



SATURN CORPORATION LIMITED

Project Proposal Report

Project: Establishment of Manufacturing Facilities for Assembly of Tractors, Tipper Trucks and Other Accessories

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Executive Summary

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1.0 Executive Summary

1.1 Forward

The Government of Tanzania focuses on industrialization as the main catalyst to transform the economy, generate sustainable growth, and reduce poverty. For Tanzania to become a semi-industrialized country, the contribution of manufacturing to the national economy must reach a minimum of 40% of the GDP by 2025. As Foreign Direct Investments (FDIs) are expected to provide the capital for the desired industrial development, **Saturn Corporation Limited** has decided to venture into the complete assembly of tractors and tipper trucks to cater to local and foreign markets.

1.2 Objective of Study

A recently established local organization **Saturn Corporation Limited** has realized the potential in the manufacturing sector. They are contemplating establishing a manufacturing plant to assemble complete knock-down tractors and tipper trucks here in Tanzania. They propose to assemble the complete knock-down tractors and tipper trucks and supply them to the local and neighboring countries. A thorough techno-economic evaluation has been carried out to determine the viability of this proposed project.

1.3 The Company

Saturn Corporation Limited has been incorporated as a Limited Liability Company on the 20th April 2021 under the certificate of incorporation number 151628931. The company has obtained Tax Identification Number 151-627-781 & VRN No. 40-042918-R. Currently, we are in process of obtaining all the necessary permits and registrations with the appropriate governments to commence the Assembly activities. The registered office of the company is situated at plot no. 94, Kipawa Industrial Area, Nyerere Road Dar es Salaam and the assembly plant will be located at Plot No. 2-11, Block B, Kigogo Kisarawe II, Dar es Salaam.



1.4 Project Promotors

The proposed project is being promoted by a team of suitably qualified professionals who have extensive commercial acumen and many years of demonstrated experience. They have capitalized on the new company adequately to venture into the new intended lines of the business in Tanzania. **Saturn Corporation Limited** has the following shareholders:

Name of the shareholder	Nationality	Shareholding
Chirag Kiritkumar Tanna	Tanzania	39%
Rehmatullah Habib Rehmatullah	Tanzania	15%
Sneha Chug	Canada	46%

1.5 The Project

Saturn Corporation Limited has been incorporated with the primary objective of establishing an Assembly Plant for the Chinese Brand Trucks / Tippers. The company will import complete knock-down tractors and tippers to use as a major raw material component. These components will be used in the assembling processes to produce complete finished Tractors and Tipper Trucks to supply to various Transpiration companies, Construction companies & Mining Industries in the country - the local market and overseas market.

1.6 Market and Marketing Aspects

Since the base for **Saturn Corporation Limited** will always remain in Tanzania and the primary objective is to serve the local market, appropriate and sufficient incentives are of utmost importance to make these entire operations feasible and viable. The Company envisages establishing its operations in Tanzania to allow for sales, marketing, and training activities in the region. This will provide a boost to the local labor market in terms of increasing employment. It will also upskill the existing labor force of Tanzania to embrace the new technology. Proposed operations will increase the sovereign capability of Tanzania to enhance and strengthen the supply chain of Tippers and Trucks. It will reduce the reliance on the overseas supplier to source Tippers and Trucks for which the demand is rising rapidly. The market survey carried out supports these facts. The survey also concludes that the proposed assembling plant will not face any market challenges. The proposed project will have economies of scale to make them more affordable,



reliable, and efficient supply of Tippers and Trucks in the future. It will also ensure a steady and just-in-time supply of spare parts for the ongoing needs of this segment.

1.7 Process and Technology

The assembly operations will use the know-how and technology from the supplier in China. The facilities will be state-of-the-art and one of a kind in Tanzania. Saturn Corporation Limited will require the Machinery, Plant & Equipment and Assembly Tools which are all to be imported from the supplier in China.

