

U XUAN LIMITED

BUSINESS PLAN

FOR

SUPERMARKET ESTABLISHMENT

1.0. **EXECUTIVE SUMMARY.**

U XUAN LIMITED is a company registered in the country under the Companies Act, Cap 212 and bears Certificate of Incorporation No.181735805 issued on 30th January, 2025

The project promoters are well established business in Tanzania and China carrying out various businesses. Having been in the business for over 10 years the directors are now well prepared for diversification and they see a very bright future in the supermarket business in Dar es Salaam region.

The document has been prepared to serve as a business plan for **U XUAN LIMITED** for the supermarket project. The implementation of this project will comprise of the following activities: -

- To equip the supermarket with necessary facilities,
- The purchase utility vehicles and delivering van
- The construction of a modern supermarket and

The proposed project is estimated to cost about US\$ 5m.

THE PROJECT PROMOTERS

The shareholders of this project are all Tanzanian entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely: -

Name	%of shares	Nationality
CHEN LIJIN	60	China
CHEN MEILAN	40	China

1.1 **LOCATION.**

The project head office will be located at, **Plot 1870, Oysterbay. Kinondoni**

1.2 **TARGETED MARKETS.**

The targeted markets of the project are upper- and middle-class earners living in Oysterbay, Masaki and neighboring areas Oyster Bay is one of the most desirable places to live in Dar es Salaam, attracting both Tanzanian elites and the international community. The neighborhood is characterized by large villas, modern apartment complexes, and gated residential compounds. These homes are often set back from the main roads, surrounded by gardens, palm trees, and tropical plants, giving a sense of privacy and exclusivity.

The area is also home to a number of foreign embassies and diplomatic residences, making it a center of international diplomacy and security. Families are drawn to Oyster Bay not only for its tranquility but also because of its access to top-tier international schools such as the International School of Tanganyika (IST). The

combination of safety, amenities, and aesthetic appeal makes it a premier choice for long-term residents and newcomers alike

Beyond its beaches and homes, Oyster Bay has also emerged as a vibrant cultural destination. Nearby lies Nafasi Art Space, one of Tanzania's most important centers for contemporary art. Nafasi hosts artists' studios, galleries, film screenings, live performances, and art workshops. It supports both emerging and established Tanzanian artists, giving them a platform to explore and express social, political, and cultural themes.

This cultural vibrancy extends into the streets and markets, where local artisans display handmade crafts, paintings, and jewelry. The area's creative scene is deeply rooted in Swahili traditions but also embraces modern influences, reflecting Tanzania's dynamic cultural evolution. For visitors interested in the arts, Oyster Bay offers an enriching experience that goes far beyond the visual appeal of its coastline.

Oyster Bay is a culinary hotspot, offering a diverse mix of dining experiences. Seafood, naturally, takes center stage, with many restaurants serving fresh catches like prawns, octopus, and fish grilled in Swahili spices. However, you'll also find international cuisine ranging from Italian and Indian to Chinese and Middle Eastern, thanks to the neighborhood's cosmopolitan community.

Popular venues such as The Slipway and Cape Town Fish Market provide not only good food but also beautiful waterfront views and live entertainment. For more casual outings, beachside food stalls and cafés offer grilled corn, mishkaki (meat skewers), chapati, and sugarcane juice. The area also features wellness centers, yoga studios, and gyms, promoting a healthy, balanced lifestyle that complements the coastal environment.

Oyster Bay is well-connected to the rest of Dar es Salaam through major roads such as Ali Hassan Mwinyi Road and Haile Selassie Road. The infrastructure has improved significantly in recent years, with the expansion of paved roads, enhanced internet services, and upgraded utilities. The neighborhood enjoys relatively reliable electricity and water supply compared to many parts of the city.

While traffic congestion can become a problem during peak hours, especially during the weekday commute, the area's overall accessibility continues to improve. Plans for better urban transport, including bus rapid transit routes and cycling lanes, are in discussion to meet the growing demand and population pressure. This makes Oyster Bay not just a desirable location, but also a practical one for modern urban living.

1.3 INDUSTRY ANALYSIS

In changing economy such as Masaki and Oyster Bay the supermarket model is becoming more popular with consumer. There is no such modern supermarket in Oysterbay that provides a large selection of bargain priced items and the right product mix.

