Wellworth Hotels & Lodges Limited

KUNDUCHI BEACH HOTEL & RESORT

BUSINESS PLAN



COMPLETE UPGRADE OF THE KUNDUCHI BEACH HOTEL & RESORT

TRANSFORMING INTO DAR-ES-SALAAM'S PREMIER

5-STAR LUXURY BEACH RESORT AND CONFERENCE DESTINATION

NOVEMBER 2025

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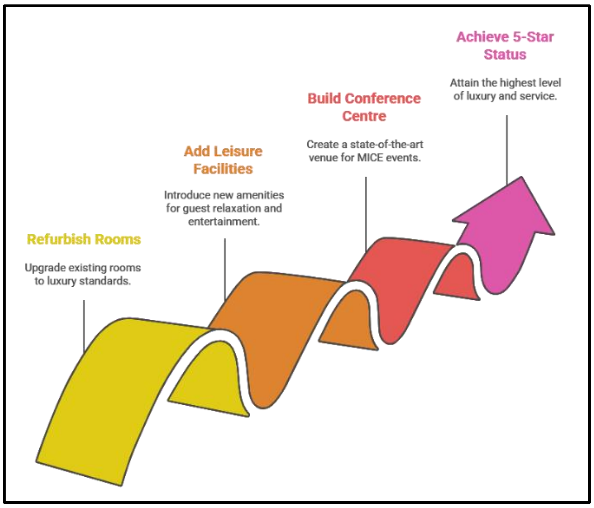
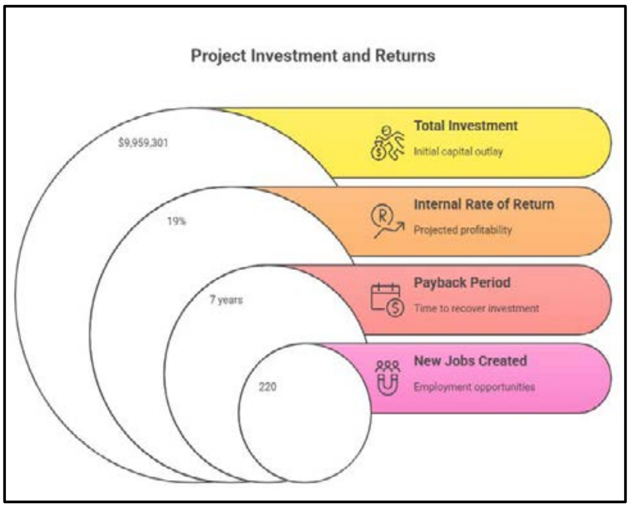
CHAPTER 1: EXECUTIVE SUMMARY AND PROJECT OVERVIEW

1.1. Executive Summary

This plan details the strategic capital investment necessary to upgrade the Kunduchi Beach Hotel & Resort from its current 4-star, 132-room configuration to a world-class 5-star luxury facility boasting 143 fully refurbished rooms, new extensive leisure facilities, and a landmark multi-hall conference centre. The project addresses a critical gap in the Dar es Salaam market for a premium beachfront MICE (Meetings, Incentives, Conferences, and Exhibitions) venue.

The total investment required is **USD 9,959,301**. This investment is projected to yield an **Internal Rate of Return (IRR) of 19%** and offers a fast **7-year Payback Period**. Beyond financial returns, the project aligns directly with national development goals by creating **220 new jobs** and instituting advanced environmental sustainability measures, including a comprehensive solar power back-up system. This document serves as the foundation for the renewal of the TIC Certificate of Incentives.





1.2. Project Rationale and Strategic Alignment

Current Status: The resort operated at a 4-star level with 132 rooms, facing increasing competitive pressure from internationally branded hotels in the Dar es Salaam urban core. The current facilities limit the Average Room Rate (ARR) potential and disqualify the property from high-yield international conference bookings.

Project Necessity: The capital injection is critical to achieve the 5-star standard required for luxury segment pricing and to introduce the unique selling proposition of the **530-delegate Auditorium**—a facility unmatched among local beachfront competitors.

Alignment with National Goals: This project directly supports Tanzania's vision for tourism diversification, foreign currency generation, and the promotion of sustainable, high-value tourism employment.

CHAPTER 2: THE PROJECT SCOPE, CAPITAL EXPENDITURE, AND EXECUTION PLAN

2.1. Total Investment and Funding Structure

The total investment is USD 9,959,301, sourced through a stable mix of equity and bank finance, demonstrating strong commitment from stakeholders.

SOURCE	AMOUNT (USD)	%
Bank Finance	**5,975,581**	**60%**
Equity	**3,983,720**	**40%**
TOTAL INVESTMENT	**9,959,301**	**100%**

(Reference: Appendix A, Figure A.1: Investment Funding Mix)

2.2. Capital Expenditure Breakdown (CAPEX)

The investment is focused on core value drivers: modernization (Construction/Rehab), guest quality (FF&E), and operational resilience (Infrastructure).

CAPEX Category	Estimated Allocation (USD)	Approx. %	Detailed Scope
Construction/ Rehab	5,500,000	55.2%	Room expansion / refurbishment, new lap pool, new Auditorium, VIP executive wing pools, Spa/Gym construction, new kitchen, common area paving/retiling, lightings…etc.
Furniture, Fixtures, & Equipment (FF&E)	2,500,000	25.1%	Procurement of high-end, custom-designed furniture, sanitaryware, light fittings, operating equipment (kitchen, gym, spa), fixtures and fittings…etc.
Infrastructure	1,959,301	19.7%	Solar Power System (solar farm), ICT hardware/software (CCTV, servers, card locks), auditorium visual and sound equipment, water treatment plant, cold rooms, new generator sets…etc.
TOTAL	**9,959,301**	**100%**	

(Reference: Appendix A, Figure A.2: Capital Expenditure Allocation)

2.3. Detailed Scope of Work

2.3.1. Accommodation Upgrade (143 Rooms)

- **Expansion:** Increase room count from 132 to 143.
- **Luxury Finish:** Complete re-tiling of floors, new ceilings, installation of new double-glazed sound-proof and insulated sliding doors.
- **Bathrooms:** Complete change of layout, installation of premium sanitaryware and fittings, ensuring a minimum 5-star standard finish.
- **Energy & Security:** Installation of new, high-efficiency AC systems and Card-lock entry system (hardware & software) across all rooms.
- **Suites:** Comprehensive refurbishment of Honeymoon, Family, and Presidential Suites to Presidential luxury standards.

2.3.2. MICE and Leisure Facilities

- **The Auditorium:** Construction of a dedicated, fully-equipped, state-of-the-art Auditorium with a capacity of **530 delegates**. Includes installation of dedicated Conference Hall Kitchens and high-capacity cold-rooms, plus annexed private VIP suite. This is a unique key asset for capturing the high-value MICE market.
- **Aquatic Facilities:** Construction of a new 125-meter lap pool (North Wing) and a separate 20-meter executive suites pool. Also includes new Plunge Pools/Jacuzzi' on all 1st floor suites.
- **Wellness:** Construction of a new Spa and Gym with new, modern equipment.
- **F&B:** Introducing three new specialty restaurants including All-day guest dining.

2.3.3. Core Infrastructure and Operations

- **Solar Power System:** Installation of a **Solar Panel Farm** on the rooftop, running the entire resort's length, providing substantial backup capacity to maintain uninterrupted 5-star service.
- **Water Management:** Installation of a comprehensive **Water softening and treatment plant**, combined with the drilling of new water boreholes, ensuring water self-sufficiency and quality.
- **IT & Security:** Implementation of complete ICT infrastructure, including servers, high-speed access points, cabling, and an advanced CCTV surveillance system.
- **Aesthetics & Mobility:** Paving and drainage installations of all common areas, walkways, and internal pathways; purchase of electric Golf-Carts for guest mobility.

2.4. Project Execution Plan (2025 – 2027)

Phase	Timeline	Key Milestones	Responsibility
Phase I: Site Mobilization & Enabling Works	Q1–Q2 2025	Drilling of new boreholes, concrete platform for LPG tanks, manager's house finishing, initial demolition.	Project Management
Phase II: Core Infrastructure & Structures	Q3 2025 – Q2 2026	Construction of Auditorium, new pools (lap & executive), Spa/Gym structure. Installation of water treatment plant and main cold rooms.	Construction Team
Phase III: Room Refurbishment & Systems	Q3 2026 – Q2 2027	Room-by-room rehabilitation (tiling, doors, bathrooms). Installation of solar panel farm, AC systems, ICT/CCTV.	Technical & Contracting Teams
Phase IV: FF&E, Finishing, & Commissioning	Q3 2027 – Q4 2027	Procurement and installation of all FF&E, final skimming/painting, landscaping, final system commissioning, staff training, pre-opening trials.	Management & Procurement
Operational Opening	Q1 2028	Official 5-Star Launch.	Operations Team

CHAPTER 3: MARKET ANALYSIS AND STRATEGIC POSITIONING

3.1. Target Market Segmentation

The expansion allows the resort to shift its focus to higher-spending segments:

- **MICE Segment (New Focus):** 40% of room nights and 50% of total revenue. Driven by the new 530-delegate Auditorium, targeting corporate training, governmental symposiums, and regional association meetings.
- **Luxury Leisure (International & Regional):** 35% of room nights. Targeting high-yield travelers seeking premium beachfront wellness and exclusivity (driven by the new pools, Spa/Gym, and suites).
- **High-End Domestic/Business:** 25% of room nights. Leveraging the 5-star status to capture local high-net-worth individuals and premium corporate bookings.

3.2. Strategic Positioning and Competitive Advantage

Strategic Positioning Statement: "Dar es Salaam's premier beachfront luxury destination."

Competitive Matrix: The resort differentiates itself by offering a unique combination of scale, luxury, and location, providing a strong advantage over urban rivals.