1.8 Raw Materials

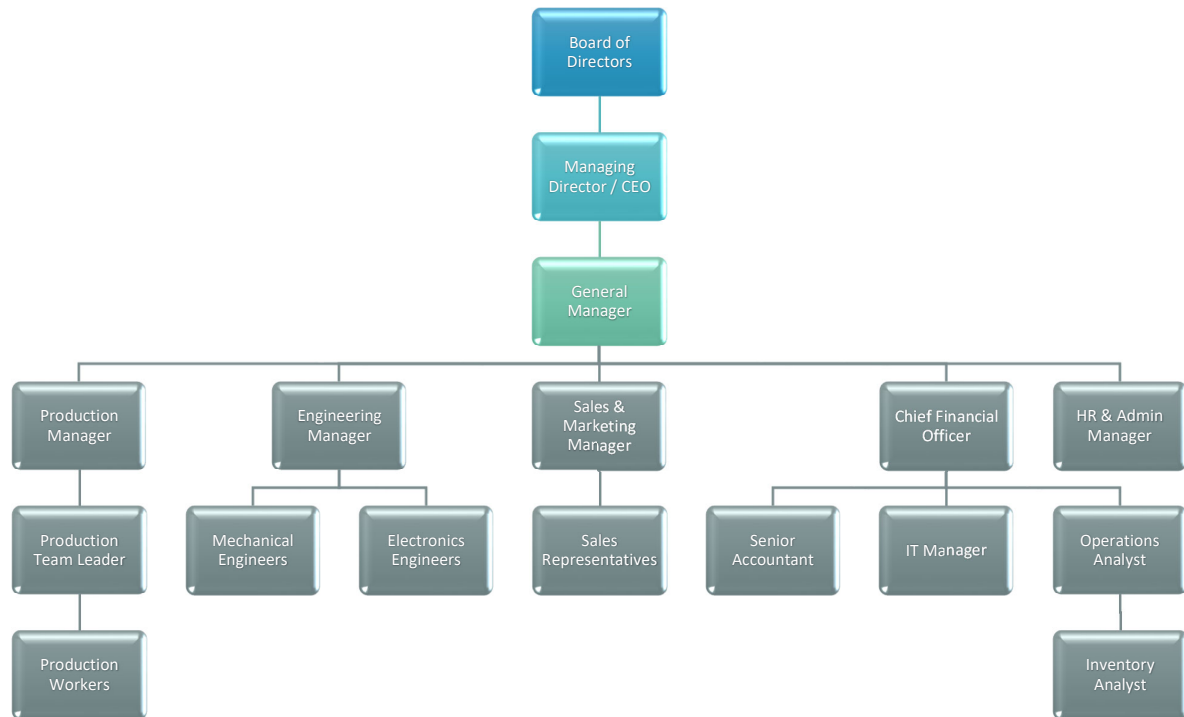
The proposed Assembly Operations will need complete knock-down tractors and tippers as a major raw material component. The project will ensure these complete knock-down tractors and tippers imported are used in the assembly process to manufacture fully functional and road worthy Trucks and Tippers. These raw materials will be imported from the supplier in China.

1.9 Human Resources Requirements

The proposed Assembly Operations will employ 300 people on a full-time basis to work. Saturn Corporation Limited will also need to hire up to 20 expatriate personnel for key positions like General Manager, Engineers, Production Manager. Tanzanian Nationals will be given preference where skills and experience are required for the role match.

1.10 The Management

Saturn Corporation Limited will be governed by the qualified Board of Directors. The initial requirement of human resources is based on low production volume and more resources will be added as the business expands. The high-level human resources chart can be found as below:



1.11 Implementation

The Major activities include registration and approval by the Tanzania Investment Centre and mobilization of funds from sponsors and banking institutions. Civil works design, tendering and construction will be carried out immediately after the project is approved. Machinery will be ordered after funds are committed.

1.12 Recommendation

The detailed due diligence of the project suggests it will be in the national interest of the country to allow this project to proceed. The Transportation, Construction & Mining Sector will get their Trucks and Tippers at affordable cost, with high quality, at quickest possible lead time and with local manufacturers warranty. It will generate very high employment. It will upskill the current labour force. It will also strengthen the supply chain of the country. At the same, time this project is technically and financially feasible. It is therefore recommended for implementation.

The Project

- 2.1 • Assembling Plant in Tanzania
- 2.2 • Importance of havign Local Assembling Plant
- 2.3 • Employment
- 2.4 • Project Timelines and Milestones
- 2.5 • Project Risk Summary



2.0 The Project

Saturn Corporation Limited has been incorporated in Tanzania - certificate of incorporation no. 151628931, dated 20th April 2021 with the objective of assembling tractors, tipper trucks and their accessories. The project will involve establishing a manufacturing facility that will be used to assemble complete knock-down tractors and tippers with the aim to produce Tractors and Tipper trucks in Tanzania. Complete finished trucks and tippers will be supplied to the local market and neighboring countries. The plant will have an installed capacity to assemble 3,000 vehicles per year. The business plan submitted is to complement previous efforts undertaken to ensure the establishment of assembling activities at **Saturn Corporation Limited** and to attract new investments.

2.1 Assembling Plants in Tanzania

Tanzania imports complete tractors and tipper trucks which by the time they reach Tanzania become very expensive. **Saturn Corporation Limited** has decided to commence assembly operations of tractors and tipper trucks to reduce costs of these items if were to be imported. **Saturn Corporation Limited** will cater for most of the assembly of a variety of vehicles in Tanzania and neighboring countries.

2.2 Importance of having Local Assembling Plan

On 22nd April, 2021 Tanzania's President unveiled the Economic Sector and Strategy that the sixth phase government will prioritize and pursue in the next five years. The Sixth Phase Government announced it will continue its efforts to encourage the construction of factories in the country to accelerate industrialization. It will also develop free trade zones with strong transport infrastructures, such as railways, ports, and roads connecting to neighbouring countries. The development of the Kongani Industrial Parks is particularly important in stimulating industrialization and enabling Tanzania to take advantage of the various trade opportunities, such as EAC, SADC, and AfCFTA. To stimulate the key economic sectors, Sixth Phase Government will continue to strengthen transport infrastructures.

