

Questions and Answers

This document is provided to help you with queries relating to your interest in Ramada Resort Akbuk (formerly known as Harmony Bay Resort). The document has been prepared based on the most common questions raised.

The hotel - Ramada Resort Akbuk (formerly known as Harmony Bay Resort).

The group - Akbuk Resort Group Ins Taak Ltd Sti.

Why have my rental payments ceased?

Past, present and continuing security and political occurrences in Turkey has acutely impacted the hotel and the group. Extraordinary events over a period of time such as bomb attacks, continued threats and the failed coup attempt earlier this year have all contributed to low tourist numbers and low room rates which has affected the overall ability to provide payments.

When can I expect my rental payments to be paid?

We do plan for rental payments to be disbursed when the tourism market corrects and the economic situation improves allowing the hotel to return a profit. We are confident the market is already recovering with the recommencement of Russian tourism, as of October this year, which is essential to both Turkey and Russia.

I thought my rental payments were guaranteed?

The hotel relies on touristic revenue in order to meet rental payments. It was intended that rental payments be generated by the hotel and during the initial two years and to provide assurance it was further intended the group to meet any shortfall as and when necessary.

Exceptional and unforeseen circumstances beyond anyone's control has resulted in a no profit scenario, the group has been equally impacted and rental payments have simply become unsustainable.

Are you going out of business?

No. Not unlike other businesses in Turkey and indeed businesses associated to tourism we are simply going through a challenging period. The group has always had an enviable reputation for honesty, integrity and delivery and we find ourselves in a 'Force majeure' position, a term meaning circumstances beyond our control.

Despite tough conditions be rest assured we are not going out of business.

What is the hotel payment history?

From 2012 to 2015, all payments were completed and paid timely. During 2015 75% of payments were met and paid timely. When a number of hotels elect not to open for business, the hotel opened in May for the 2016 holiday season under extremely difficult conditions. Despite great efforts the hotel was unable to turn profit. We are hopeful 2017 will be a better year and some form of return to business as usual.

Why have some people received all their payments?

The hotel operates a 'best efforts' fair usage policy, meaning rooms are allocated around the resort. Your particular room interest may or may not have been one of the rooms most allocated. In addition, due to conditions the hotel experienced a number of tour operators going out of business and consequently ceasing to pay what was scheduled to the hotel.

Directly following the failed coup attempt earlier this year the hotel actually experienced in excess of 7000 room night withdrawals which massively impacted on the overall income.

What do Wyndham Hotel Group (WHG) the owners of the Ramada brand consider about the current situation in Turkey?

WHG have over 7000 hotels around the world, several of which have no doubt been affected by world events, especially those located in popular tourist destinations. Their hotels in Egypt and Tunisia for example have been affected even more so than those in Turkey.

WHG have been extremely supportive to the resort and continue with guidance and initiatives to increase trade across Turkey.

Will the buyback option still be available in 2019?

Yes it will and the Vacation Ownership Club concept currently being planned further provides a useful opportunity for this and potentially in advance of 2019.

Can I sell and will you assist me through your agent's network?

Certainly, however as with our forward sales schedule our internal resales are currently on hold for the very same reasons. You are of course free to sell your interest privately.

Should I take legal advice?

We are unable to provide you with any advice, either of a legal or financial nature. We are confident of an imminent improvement in market conditions. However If you are uncertain we would certainly encourage you to seek your own appropriate independent advice.

Can I benefit from personal usage at the hotel?

Yes, if your interest was purchased using cash. You will need to contact us in the first instance to obtain further details.

If your interest was purchased using a pension vehicle then pension rules stipulate that you are unable to benefit from personal usage.

Where can I get further information on the current position in Turkey?

The media has not been reserved in reporting events over time and you will simply find the best source of past and present news on the internet.

Below is a link to a most recent article published by the Guardian. The article is short and concise and provides a factual snapshot and outlook of the state of affairs and perhaps articulates it better than we can.

<https://www.theguardian.com/travel/2016/oct/05/turkey-tourism-industry-reels-year-to-forget-istanbul-antalya>

Next Steps?

We intend to provide an update in May 2017 in advance of the holiday season, thereafter every 6 months. We will of course provide communication on the new Vacation Ownership Club concept for the resort as we advance.

As the rental programme commences in 2017 rental payments will be disbursed annually upon tour operator payments being received, you will however receive communication from us before then.