

Confidential

GVP PROPERTIES LIMITED

BUSINESS PLAN

DAR ES ALAAM- TANZANIA

2025

Non-Disclosure and Confidentiality Agreement

The undersigned ("Recipient") hereby agrees that all financial and other information ("Information") that it has and will receive concerning **GVP PROPERTIES LIMITED** is confidential and will not be disclosed to any individual or entity without prior written consent.

The Information shall remain the property of **GVP PROPERTIES LIMITED** and shall be returned to **GVP PROPERTIES LIMITED** promptly at its request together with all copies made thereof.

Recipient acknowledges that no remedy of law may be adequate to compensate **GVP PROPERTIES LIMITED** for a violation of this Agreement and Recipient hereby agrees that in addition to any legal or other rights that may be available in the event of a breach hereunder, **GVP PROPERTIES LIMITED** may seek equitable relief to enforce this Agreement in any Court of competent jurisdiction.

17.07.2025
Date


Signature

This is a business plan and does not imply an offering of securities:

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EXECUTIVE SUMMARY

Project	REAL ESTATE DEVELOPMENT PROJECT
Sponsors	<p>The project sponsors are GVP PROPERTIES LIMITED incorporated and registered on 3 May 2025 in Tanzania. The company is registered as a limited liability company with all share capital of USD 1000000000 million contributed by 2 shareholders. All of the sponsors are entrepreneurs from India and Eritrea respectively headed by Mr. Hanibal Yohannes and Harrier Rasik the majority shareholders.</p> <p>The company will operate a real estate development project where it will construct prime houses and apartments for sale.</p>
Project Concept	<p>This business plan entails setting up a real estate business in Tanzania projecting its operations for more than 5 years and creating jobs to the citizens and locals of the United Republic of Tanzania.</p> <p>The project will commence with commercial buildings, rentable residential apartment houses and later on expand to commercial buildings. The properties will be developed for sale initially.</p>
Company goals and objectives	<ul style="list-style-type: none">• Development of high-quality residential apartments.• Track and direct growth• Provide employment to the local community• Building long lasting relationships with our customers• Social responsibility• Profit maximization
Market and Marketing	<p>There is no map available that shows real estate investment status i.e. infrastructure in terms of roads, housing projects, bridges, hospitals, police stations, and all other related structures. What may be available is geographical maps made by surveyors and real estate development plans from individual real estate planners and developers like Property International Limited and Ruaha Assets, JR real estate dealers</p> <p>The Tanzania market is very speculative with no clear pricing or housing. The pricing is determined by the location and demand.</p> <p>A typical house within the Central Business District (CBD), in Masaki and Oyster bay for instance, can range from \$200,000 to over \$1,000,000.</p> <p>In the suburbs, e.g. Mikocheni, Masani or Kinondoni, the houses range from Tanzania \$20,000 000 to \$100,000.</p> <p>With the completion of these projects, People will live anywhere within a 30 km radius of Dar es Salaam. The</p>

important thing is good roads and access to amenities.

The prime areas in some form of order are Masaki, Masani, Oyster bay, Mikocheni, etc plus all the other areas mentioned earlier.

Our focus will therefore be in these prime areas while targeting Tanzanians living abroad, the expatriates and upper middle to high income earners.

Technical Aspects

The company is located in Temeke, Dar es Salaam Tanzania. The company has intends to acquired three plots of land in Masaki a high end Dar es Salaam Suburb.

The plots are valued at approximately USD 1,500,000.M and are already connected to water, sewerage and power.

The company has procured the services of Golden View Investments Limited as the contractors to handle the construction works.

GVP PROPERTIES LIMITED will initially construct 2 floors of commercial rentals with 28 apartments for sale. These will be completed in a period of three years after commencement. Thereafter more housing units will be developed in other areas.

Management Aspects

GVP PROPERTIES LIMITED has the necessary expertise in-house to manage the real estate business. The company will also outsource services of experienced authorities in the relevant fields. The organizational set up will be headed by Mr. Hannibal Yohannes and Harrier Rasik as Managing Director and Financial Director respectively. Hannibal, holds a bachelor's degree in Civil Engineering and a masters in Structural Engineering received from Asmara University. Following school, Hanibal worked for various contractors in Sudan and Tanzania. He has managed a number of construction and real estate projects. In East Africa

Rasik brings different skills sets to the company coming from an accounting and customer care background. Rasik is also responsible for a number of other successful investments in Tanzania; and East Africa at large.