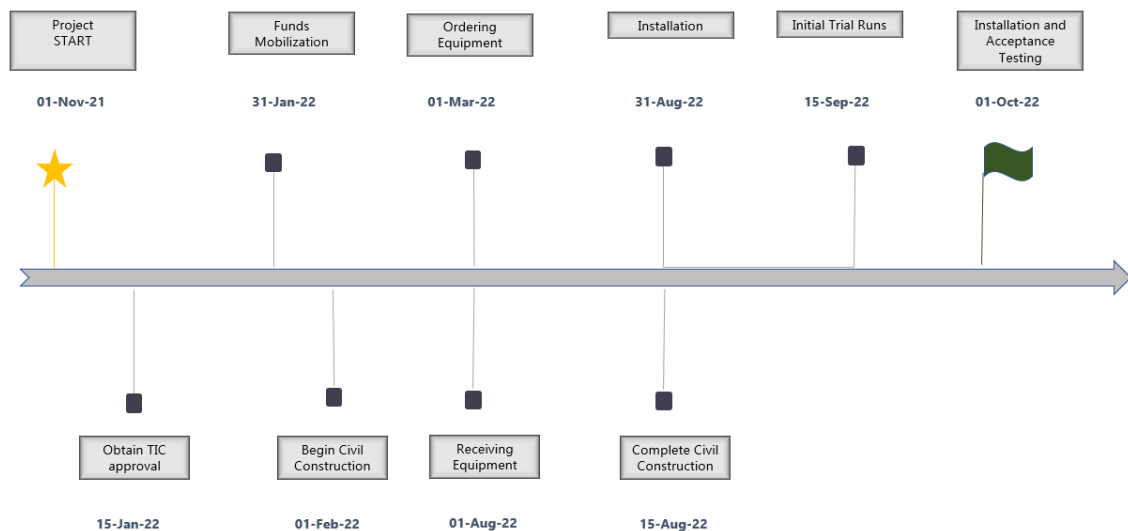
This assembly plant is the step in that strategic direction that focuses on the next phase of growth, strengthen transport infrastructure and generate export earnings for the country. It will also bring new technology to the country.

2.3 Employment

This assembly plant will offer job opportunities for several hundred local people and it will also support employment in the ancillary industries. It will act as an engine to drive the economic activities in the region. The company will need to recruit expatriate personnel for the positions of General Manager, Engineers, Production Manager. Other positions will be allocated to Tanzanian nationals based on skills and experience in the assembling activities. **Saturn Corporation Limited** will aim to employ 300 local personnel on a full-time basis and 20 expatriate personnel.

2.4 Project Timelines and Milestones

The project sponsors are committed to implementing the project as soon as the Tanzania Investment Centre approves it. The project sponsors are determined to start the implementation activities immediately with the equity contribution from both local and foreign collaborators. Machinery suppliers indicated their readiness to deliver the plant and machinery within a period of four months. Key project activities and indicative timelines agreed during the planning phase are as below:



2.5 Project Risk Summary

During the planning phase, detailed risk analysis was conducted using the best available information available. Following is a summary of the important risk items which is followed by risk mitigation strategy:

Key Risks Summary:

Key Risk	Impact
Reliance on Borrowings from the Bank	Low
Skilled Resources availability	Moderate
High Dependency on Government Approval / Support	Moderate
Import Duty Concession granted to Fully assembled Trucks	Severe

Legend

Severe	Moderate	Low
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Risk Mitigation Strategy:

Risk Areas	Mitigation Plan
Reliance on Bank Borrowings	Got the pre-approval from banks to release funds for this project
Skilled Resources Availability	Hiring local recruitment agency to help with extensive search, also overseas agencies will help with recruitment of expatriates
Government Approval dependability	Initial discussions with Government officials held and response for this project is very positive
Import Duty Concession granted to fully assembled trucks	There are ways to reduce the manufacturing costs to be competitive in the market when import duty concession will be granted to fully assembled trucks

Project Cost and Funding

- 3.1 • Project Costs Summary
- 3.2 • Project Costs Funding
- 3.3 • Operating Cost

3.0 Project Costs and Funding

3.1 Project Costs Summary

The project capital costs are detailed and summarised below:

Description of the Investment	Amounts in US\$
Kigamboni - Land	\$ 1,200,000
Kigamboni - Land - Wall	\$ 390,000
Kigamboni - Construction & Steel Work	\$ 4,920,000
Building for Staff	\$ 670,000
Machineries	\$ 3,410,000
Computers & Peripherals	\$ 300,000
Furniture & Fixtures	\$ 400,000
Total Investments Required	\$ 11,290,000

3.2 Project Costs Funding

The project funding source has the following mix

Source of the Funds	Amount in US\$
Equity Capital	\$ 4,400,000
Long-term Bank Loan	\$ 1,900,000
Supplier Credit	\$ 3,590,000
Short-term Bank Loan	\$ 1,400,000
Total Funds	\$11,290,000

3.3 Operating Costs

The operating costs of this assembly plant is US\$0.7m in the first year increasing to US\$2.8m in the 4th year of operation.

