

GS HILLTOP LIMITED

**BUSINESS PLAN :(INDUSTRIAL PARK)
DEVELOPMENT AND LEASING OF COMMERCIAL
BUILDINGS/WAREHOUSE**

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Executive Summary

Introduction

GS Hilltop Limited is a newly established company in the United Republic of Tanzania. It is the mission of GS HILLTOP to provide real estate services particularly, developing and leasing of commercial buildings/warehouses in Zegereni industrial area in Pwani Region. GS HILLTOP is a full service real estate specifically dealing with development and leasing of commercial buildings/warehouse.

The Company

GS HILLTOP will be a limited liability partnership registered in the United Republic of Tanzania. Its founder is Mr. Xiaodong Wang and Mrs. Xueting Sun.

The company plans to be leveraged through private investment and a limited number of loans. The company expects to begin offering its services in January 2024.

The company's main clients will be foreign investors, particularly Chinese nationals, looking to invest in the manufacturing industry in the United Republic of Tanzania. Since Mr. Xiaodong Wang, who has been such an investor at one time, knows and understands this market's needs, he believes that he can appeal to such clients far more than most other competitors.

The Services

GS HILLTOP offers leasing services of commercial buildings/warehouses for industrial use at comprehensive real estate, mortgage and title services to our diverse clients.

Financial

Start-up expenses and funding required are modest. They include expenses and the rest in cash needed to support operations until revenues reach an acceptable level.

Considerations

The company expects to reach profitability in the second year and does not anticipate any serious cash flow problems. We conservatively believe that during the first three years, average profitability per month will be adequate. We expect that about one sale per month will guarantee a break-even point.

Objectives

The three year goals for GS Hilltop Limited are the following:

- Achieve break-even by year two.
- Establish minimum 95% customer satisfaction rate to establish long-term relationships with our clients and create word-of-mouth marketing.

Keys to Success

GS HILLTOP's keys to long-term survivability and profitability are as follows:

- Keeping close contact with clients and establishing a well functioning long-term relationship with them to generate repeat business and obtain a top notch reputation.
- Establish a comprehensive service experience for our clients that include consultation, appraisal, sale preparation, community information, moving consultation, etc.

Mission

It is the mission of GS HILLTOP to provide real estate/industrial park services in the industrial area of Zegereni, Kibaha, Pwani.

Company Ownership

The company will be jointly owned by Mr. Xiaodong Zhang Wang and Mrs. Xueting Sun, who will be putting in the ratio of 90: 10 percent of equity. All other financing will come from private investment.

Start-up Summary

Start-up expenses and funding required are shown in the table below. This includes expenses and the rest in cash needed to support operations until revenues reach an acceptable level.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$ 8,695.13
Insurance	\$ 14,500.00
Utilities	\$ 7,961.99
Rent	\$ 10,219.51
Accounting and bookkeeping fees	\$ 8,693.89
Expensed equipment	\$ 15,217.23
Advertising	\$ 26,081.15
Other	\$ 8,631.09
Total Start-up Expenses	\$ 100,000.00
Start-up Assets	
Cash Required	\$ 200,000.00
Other Current Assets	\$ -
Long-term Assets	\$ 2,300,000.00
Total Assets	\$ 2,500,000.00
Total Requirements	\$ 2,600,000.00

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$300,000
Start-up Assets to Fund	\$2,300,000
Total Funding Required	\$2,600,000
Capital	
Planned Investment	
Mrs Xueting Sun	\$260,000
Mr. Xiaodong Zhang Wang	\$2,340,000
Additional Investment Requirement	\$0
Total Planned Investment	\$2,600,000
Total Funding	\$2,600,000

Services

GS HILLTOP offers leasing and rentals services of commercial buildings/warehouse in designated place that the company has developed an industrial park for that purpose.

Market Analysis Summary

GS HILLTOP will be concentrating on only one market segment. This will be the commercial leasing of commercial buildings/warehouses to those individuals/companies in the manufacturing/processing industry seeking to start up or extend their business by finding some extra space to produce/store their products. As a Chinese descent as most of the clients, Mr. Wang deals with the very issues that the target clients do, thus providing insight and opportunities to better assist her clients.

The manufacturing industry has been steadily growing over the past twenty years. The percentage of the Chinese nationals investing and those seeking to invest in the united Republic of Tanzania has significantly increased in the last decade.

GS HILLTOP believes that the greatest threat at the moment is in new entrants to the market who will want to capitalize on this high growth industry. The most likely entrants will be new, small real estate companies with fewer than ten employees. However, the one major advantage GS HILLTOP has is its potential clients who to a large extent happen to be Chinese nationals.

The power of potential clients is very great in this industry because most clients are very concentrated in our geographical area. Furthermore, clients tend to "shop around" for the best package of services and cost.

Market Segmentation

GS HILLTOP will be concentrating exclusively on the commercial buildings/warehouses. This means the company will be focused on buying, developing and leasing to those seeking to invest particularly in the manufacturing industry in the United Republic of Tanzania. This market segment has special needs and is almost always looking to find places where they can invest and start up their business as soon as possible and at low costs.

Sales Strategy

GS HILLTOP's management will be focusing on leveraging its extensive contacts with various Chinese nationals who are likely to invest in Tanzania to generate sales.

Sales Forecast

Sales are based on the various clients we anticipate acquiring. The company does not have any significant direct costs of sales.

