

S.H.B.S

BUSINESS PLAN

FOR

ESTABLISHMENT

OF

OF C.H.B.S LIMITED PROJECT

C.H.B.S Limited
P.O Box 32698
3rd Floor, TGB Building, Besides Josam House
Mikocheni Light Industries Area

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C.H.B.S LIMITED

SETTING UP FACILITIES FOR C.H.B.S

1 INVESTMENT PLAN

1.1 Executive Summary

C.H.B.S is a domestic company limited by shares registered in Tanzania under The Companies Act, (CAP 212) of 2002 as amended with Certificate of Incorporation number 139669 given in November 2017. The company has complied with all legal requirements and obtained all necessary certificates including, but not limited to Certificate of incorporation number 139669, TIN certificate number 1561184, Tax clearance certificate for the year 2023 number.

1.2 Company Background

1.2.1 C.H.B.S is a private company based in Dar es Salaam, and was incorporated on Tanzania by Registrar of Companies under the Companies Act, (CAP 212) of 2002 with Certificate of Incorporation number 139669 given on 30th November, 2017. The company has complied with all legal requirements and obtained all necessary certificates including, but not limited to Certificate of incorporation number 139669, TIN certificate number 135-675-644.

1.2.2 C.H.B.S Limited plans to make a strategic investment in low cost housing by building mixed use low cost houses in the capital city of Tanzania, Dodoma City. The proposed site, provided by Dodoma City Council will have independent unit plots for the construction of residential houses. The Dodoma City Council has provided land which we have to choose to and build 30,000 units. The General stakeholders of the project includes:

- Developer: CHBS Limited
- Land Owner : Local Government- DCC / other Land Development Company
- Main Constructor & Finance: (not Appointed)
- Customer Financers: Customer/ 18 Banks
- Recovery: Through Auto Deduction/ Ministry of Finance

1.3 Targeted Market

There is very big demand for the project business in Tanzania C.H.B.S Limited, targets to sell off plan, 200 units every three months.

2 THE COMPANYS OBJECTIVES

C.H.B.S LIMITED is a project established for carrying on the business as building technology, real estate and land development, investment and commercial company particularly;

- a) To carry on business of management of companies affiliated, coordination, preparation, promotion of the businesses under the same group.
- b) To search for investment opportunity and expand capital within and outside Tanzania; to carry on business of construction in civil, building, electrical installations and specialize construction, building concepts and modern technologies.
- c) To conduct agricultural projects including farming, processing, value adding and selling, animal husbandry and other related to agricultural commerce.
- d) To open and operate various small and medium factory for value adding in the market, to carry on business of IT and ICT equipment supplies and installations.
- e) To carry on the business of health centres and health facilities supplying and management; to conduct micro lending service to individuals, group, institutions as per the given policies within and outside Tanzania.
- f) To carry on the business of ware housing facility, commodity exchanging and creating a systematic farming method in boosting agricultural sector ect.

3 PLAN OR PROSPECTS

The project aim at constructing about 30,000 number of Units within Dodoma Council and the prospective of Clients will be in various categories including Medium, premium and Super Premium. The project shall employ the Affordable Concepts with Basic Usage/Décor Construction Method with estimated Profit per Investment Up to 30%. Proposed Partnership of the project is to enable Investors to obtain 70% of shareholding upon full investment and 30% Developer/ an SPV – CHBS Housing Limited to be created to suit such decision Competitive Advantage.

4 PLAN OBJECTIVES

The investment proposal prefer and aims to utilize locally sources, premium materials and services to build affordable houses of different categories as follows:

- 1 bedroom, 2 bedrooms, and 4 bedrooms
- Detached studio
- Detached apartments with 1 with bedrooms
- Two store units
- Cottages of different sizes

Clients who wish to purchase for investment will have an opportunity to choose from the available varieties. Considering the demand for accommodation in Dodoma City, this will be very good investment.

The proposed project is estimated to cost about USD 2,000,000.00 (Two Million US Dollar.

5 THE PROJECT PROMOTERS

The Tanzania government actively support investors, especially in affordable housing projects, through various incentives, such as tax holidays, licensing and infrastructure and utilizes development. These measure create an attractive business environment for starting and building affordable houses. C.H.B.S Limited has already gotten support from government and other intuitions as follows:

- The major banks in the country are willing to support by facilitating mortgage loans for the interested buyers after their commitment of 10%.
- Dodoma City Council and the Central Government is ready to avail land for the construction (terms &conditions apply).
- The Central government has already provided C.H.B.S with deduction codes where payment for the houses will be deducted from sources through check off system.
- Many other institutions and private companies are willing to support in giving discount credit and other ways.
- Other infrastructure development,
- Electricity, water and sewage, roads will be done in conjunction with the City council/ central government.

6 PROJECT LOCATION:

The project head quarter and development of Housing units location will be in Dodoma municipality within Dodoma City.

7 IMPLEMENTATION SCHEDULE

7.1 April - 2024

- a) Preparing feasibility study for the land space and the project area.
- b) Registration of the project with Tanzania Investment Centre i.e Application for the Certificate of Incentives.
- c) Getting the Certificate of Incentives.

7.2 May - 2024

- a) Application for import Duty exemption on Brick making equipment and other related machinery, 10 trucks of 16 cm and other supporting vehicles such as lorries, building equipment's, communication equipment, cargo handling equipment, heavy duty machine, Generators, state of the art manufacturing Technology after being awarded certificate of incentives in the establishment programmer.