Management & Organisation

- 4.1 • Governance Body Management Team
- 4.2 • Executive Management Team
- 4.3 • Functional Management Team

4.0 Management and Organisation

The company will be managed and run to the highest professional standards in the industry. It will have 3 broad layers of management as below:

4.1 Governance Body Management Team

Board of Directors will be the highest governing body with directors from diverse field to provide expert knowledge and exert influence on the decision-making process. They are at the top of the pyramid structure of the company. It will have a Chairman and Directors. They will be primarily responsible for the following:

- establish a governance framework, including a compliance framework to ensure the company meets its obligations
- set the strategic direction to help the company achieve its purpose
- oversee financial performance of the company
- oversee a risk management strategy and risk management performance
- play an active role in building a culture of integrity by modelling the behaviour based on the public sector values and standards
- oversee the performance and remuneration of the company head
- operate within its statutory powers and policies
- oversee the occupational health and safety of the company
- manage stakeholders

Board will have responsibility to keep certain procedures and documentation in order. They will need to:

- follow their company's rules on holding meetings and making decisions
- keep records of meetings
- follow the code of conduct for directors
- have a strong gifts policy for directors
- keep good financial records
- put controls in place to prevent fraud
- set up processes to deal with conflicts of interest in directors
- keep good financial records for at least 3 years for auditing
- have a strong risk management system that relevant ministers and department heads know about
- inform the relevant minister and department head of any known major risks to the operation of the company



4.2 Executive Management Team

Companies Board appoints the members of the Executive Management Team. The Executive Management Team is chaired by the Managing Director / Chief Executive Officer. General Manager will be appointed and solely responsible for managing company's core business operations. This requires planning of various development processes, Group principles and Group practices, as well as monitoring the development of financial matters and Group business plans. The Executive Management Team convenes monthly and minutes are kept of the meetings. The Board of Directors have approved the charter of the Executive Management Team.

The executive team is characterized by 3 vital threads that run through everything they do.

- **Strategic focus**
Executive team will establish a vision for the organization and invest considerable time and energy at the strategic level. They will balance risk and innovation, anticipate future needs and opportunities, and seek to ensure the organization's sustainability.
- **Collective approach**
Executive team will work together, taking an enterprise-wide view of their individual and team functions. They model for the entire company ways to break down silos and develop solutions to business problems together. Individuals on top-performing executive teams prioritize the interests of the organization over individual gains.
- **Team interaction**
Finally, they will be intentional in their interactions. They value their differences, listen and communicate well, seek input from each other, and trust and respect one another. These behaviors make teams more effective. Crucially, they also model for the rest of the enterprise what team interactions should look like.

The executive team is responsible for managing the senior executives from the different functions of the company. Functional and Departmental heads will look up to them to seek clarification, guidance and get inspiration.



4.3 Functional Management Team

Functional Management Team is departmental in nature and represented by different heads from different departments. A functional manager manages and owns the resources in a specific department, such as Production, Engineering, Sales & Marketing, Finance, Human Resources & Administration. They generally direct the technical work of individuals from that functional area who are working in that department. There will be high degree of involvement of a functional manager in the day-to-day running of each department.

The required skill set for each functional head can be summarized in key points below:

Technical skills are essential for functional managers, because they require specific knowledge and capabilities to accomplish their tasks.

Communication skills refer to a functional manager's ability to transfer the information to others effectively and efficiently. Functional managers need to convey information to subordinates so that subordinates can understand what is expected from higher authorities. Once they better understand overall goals and requirements, they work with colleagues to achieve the organization's goals.

Decision making skills require functional managers to have the ability to weight the positives and negatives of each decision. Moreover, this skill also requires functional managers to recognize problems and opportunities quickly and correctly. They should then take appropriate actions to solve the problems or to capitalize on the opportunities.

Functional managers also need **interpersonal skills** because they need to get along with people within or outside their function, for example, senior managers or investors. Sometimes they need to face customers as well.

Time management skills are also essential for functional managers, as they need to manage their work efficiently and delegate appropriately. A good functional manager should be able to accomplish tasks on time.

Although the skills above are important for all types of managers, their relative importance tends to vary by function. For example, finance functional managers need to have skills in fundraising and financial analysis.



Saturn Corporation Limited will appoint following functions heads with their respective roles and responsibilities:

Production Manager

A Production Manager is responsible for production of Tractor and Tipper Trucks according to the Production Plan drafted and agreed with General Manager. Production Manager will operate from a site factory and main duties and responsibilities include overseeing manufacturing and production processes, creating and execute daily, weekly, monthly and annual production schedules, procuring factory production equipment and taking responsibility for its maintenance, striving to reduce expenses and increase productivity across all product lines, maintaining hygienic conditions for both employees and the factory itself, implementing all the company's procedures and policies, communicating any problems or obstacles to senior management, monitoring productivity rates, standards and quality control, training and coaching Factory Operators and Sorters, implementing safety, health, environment and quality requirements.