The two will be assisted by a team of executive directors and a managerial staff comprising; Site Engineer, Quantity Surveyor, Foreman, Accountant and Sales executive. Recruitment for new staff will be competitive.

Project Costs

The project costs are summarized below.

Item	Cost	(USD
'000s)		
Land		600,000
Construction Materials Labor		
100,000		
Contractor fees Consultancy fees		30,000
Vehicles Contingencies		20,000
TOTAL INVESTMENT		
750,000		
Proposed	Sources of Financing:	
Financin	Shareholders' Loan	NILL
g	Bank Loan	NILL
	Share capital.	
	TZS1,000,000,000	
TOTAL		100.00%

Profitability The projections depict profitable operations capable of meeting operational costs and service the loan. The initial IRR is estimated at 60%

Economic and Development Impact

Economic and social benefits to the economy include creation of employment to at least 100 people, payment of taxes to the Government in form of corporation taxes, earning of foreign exchange through construction and sale of houses to Tanzanians in the Diaspora and other international investors.

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GVP PROPERTIES LIMITED

1.0 THE BUSINESS DESCRIPTION

1.2 Project Objectives

The main project objective is to develop real estate in form of apartments for sale to expatriates, Tanzanians in the Diaspora, middle to higher income earners; in the affluent residential suburbs of Dar es Salaam. The project will make available to the market alternative dwelling units of high quality at affordable prices. The objective is in line with the company's overall objectives as enshrined in its Memorandum and Articles of Association namely:

1. To carry on the business of real estate development;
2. Profit maximization;
3. To track and direct growth;
4. Provide employment to the local community;
5. Pay taxes to the Government.

In preparation for implementation, the sponsors have approached consultants and contractors. The company has already acquired 1.58 acres of leasehold land in Naguru, Dar es Salaam on which the housing units are to be constructed. Preparations are underway to implement the project and acquisition of an Investment License is one of them.

1.3 The Project Concept and Scope

This business plan entails setting up a real estate business in Tanzania. The project will commence with residential houses and later on expand to commercial buildings. The properties will be strictly for sale.

The first units totaling to 2 floors of commercial buildings and 28 units will be completed within three years from commencement.

1.4 The Products

The products will be high quality residential apartments. Initially the company will construct floor (2) 28-unit apartments to be located in Masaki one of the affluent Dar es Salaam suburbs. All apartments are for sale initially.

In the future the company will venture into commercial buildings to expand its scope.

1.5 The Economy and Performance of Selected Sectors

Source: MOF-Tanzania Background to the Budget 2024/25 Fiscal Year.

The economy registered a robust growth of 6.3% during the year 2024/25 compared to 5.5% growth in 2023/24. As reported by the Minister of Finance (MOF) during the recent Budget Presentation for the fiscal year 2024/25, this was a remarkable performance in spite of the global financial and economic crises that have adversely affected several economies both in the developed and developing world. The economy is projected to grow at 6.5% in the current financial year 2025/26.

The industrial activities continued to perform well with the sector growing at 7.5 percent in 2024/25 compared to a growth rate of 5.5 percent in 2023/24. This growth rate is mainly attributed to the good performance of the construction activities.

The construction sub-sector which covers public and private sector construction services grew by 7 percent compared to 6 percent registered in 2023/24. Private construction was stimulated by a fall in the cement prices and increased local production of cement. In 2024/25, local cement production increased by 34.7 percent. Growth was also boosted by the increased activity in the public civil construction works of roads and bridges among others.

The services sector is estimated to have grown by 8.0 percent in 2024/25, a better performance than the growth rate of 7.4 percent attained in 2023/24. The recovery of the wholesale and retail trade sub-sector and the continued good performance of the real estate activities were important factors in the sector's good performance. The services' share of 52.4 percent of total GDP was more than half of the total GDP, at constant prices, in fiscal year 2024/25.