1.4 BUYING PATTERNS

Consumers demand quality customer service, fair pricing, and a convenient location. Competition is very tough with customer service and location being key components. The selection of merchandise a store provides is also very important.

1.5 COMPETITION

Currently there are many companies' small supermarkets in Oysterbay, the big challenge for the above mentioned is quality, varieties and price charged and customer service. It is very expensive and most of people cannot afford the price, the quality is questionable that why the U XUAN LIMITED came in to fill the gap.

1.6 COMPETITIVE ADVANTAGE/BARRIERS TO ENTRY

By relying on our technology and an activity-based costing system, rather than a time-based system, we will be able to maintain competitive prices and sustain high profitability. Our technology and

systematic efficiencies will allow us to have advantages in cost, speed and design capability. Ultimately, these advantages will quickly come to define U XUAN LIMITED as an industry leader.

LIMITED U XUAN LIMITED technology gives us a significant advantage over our competitors, and our patent prevents others from being able to replicate the services we offer.

1.7 SPECIAL STRENGTHS OF GLORY ALUMINIUM MANUFACTURING LIMITED.

- The customer care provided by the company
- New technology used by the company
- Directors experience in aluminum supermarket business
- Experienced technical staff

1.8 PRODUCT PRICING

The pricing policy for the project will be based on the service cost and competition levels from substitute services available in Tanzania market considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and

1.9 MONITORING AND EVALUATION

The Management has full commitment to ensuring goods produced maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance to standards and safety of products and customers they serve.

1.10 ENVIRONMENT PROTECTION

The company intends to make environment friendly; the company will save the country's environment in particular and global environment in general.

1.11 STRATEGY AND IMPLEMENTATION SUMMARY

U XUAN LIMITED will use a strategy of total market service; the main strength is project location and product mix available in the supermarket all time throughout the year.

U XUAN LIMITED will use sales promotion, mass selling and distributing promotion materials to potential customers.

2.0 Project Investment Cost

The estimated capital investment cost of the project is US \$ 1,500,000

U XUAN LIMITED COST STRUCTURE US\$

PARTICULAR	
Land and Buildings	200,000.00
Machinery & Equipment	450,000.00
Motor Vehicles	200,000.00
Furniture & Fixtures	10,000.00
Pre exp	15,000.00
Others	25,000.00
Working Capital	600,000.00
TOTAL	1,500,000.00

For the project to be a reality a total investment amounting to US \$1,500,000 is needed

2.1 Financing pattern

The project will be financed by long term loan US\$ 7000,000 and Equity US\$800,000

3.0 Aspect of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able

to operate undisturbed. The Government support for industrialization and rises of middle-income earners gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

4.0 Financial Analysis

4.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on the experience of the promoters and trends in the industry in general.

4.2 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years and that revenue from bottled drinking water business from the first year of operation.

U XUAN LIMITED PROJECTED REVENUE LTD

	1	2	3	4	5	6	7	8
Revenue	2,000,000	2,200,000	2,420,000	2,662,000	2,928,200	3,221,020	3,543,122	3,897,434

4.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$487,550 in first year to US\$ 2,854,013 8th year

U XUAN LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6	7	8
Revenue	2,000,000	2,200,000	2,420,000	2,662,000	2,928,200	3,221,020	3,543,122	3,897,434
Cost of raw materials	1,200,000	1,320,000	1,452,000	1,597,200	1,756,920	1,932,612	2,125,873	2,338,461
Profit before Depreciation &Interest	800,000	880,000	968,000	1,064,800	1,171,280	1,288,408	1,417,249	1,558,974
Interest	56,000	48,000	32,000	24,000	16,000	8,000	0	-
Depreciation	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500
Net Profit before Tax	696,500	784,500	888,500	993,300	1,107,780	1,232,908	1,369,749	1,511,474
Tax (30%)	208,950	235,350	266,550	297,990	332,334	369,872	410,925	453,442
Profit After Tax	487,550	549,150	621,950	695,310	775,446	863,036	958,824	1,058,032
Accumulated Profit	487,550	722,900	989,450	1,287,440	1,619,774	1,989,646	2,400,571	2,854,013

4.4 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1st, i.e. US\$ 591,050 of operation to the 8th year i.e. US\$ 6,808,64

U XUAN LIMITED PROJECTED CASH FLOW " US\$"

