

Legal Page
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Upon request, this document is to be immediately returned to **P.O BOX 10848**.



Signature

Huang Zaisheng

Name (typed or printed)

2023/08/04

Date

This is a business plan. It does not imply an offering of securities.

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1.0 Executive Summary

The Ivory Tower Hotel is located at Plot No. 121, Light Industrial Area Mikocheni Kinondoni Dar es Salaam, Ivory Tower Hotel will offer customers 126 room units with underground parking, fully-equipped kitchens, laundry facilities and stone fireplaces. Ivory Tower Hotel also will offer a common-area outdoor hot tub as well as a on-site store and on-site front desk service.

Each year, over 150,000 guests visit the Dar es Salaam area. On average, visitors spend over \$50 million, annually, for lodging, food, and recreational activities at Dar es Salaam.

HUANG ZAISHENG and ZHANG HONG, co-owners of the Ivory Tower Hotel, will operate the Hotel whole the year to cater for guests of various segments such as tourists, business clients

1.1 Objectives

The objectives of the Ivory Tower Hotel for the first three years of operation include:

- Exceeding customer's expectations for luxury accommodations.
- Maintaining an 90% occupancy rate during the peak periods.
- Assembling an experienced and effective staff.

1.2 Mission

The mission of Ivory Tower Hotel is to become the number one Hotel of choice with visitors to Dar es Salaam.

2.0 Company Summary

The Ivory Tower Hotel, located in the recently opened Mikocheni Dar es Salaam, has 126-bedroom units with underground parking, fully-equipped kitchens, laundry facilities and stone fireplaces. Ivory Tower Hotel also has a common-area outdoor hot tub as well as an on-site store and on-site front desk service.

2.1 Company Ownership

HUANG ZAISHENG and ZHANG HONG are co-owners of the Ivory Tower Hotel.

2.2 Start-up Summary

Ivory shareholders will each invest \$15,000,000. They will also secure a mortgage to for \$10,500,000

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Investment Breakdown	US\$/Tshs.M
Land/Building
Plant	3,000,000
Vehicles	750,000
Furniture & Fittings	11,250,000
Pre-expenses
Others
Working Capital
TOTAL	15,000,000

Project Investment Financing Plan

Local Equity USD	Local Loan USD	Foreign Equity USD	Foreign Loan USD
	10,500,000	4,500,000	

2.3 Company Locations and Facilities

At Plot No. 121, Light Industrial Area Mikocheni Kinondoni Dar es Salaam is found just 15 kilometers from the Julius Nyerere International Airport.

3.0 Products

Ivory Tower Hotel will offer customers 126-bedroom units, fully-equipped kitchens, laundry facilities and stone fireplaces. Ivory Tower Hotel will offer a common-area outdoor hot tub as well as the following services on-site:

- Food store
- Ski rental/clothing shop
- Front desk service

4.0 Market Analysis Summary

Hotel development and operation in the Dar es Salaam area has been very profitable and successful due to the economic upturn experienced in the early and mid 90's. Time-share / Hotel hotel development and investments into ski Hotels nationwide are currently going strong. In the past two years, sales of time-shares in the Dar es Salaam area have increased by over 35 percent.

There are forty condominiums, Hotels, inns and hotels within two miles of the hotel. Each year, room occupancy is close to 100% during the peak tourism season. New construction is planned in the spring for two condo complexes and a hotel.

4.1 Market Segmentation

Our customers can be broadly divided into two groups:

- **Business.** The Dar es Salaam area is quickly becoming one of the best business and corporate Hotels in Tanzania. The Hotel is located 36 miles from Dar es Salaam JN International Airport and is easily accessible.
- **Summer Visitors.** During the summer months, the Dar es Salaam area is a beautiful wilderness retreat with over 50 hiking trails and other outdoor recreational activities.

Table: Market Analysis

<i>Market Analysis</i>							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Business travellers	15%	90,000	103,500	119,025	136,879	157,411	15.00%
Summer Visitors	15%	60,000	69,000	79,350	91,253	104,941	15.00%
Total	15.00%	150,000	172,500	198,375	228,132	262,352	15.00%

5.0 Strategy and Implementation Summary

Ivory Tower Hotel will aggressively market to both winter and summer visitors of the Dar es Salaam area. The Dar es Salaam has activities occurring year-round. During the winter there is skiing but in the summer months, the Hotel has arrangement for town tour trips, white water adventures, and other recreational activities that take advantage of coastal spectacular beauty.

There are only thirteen Hotels and inns in the Dar es Salaam. These facilities represent only 580 room units of the total of 4,000 room units in the Hotel area. The majority of room units in the area are condos.

Our customers are looking for a different lodging experience that cannot be found in any of the area's condo complexes or hotels. We will offer our customers a comfortable, congenial environment that will assure return visits to the Ivory Tower Hotel.