Engineering Manager

Engineering Manager will plan, coordinate and oversee the technical and engineering activities of the company. They will be responsible for planning engineering projects and overseeing the efficient running of projects, including providing supervision and guidance to other engineers. Their focus is on goals and the management of issues between business and delivery. Key responsibilities include proposing and managing budgets for projects, supervising the work of direct reports, planning and executing strategies for completing projects on time, researching and developing designs and products, determining the need for training and talent development, hiring contractors and building teams, ensuring products have the support of upper management and providing clear and concise instructions to engineering teams.

Sales and Marketing Manager

Sales and Marketing Manager will be responsible for advertising and selling of company's products and to create competitive advantages for the company in the market industry. The sales and marketing manager's responsibilities include generating unique sales plans, creating engaging advertisements, emails, and promotional literature, developing pricing strategies, and meeting marketing and sales human resource objectives. The sales and marketing manager represents



the company's brand and drives strategies to increase product awareness by observing the market, competitors, and industry trends.

Chief Financial Officer (CFO)

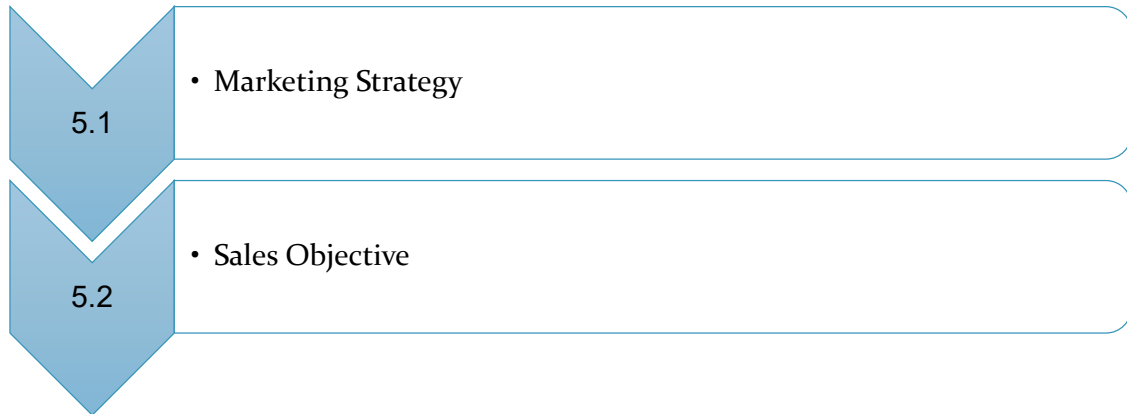
Chief Financial Officer plays a key role in managing financial actions of the company. CFO's duties include tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions. The role of a CFO is like a treasurer or controller because they are responsible for managing the finance and accounting divisions and for ensuring that the company's financial reports are accurate and completed in a timely manner. CFO will interact with various members of a company, both senior and junior. A CFO job duties will include providing leadership, direction and management of the finance and accounting team, providing strategic recommendations to the CEO and members of the executive management team, managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting, advising on long-term business and financial planning, establishing and developing relations with senior management and external partners and stakeholders and reviewing all formal finance, HR and IT related procedures.

Human Resources & Admin Manager

Human Resources & Admin Manager plays key role in attracting and retaining talent pool within the company. Main duties and responsibilities include managing company staff, including coordinating and supporting the recruitment process, onboarding newcomers to the company, determining suitable salaries and remuneration, providing the necessary support systems for payroll requirements, developing adequate induction and training, supporting employee opportunities for professional development, managing succession planning of staff, assisting with the performance management and review process.

This role assumes the Admin Manager duties which are mainly managing office supplies stock and placing orders, preparing regular reports on expenses and office budgets, organising and maintaining filing systems, managing document control, answering queries by employees and clients, updating office policies and communicating them to the wider team, maintaining individual, team and company calendars and scheduling appointments, preparing and formatting documents, reports and presentations, booking meeting rooms, printing and photocopying.

The Market





5.0 The Market

Saturn Corporation Limited intends to provide the tractors and tipper trucks to the local transportation, construction & mining sectors who will have wished to purchase the trucks and tractors locally to avoid the hassle of importation and at affordable prices. Over the last years, the transport of cargo in Tanzania has shown an important increase, particularly through Dar es Salaam port, especially for all the neighboring countries like Zambia, D.R. Congo, Rwanda, Malawi and Burundi. Zambia border (Tunduma/Nakonde), Malawi border (Kasumulo), Rwanda border (Rusumo) and Kenya border (Horo Horo). This situation has increased the demand for more tractors, tipper trucks and trailers to meet the ever-increasing cargo in East African countries and SADC countries. There is also a potential market for export which can be mainly found among the surrounding countries. The average total demand for heavy trucks is very high is approximately over 5,000 vehicles yearly.

5.1 Marketing Strategy

The marketing strategy will base on three principles; creating an East African hub in Tanzania using a network of importers and standardizing the vehicle specifications. By using the existence of importers and dealers the various markets can easily be penetrated. Fixed sales and service points will be established as soon as the sales volumes could motivate it.