Real estate activities that include outputs of rental and owner occupied activities grew by 5.7 percent in 2024/25, the same growth rate as in 2023/24. The real estate sector in particular is a vital engine for economic development any country given its forward and backward linkages, and therefore it must be viewed as a valuable economic investment and not as a mere social expenditure.

Tanzania's objective has been to build a strong, private sector-led economy, making private sector growth a major contributor to economic development and poverty reduction. Major actions that have enhanced the growth include the following:

- Macroeconomic stability;
- Removal of administrative barriers to investment;
- Efforts for improvement in transport infrastructure and utility services;
- Measures for modernization / commercialization of agriculture, with emphasis on value-addition;
- Improvement in access to rural finance and strengthening SME development;

- Enhancement of environmental sustainability;
- Increase in foreign investments.

Priority areas of government in the financial year 2024/2025:

Given the limited expansion in the resource envelope, the 2024/25 budget will focus on areas that have the greatest impact on unlocking the binding constraints to socioeconomic transformation. Highest priority will be given to public interventions to stimulate growth, create jobs and reduce unemployment among the youth. These interventions fall into the following key areas:

- Infrastructure development focusing on transport and energy;
- Increasing agricultural production and productivity;
- Human capital development with emphasis on education, health and water;
- Improving business competitiveness and job creation; and
- Improving the overall effectiveness of Government with special focus on addressing corruption, inefficiency, waste and improving public service delivery.

1.6 Existing Real Estate Developers and Background to the Sector

There are a number of registered companies engaged in real estate development in Tanzania today. Some of the major players include: Ruaha Assets, Property International Limited, JR real estate etc.

The real estate sector in particular is a vital engine for economic development any country given its forward and backward linkages, and therefore it must be viewed as a valuable economic investment and not as a mere social expenditure.

In 2005, about 78% of households lived in owner-occupied dwellings, 16% hired rented units. However in Dar es Salaam now 64% households occupy rented structures whereas only 28% live in owner-occupied dwellings.

This is attributed to high cost of construction of housing units and the lucrative business associated with real estate development. The real estate sector has been growing at an average of 5.6% per annum between 2018 and 2022. The sector on average currently accounts for 7.5% of Tanzania's GDP.

The growth of the sector is attributed to rapid population growth, increase in disposable income, increase in foreign direct investment and economic growth.

The sector is however, faced with a problem of lack of access to and high cost of finance constraints which require accessing long-term mortgage finance to potential borrowers. The problem of high interest rates on housing loans (currently at 30%) further limits the growth in the housing sector. The sector also faces a problem of high costs of building materials.

The company intends to link its potential customers to financial institutions to enable them access easy mortgage financing. It also aims at developing high quality apartments that meet and exceed the expectations of their customers. This will also downplay the competition for the market.

2.0 The Sponsoring Company and Promoters

2.1 GVP PROPERTIES LIMITED

The project sponsors are **GVP PROPERTIES LIMITED** incorporated and registered in Tanzania on 3 May 2025. The company is registered as a limited liability company with a nominal share capital of TZS 1000000000 million subscribed to as follows:

Shareholder / Director	No. of Shares Held	Shareholding
Hannibal Yohannes	500	50%
Harrier Rasik	500	50%
Total	1,000	100%

The company is fronted by a group of Entrepreneurs from Eritrea and India headed by Mr. Hanibal Yohannes. They have met with considerable success in their investments in Tanzania in the areas of Civil engineering and construction and general merchandising. At the same time, they have been making efforts to diversify into other areas and expand their horizons.

- Mr. Hannibal Yohannes is the owner of Golden Resource Holdings Tanzania Limited, Trans Nile Sudan etc.
- Mr Harrier Rasiki is the owner of Kiboko Enterprises Tanzania and other businesses in East Africa.

The company will employ qualified personnel to run the real estate business project in Tanzania

3.0 THE MARKET AND MARKETING

3.1 The Target Market

Our target market comprises the expatriates, International investors, Tanzanians in the Diaspora and middle to high income earners.

3.2 Demand Analysis

There is no map available that shows real estate investment status i.e. infrastructure in terms of roads, housing projects, bridges, hospitals, police stations, and all other related structures. What may be available is geographical maps made by surveyors and real estate development plans from individual real estate planners and developers like Ruaha Assets, Property International and JR real Estate Dealers.