The Hotel will cost a little more but we will offer our customers all the services they need to make their stay memorable. We will offer a food shop that will be able to take special orders beach passes. Each evening, guests can gather in the Hotel's main room where there is a large fireplace, drinks and light music.

5.1 Competitive Edge

The competitive edge of Ivory Tower Hotel is the service, first and foremost. HUANG ZAISHENG and ZHANG HONG, co-owners of the Ivory Tower Hotel, have over twenty years experience in managing modern tourist lodging facilities.

Significant advantage for the Ivory Tower Hotel is its location. Being located in the recently opened Mikocheni Dar es Salaam, Ivory Tower Hotel is uniquely positioned to be centrally located to both beach and shopping areas

5.2 Sales Strategy

The Ivory Tower Hotel's sales strategy is to harness the existing Dar es Salaam booking system that has been critical to the success of all of the area's Hotels and inns. Room rates for the Hotel will range from \$150 - \$250 per night in peak season. In the off-season prices will range from \$100 to \$175 per night.

5.2.1 Sales Forecast

The following is the sales forecast for three years.

Table: Sales Forecast

<i>Sales Forecast</i>			
	Year 1	Year 2	Year 3
Sales			
Rooms	\$430,000	\$560,000	\$600,000
Food	\$121,000	\$140,000	\$180,000
Ski Rentals	\$132,000	\$145,000	\$160,000
Clothing	\$58,000	\$70,000	\$82,000
Total Sales	\$741,000	\$915,000	\$1,022,000
Direct Cost of Sales	Year 1	Year 2	Year 3
Rooms	\$0	\$0	\$0
Food	\$59,500	\$71,000	\$90,000
Ski Rentals	\$0	\$0	\$0
Clothing	\$23,700	\$30,000	\$38,000
Subtotal Direct Cost of Sales	\$83,200	\$101,000	\$128,000

Chart: Sales Monthly

5.3 Marketing Strategy

The Dar es Salaam area has its own website and advertising/promotion program that promotes the area's lodging. Currently, 70% of the area's visitors use the website to identify lodging and service options.

The Ivory Tower Hotel is positioned as a new upscale facility that is focused on the high-income visitors to Dar es Salaam. The area's Hotels and inns receive approximately 80% of their guests from the Dar es Salaam booking system. Since the total number of room units are few with the area's Hotels and inns, these lodging units fill up quickly.

In addition, the Ivory Tower Hotel will be highlighted in a promotional piece for Dar es Salaam in the December issue of tourism Magazine.

6.0 Management Summary

..... will be the manager of the daily operations of the Ivory Tower Hotel.

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6.1 Personnel Plan

The personnel needed for the Ivory Tower Hotel are the following:

- Manager.
- Assistant manager.
- Hotel staff (17).
- Food store staff (3).
- Ski rental/clothing store (3).
- Maintenance staff (3).
- Cleaning staff (4).

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Manager	\$36,000	\$39,000	\$42,000
Assistant Manager	\$42,000	\$45,000	\$48,000
Hotel Staff	\$110,000	\$120,000	\$126,000
Food Store Staff	\$39,000	\$43,000	\$46,000
Ski Rental/Clothing Store Staff	\$35,000	\$39,000	\$42,000
Maintenance Staff	\$48,000	\$52,000	\$55,000
Cleaning Staff	\$72,000	\$76,000	\$79,000
Total People	25	30	40
Total Payroll	\$382,000	\$414,000	\$438,000