Competitor	Location Type	Conference Capacity (Est.)	Proposed Kunduchi Advantage
Hyatt (Urban)	City Centre	High	Lacks beachfront location; no large dedicated Auditorium facility.
Serena (Urban)	City Centre	Medium	Lacks beachfront location; smaller MICE capacity.
Ramada (Coastal)	Coastal	Low-Medium	Does not meet the new 5-star luxury standard; lacks scale of 530-delegate facility.
Kunduchi (Upgraded)	Beachfront	High (530 Delegates)	Only true 5-star beachfront MICE destination in Dar es Salaam.

3.3. Pricing Strategy (ARR Ramp-Up)

The pricing strategy is based on premiumization, leveraging the new 5-star standard and differentiated facilities.

Year (Post-Opening)	**Occ. Rate**	**Average Room Rate (ARR) USD**	**Rationale**
Year 1 -2028 (Stabilized)	45%	130	Conservative initial rate capturing new MICE business.
Year 3	50%	135	Market establishment, full MICE pipeline development.
Year 5	52%	141	Full brand recognition, competing directly with high-end urban rates.
Year 12 (Avg Target)	60%	162	Peak performance, strong brand loyalty and pricing power.

(Reference: Appendix A, Figure A.3: Projected ARR and Occupancy Growth)

CHAPTER 4: FINANCIAL PROJECTIONS AND VIABILITY

The following projections are based on conservative assumptions over a 12-year period, demonstrating the financial robustness and investment return.

4.1. Revenue Projections (12-Year Average)

Average Annual Revenue is projected at USD 7.53 million, highly diversified by the new F&B and MICE revenue streams.

Revenue Stream	Average Annual Revenue (USD)	% of Total Revenue	Rationale
Room Revenue	4,050,000	53.8%	27,728 Available Rooms @ 53% Occupancy @ $145 ARR
F&B Revenue (including MICE catering)	2,960,000	39.3%	Significant increase driven by MICE delegate catering and new luxury dining.
Other Operating Departments (Spa, MICE Rental, etc.)	530,000	6.9%	New revenue generated by Spa/Gym access and Auditorium rental fees.
TOTAL ANNUAL REVENUE	**7,530,000**	**100%**	

(Reference: Appendix A, Figure A.4: Average Annual Revenue Mix)

4.2. Profitability and Returns Analysis

Metric	Value
Average Operating Expenses	USD 5.29 million
Average Operating Profit (GOP)	**USD 2.24 million**
Average GOP Percentage	**31%**
Average Net Profit (After Interest, Depreciation, Tax)	USD 970,000
Projected Internal Rate of Return (IRR)	**19%**
Projected Payback Period	**7 years**

The 19% IRR exceeds the typical industry benchmark for similar projects, affirming the high quality of this investment.

4.3. Sensitivity Analysis (Occupancy)

This analysis shows the resilience of the project's GOP to fluctuations in the conservative 53% occupancy base case (Year 1 average).

Occupancy Rate	Change from Base	Projected GOP (USD)	Impact on GOP %
Base Case (53%)	0%	2,240,000	31%
Low Case (45%)	-15.1%	1,512,000	25%
High Case (60%)	+13.2%	2,756,000	34%

(Reference: Appendix A, Figure A.5: GOP Sensitivity to Occupancy)

CHAPTER 5: SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACT

5.1. Job Creation and Human Capital Development

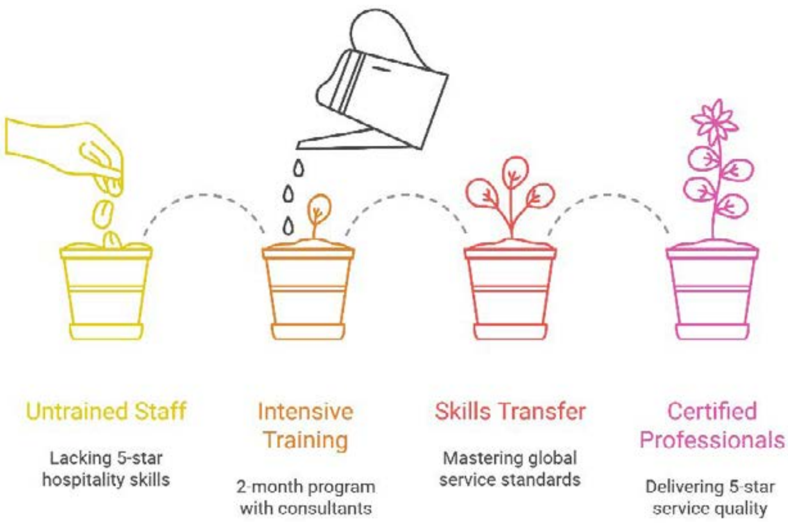
The project delivers not only quantity but **quality** employment, focusing on high-skilled hospitality roles essential for 5-star service delivery.

- **Total New Jobs Created (Operational): 220** permanent positions.
- **Wages and Taxes:** The project will contribute significantly through PAYE (Pay As You Earn) and other payroll taxes, bolstering government revenue.
- **Skills Transfer:** A mandatory **2-month pre-opening training program** will be implemented using international hospitality consultants, ensuring local staff are certified in global 5-star service standards (culinary, front office, housekeeping, MICE technology).

Department	Est. Roles	Strategic Value
Food & Beverage (F&B) and Kitchens	80	Driving MICE catering and high-end dining.
Rooms Division (Housekeeping/Front Office)	60	Enhanced guest-to-staff ratio required for 5-star personal service.
MICE & Conference Services	35	Dedicated team for the 530-delegate Auditorium and other conference venues.
Engineering, Solar & IT	25	Expertise needed to manage complex solar, water treatment, and ICT systems.
Spa, Gym & Leisure	20	New revenue-generating wellness staff.
TOTAL NEW JOBS	**220**	

(Reference: Appendix A, Figure A.6: New Employment Distribution)

From Local Staff to 5-Star Professionals



5.2. Local Content and Value Chain Integration (The "90% Commitment")

The resort has established a formal commitment to ensure over **90% of operational items** are procured locally, thereby maximizing the economic multiplier effect within Tanzania.

- **Fisheries Support:** A direct procurement agreement with the local fishing village guarantees purchase of fresh seafood, ensuring reliable, formalized market access for small-scale local fisherfolk.
- **Agricultural Sourcing:** Partnership programs with local community farms to purchase fresh produce, reducing imports and promoting regional agricultural growth.
- **Cultural Promotion:** Prioritizing the engagement of local entertainers, artisans, and cultural groups from nearby and neighboring villages and districts for resort activities.

5.3. Environmental Stewardship and Sustainability Metrics

The commitment to environmental sustainability is a core investment strategy, reducing long-term operating costs and minimizing ecological impact.

- **Renewable Energy Generation:** The Solar Power Farm is estimated to offset grid electricity consumption by **35%**, dramatically reducing reliance on the grid and fossil fuels.
- **Water Self-Sufficiency:** The combination of the Water treatment plant, boreholes, and **Rainwater Harvesting** systems is projected to make the resort 70% self-sufficient in non-potable water needs.
- **Waste Management:** Implementation of a certified waste segregation and recycling program targeting a **60% reduction in landfill waste** by Year 3 of operation.
- **Coastal Protection (CSR):** The formalized CSR activity of **beach conservation and cleaning** will be documented and reported annually.

APPENDIX A: VISUAL SUPPORT (CHARTS AND GRAPHS)