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	800,000	880,000	968,000	1,064,800	1,171,280	1,288,408	1,417,249	1,558,974
Equity	800,000								
Loan	700,000								
Total Sources	1,500,000	800,000	880,000	968,000	1,064,800	1,171,280	1,288,408	1,417,249	1,558,974
Applications:									
Capital expenditure	860,000	-	-	-	-	-			
working Capital &Others	640,000								
Cash	-	591,050	644,650	701,450	766,810	838,946	918,536	1,006,324	1,105,532
Tax	-	208,950	235,350	266,550	297,990	332,334	369,872	410,925	453,442
Sub total	1,500,000	800,000	880,000	968,000	1,064,800	1,171,280	1,288,408	1,417,249	1,558,974
Total applications	1,500,000	800,000	880,000	968,000	1,064,800	1,171,280	1,288,408	1,417,249	1,558,974
Accumulated cash		591,050	1,471,050	2,172,500	2,939,310	3,778,256	4,696,792	5,703,116	6,808,647

4.5 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. Equity of the project increases from US\$**800,000** in the first year of operation to US \$ 1,858,032 in the 8th year

U XUAN LIMITED DPROJECTED BALANCE SHEET " US \$"

Fixed Assets	-	1	2	3	4	5	6	7	8
Opening balance	-	860,000	812,500	765,000	717,500	670,000	622,500	575,000	527,500
Total Long-term Assets	-	860,000	812,500	765,000	717,500	670,000	622,500	575,000	527,500
Less depreciation	-	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500
Closing balance	-	812,500	765,000	717,500	670,000	622,500	575,000	527,500	480,000
Working capital	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000
Accumulated cash	-	5,228,925	10,841,315	16,944,944	23,592,365	30,831,385	38,745,593	47,394,936	56,856,357
Total assets	640,000								
Financed by									
Loan	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	-
Equity	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Net profit	-	487,550	549,150	621,950	695,310	775,446	863,036	958,824	1,058,032
Total equity	800,000	1,287,550	1,349,150	1,421,950	1,495,310	1,575,446	1,663,036	1,758,824	1,858,032
Long term loan	700,000	700,000	600,000	500,000	400,000	300,000	200,000	100,000	-
Total debts	700,000	700,000	600,000	500,000	400,000	300,000	200,000	100,000	-
Total equity and debts	1,500,000	1,987,550	1,949,150	1,921,950	1,895,310	1,875,446	1,863,036	1,858,824	1,858,032

4.6 Projected payback period

Total investment is US \$ 1,500,000 cash accumulation 3th year is US \$1,801,150.00 which is more than the initial investment by US\$ US\$ 301,150 the project payback Period is within 3 years,

U XUAN LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	487550	47,500.00	535,050.00	535,050.00
2	549150	47,500.00	596,650.00	1,131,700.00
3	621950	47,500.00	669,450.00	1,801,150.00
4	695310	47,500.00	742,810.00	2,543,960.00
5	775446	47,500.00	822,946.00	3,366,906.00
6	958824.16	47,500.00	1,006,324.16	4,373,230.16
7	1058031.576	47,500.00	1,105,531.58	5,478,761.74

4.7 Loan repayment schedule

The total loan is US \$ 700,000 and interest is 8% charged annually, loan is to be repaid within 7 years as indicated below:

U XUAN LIMITED PROJECTED LONG-TERM LOAN REPAYMENT OF US\$

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
0				700,000
1	100,000	56,000	156,000	600,000
2	100,000	48,000	148,000	500,000
3	100,000	40,000	140,000	400,000
4	100,000	32,000	132,000	300,000
5	100,000	24,000	124,000	200,000
6	100,000	16,000	116,000	100,000
7	100,000	8,000	108,000	0
TOTAL	700,000	224,000	924,000	

5.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project will create employment for **25** people on permanent contract basis as well as on temporary basis.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge to supermarket industry

6.0 Implementation

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction and operations will be commenced within one year: -

ACTIVITY	PERIOD
Processing TIC Certificate of Incentive	May 2025
Resources mobilization	April –December 2027
Ordering plant and machine	July -October 2025
Machine installation	December- June 2026
Testing business and in house training	June-Dec 20126
Commercial operations	January 2027

7.0 Conclusion and recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2022.