The Tanzanian market is very speculative with no clear pricing or housing policy. The pricing is determined by the location and demand.

A typical house within the Central Business District (CBD), in Masaki and Oyster Bay for instance, can range from \$400,000 to over USD 1 000,000.

People will live anywhere within a 30 km radius of Dar es Salaam. The important thing is good roads and access to amenities. The prime areas in some form of order are Masaki, Oyster bay, Masani, Mikocheni, etc plus all the other areas mentioned earlier.

3.3 Competition and Competitiveness

The main competitors are existing real estate developers discussed in section 1.6 of this plan. Most of the companies sale the houses to our target market. The main competition is expected from the large players.

For reasons of competitiveness, our houses will have an emphasis on quality and will be located in the affluent Dar es Salaam suburbs and priced competitively.

GVP'S competitive advantage is as follows:

- We offer a high level of quality in our units with emphasis on comfort;
- Our market and advertising costs will be low due to simple marketing strategies. However the owners expertise in visual layout and communications will help create a unique and aesthetic product for the customer.

- The main competition GVP will encounter will average lower cost apartment units.

These coupled with the experience and networks of **GVP PROPERTIES LIMITED** will position the company as one of the major players in the industry. The exposure of Promoters of GVP to international markets, their strong inclination to study and adopt best practices from all over the world and their vast network would be a very significant factor in positioning GVP as a major player.

3.4 Product Pricing

This is the essence of high capacity utilization going side by side with quality. As a policy, the company will price its products to ensure competitiveness in the market while ensuring a reasonable profit margin at the same time. The following will be the cornerstone of our pricing policy:

- a) Cost of construction;
- b) Location;
- c) Inflation;
- d) Price Discrimination and Price Differentiation will be used for our target customers. We will rank our customers and strategize per customer/market segment. Price Discrimination results in increase in total revenue because output is increased whenever Marginal Revenue is greater than Marginal Cost per unit.

3.5 Sales Projections

Projected sales values for five years in TZS 10,000,000,000 are summarized below.

Item	Year 1	Year 2	Year 3	Year 4
3 Bedroom apartments				

3.6 Marketing Plan

The marketing and distribution strategies will include the following:

- i) Entering into financing agreements with financial institutions to facilitate potential buyers;

- ii) Regular advertisements in the print and electronic media- the radio, television, newspapers and word of mouth;
- iii) Use of property agents;
- iv) Price differentiation and price discrimination will be applied in market segments where there are many competitors.

4.0 ORGANISATION AND MANAGEMENT

4.1 Implementation Scheduling and Management

The sponsors have already identified sources for supply of technology and substantial planning has been accomplished with regard to actual implementation and management. Implementation management will be headed by Mr. **Hanibal Yohannes (MD)**, to be assisted by the **Mr. Harrier Rasik (DFO), Executive Directors** and other technical staff. The Managing Director will oversee the day to day operations at the company. The Site Engineer, Foreman and Quantity Surveyor will oversee the construction.

4.2 Organizational Set up and Staff

GVP PROPERTIES LIMITED has got the necessary expertise in-house to manage the new establishment. The company has recruited experienced staff. The organizational set up will be based on the typical hierarchical set up to promote quick decision making. The proposed organization set up and key personnel are discussed below:

Board of Directors (BoD) will provide corporate guidance to the company. Membership will be drawn from the shareholders of the company. **Mr. Hannibal Yohannes** will be the **Managing Director**, responsible for the overall steering of the company.

Finance and Accounting functions will include budgeting, purchases; accounting, cash receipts, debt collection and preparation of financial statements. This department will be headed by the **Financial Director; Mr. Harier Rasik** who will be assisted by an Accountant to carry out the functions.

Site Engineer will head the engineering section of the company and supervise construction works to ensure that the plan is adhered to.

Foreman will be responsible for construction works and is the main liaison officer with the contractor.

Quantity Surveyor will responsible for project costing and ensuring that the

plan is adhered to.

