

VORTEX INVESTMENT COMPANY LIMITED

BUSINESS PLAN

REAL ESTATE DEVELOPMENTS

Prepared by:

VORTEX INVESTMENT COMPANY LIMITED

PLOT NO.95, MIKOCHE NI, BIMA ROAD

P.O.BOX 33987

DAR ES SALAAM

EXECUTIVE SUMMARY

VORTEX INVESTMENT COMPANY LIMITED of P.O. Box 33987, Dar es Salaam was incorporated under the companies Act 2002 on 23rd March Two Thousand and Twenty One and given a Certificate of Incorporation Number 151289606 and Registered with Tanzania Revenue Authority on 23rd March Two Thousand and Twenty One and given a Tax Payer Identification Number 151-289-606.

COMPANY OWNERSHIP

The Table below shows the Names, Number of shares taken by each Subscriber and Nationality of the owners for VORTEX INVESTMENT COMPANY LIMITED;

TABLE 1: OWNERSHIP

NAME	NUMBER OF SHARES	NATIONALITY
Hangaya Mayuki Nkumbi	500	Tanzanian
Ali Mayuki Hangaya	495	Kenyan
Latifa Said Sauko	5	Tanzanian

The Company is a private Company and accordingly: -

- a. The right to transfer shares is restricted in manner as hereinafter prescribed.
- b. The members of the company (exclusive of persons who are in the employment of the Company) is limited to fifty, PROVIDED THAT, where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single member.
- c. any invitation to the public to subscribe for any shares or debentures of the company is prohibited.

PRODUCTS

Vortex Investment Company Limited intends to invest in buying existing Houses and building new Duplex Houses for rent. Real estate business has been evolving over time, renters who are no longer interested with the traditional houses, duplexes stands as their compelling choice, especially for those seeking a harmonious blend of space, luxury and community.

INVESTMENT CAPITAL

The Investment Capital of the Company is 500,000 USD

INCREASE OF CAPITAL

The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

ALTERATIONS OF CAPITAL

The Company may by Ordinary Resolution: -

- a. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- b. Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so canceled.
- c. Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act), and so that the resolution whereby any share is subdivided may determine that, as between the holders of the

shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

STOCK

The Company may by Ordinary Resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Such of the regulations of the Company as are applicable, to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

BORROWING POWERS

The Directors may raise or borrow for the purposes of the Company's business such sum or sums of money as they may in their absolute discretion think fit.

The Directors may secure the repayment or raise any such sums as aforesaid by legal or equitable Mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled capital, or by the issue at such price as they may think fit, of debentures and debenture stock either charged upon the whole or any part of the property and the assets (including its uncalled Capital) of the Company or not so charged, or in such other way as the Directors may think expedient.

Subject to the provisions of Article 73 of these presents, a Director of this Company may be or become a director or other officer of, or otherwise interested in, any company including but not limited to any company promoted by this Company or in which this Company may be interested as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as director or officer of, or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in favour of any resolution appointing it or any of its number, directors or officers of such other company. Furthermore, any Director of this

Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights in a manner aforesaid.

All cheques, promissory notes, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

THE PROJECT OBJECTIVES

1. To carry on business as Estate Developers with own or leased Property.

2. To implement innovative strategies in property Management.
3. To provide exceptional service to clients and contribute to the success of a dynamic real estate firm.

LOCATION AND SITE OF THE PLAN

Unit PH2G, Plot 1744 known as CCM Street, Masaki, Dar es salaam, Tanzania.

MANAGEMENT

The success of the venture of this kind depends on the competence of the personnel recruited by the management; it is assumed that relevant personnel with requisite skills shall be available within the country. There will be a need of the recruiting expatriates in some key positions. The overall in charge, responsible of the day to day operations will be the project manager who in turn is answerable to the board of directors.

TOTAL MAN POWER REQUIREMENTS

Based on the proposed organization structure the Project will initially employ a Total of 5 people where by 3 will be Tanzanians. However it is anticipated that by the time the project attains maturity the envisaged employees will be 10 People.

TRAINING

The management would strive to employ competent and qualified personnel in the and also will be trained. However it is expected that most of them will have some basic knowledge and experience in Real Estate business.