7.0 Financial Plan

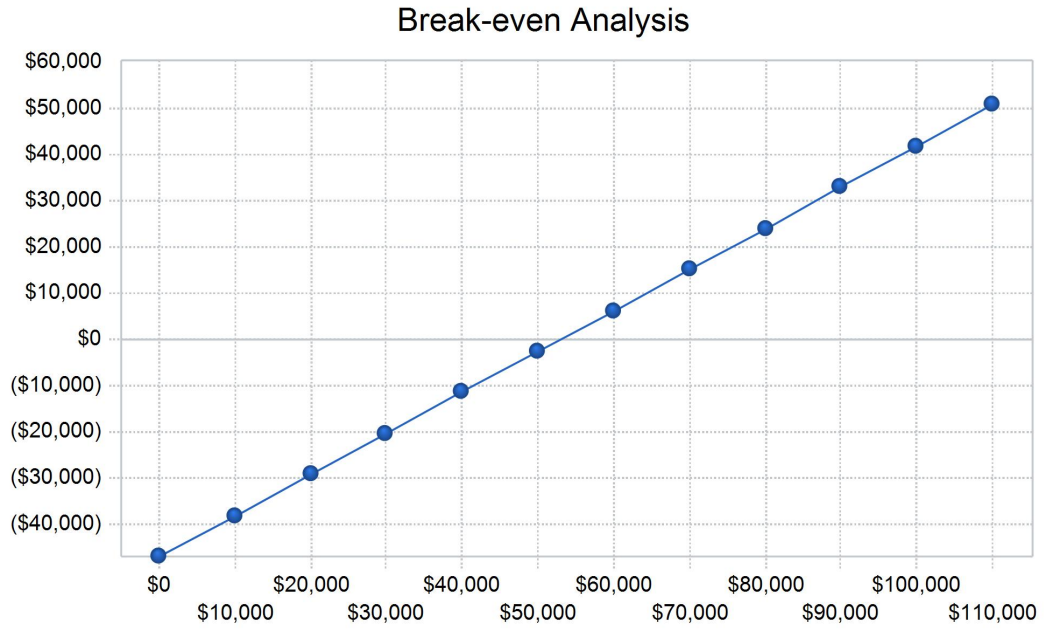
7.1 Break-even Analysis

The monthly break-even point is approximately \$52,900.

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$52,905
Assumptions:	
Average Percent Variable Cost	11%
Estimated Monthly Fixed Cost	\$46,965

Chart: Break-even Analysis



Appendix

7.2 Projected Profit and Loss

Table: Profit and Loss statement

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3-5
Sales	\$741,000	\$915,000	\$1,022,000
Direct Cost of Sales	\$83,200	\$101,000	\$128,000
Other Production Expenses	\$0	\$0	\$0
Total Cost of Sales	\$83,200	\$101,000	\$128,000
Gross Margin	\$657,800	\$814,000	\$894,000
Gross Margin %	88.77%	88.96%	87.48%
Expenses			
Payroll	\$382,000	\$414,000	\$438,000
Sales and Marketing and Other Expenses	\$60,000	\$80,000	\$100,000
Depreciation	\$14,280	\$14,280	\$14,280
Leased Equipment	\$0	\$0	\$0
Utilities	\$26,000	\$26,000	\$26,000
Insurance	\$24,000	\$24,000	\$24,000
Lease	\$0	\$0	\$0
Payroll Taxes	\$57,300	\$62,100	\$65,700
Other	\$0	\$0	\$0
Total Operating Expenses	\$563,580	\$620,380	\$667,980
Profit Before Interest and Taxes	\$94,220	\$193,620	\$226,020
EBITDA	\$108,500	\$207,900	\$240,300
Interest Expense	\$33,375	\$30,500	\$27,500
Taxes Incurred	\$18,254	\$48,936	\$59,556
Net Profit	\$42,592	\$114,184	\$138,964
Net Profit/Sales	5.75%	12.48%	13.60%

7.3 Projected Balance Sheet

The following is the projected balance sheet for three years.

Table: Balance Sheet Statement

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3-5
Assets			
Current Assets			
Cash	\$31,437	\$118,555	\$165,584
Other Current Assets	\$14,000	\$32,000	\$53,000
Total Current Assets	\$45,437	\$150,555	\$218,584
Long-term Assets			
Long-term Assets	\$350,000	\$370,000	\$430,000
Accumulated Depreciation	\$14,280	\$28,560	\$42,840
Total Long-term Assets	\$335,720	\$341,440	\$387,160
Total Assets	\$381,157	\$491,995	\$605,744
Liabilities and Capital	Year 1	Year 2	Year 3

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Current Liabilities			
Accounts Payable	\$3,965	\$30,619	\$35,405
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$3,965	\$30,619	\$35,405
Long-term Liabilities	\$320,000	\$290,000	\$260,000
Total Liabilities	\$323,965	\$320,619	\$295,405
Paid-in Capital	\$200,000	\$200,000	\$200,000
Retained Earnings	(\$185,400)	(\$142,809)	(\$28,625)
Earnings	\$42,592	\$114,184	\$138,964
Total Capital	\$57,192	\$171,376	\$310,340
Total Liabilities and Capital	\$381,157	\$491,995	\$605,744
Net Worth	\$57,192	\$171,376	\$310,340

Appendix

7.4 Projected Cash Flow

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$741,000	\$915,000	\$1,022,000
Subtotal Cash from Operations	\$741,000	\$915,000	\$1,022,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$741,000	\$915,000	\$1,022,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$382,000	\$414,000	\$438,000
Bill Payments	\$298,163	\$345,882	\$425,971
Subtotal Spent on Operations	\$680,163	\$759,882	\$863,971
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$30,000	\$30,000	\$30,000
Purchase Other Current Assets	\$14,000	\$18,000	\$21,000
Purchase Long-term Assets	\$0	\$20,000	\$60,000
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$724,163	\$827,882	\$974,971
Net Cash Flow	\$16,837	\$87,118	\$47,029
Cash Balance	\$31,437	\$118,555	\$165,584

Chart: Cash