Sales Executive will be responsible for sales and marketing of the company products including advertising, distribution, agencies, product promotion, etc. The position will be filled by a qualified person in marketing with knowledge in the real estate market.

The actual construction works will be contracted to a contractor, **Golden View Investment Limited**.

The project will employ approximately 100 people.

4.3 Staff Recruitment and Training

Recruitment of new staff will be competitive to select qualified staff who will also be remunerated with competitive salaries and wages to ensure high quality of services. Tanzania has qualified professionals from whom recruitment will be made. Consultants and expatriates will be retained where specialized expertise is required. Proposed salaries and wages are shown in the P&L.

5.0 TECHNICAL ASPECTS

5.1 Project Location

All apartments will be located in the affluent suburbs of Dar es Salaam such as: Masaki, Oyster bay, Masani, to mention but a few. The first two (2) 28-apartment units will be located in Masaki Dar es Salaam. The location is suitable for modern housing units. The land is valued at approximately USD 1.5 million.

5.2 Apartment Buildings

The buildings layout will comprise perimeter wall fencing, modern bedroom apartments and staff quarters.

Initially the company will put up 2 floors of commercial buildings blocks with 28 apartment units.

5.3 Construction Works

Construction works will be subcontracted to Golden View Investment Limited, a reputable construction firm.

Finishing materials such as roofing tiles and floor tiles, electrical, bathroom fittings, etc will be imported from Dubai and China.

5.4 Other Costs

Other procurements will include office furniture and equipment. In addition, other capitalized costs presented in Annex 1 are fixed overheads and initial working capital.

5.5 Projected Output

The company will start with 2 floors and 28 apartments each which will be completed within three years from commencement.

5.6 Inputs

The main inputs will be the construction materials and labor. The costing for each product is shown in Appendix x.

5.7 Environmental Considerations

An environmental impact assessment report is to be obtained to ensure that all environmental considerations are taken care of.

6.0 FINANCIAL ASPECTS

6.1 *Project Costs and Financing Plan*

The project cost is estimated at USD 1,000,000 million as summarized below.

Project Costs (USD'000)

DESRPTION	EQUITY	SHAREH O LDER LOANS	BANK LOAN	TOTAL
Land	600,000			
Construction Materials	100,000			
Labor	50,000			
Contractor Fees	100,000			
Consultancy Fees	25,000			

Vehicles	100,000			
Contingencies	25,000			
Total Investment	1,000,000			
Contribution (%)	100			100%

The cost of land is based on the company directors estimated market value while the construction costs are based on actual costs incurred as per the Bills of Quantities (BOQs). Details of the Investment Costs are presented in **Annex 1**. The financing plan has been developed to utilize Equity, shareholders loan and bank loan to finance the project. Equity finance will be share capital, internally generated funds and special funds designated by sponsors to implement the project.

6.2 Proposed Loan and Collateral

No loan is proposed to be designated in US Dollars to finance the project.

6.3 Profitability and Financial Condition

The profitability statements are projected in **Annex 2**.

The projected cash flows are presented in **Annex 3**. The project will generate adequate cash to meet its operational costs and service the loan obligations to shareholders. Management intends to plough the profits back into the fruit processing plant. *(No provision for this has been made as the costing is yet to be ascertained by the promoters).*

The key results are summarized below. (TSHs' millions)

ITEM	Year 1	Year 2	Year 3	Year 4	Year 5
SALES	500	600	750	800	850
Gross Profit	350	400	450	700	800
Net Profit	300	350	400	650	750
Net Margin	300	350	400	650	750

7.0 Economic Development Aspects

The project has various economic and social benefits to the economy. The project is anticipated to generate employment progressively for up to 50 people and more including casual labour.

Project is also anticipated to reduce on the national housing deficit.

The company will also pay taxes to the Government in form of corporation taxes.

8.0 PROJECT RISKS AND UNCERTAINTIES

The likely project risks would arise from failure to penetrate the market leading to reduction in prices and output. In addition, a price escalation and delays in implementation would escalate the project costs with negative impacts. Another potential risk would arise from threat of high borrowing costs. The risk of poor management is remote given the experience of the promoters.

The impact of the above risks would be low sales as a result of low capacity output or competition, increase in cost of construction materials or reduction in sale prices.