Figure A.1: Investment Funding Mix

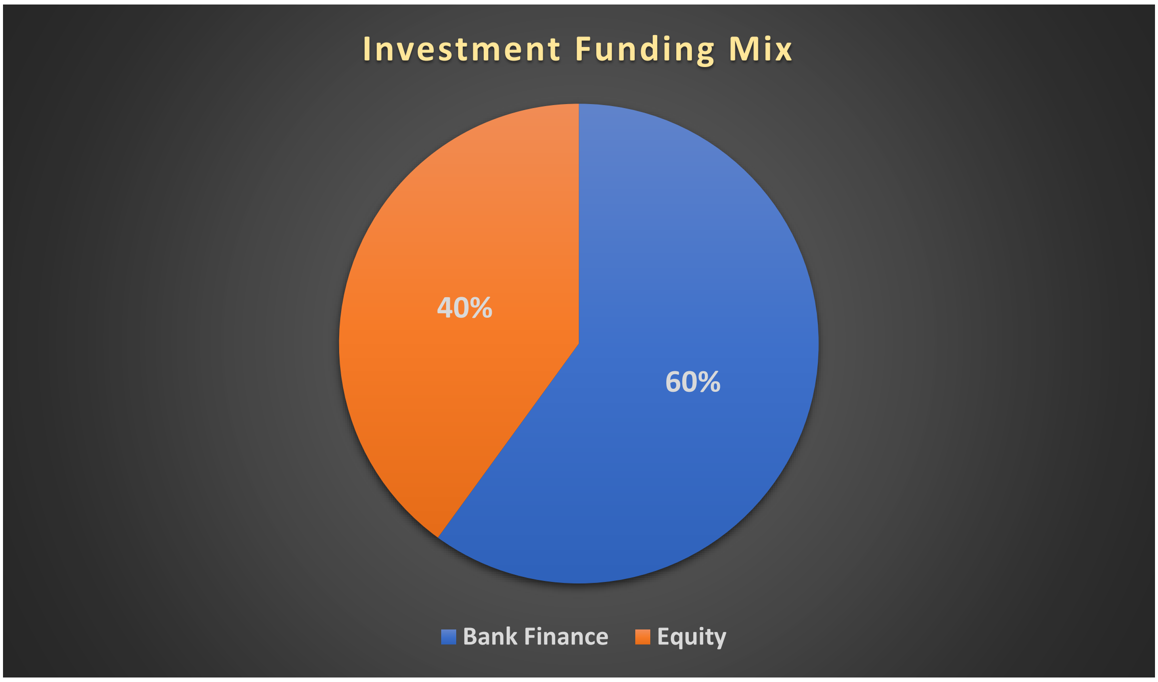


Figure A.2: Capital Expenditure Allocation

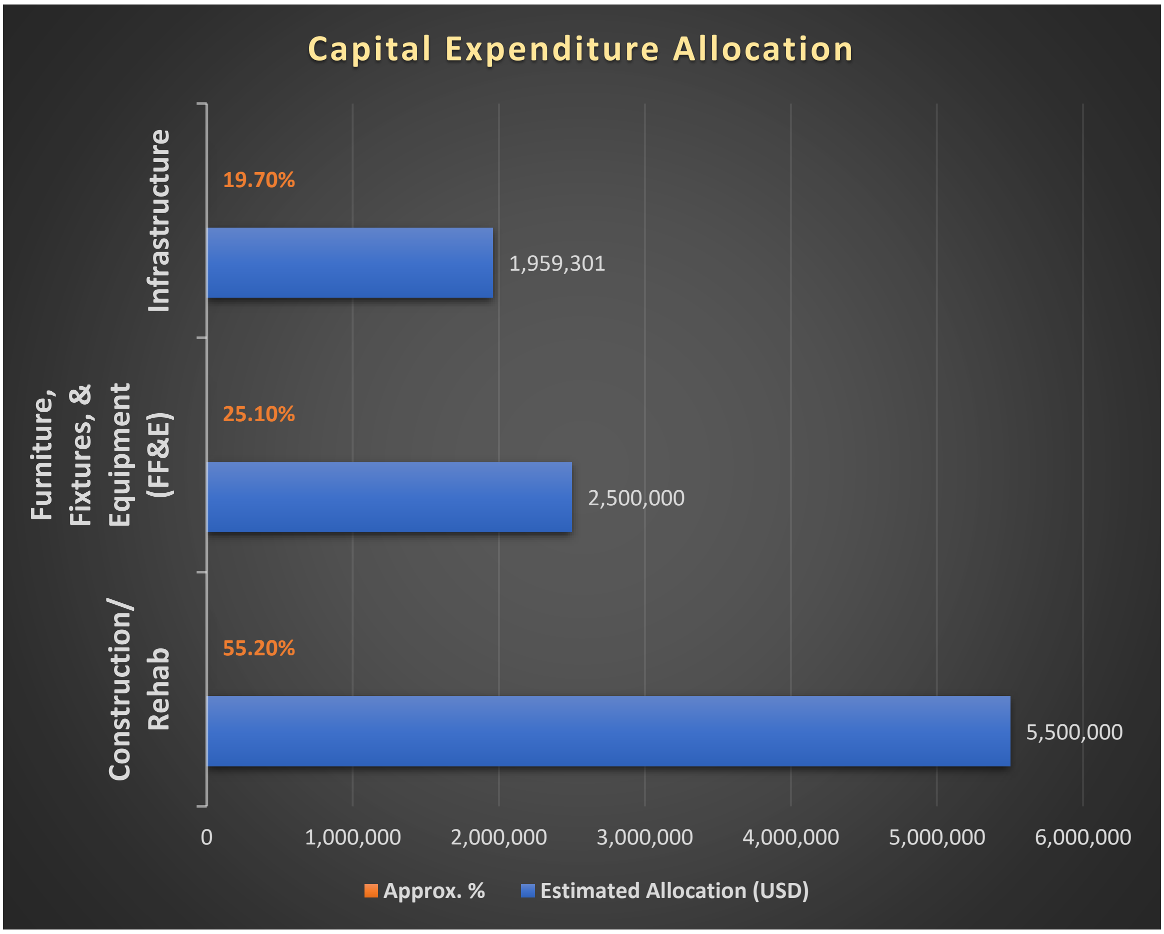


Figure A.3: Projected ARR and Occupancy Growth (Post-Upgrade)

Figure A.4: Average Annual Revenue Mix

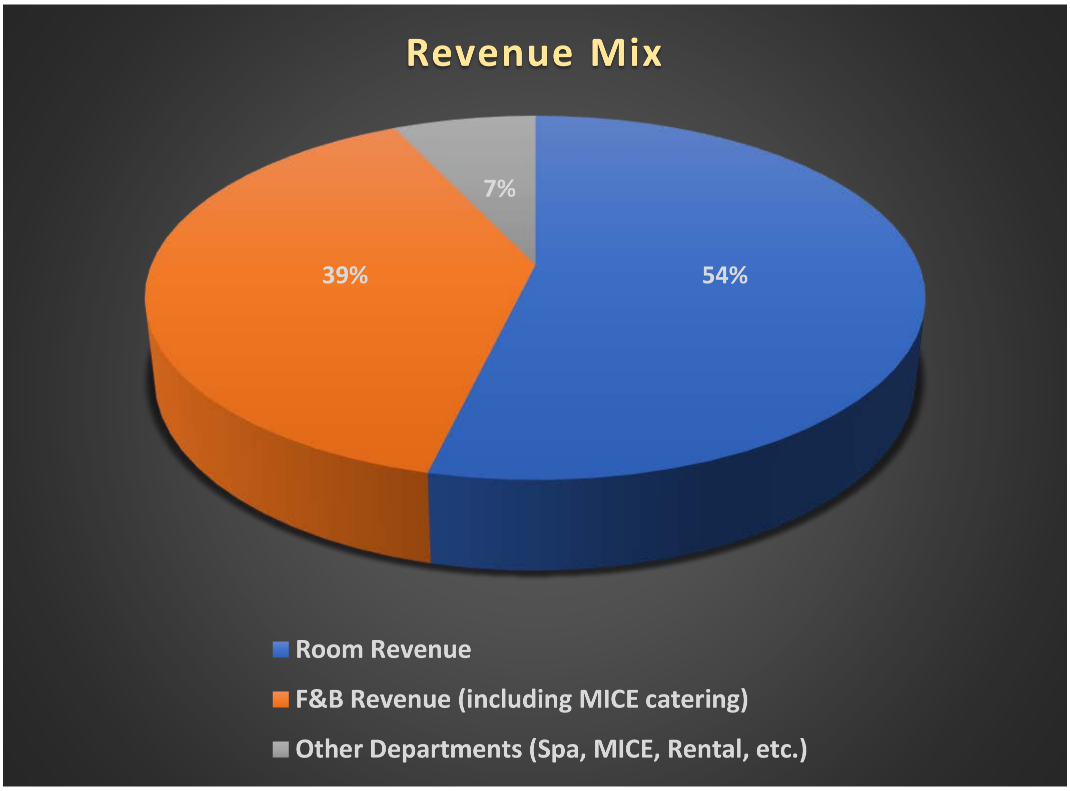


Figure A.5: GOP Sensitivity to Occupancy

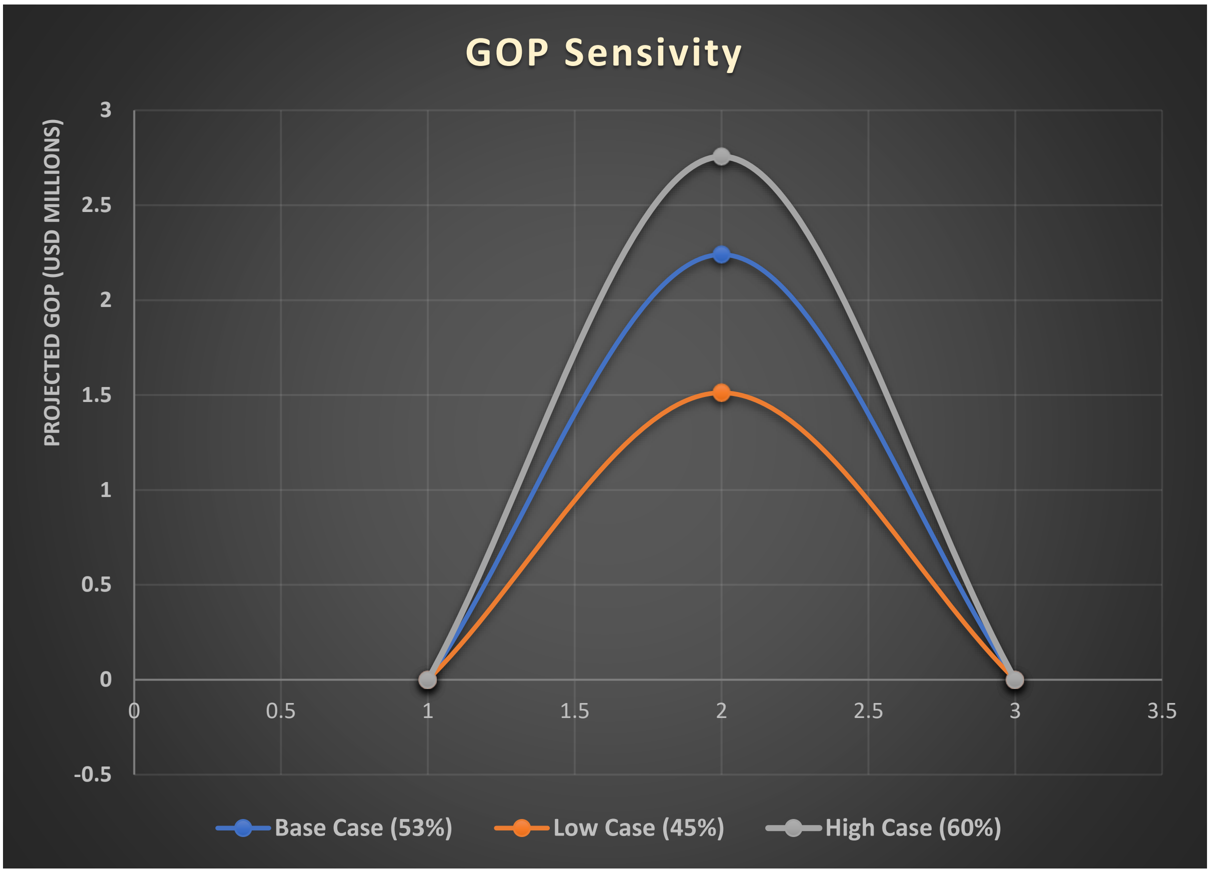
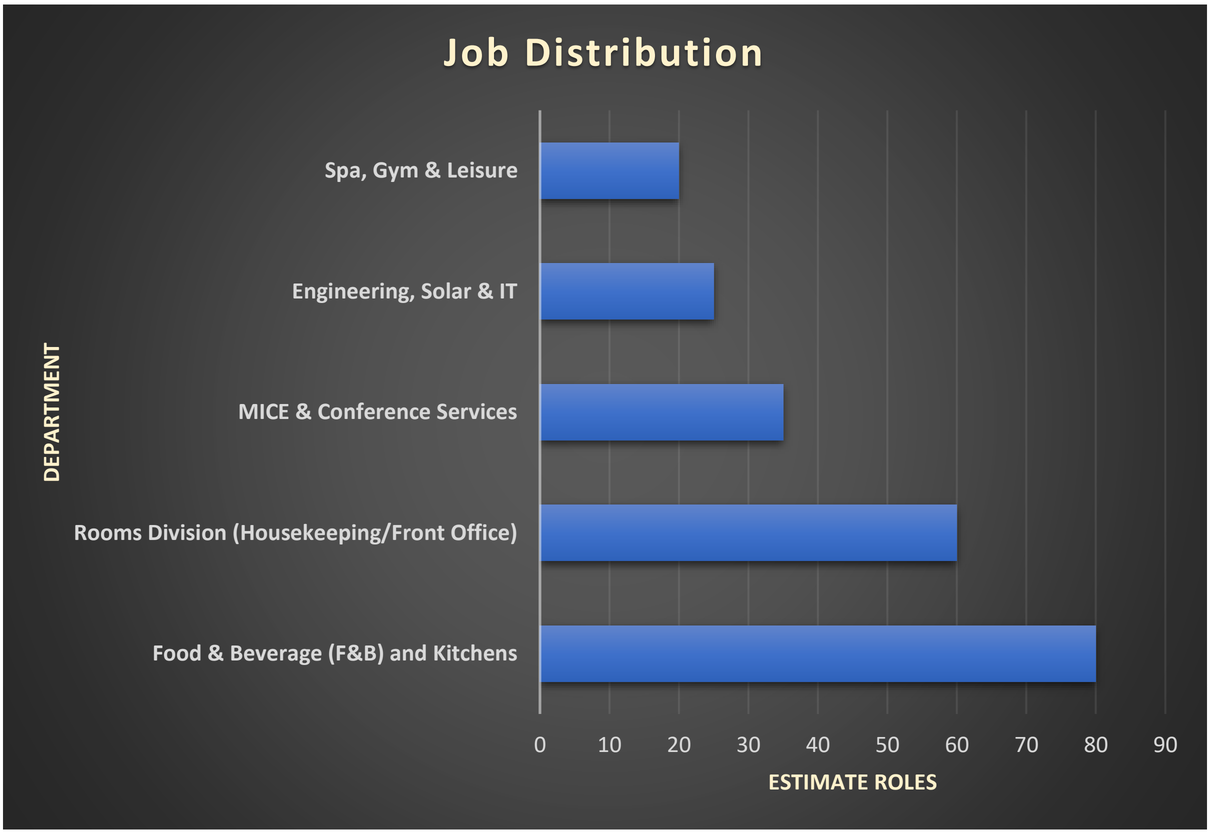