5.2 Sales Objective

The base for Saturn Corporation Limited assembly operations will always be the domestic market. The sales volume is expected to reach 1,800 tractors and 600 tipper trailers per year. The potential export sale is in addition to these figures. The main condition for achieving this will be a successful implementation of the outlined marketing strategy.

Financial Analysis

- 6.1 • Basic Assumptions
- 6.2 • Projected Profit and Loss Account
- 6.3 • Projected Cash Flow



6.0 Financial Analysis

6.1 Basic Assumptions

In the financial analysis the following major assumptions have been made:

- a. Capital foreign costs have been based on an exchange rate of T. Shs.2,300 per one US Dollars.
- b. Component prices have been based on quotations current prices.
- c. The number of working days has been taken to be 300 days working on a single shift per day.
- d. Taxation is 10% of taxable profit.
- e. Salaries and wages have been based on the current scale in the country.
- f. The fixed assets of the Company are depreciated on a straight-line method.
- g. Operating costs have been taken as 95% of the total revenue the details of these costs are shown in annexes.
- h. Sales are expected to be US\$ 21m in the first year, increasing to US\$ 120m in the third and subsequent years.
- i. The prices of the vehicles have been maintained at the same level throughout the project period of this study.
- j. Supplier provides credit of 80% of value for good supplied of 6 months, when 20% of deposit is paid in advance in starting years.
- k. Customers are offered 2 months credit and 50% of total sales are assumed to be on credit terms with customers.
- l. Minimum inventory holding is 3 months coverage.

6.2 Projected Profit and Loss Account

The project will generate a net profit after tax of US\$ 0.3m in the first year to second year to US\$ 7.7m in the fourth year of operation.

6.3 Projected Cash Flow

The projected cash flow statement reveals a very healthy inflow throughout the project period with surplus cash rising from US\$273k in the first year of operation to US\$ 982k in the fourth year. The forecasts show a very good cash position despite this being highly capital intensive in nature. There is no doubt that the project will be able to meet all its financial obligations including overdraft repayment and interest without any defaults.

Economic Evaluation

- 7.1 • Transfer of Technology
- 7.2 • Employment Effects
- 7.3 • Other Development Values
- 7.4 • Foreign Exchange Effects



7.0 Economic Evaluation

7.1 Transfer of Technology

The project involves transfer of technology from various European/Chinese countries to Tanzania for the assembly of vehicles.

7.2 Employment Effects

The project will create hundreds of jobs as stated earlier. The Expatriates Production Manager will train semi-skilled local operators on the job.

7.3 Other Development Values

- a. The project will make available vehicles at reasonable and affordable prices, without any delays on as an when needed basis.
- b. The project will substitute import and save foreign exchange and potential to earn foreign exchange through exports to PTA and SADC countries. About 25% of the vehicles will be exported.
- c. The government will earn revenue in terms of taxes and other levies.
- d. The project will have economies of scales effects.

7.4 Foreign Exchange Effects

The project will have an import substitution effect and hence will save the much-needed foreign exchange. The Company intends to export its product in several countries. Also, Tanzania provides geographical benefits for exports in seven neighbouring countries.

Conclusion and Recommendation

8.1	• Conclusion
8.2	• Recommendation



8.0 Conclusion and Recommendation

8.1 Conclusion

It is evident the proposed assembling project is financially and economically viable. The project is therefore highly recommended to be given a certificate of incentives so that it can implement its project as planned and hence contribute to the economic and social development of this country.

8.2 Recommendation

We seek recommendation that the government takes the following actions to support the assembling operation proposed by **Saturn Corporation Limited** in order to benefit from the positive effects this feasibility study has pointed out:

- To give sufficient incentives
- Assuring that the incentives are stable and remain unchanged for at least five years. This will allow necessary investment decisions to be taken.
- Every assistance from concerned parties is expected to make this venture a success. The sponsor's desire is to start the project immediately to avoid cost escalations.

Appendices

- 1 • Revenue
- 2 • Direct Cost
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Appendix - I

Revenue

REVENUE					
	2021	2022	2023	2024	2025
Total Revenue	\$ -	\$ 20,919,000	\$ 68,484,000	\$ 82,900,000	\$ 119,130,000
Revenue Tractor Truck	\$ -	\$ 12,750,000	\$ 43,800,000	\$ 54,000,000	\$ 83,430,000
Unit Tractor	-	300.00	1,000.00	1,200.00	1,800.00
Unit Price	\$ -	\$ 42,500	\$ 43,800	\$ 45,000	\$ 46,350
Revenue Tipper Truck	\$ -	\$ 8,169,000	\$ 24,684,000	\$ 28,900,000	\$ 35,700,000
Unit Tipper	-	150.00	440.00	500.00	600.00
Unit Price	\$ -	\$ 54,460	\$ 56,100	\$ 57,800	\$ 59,500
Sales Revenue	\$ -	\$ 20,919,000	\$ 68,484,000	\$ 82,900,000	\$ 119,130,000



