

DÀYA

**DAYA VOYAGE (KILIGOLF) INVESTMENT LTD**

**DVKIL**

**BUSINESS PLAN**

**CONFIDENTIAL**

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November 2021

## **Executive Summary**

The purpose of this business plan is to request a Certificate of Incentives from the Tanzania Investment Centre.

DVKIL is a company located in Arusha, The Company was registered 25<sup>th</sup> June 2021 under Tanzanian Laws and issued with the Certificate of Incorporation. No. 152423209. The purpose of the company is to develop and build tourism related properties. Further, DVKIL will run the management of the properties in Tanzania.

In order to achieve its investment objective and targets, the company requires a Certificate of Incentives for smooth project operations in Tanzania

## **Products and Services**

The primary focus for revenue for the business is to develop and operate a luxury hotel with 30 keys and a range of facilities on a 22-acre land parcel, 'the site', located at the Kilimanjaro Golf Course, Arusha, Tanzania.

## **Mission Statement**

DVKIL's mission is to develop the company into a premier regional tourism development and management company that will efficiently and profitably manage the accommodation property and operations.

## **First phase Project Organization Structure**

The first phase's core management of DVKIL will be constituted of the following organizational set up: Board of Directors, Project Coordinator/Financial Consultant who will be responsible for the supervision of the complete construction phase whilst also ensuring adherence to DVKIL and other contractual management guidelines.

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## **Management Team**

The Company will be managed by the shareholders with different levels of active involvement in the day-to-day operation and according to the principle's management guidelines.

The partners involved in the development are:

- Development Leader & partner: Mr Xu Yiming and his DAYA Group's development team, together with Mr. Adrian Zecha who is based in Singapore and develops, manages and markets resorts and hotels throughout the world. The company's key executives have decades of experience with developing the globally recognized Aman Resorts.
- The group has more than two decades of hotelier and development experience with success in branding high-end hotel resorts and properties worldwide. The group is posed to venture into the developing and growth of the Tanzanian market opportunities.

To date the group has hotels under development in China, Nepal, Bhutan, USA, Mexico, Kenya and Tanzania, which DVKIL forms a part of.

## **Sales Forecasts**

Considering the demand for more bed nights in the high-end tourism sector in the Arusha, we expect a strong rate of growth from the start of operations with a view of having 40-50 % occupancy within the first 1-3 years.

## **Expansion Plan**

The Group (DAYA) has expanded to other tourist destinations in Tanzania namely in Serengeti National Park as a first phase and on Pemba as a second phase development, thereby creating a 'tourism circuit' for our future guests.

## **COMPANY AND FINANCING SUMMARY**

### **Registered Name and Corporate Structure**

'DAYA VOYAGE (KILIGOLF) INVESTMENT LTD' is registered as a 'Ltd Corporation' in Tanzania.

DVKIL financial year starts 1<sup>st</sup> of April and ends 31<sup>st</sup> March.

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## **The Financing:**

Total investment is estimated at over USD \$10,000,000 provided by the DAYA group.

## **Investor Equity & promoters**

The present company shareholders are DAYA VOYAGE (TANZANIA) INVESTMENT LTD

The project is estimated at over USD \$ 10,000,000 provided by DAYA and which will include construction of buildings, equipment, power supply, vehicles-etc

## **Strategic and Market Analysis**

### **Background:**

Tanzania has for many decades, been a haven of peace and tranquility in comparison to many of her neighbors and other African countries. This is a country where unity, respect and brotherhood have featured as key definitions of its people's identity and ethos. Moreover, and through the famous Arusha Declaration, Tanzania is and has been committed to the preservation and conservation of its culture, wilderness and wildlife and has been hailed by the international communities for her custodianship of a natural and cultural heritage belonging to Tanzania and all of mankind.

Tanzania has had the foresight to protect over one quarter of its land for conservation and in so doing, well known destinations have been brought to the forefront of traveler's minds. Destinations like Serengeti, Ngorongoro Crater, Kilimanjaro and Zanzibar, to name but a few, are easily recognizable and spoken of by many. These are destinations that have featured and have indeed been recognized for their intrinsic value through their exposure in literature, movies and designations by UNESCO as natural and cultural world heritage sites and bio reserves.

### **Outlook**

DAYA is confident in the growth of Tourism in Tanzania and will continue to Invest.

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## **Customer Profile & target markets**

The targeted markets of the project are the upper end market segment both foreigners and locals who are visiting Southern Corridor National Parks.