Figure A.6: New Employment Distribution



APPENDIX B: TECHNICAL AND LEGAL DOCUMENTATION

B.1. Key Contact Information

Mr. Zulfikar Ismail
Director
Email: z.ismail@wellworthgroup.com

B.2. Statutory and Regulatory Compliance

TITLE No. 37104
REGISTERED 1·11·90
9:00 A.M
Land Form 33

Senior Asst. Registrar of Titles

LAND REGI... TANZANIA

TANGANYIKA STAMP DUTY ACT.
Stamp Duty Shs. 100/= Paid
and Revenue Receipt No. A2/157253
of 3·4·90 Issued
Stamp D.O. No. 120040.

L.D. No. 62479.

TANGANYIKA STAMP DUTY ACT
Stamp Duty Shs. 9230 Paid
Original Receipt No. A2/157253
of 3·4·90
Stamp Duty Officer

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF OCCUPANCY

(Section 9 of the Land Ordinance)

The 30th day of October One thousand nine hundred and Ninety.

TITLE No. 37104

THIS IS TO CERTIFY that KUNDUCHI BEACH HOTELS Limited a limited liability Company incorporated in Tanzania and having its registered Office in Dar es Salaam of P.O. BOX 2485, DAR ES SALAAM -----------------------

(hereinafter called "the Occupier") is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called ("the Land") ~~as joint tenants/as tenants in common in equal shares~~ for a -----term of Ninety-nine--------------- years from the First--------------- day of January----------------- One thousand nine hundred and Ninety---------- according to the true intent and meaning of the Land Ordinance and subject to the provisions there of and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:—

1. The Occupier having paid rent up to the thirtieth day of June, 19 90 , shall thereafter pay rent of Shillings One hundred and eighty four thousand and one hundred (SHS.184,100/=)---- a year in advance on the first day of July in every year of the term without any deduction PROVIDED that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years or within three years thereafter in each case.

2. The Occupier shall:—

   (i) Maintain on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by The Dar es Salaam City Council------------- -------------------------------------- (hereinafter called "the Authority");

   (ii) At all times during the term of the Right have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner");

   (iii) Not erect or commence to erect on the land any building except in accordance with building plans and specifications which shall have been first approved by the Authority;

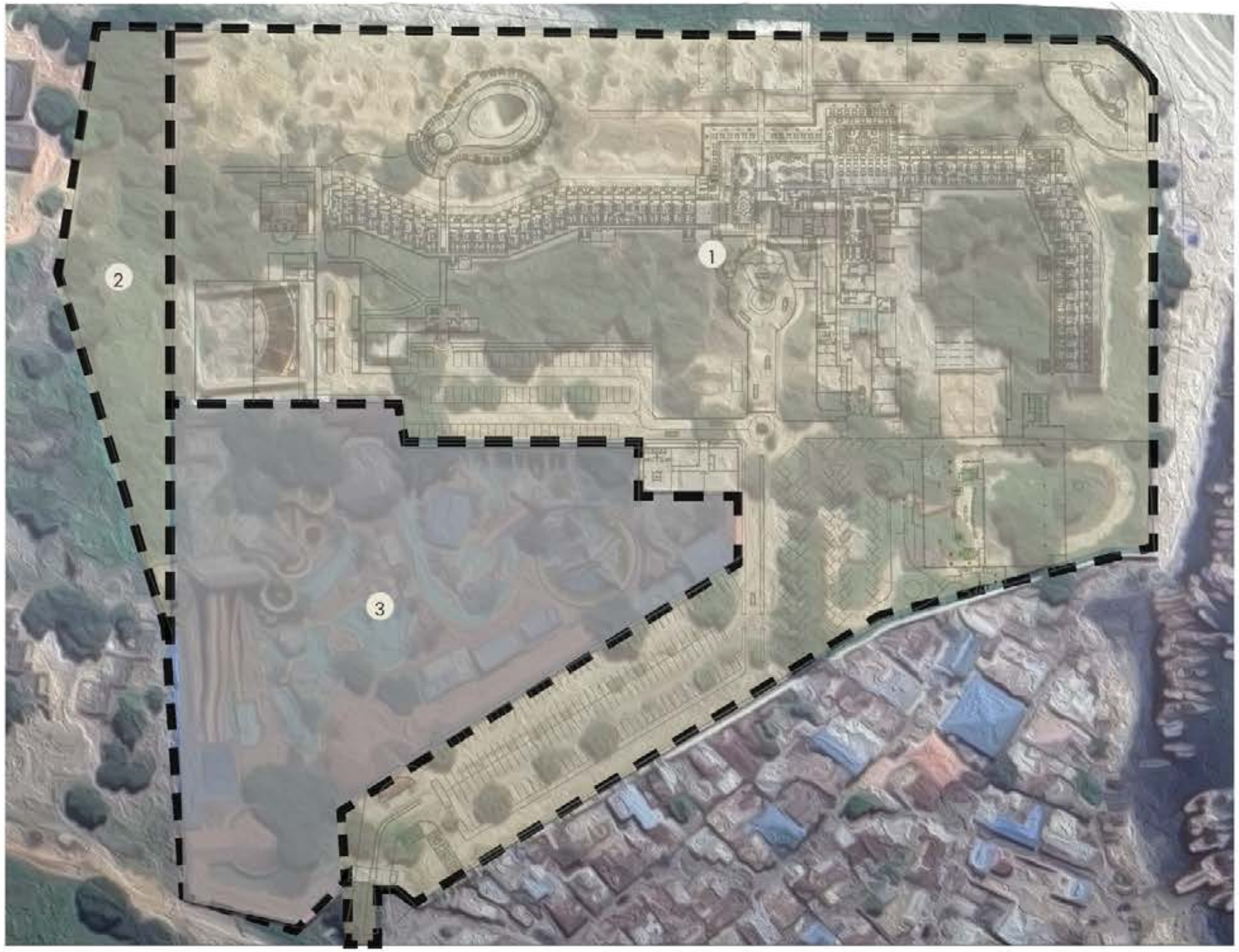
   (iv) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Comissioner for Surveys and Mapping.

Approval of plans of any building by the Authority shall not imply that the construction of such a building will satisfy the Occupier's obligation under the conditions of the Right and shall not imply waiver or modification of any condition in the Right.