ECONOMIC BENEFITS OF THE PROJECTS

The successful operation of VORTEX INVESTMENT COMPANY LIMITED will produce significant economic benefits to the Region and Tanzania as whole. In summary the benefits which will be realized are as follows:-

- a.** Creation of direct employment opportunities for 10 employees and more as the business operates.
- b.** Provision of income to 10 employees will be about an increase in the demand of services and goods related to the welfare to the workforce in question along to their families.
- c.** The direct income from workers, combined with the medical and other social benefits that VORTEX INVESTMENT COMPANY LIMITED Management will provide, in turn will help in overall efforts of alleviation of Poverty.
- d.** Expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government. The Government earns considerable revenue from the Real Estate activities in terms of Tax collections.

TABLE 2: PRODUCTION COSTS

YEAR	PRODUCT	AMOUNT(USD)
2024	1 Duplex house	338,000.00
2025	3 Duplex houses	680,000.00
2026	4 Duplex houses	350,000.00
2027	6 Duplex houses	700,000.00
2028	6 Duplex houses	0.00

TABLE 3: OPERATING EXPENSES (TZS)

Insurance	4,000,000.00
Property Taxes	120,000.00
Maintenance and repairs	7,000,000.00
Furniture and Fittings	8,740,000.00
Utilities	2,000,000.00
Sub total	21,860,000.00
USD 4,000 at TZS 2740 Being Statutory and Legal fees	10,960,000.00
Total Cash	32,820,000.00

FINANCIAL PLANNING

Since there has already been initial capitalization, growth can be financed largely through internal cash flow. In the event of a shortfall, marketing can be cut back temporarily to preserve cash. Or, more likely, additional investment may be sought to re-accelerate productive campaigns if growth demands more funding.

TABLE 4: FINANCIAL PROJECTION

DETAILS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Production per Annum	1 Duplex	3 Duplexes	4 Duplexes	6 Duplexes	6 Duplexes	6 Duplexes
Price Per Unit (USD) (Rental rate)	\$4,000.00	\$4,500.00	\$5,000.00	\$6,000.00	\$6000.00	
Rent Per Annum	\$48,000.00	\$162,000.00	\$240,000.00	\$432,000.00	\$432,000.00	\$1,314,000.00
Costs of Production	\$338,000.00	\$680,000.00	\$350,000.00	\$700,000.00	\$0.00	\$2,068,000.00
Gross Profit (GP)	\$-290,000.00	\$-518,000.00	\$-110,000.00	\$-268,000.00	\$432,000.00	\$-754,000.00
Operating Costs	\$12,000.00	\$7,000.00	\$8,000.00	\$8,000.00	\$8,500.00	\$43,500.00
Earning before Interest & Tax	\$-278,000.00	\$-511,000.00	\$-102,000.00	\$-260,000.00	\$423,500.00	\$-728,000.00
Tax	\$-83,400.00	\$-153,000.00	\$-30,600.00	\$-78,000.00	\$127,050.00	\$-217,950.00
Earning before Dividends	\$-361,400.00	\$-664,000.00	\$-132,600.00	\$-338,000.00	\$296,450.00	\$-1,199,550.00

NOTE: Table 4 of Financial Projection shows that the project will experience deficit within the first five years of operation. Since it is a real estate business, the project is based on buying lands/buildings which costs a lot of money compared to the rent expected to be collected annually. Thus the project will start to generate its profits from 2031 whereby the production costs and operating costs will be less than the projected income.

ASSUMPTIONS

- The project construction time is assumed to be one year for the first Duplex house.
- The currency exchange rate of TZS 2,740 to be one US\$ has been adopted.

CONCLUSION

The investment and development of VORTEX INVESTMENT COMPANY LIMITED in Real Estate activities is in line with the Government policies which places special emphasis on initiating / setting up of various Real Estate activities in the Country.

In addition, the Project will have a positive impact on the development of the Region, as it would generate a number of benefits and reliable income for the employees of the company and providers of the services and goods demanded by these workers / their families.

This document has provided a full analysis on the financial, Techno- economic viability on the establishment /operation of the processing Undertaking, along with the financing requirements / parameters have been considered and it has been established that the proposed project is technically sound, financially viable, economically, and socially beneficial.

Furthermore the project has potential towards the earning of the foreign currency. It is hereby recommended that the Project be implemented, the envisaged undertaking will be Viable and Profitable of it is implemented early. Moreover, there will be several social economic benefits that will apprehend in the course of operating this undertaking. These will include the following:-

- ☛ Expanded employment creation
- ☛ Expanded tax base
- ☛ Expanded capacity to earn foreign currency
- ☛ Transfer of knowledge

The management of VORTEX INVESTMENT COMPANY LIMITED anticipates that all interested parties will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.