Appendix - II

Direct Cost

Direct Cost					
	2021	2022	2023	2024	2025
Total Direct Cost	\$ -	\$ 19,574,250	\$ 63,189,397	\$ 75,586,502	\$ 107,186,991
Purchase Price (FOB)	\$ -	\$ 15,417,000	\$ 49,985,400	\$ 60,026,500	\$ 85,512,000
Sea Freight	\$ -	\$ 2,539,501	\$ 8,025,201	\$ 9,425,002	\$ 13,038,002
Insurance	\$ -	\$ 45,000	\$ 144,000	\$ 170,000	\$ 240,000
Finance Cost	\$ -	\$ 90,000	\$ 288,000	\$ 340,000	\$ 480,000
Vehicle Registration Tax	\$ -	\$ 107,998	\$ 345,593	\$ 407,992	\$ 575,989
Customs Processing Fee	\$ -	\$ 93,000	\$ 302,800	\$ 359,000	\$ 511,800
Railway Development Levy	\$ -	\$ 271,500	\$ 871,798	\$ 1,042,992	\$ 1,480,200
Delivery Order Charges - Shipping Fees	\$ -	\$ 69,750	\$ 221,400	\$ 260,500	\$ 363,000
Port Handling Charges	\$ -	\$ 195,300	\$ 619,920	\$ 729,400	\$ 1,016,400
Wharfage Charges	\$ -	\$ 288,150	\$ 930,920	\$ 1,113,600	\$ 1,579,800
Heavy Lift Charge	\$ -	\$ 3,300	\$ 10,400	\$ 12,200	\$ 16,800
Corridor Levy Charges	\$ -	\$ 8,400	\$ 27,120	\$ 31,400	\$ 43,800
Bond Charges	\$ -	\$ 47,700	\$ 150,720	\$ 177,000	\$ 244,800
Documentation Charges	\$ -	\$ 7,950	\$ 25,119	\$ 29,498	\$ 40,798
Transportation Charges	\$ -	\$ 101,701	\$ 321,801	\$ 377,402	\$ 519,602
Fuel & Lubricants	\$ -	\$ 128,250	\$ 408,000	\$ 480,500	\$ 672,000
Water & Electricity Expenses	\$ -	\$ 9,000	\$ 28,800	\$ 34,000	\$ 48,000
Consumables	\$ -	\$ 6,750	\$ 21,600	\$ 25,500	\$ 36,000
Maintenance Expenses	\$ -	\$ 9,000	\$ 28,800	\$ 34,000	\$ 48,000
Other Expenses	\$ -	\$ 135,000	\$ 432,000	\$ 510,000	\$ 720,000
Total Direct Cost	\$ -	\$ 19,574,250.00	63,189,397.00	75,586,502.00	107,186,991.00



Appendix - III

Expenses

Expenses					
	2021	2022	2023	2024	2025
Total Expenses	\$ -	\$ 279,650	\$ 700,390	\$ 789,413	\$ 999,259
Business Dev. & Guest Exp.	\$ -	\$ 1,200	\$ 2,400	\$ 2,448	\$ 2,497
Computer Maintenance Exp.	\$ -	\$ 3,000	\$ 6,000	\$ 6,120	\$ 6,242
Insurance Expense	\$ -	\$ 91,625	\$ 183,250	\$ 183,250	\$ 183,250
Internet Expense	\$ -	\$ 1,200	\$ 2,400	\$ 2,448	\$ 2,497
Legal & Professional Charges	\$ -	\$ 9,000	\$ 18,000	\$ 18,360	\$ 18,727
Mv Expense	\$ -	\$ 3,000	\$ 6,000	\$ 6,120	\$ 6,242
Postage And Courier Expense	\$ -	\$ 600	\$ 1,200	\$ 1,224	\$ 1,248
Printing & Stationery Exp.	\$ -	\$ 1,200	\$ 2,400	\$ 2,448	\$ 2,497
Telephone Expense	\$ -	\$ 1,200	\$ 2,400	\$ 2,448	\$ 2,497
Travelling Expense	\$ -	\$ 6,000	\$ 12,000	\$ 12,240	\$ 12,485
Visa Expense	\$ -	\$ 9,210	\$ 18,420	\$ 18,788	\$ 19,164
Safety Gear	\$ -	\$ 9,540	\$ 13,920	\$ 14,198	\$ 14,482
Sataff Welfare	\$ -	\$ 14,280	\$ 41,580	\$ 55,860	\$ 81,840
Security Expenses	\$ -	\$ 12,000	\$ 24,000	\$ 24,480	\$ 24,970
Other Expenses	\$ -	\$ 12,000	\$ 24,000	\$ 24,480	\$ 24,970
Sales & Marketing	\$ -	\$ 104,595	\$ 342,420	\$ 414,500	\$ 595,650
Total Expenses	\$ -	\$ 279,650	\$ 700,390	\$ 789,413	\$ 999,259