B.3. Technical Documentation Summary

Architectural Schematics, Zoning, Space Planning, Mood Boards, Interior Concepts

PROJECT SCOPE



1 Kunduchi Beach Hotel

2 Executive Villa Suite

3 Kunduchi Wet "N" Wild Waterpark

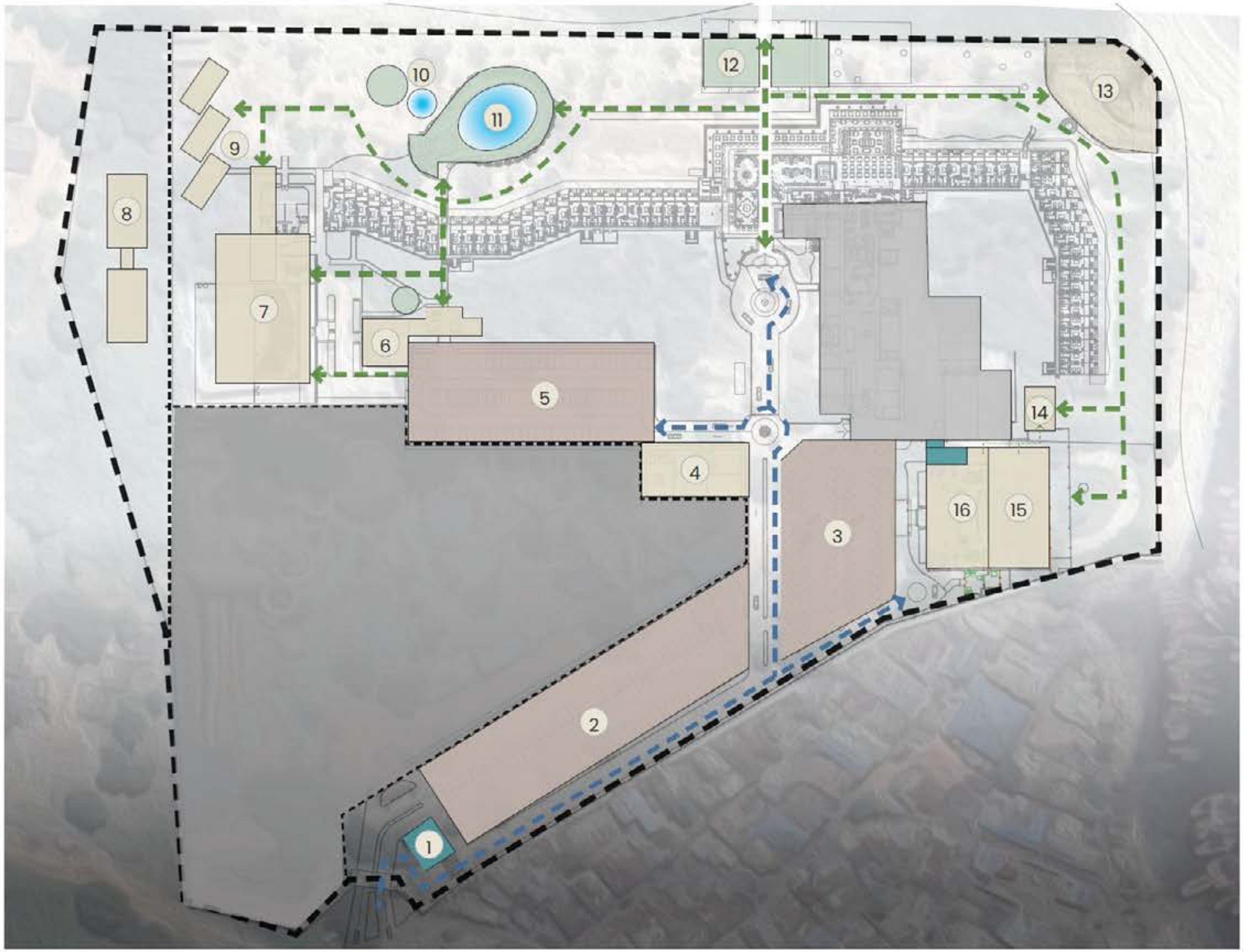
SITE OVERVIEW

ZONING AND CIRCULATION PLAN

1 Security and Guest Segregation Post
2 Waterpark Parking*
3 Hotel Parking
4 Conference/Meeting Areas
5 Fitness Centre Parking*
6 Kids' Club
7 Fitness Centre
8 Presidential Villa
9 Executive Villas
10 Kids' Pool and Play Area
11 Adults' Pool and Pool Bar
12 Specialty Restaurant 1
13 Specialty Restaurant 2
14 Washroom
15 Multi-purpose/Banquet Hall
16 Kids' Club

Internal Front of House Zones
External Front of House Zones
Parking Zones
New Back of House/Service Zones
Existing Back of House/Service Zones
Main Pedestrian Circulation
Vehicular Circulation

GROUND FLOOR



ZONING AND CIRCULATION PLAN

1. Mandela Hall
2. Existing Washrooms
3. Kambarage Hall
4. Existing Washrooms
5. Proposed Washrooms
6. Lounge Area
7. Premium Lounge
8. Pre-function Area
9. Pool Lounge
10. Guest Rooms extended Terrace

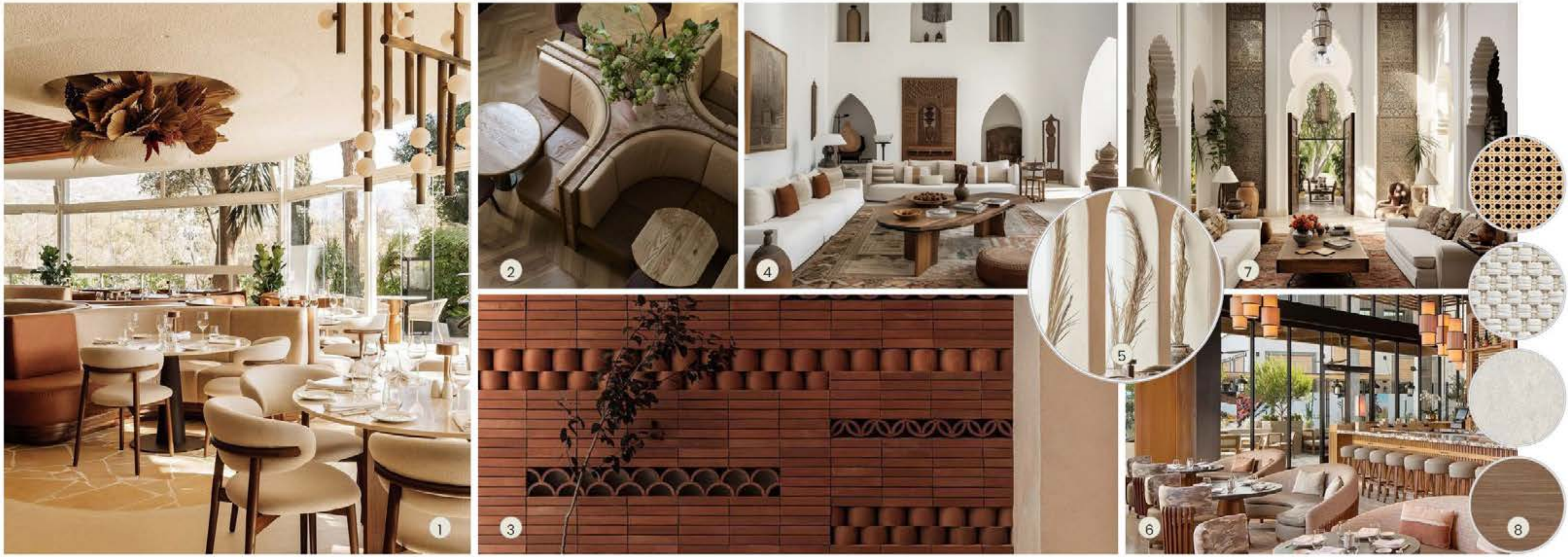
- Internal Front of House Zones
- External Front of House Zones
- Elevators
- Parking Zones
- New Back of House/Service Zones
- Existing Back of House/Service Zones
- Main Pedestrian Circulation
- Vehicular Circulation

FIRST FLOOR

ENTRANCE LOBBY AND LOUNGE

1 Courtyard
2 Reception
3 Outdoor Look & Feel
4 Arch Details
5 Waiting Area
6 Spiral Stairs
7 Material Palette

ALL DAY DINING AND MAJLIS AREA

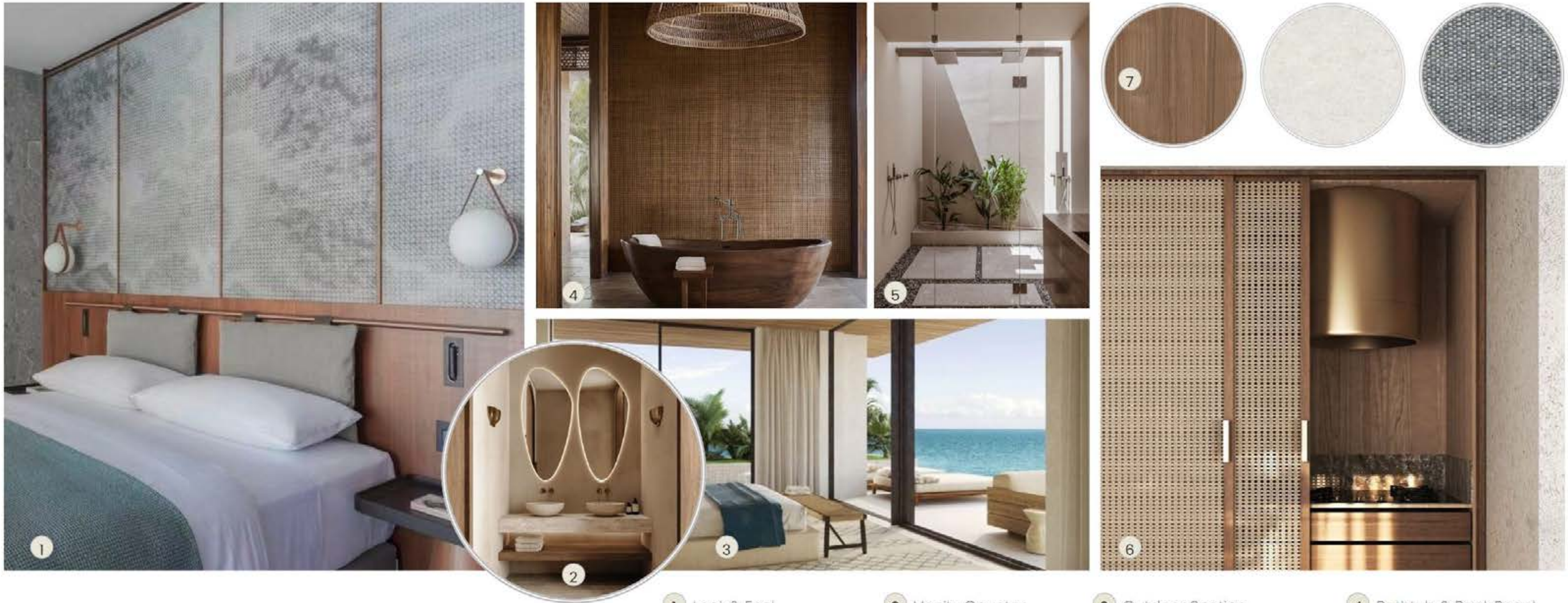


1 Look & Feel
2 Curved Built-in Seating
3 Wall Feature
4 Majlis Seating
5 Bar Details
6 Lounge Seating
7 Majlis Feature wall
8 Material Palette