Table: Sales Forecast

Sales Forecast			
Year	2023	2024	2025
Sales	TZS	TZS	TZS
Commercial Building/Warehouse	\$ 315,000.00	\$ 504,000.00	\$ 756,000.00
Others	\$ -	\$ -	\$ -
Total Sales	\$ 315,000.00	\$ 504,000.00	\$ 756,000.00

Marketing Strategy

GS HILLTOP will be utilizing radio, newspaper, and phone directory advertising, and a small business referral group to generate sales and establish a presence in the united Republic of Tanzania.

Management Summary

Mrs. Xueting Sun and Mr. Xiaodong Wang are the owners of GS Hilltop Limited. They established the company in 2022 in Dar es Salaam, Tanzania. Mr. Xiaodong Wang will be Managing Director; he will also be responsible for the overall oversee and management of the company's business operations since he has the experience in this business. In addition to Mr. Wang's will be assisted by Mrs Sun as the Marketing Director who will be responsible for seeking clients in China as well as those that are already in Tanzania.

Personnel Plan

The company plans to employ over 50 employees on a permanent basis plus other 200 employees on short term contracts.

Financial Plan

Our financial plan anticipates that we will achieve positive net income by the end of the first year. We have budgeted enough investment to cover any potential losses and have additional personal financial resources available for equity investment if sales do not match predictions.

Projected Cash Flow

The following is our cash flow table. We do not expect to have any short-term cash flow problems.

Table: Cash Flow

Pro Forma Cash Flow

	2023	2024	2025
Beginning Cash Balance	\$ 100,000.00	\$ 165,000.00	\$ 219,000.00
Cash inflows	\$ -	\$0	\$0
Income from Sales	\$ 315,000.00	\$ 504,000.00	\$ 756,000.00
Accounts Receivalbes	\$0	\$0	\$0
Total inflows	\$415,000.00	\$669,000.00	\$975,000.00
Total Cash outflows	\$250,000.00	\$450,000.00	\$650,000.00
Operating Cash Balance	\$ 165,000.00	\$ 219,000.00	\$ 325,000.00

Projected Profit and Loss

The following table itemizes our revenues and associated costs. We expect to be paying higher costs in marketing and advertising than other companies as we attempt to build sales volume.

Table: Profit and Loss

Pro Forma Profit and Loss	2023	2024	2025
Sales	\$ 315,000.00	\$ 504,000.00	\$ 756,000.00
Direct Cost of Sales	\$ -	\$ -	\$ -
Other Costs of Sales	\$ -	\$ -	\$ -
Total Cost of Sales	\$ -	\$ -	\$ -
Gross Margin	\$ 315,000.00	\$ 504,000.00	\$ 756,000.00
Gross Margin %	100%	100%	100%
Expenses			
Legal	8,695.13	\$ 9,564.65	\$ 10,999.34
Insurance	14,500.00	\$ 15,950.00	\$ 18,342.50
Utilities	8,676.28	\$ 9,543.91	\$ 10,975.50
Rent	10,219.51	\$ 11,241.46	\$ 12,927.68
Accounting and bookkeeping fees	8,693.89	\$ 9,563.28	\$ 10,997.77
Expensed equipment	15,217.23	\$ 16,738.95	\$ 19,249.80
Advertising	26,081.15	\$ 28,689.26	\$ 32,992.65
Other	8,631.09	\$ 9,494.20	\$ 10,918.33
Total Operating Expenses	\$ 100,714.29	\$ 110,785.72	\$ 127,403.58
Profit Before Interest and Taxes	\$ 214,285.71	\$ 393,214.28	\$ 628,596.42
Taxes Incurred	\$ 64,285.71	\$ 117,964.28	\$ 188,578.93
Net Profit	\$ 150,000.00	\$ 275,250.00	\$ 440,017.50

Projected Balance Sheet

The following is the snapshot of our assets, liabilities, and equity.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>	2023	2024	2025
Assets			
Current Assets			
Cash	\$ 200,000.00	\$ 300,000.00	\$ 350,000.00
Accounts Receivable	\$ -	\$ -	\$ -
Other Current Assets	\$ 100,000.00	\$ 150,000.00	\$ 245,250.00
Total Current Assets	\$ 300,000.00	\$ 450,000.00	\$ 595,250.00
Long-term Assets			
Long-term Assets	\$ 2,300,000.00	\$ 2,300,000.00	\$ 2,300,000.00
Total Assets	\$ 2,600,000.00	\$ 2,750,000.00	\$ 2,895,250.00
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Current Borrowing	\$ -	\$ -	\$ -
Other Current Liabilities	\$ 100,000.00	\$ 100,000.00	\$ 120,000.00
Subtotal Current Liabilities	\$ 100,000.00	\$ 100,000.00	\$ 120,000.00
Long-term Liabilities	\$ -	\$ -	\$ -
Total Liabilities	\$ 100,000.00	\$ 100,000.00	\$ 120,000.00
Paid-in Capital	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00
Retained Earnings	\$ -	\$ 150,000.00	\$ 275,250.00
Total Capital	\$ 2,500,000.00	\$ 2,650,000.00	\$ 2,775,250.00
Total Liabilities and Capital	\$ 2,600,000.00	\$ 2,750,000.00	\$ 2,895,250.00