7.3 June - 2024

- b) Recruiting new employees, Engineers, Architectures, interior designers, mechanics, logistics officer, procurement officers, store keepers and other administration staff.
- c) Fully commencement of the project and the construction process.

8 CAPITAL INVESTMENT COST

8.1 Costs and Estimate Value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Fixed Cost	1,200,000.00
		Working Capital	1,000,000.00
		Total	2,200,000.00

8.2 PERIOD OF INVESTMENT & CAPITAL RETURN

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	6 year
		Commissioning, trial operation, financing & administrative affairs	6year
		Settling the principal with interest	6year
		Capital Annual Rate	6 year

9 PROJECT FINANCING

Description	Total (USD)
Equity	2,000,000/=
Loan	200,000/=
Total	2, 200,000/=

The intended project is to be implemented within 6 year. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

10 FINANCIAL PLAN (SOURCE OF FUNDS)

C.H.B.S LIMITED has firmed up finances for the implementation programmer by its fund and Loan.

Own fund (Equity)	USD \$ 2,000,000.00
Local loan	<u>USD \$ 200,000.00</u>
TOTAL	USD \$ 2,200,000.00

11 SUBMISSION

- 11.1 C.H.B.S submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the construction of houses project.
- 11.2 The project will soon commence after the company is registered by Tanzania Investment Centre and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as, brick making equipment and other related machinery, 10 trucks of 16 cm and other vehicles for use in the building exercise such as Lorries, heavy duty machines, cargo handling equipment, generators, state of the art manufacturing technology, Certificate of Incentives will enable the project to guarantee consistent high quality finished houses that meet the set out standard and satisfaction of the client etc.

12 ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result the accurate of economic success in a community is ability to provide housing for a growing population through new home construction. This project will creates new employment opportunities, stimulates local businesses, generates tax revenue, enhance the community's wellbeing and support government policy, creating proper planning in project area, support building materials industries, as well as fund and capital generation to investors.

13 COMPETITION OR MARKET

Despite there being numbers of other Construction Companies in Tanzania, still the facility is not enough compared to the level of demand. There are 40,000 staffs and government operations in Dodoma as a result the housing is scarce and unaffordable. The detail shows that there is a need of 1 Million units. However, the intended project will consider best quality building and affordable projects as the means to employ modern engagement in land development. The project will consider land as the major capital for human development and facilitate adequate, efficient and quality living welfare of the community at large.

14 ADVERTISEMENT

Advertisement which forms part of the marketing-strategy will be embarked upon in the newspapers, street banners, and social media and later on in the television in a manner benefiting the promotional role of any company or private institutions.

15 BUSINESS STRATEGY

In-order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- (i) Advertisement and Promotion,
- (ii) Technology and quality fleet of vehicles.
- (iii) Employing qualified and experienced architectures, civil engineer, interior designers
- (iv) On job training
- (v) Business Discipline.

15 ENVIRONMENTAL ISSUE

The construction of houses project business and the whole project implementation is environmentally friendly. The construction activities of houses will not cause any harm to people.

16 PROJECT MANAGEMENT

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 3 shareholders, namely;

NAME AND DESCRIPTION OF THE SUBSCRIBERS	NATIONALITY	NUMBER OF SHARES TAKEN
PATRICK LUGANGO NKANDI	TANZANIAN	51%
OLIVER ABIUD MATOLI	TANZANIAN	29%
JOSEPH BACHUBILE FRANCIS	TANZANIAN	20%

17 INVESTMENT BREAKDOWN USD

ITEMS	DESCRIPTION	AMOUNT
1.	Land/Building	600,000
2.	Plant	200,000
3.	Vehicle	60,000
4.	Furniture& Fitting	50000
5.	Pre expenses	200,000
6.	Others	90,000
7.	Working Capital	1,000,000
	TOTAL	2,200,000

17 MANPOWER AND TRANSFER OF TECHNOLOGY

- 17.1 C.H.B.S LIMITED being the project in its commencement will usher in the technology by using modern construction activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.
- 17.2 Further the country can reduce its dependence on the construction project from neighbouring countries, hence Tanzania business men.
- 17.3 The proposed project will cause more people to be employed in as architectures, engineers, interior designers, drivers, turn boys, mechanic, security guards, accountant, logistic manager and about 100 local people will increase their income, improve their social welfare and pay-taxes; it is poverty alleviation programmer to them.
- 17.4 Local employees will get on training for construction in a long run will improve the technical competence in the project.

18 CONCLUSION AND RECOMMENDATION

- 18.1 The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits directs and indirect of this project.
- 18.2 The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.
- 18.3 Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

APPROVED with the SIGNATURE of the Managing Director and OFFICIAL STAMP this 24th April, 2024.



For: MANAGING DIRECTOR,
C.H.B.S LIMITED

C.H.B.S LIMITED
PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

ITEM	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Total Revenue	600,000	660,000	726,000	798,600	878,460
Total Costs	430,000	473,000	520,300	572,330	629,563
Gross Profit	170,000	187,000	205,700	226,270	248,897
Expenses	105,000	115,500	127,050	139,755	153,730.5
Net Profit before Tax	65,000	71,500	78,650	86,515	95,166.5
Corporate Tax 30%	19,500	21,450	23,595	25,954.5	28,549.95
Net Profit	45,500	50,050	55,055	60,560.5	66,616.55