SPECIALTY RESTAURANT AND BAR

1 Look & Feel
2 Outdoor Lounge
3 Arch Details
4 Feature Panel
5 Bar Design
6 Material Palette

GUEST ROOMS

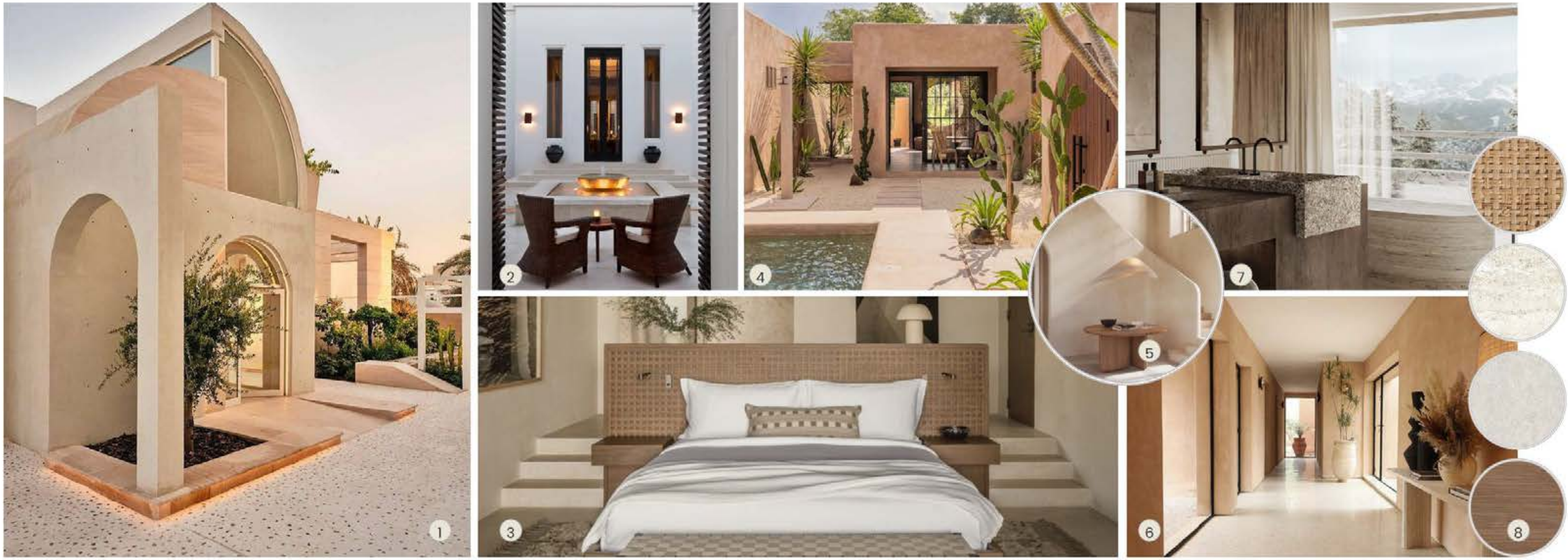


1 Look & Feel
2 Vanity Counter
3 Outdoor Seating
4 Bathtub & Back Panel
5 Outdoor Shower
6 Wardrobe
7 Material Palette

EXTERNAL AREAS

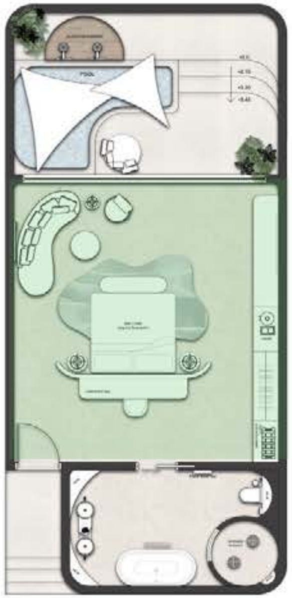
1 Facade Texture
2 Outdoor Lounge
3 Arch Details
4 Water Feature
5 Water Feature
6 louvers & Panels
7 Pool Beds
8 Material Palette

EXECUTIVE VILLA



1 Facade
2 Outdoor Lounge
3 Bedroom Look & Feel
4 Internal Courtyard
5 Staircase Foyer
6 Corridors
7 Bathroom
8 Material Palette


SPACE PLANNING



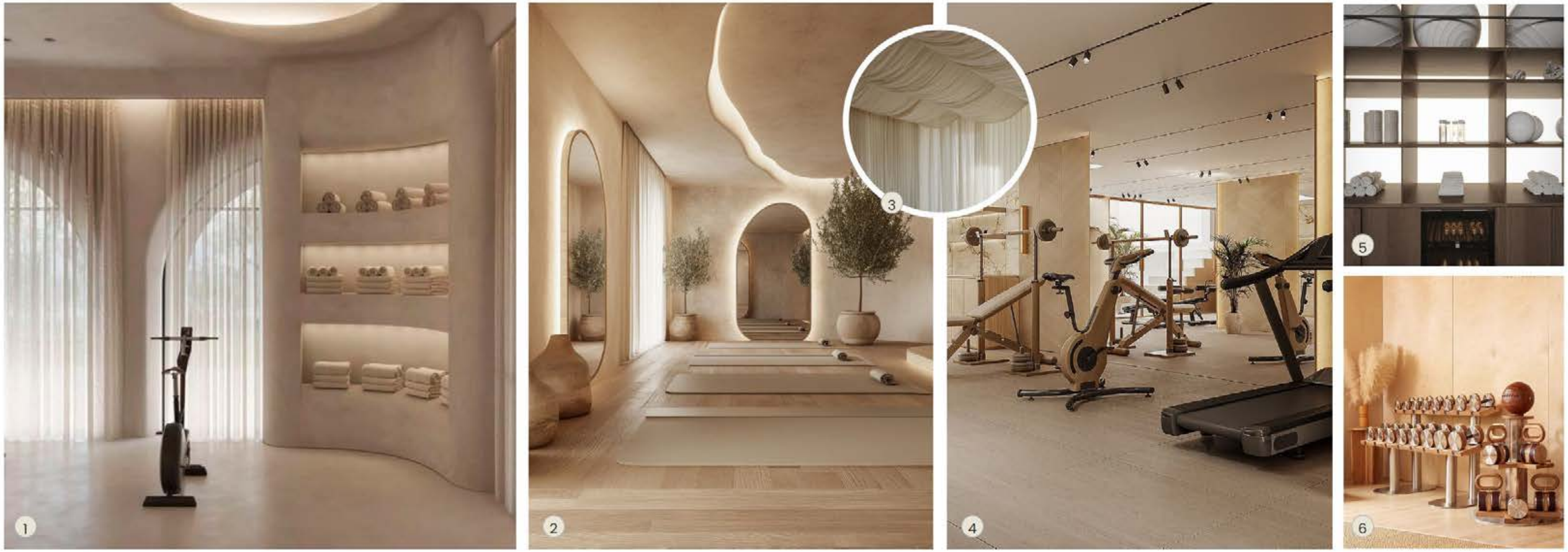





WELLNESS CENTER

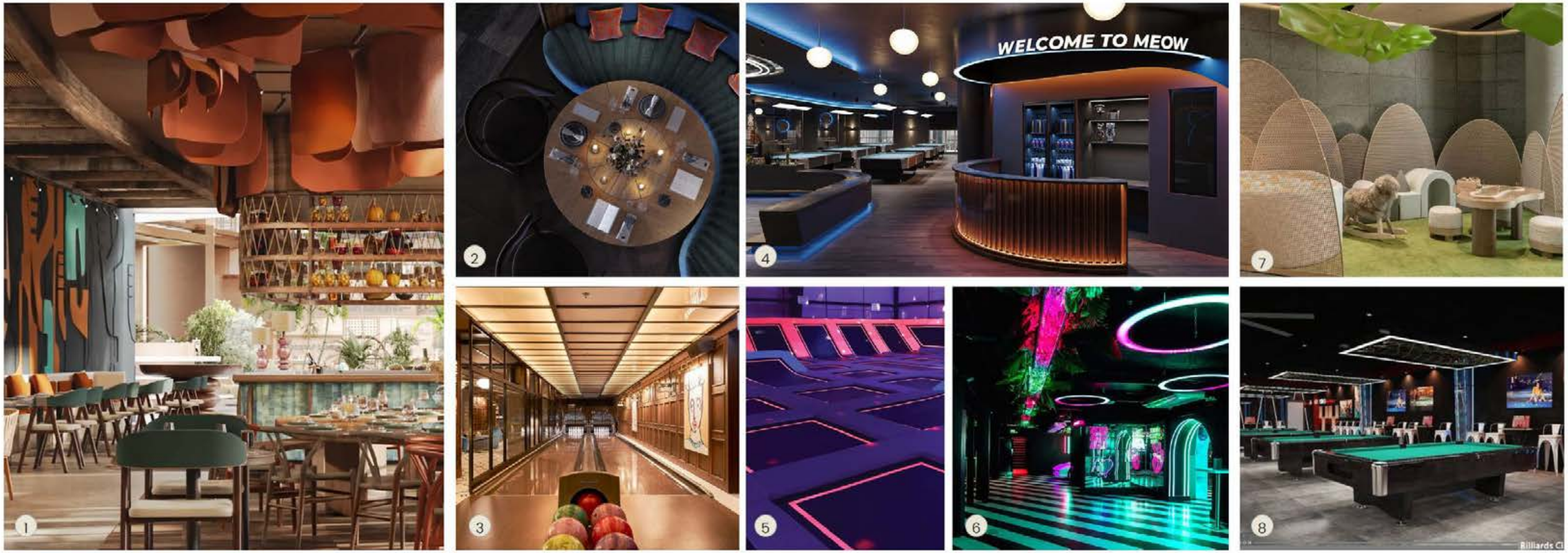
1 Pickleball Court
2 Look & Feel
3 Floor Light
4 Massage Room
5 Sauna
6 Shower
7 Lockers
8 Ceiling Detail
9 Steam Room

