA aims to back the company in achieving its ambitious goals."

"REAPRA is optimistic about the region's travel and hospitality industry and is constantly seeking entrepreneurial and talented CEOs to run more hospitality businesses under the REAPRA platform." Mr. Dacaret added.

Asia and the Pacific led the growth in international tourist arrivals in 2016, with the region's 8 percent expansion, according to the United Nations' World Tourism Organization. International tourist arrivals worldwide are forecast to grow at a rate of 3-4 percent in 2017, with Asia and the Pacific projected at 5 percent to 6 percent.

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About REAPRA

Set up in Singapore in 2014 by Japanese entrepreneur Shuhei Morofuji, REAPRA's mission is to work with Southeast Asian start-ups to create new and prosperous industries using a disciplined approach of research and practice. REAPRA comes up with original ideas and seeks entrepreneurial CEOs to create new business models. The company has established 14 direct subsidiaries and invested in 50+ start-ups in diversified industries including agriculture, healthcare, education, hospitality, digital media, travel, real estate and aerospace. Each subsidiary will run and develop individually with the goal of optimizing its market valuation at US\$2 billion within 10 years. The company's businesses operate across Asia including Singapore, Thailand, Vietnam, Malaysia, the Philippines and Bangladesh. REAPRA is currently building their industries and aggressively seeking hospitality entrepreneurs to join its platform. Visit us at reapra.sg.

About Kokotel

Kokotel is run by Newlegacy Hospitality, a start-up in the hospitality sector that's aiming to change the future of the industry in Southeast Asia by offering hotels with innovative concepts. The company was founded in 2015 with REAPRA's investment and led by Rei Matsuda, CEO, a Japanese national with more than 10 years of experience in management consulting and with a degree from School of Hotel Administration at Cornell University, and Wataru Nakatsuka, COO, who has 8 years of global management consulting experience.

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