Most of our customers will be coming from the traditional market sources such as the US, UK, Italy, Germany and Spain. We will also focus on the new emerging Asian travel markets.

With more and more tourists visiting the country, a marketing strategy will be developed to enable the company to compete and take a considered market share of:

- Upper income tourist market worldwide changed after the Pandemic.
- US market
- Asian market
- Eastern and Western Europe market

## **SWOT ANALYSIS**

### **Strengths**

The strength of DVKIL depends on the gained past experiences and knowledge in the tourism industry as a whole. They include:

- Strong leadership from Shareholders and Directors
- Experienced and focused Management team
- Through the above team – have an efficiently, cost effective run company which develops a top-level quality tourist product in Tanzania.

### **Weaknesses**

The main encumbrance likely to face the company is the volatile business environment in Tanzania, for private companies and foreign investors. There is also still a limited availability of qualified human resource for high end tourism.

### **Opportunities**

DVKIL will capitalize the advantages on the following:

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- The increased attractiveness of the country as a quality tourist destination
- The increasing number of tourists visiting Tanzania
- The forecasted increase of tourists to Tanzania
- The need for more tourist beds in Arusha.

## **Threats**

Most threatening and detrimental issues for the company operations will be:

- The taxation system: still multiplicity of taxes
- Global pandemics and terrorism remain the single most dangerous threats to the tourism industry in Tanzania, incl negative travel advisories to East Africa from other governments.
- Unfair competitive practices among stakeholders in poaching of quality trained HR/manpower.
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## **MARKETING**

Our business intends to maintain an effective marketing campaign that will ensure maximum occupancy rates for our Arusha property.

### **Marketing Objectives:**

- Establish relationships with travel agents within the targeted market as well as implement a local campaign with the company's targeted market
- Trade shows
- Develop an online presence by acquiring accounts for major online portals.
- Word of mouth

### **Marketing Strategies**

The company will handle the design and pre-production of marketing materials in-house, and co-ordinate all public relations and international editorial requests through its corporate marketing office. The corporate personnel have long standing relationships with international media and will actively pursue editorial coverage as a substitute for paid advertising.

In view of the relatively small number of rooms to fill and the fact that demand is primarily driven by the ultimate individual consumer, the international sales effort directed at the "travel trade" (wholesalers, trade shows) is limited to the most appropriate and cost-efficient strategies but also supports activities

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directed at enhancing awareness among new or potential (Foreign Independent Travel) FIT clientele.

The corporate office deals primarily with marketing, public relations, editorial coverage, creation and management of website, and the production and distribution of collateral promotional materials as well as reservations and sales.

## Pricing

DVKIL intends to cater for the high-end tourist which means we intend to offer the best quality services that will be reflected in the price set.

DVKIL will determine the pricing structure for all its products and services based on the criteria such as, park entry fees, marketing costs, operational costs and liable taxes.

## FINANCIAL PLAN

### Sensitivity Analysis

The Company's revenues can change depending on the general economic climate of the tourism industry in times of economic recession or insecurity.

<b>Annual Estimate of Guests</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Forecasted Occupancy (30 guest beds)	40%	45%	50%	50%	50%
Anticipated Length of stay predictions	3	3	3	3	3

### Financial forecast

As part of this project appraisal, the construction costs and marketing costs need to be measured against projected sales in order to gauge the net benefit of the project. When weighing up the initial capital investment for construction of USD\$10 million + against the projected income statement, the projection indicates that the proposed property has very good potential in monetary terms for DVKIL. One must also consider the long-term benefits for the local communities and local economy when considering the total benefits of the project and these benefits far exceed the costs of the project.

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## ESTIMATED INVESTMENT BREAKDOWN

	<b>Estimated Development Cost</b>	USD \$ Millions
1	Buildings, including, Power Generators/Solar/Landscaping etc	8+
2	FF&E and OSE	2
3	Power generation/solar. Still being designed and costed	TBC
4	Pre-Opening-expenses. To be confirmed	2-3
7	Borehole and water supply system.	TBC
8	Soft Costs. To be confirmed	TBC
	<b>Estimated Development Budget</b>	<b>In excess of: 10 M</b>

## SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- Increasing and enhancing the provision of high-quality accommodation hospitality services in Tanzania
- Indirect promotion of Tanzania's quality resorts and diverse cultural tourist attractions as the leading travel destination.
- The proposed project will provide employment for approximately 80 staff.
- Our project will generate income and jobs for the surrounding communities through the value chain.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid by DVKIL.