WELLNESS CENTER



1 Look & Feel   2 Yoga Studio   3 Ceiling Detail   4 Gym   5 Storage Wall
6 Equipment

ARCADE



1 Bar
2 Bowling Seating
3 Bowling
4 Ticket Booth
5 Trampoline Park
6 Arcade
7 Kids Area
8 Billiards

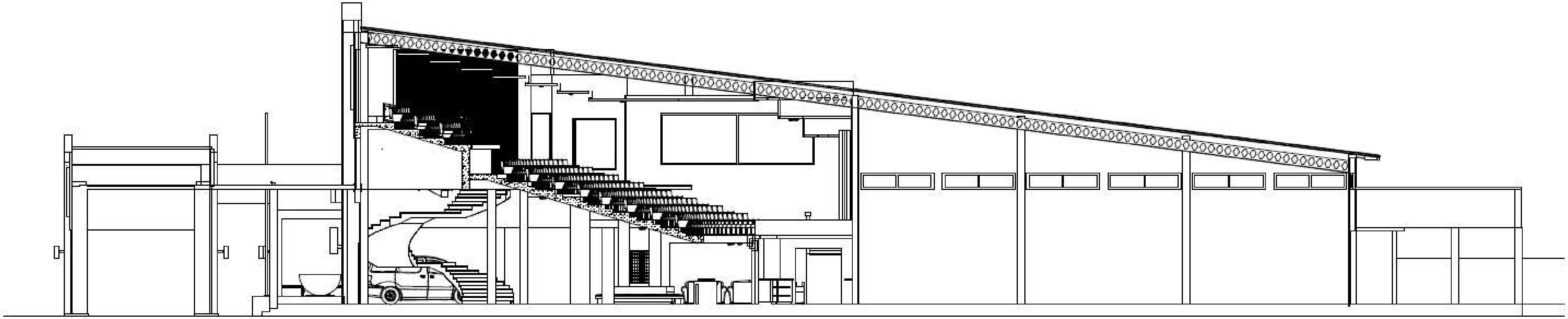
Auditorium

Auditorium

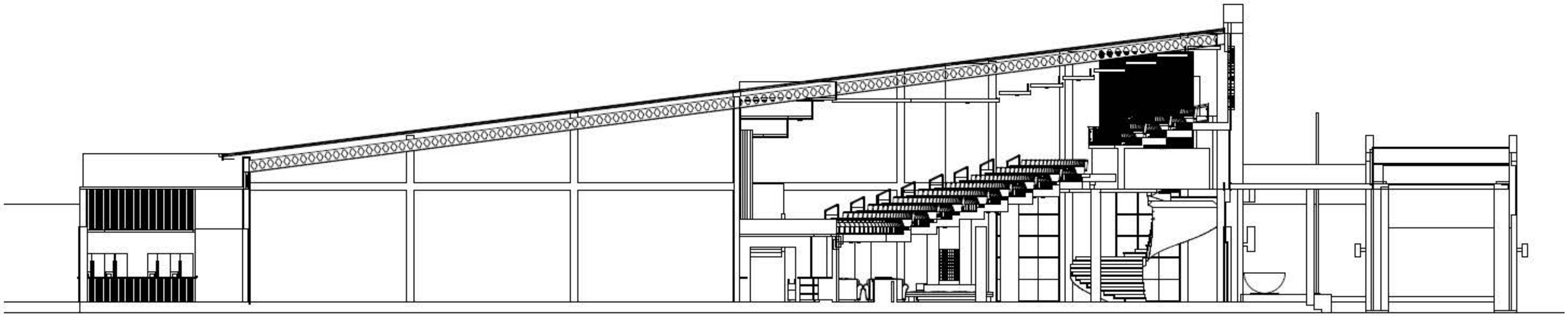
Auditorium

Auditorium

Auditorium



ELEVATION - 3 (1:100)



ELEVATION - 4 (1:100)

APPENDIX C: DETAILED FINANCIAL ASSUMPTIONS

C.1. Key Operating Assumptions

- **Inflation Rate:** 5% per annum (Applied to operating expenses).
- **Revenue Growth Rate:** 2% -3% per annum (Applied to ARR post Year 5 stabilization).
- **Food & Beverage Cost of Goods Sold (COGS):** 30% of F&B Revenue (Reflecting efficient local sourcing).
- **Payroll as Percentage of Revenue:** Capped at 30% of Total Revenue (Consistent with 5-star operations).

C.2. Depreciation and Tax Assumptions

- **Depreciation Method:** Straight-line over 12 years (applied to construction/rehab CAPEX).
- **Corporate Income Tax:** 30% (Standard statutory rate, applied after all deductions and interest).
- **Incentives:** Calculation assumes the continuation of TIC incentives (e.g., zero-rated VAT on capital goods importation).

APPENDIX D: FINANCIALS

D.1: Project Key Indicators & Project Cost

D.2: Balance Sheet

D.3: Profitability Statement

D.4: Cash Flow

D.5: Fixed Asset Schedule

D.6: Loan Schedule

D.7: Payback Period

D.8: IRR

D.1: Project Key Indicators & Project Cost

PROJECT: WELLWORTH HOTELS & LODGES LTD: KUNDUCHI BEACH RESORT

PROJECT KEY INDICATORS			
1	Occupancy	45% 50% 56% 60%	1st year 3rd year 9th year (Peak) 12th year -Stabilizing
2	Net profit after taxes	The project is expected to post net profit after taxes ranging from 7% to 15% The project will remit to the government in the form of indirect taxes of USD 16 Mn and Direct taxes of USD 5Mn	
3	Foreign Exchange Earnings	The project will earn an average of USD 3.5 Mn on a 12 year scale	
4	Project cost recovery	7 years from the date of commercial operation.	
5	IRR	19%	over 12 years period.
6	Debt - Equity ratio	Owners' contribution Loans from Banks/FII	40% 60%

PROJECT COST	
PARTICULARS	AMOUNT (USD)
Land Development	1,000,000
Buildings	3,750,000
Plant & Machinery, Equipments	2,700,000
Computers	500,000
Furniture & Fixtures	1,000,000
Motor Vehicles	120,000
Pre-Operative Expenses	589,301
Working Capital Margin	300,000
TOTAL PROJECT COST	9,959,301
MEANS OF FINANCE	
Share Holder Funds	3,983,720
Loans from Banks FII	5,975,581
TOTAL	9,959,301

D.2: Balance Sheet

BALANCE SHEET													In USD - MN
PARTICULARS	**OPENING**	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**	**YEAR 7**	**YEAR 8**	**YEAR 9**	**YEAR 10**	**YEAR 11**	**YEAR 12**
ASSETS													
Non-Current Assets													
Fixed Assets	4.27	12.80	11.90	11.09	10.35	9.68	9.07	8.51	8.00	9.98	10.45	10.83	12.02
Investment	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Current Assets													
Debtors & Other current assets	0.37	1.27	0.97	1.07	1.11	1.16	1.21	2.53	2.63	2.75	2.86	2.99	3.11
Inventory	-	0.11	0.12	0.12	0.13	0.13	0.14	0.15	0.15	0.16	0.17	0.18	0.19
Deposits	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Cash & Bank blances	0.13	0.30	0.66	0.41	0.86	0.55	0.48	0.83	1.52	0.52	1.06	1.65	1.32
TOTAL	**9.00**	**18.72**	**17.86**	**16.89**	**16.66**	**15.73**	**15.10**	**16.22**	**16.51**	**17.62**	**18.75**	**19.86**	**20.85**
LIABILITIES													
Share Capital	7.39	11.37	11.37	11.37	11.37	11.37	11.37	11.37	11.37	11.37	11.37	11.37	11.37
Retained Earnings	(1.90)	(1.50)	(1.17)	(0.22)	0.74	1.75	2.87	3.98	5.06	6.16	7.29	8.39	9.39
Other Non-Current Assets													
Loans from Banks & FII	-	4.78	3.59	2.39	1.20	-	-	-	-	-	-	-	-
Inter Company Loans	2.79	3.29	3.29	3.29	3.29	2.54	0.79	0.79	-	-	-	-	-
Current Liabilities													
Other Creditors	0.72	0.72	0.72	-	-	-	-	-	-	-	-	-	-
Creditors	-	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.09	0.09	0.09
TOTAL	**9.00**	**18.72**	**17.86**	**16.89**	**16.66**	**15.73**	**15.11**	**16.22**	**16.51**	**17.62**	**18.75**	**19.86**	**20.85**

D.3: Profitability Statement

PROFITABILITY STATEMENT In USD - MN

PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
No. of Rooms	143	143	143	143	143	143	143	143	143	143	143	143
No.of Days	365	365	365	365	365	365	365	365	365	365	365	365
R/N Available	52,195	52,195	52,195	52,195	52,195	52,195	52,195	52,195	52,195	52,195	52,195	52,195
R/n Occupied	23,488	23,488	26,098	26,619	27,152	27,695	28,249	28,814	29,390	29,978	30,577	31,189
% of Occupancy	45%	45%	50%	51%	52%	53%	54%	55%	56%	57%	59%	60%
ARR	130	133	135	138	141	144	146	149	152	155	158	162
Revenue												
Room Revenue	3.05	3.11	3.53	3.67	3.82	3.98	4.14	4.30	4.48	4.66	4.85	5.04
F&B Revenue	2.29	2.34	2.45	2.58	2.70	2.84	2.98	3.13	3.29	3.45	3.62	3.80
MOD Revenue	0.12	0.47	0.52	0.53	0.54	0.55	0.56	0.58	0.59	0.60	0.61	0.62
Total Revenue	5.46	5.92	6.50	6.78	7.07	7.37	7.68	8.01	8.35	8.71	9.08	9.47
Expenditure												
Material Cost	0.69	0.70	0.74	0.77	0.81	0.85	0.89	0.94	0.99	1.04	1.09	1.14
% to Revenue	13%	12%	11%	11%	11%	12%	12%	12%	12%	12%	12%	12%
Payroll	1.12	1.23	1.35	1.49	1.64	1.80	1.89	1.99	2.09	2.19	2.30	2.42
% to Revenue	21%	21%	21%	22%	23%	24%	25%	25%	25%	25%	25%	26%
Direct Expenses	1.37	1.57	1.88	2.17	2.38	2.50	2.75	3.03	3.18	3.34	3.51	3.68
% to Revenue	25%	27%	29%	32%	34%	34%	36%	38%	38%	38%	39%	39%
Statutory payments to Tanapa	-	-	-	-	-	-	-	-	-	-	-	-
% to Revenue	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Expenses	3.17	3.50	3.97	4.43	4.83	5.16	5.54	5.95	6.25	6.57	6.89	7.24
% to Revenue	58%	59%	61%	65%	68%	70%	72%	74%	75%	75%	76%	76%
Operating Profit	2.29	2.42	2.53	2.35	2.23	2.21	2.14	2.05	2.10	2.14	2.19	2.23
% to Revenue	42%	41%	39%	35%	32%	30%	28%	26%	25%	25%	24%	24%
Depreciation	1.12	0.90	0.81	0.74	0.67	0.61	0.56	0.51	0.52	0.53	0.62	0.81
Interest	0.60	0.48	0.36	0.24	0.12	-	-	-	-	-	-	-
Earnings before Taxes	0.57	1.04	1.36	1.37	1.44	1.60	1.58	1.54	1.58	1.61	1.57	1.42
% to Revenue	10%	18%	21%	20%	20%	22%	21%	19%	19%	19%	17%	15%
Provision for Taxes	0.17	0.31	0.41	0.41	0.43	0.48	0.47	0.46	0.47	0.48	0.47	0.43
Net Profit	0.40	0.73	0.95	0.96	1.01	1.12	1.11	1.08	1.11	1.13	1.10	0.99
% to Revenue	7%	12%	15%	14%	14%	15%	14%	13%	13%	13%	12%	10%

D.4: Cash Flow

CASH FLOW STATEMENT												
PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
INFLOW												
Profit after Tax	0.40	0.73	0.95	0.96	1.01	1.12	1.11	1.08	1.11	1.13	1.10	0.99
Add Depreciation	1.12	0.90	0.81	0.74	0.67	0.61	0.56	0.51	0.52	0.53	0.62	0.81
Add Interest	0.60	0.48	0.36	0.24	0.12	-	-	-	-	-	-	-
Internal Accruals/Capital	0.50	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFLOW	2.62	2.11	2.12	1.94	1.80	1.73	1.67	1.59	1.62	1.66	1.72	1.81
OUTFLOW												
Working capital margin	0.95	0.08	0.10	0.05	0.05	0.05	1.32	0.11	0.12	0.12	0.13	0.13
Interest Payments	0.60	0.48	0.36	0.24	0.12	-	-	-	-	-	-	-
Repayment of Principal	1.20	1.20	1.20	1.20	1.20	-	-	-	-	-	-	-
Addition to FA		-	-	-	-	-	-	-	2.50	1.00	1.00	2.00
Repayment of Other Creditors			0.72									
Repayment of inter company loans	-	-	-	-	0.75	1.75	-	0.79	-	-	-	-
TOTAL OUTFLOW	2.75	1.75	2.37	1.48	2.12	1.80	1.32	0.90	2.62	1.12	1.13	2.13
SURPLUS/(DEFICIT)	(0.13)	0.36	(0.25)	0.46	(0.31)	(0.07)	0.35	0.69	(0.99)	0.54	0.59	(0.33)
OPENING BALANCE	0.43	0.30	0.66	0.41	0.86	0.55	0.48	0.83	1.52	0.52	1.06	1.65
CLOSING BALANCE	0.30	0.66	0.41	0.86	0.55	0.48	0.83	1.52	0.52	1.06	1.65	1.32

D.5: Fixed Asset Schedule

FIXED ASSETS SCHEDULE													In USD - MN
PARTICULARS	% of Dep.	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
Land Development													
Opening Balance			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Additions		1.00	-	-	-	-	-	-	-	1.00	-	-	-
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Buildings	5%												
Opening Balance		4.14	8.06	7.65	7.27	6.91	6.56	6.23	5.92	5.63	6.29	6.93	6.58
Additions		4.34								1.00	1.00		
Deletions													
Depreciation		0.42	0.40	0.38	0.36	0.35	0.33	0.31	0.30	0.33	0.36	0.35	0.33
Closing Balance		8.06	7.65	7.27	6.91	6.56	6.23	5.92	5.63	6.29	6.93	6.58	6.25
Plant & Machinery, Equipments	12.50%												
Opening Balance		0.04	2.40	2.10	1.83	1.60	1.40	1.23	1.08	0.94	0.82	0.72	1.51
Additions		2.70	-	-	-	-	-	-	-	-	-	1.00	1.00
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		0.34	0.30	0.26	0.23	0.20	0.18	0.15	0.13	0.12	0.10	0.22	0.31
Closing Balance		2.40	2.10	1.83	1.60	1.40	1.23	1.08	0.94	0.82	0.72	1.51	2.19
Furniture & Fixtures	12.50%												
Opening Balance		0.08	0.94	0.82	0.72	0.63	0.55	0.48	0.42	0.37	0.32	0.28	0.25
Additions		1.00	-	-	-	-	-	-	-	-	-	-	1.00
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		0.13	0.12	0.10	0.09	0.08	0.07	0.06	0.05	0.05	0.04	0.04	0.16
Closing Balance		0.94	0.82	0.72	0.63	0.55	0.48	0.42	0.37	0.32	0.28	0.25	1.09
Motor Vehicles	25%												
Opening Balance		0.00	0.09	0.07	0.05	0.04	0.03	0.02	0.02	0.01	0.01	0.01	0.01
Additions		0.12	-	-	-	-	-	-	-	-	-	-	-
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
Closing Balance		0.09	0.07	0.05	0.04	0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.00
Computers	38%												
Opening Balance		0.00	0.31	0.20	0.12	0.08	0.05	0.03	0.02	0.01	0.32	0.20	0.12
Additions		0.50	-	-	-	-	-	-	-	0.50	-	-	-
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		0.19	0.12	0.07	0.05	0.03	0.02	0.01	0.01	0.19	0.12	0.07	0.05
Closing Balance		0.31	0.20	0.12	0.08	0.05	0.03	0.02	0.01	0.32	0.20	0.12	0.08
Total													
Opening Balance		4.26	12.80	11.90	11.09	10.35	9.68	9.07	8.51	8.00	9.98	10.45	10.83
Additions		9.66	-	-	-	-	-	-	-	2.50	1.00	1.00	2.00
Deletions		-	-	-	-	-	-	-	-	-	-	-	-
Depreciation		1.12	0.90	0.81	0.74	0.67	0.61	0.56	0.51	0.52	0.53	0.62	0.81
Closing Balance		12.80	11.90	11.09	10.35	9.68	9.07	8.51	8.00	9.98	10.45	10.83	12.02

D.6: Loan Schedule

LOAN SCHEDULE							In USD - MN
PARTICULARS	CONSTRUCTION PERIOD		OPERATION PERIOD				
	YEAR 1	YEAR 2	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
OPENING BALANCE	-	3.29	5.98	4.78	3.59	2.39	1.20
DISBURSEMENT	3.29	2.69	-	-	-	-	-
TOTAL	3.29	5.98	5.98	4.78	3.59	2.39	1.20
REPAYMENT	-	-	1.20	1.20	1.20	1.20	1.20
CLOSING BALANCE	3.29	5.98	4.78	3.59	2.39	1.20	-
INTEREST - @ 10%	0.33	0.60	0.60	0.48	0.36	0.24	0.12

D.7: Payback Period

PAYBACK PERIOD												In USD - MN
PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
Profit after Tax	0.40	0.73	0.95	0.96	1.01	1.12	1.11	1.08	1.11	1.13	1.10	0.99
Depreciation	1.12	0.90	0.81	0.74	0.67	0.61	0.56	0.51	0.52	0.53	0.62	0.81
Dividend	0	0	0	0	0	0	0	0	0	0	0	0
Total	1.52	1.63	1.76	1.70	1.68	1.73	1.67	1.59	1.62	1.66	1.72	1.81
Cumultive Total	1.52	3.15	4.91	6.61	8.29	10.02	11.69	13.28	14.91	16.56	18.28	20.09
PAYBACK PERIOD - IN YEARS					7							

D.8: IRR

Internal Rate of Return												In USD - MN
PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
Cash Inflows												
Profit B.I.T	0.57	1.04	1.36	1.37	1.44	1.60	1.58	1.54	1.58	1.61	1.57	1.42
Depreciation	1.12	0.90	0.81	0.74	0.67	0.61	0.56	0.51	0.52	0.53	0.62	0.81
Salvage Value										-	-	12.02
Total Inflow	1.69	1.94	2.17	2.11	2.11	2.21	2.14	2.05	2.10	2.14	2.19	14.25
Cash Outflows												
Capital Costs	9.96	-	-	-	-	-	-	-	2.50	1.00	1.00	2.00
Change in Net W/Capital	0.95	0.08	0.10	0.05	0.05	0.05	1.32	0.11	0.12	0.12	0.13	0.13
Total Outflow	10.91	0.08	0.10	0.05	0.05	0.05	1.32	0.11	2.62	1.12	1.13	2.13
Net Inflow	(9.22)	1.86	2.07	2.06	2.06	2.16	0.82	1.94	(0.52)	1.02	1.06	12.12
Internal Rate of Return =				19%								