Appendix - IV

Assets

Assets					
	2021	2022	2023	2024	2025
Total Assets	\$ 1,200,000	\$ 34,104,094	\$ 35,731,804	\$ 44,020,118	\$ 46,941,411
Current Assets	\$ -	\$ 23,041,219	\$ 25,278,429	\$ 34,176,243	\$ 37,707,036
Cash	\$ 10,000	\$ 270,870	\$ 674,804	\$ 471,162	\$ 982,788
Account Receivable	\$ -	\$ 6,973,000	\$ 5,707,000	\$ 6,908,333	\$ 9,927,500
Inventory	\$ -	\$ 15,797,349	\$ 18,896,626	\$ 26,796,748	\$ 26,796,748
Logn-Term Assets	\$ 1,200,000	\$ 11,062,875	\$ 10,453,375	\$ 9,843,875	\$ 9,234,375
Land	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Wall & Fancing	\$ -	\$ 380,250	\$ 360,750	\$ 341,250	\$ 321,750
Construction & Steel Work	\$ -	\$ 4,797,000	\$ 4,551,000	\$ 4,305,000	\$ 4,059,000
Building for Staff	\$ -	\$ 653,250	\$ 619,750	\$ 586,250	\$ 552,750
Machineries	\$ -	\$ 3,367,375	\$ 3,196,875	\$ 3,026,375	\$ 2,855,875
Computers & Peripherals	\$ -	\$ 285,000	\$ 225,000	\$ 165,000	\$ 105,000
Furniture & Fixtures	\$ -	\$ 380,000	\$ 300,000	\$ 220,000	\$ 140,000
Total Assets	\$ 1,200,000	\$ 34,104,094	\$ 35,731,804	\$ 44,020,118	\$ 46,941,411



Appendix - V

Financing

Financing					
	2021	2022	2023	2024	2025
Amount Receipt	\$ 1,210,000	\$ 7,290,000	\$ -	\$ -	\$ -
Shareholder's Funds	\$ 1,210,000	\$ 3,190,000	\$ -	\$ -	\$ -
Loan	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -
Tem. Funds	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Payments	\$ -	\$ 988,067	\$ 1,582,101	\$ 1,482,101	\$ 494,034
<u>Loan</u>					
Principal Paid		\$ 817,955	\$ 1,300,558	\$ 1,394,575	\$ 486,912
Interest Paid		\$ 170,112	\$ 181,543	\$ 87,525	\$ 7,121
<u>Shareholder's Tem. Funds</u>					
Principal Paid	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -
Balance	\$ -	\$ 3,282,045	\$ 1,881,487	\$ 486,912	\$ -
<u>Short Term Debt</u>					
Loan	\$ -	\$ 1,300,558	\$ 1,394,575	\$ 486,912	\$ -
Tem. Funds		\$ 100,000	\$ -	\$ -	\$ -
<u>Long Term Debt</u>					
Loan		\$ 1,881,487	\$ 486,912	\$ -	\$ -
Balance	\$ -	\$ 3,282,045	\$ 1,881,487	\$ 486,912	\$ -



Appendix - VI

Projected Profit & Loss

Projected Profit & Loss Account					
	2021	2022	2023	2024	2025
Sales Revenue	\$ -	\$ 20,919,000	\$ 68,484,000	\$ 82,900,000	\$ 119,130,000
Tractor Truck	\$ -	\$ 12,750,000	\$ 43,800,000	\$ 54,000,000	\$ 83,430,000
Tipper Truck	\$ -	\$ 8,169,000	\$ 24,684,000	\$ 28,900,000	\$ 35,700,000
<u>Direct Costs</u>	\$ -	\$ 19,574,250	\$ 63,189,397	\$ 75,586,502	\$ 107,186,991
Gross Margin	\$ -	\$ 1,344,750	\$ 5,294,603	\$ 7,313,498	\$ 11,943,009
Gross Margin %					
<u>Operating Expenses</u>	\$ -	\$ 653,291	\$ 1,650,859	\$ 2,129,742	\$ 2,758,088
Salary & Wages	\$ -	\$ 373,641	\$ 950,469	\$ 1,340,329	\$ 1,758,829
Administration Charges	\$ -	\$ 175,055	\$ 357,970	\$ 374,913	\$ 403,609
Sales & Marketing	\$ -	\$ 104,595	\$ 342,420	\$ 414,500	\$ 595,650
Operating Income	\$ -	\$ 691,459	\$ 3,643,745	\$ 5,183,756	\$ 9,184,921
<u>Total Expenses</u>	\$ -	\$ 426,660	\$ 1,076,313	\$ 1,145,698	\$ 1,473,451
Interest Expense	\$ -	\$ 170,112	\$ 181,543	\$ 87,525	\$ 7,121
Income Tax	\$ -	\$ 29,422	\$ 285,270	\$ 448,673	\$ 856,830
Depreciation and Amortization	\$ -	\$ 227,125	\$ 609,500	\$ 609,500	\$ 609,500
Net Profit	\$ -	\$ 264,800	\$ 2,567,432	\$ 4,038,057	\$ 7,711,470
Net Profit %		1%	4%	5%	6%



Appendix - VII

Projected Balance Sheet

Projected Balance Sheet					
	2021	2022	2023	2024	2025
Assets	\$1,210,000	\$34,104,094	\$35,731,804	\$44,020,118	\$46,941,411
Current Assets	\$ 10,000	\$23,041,219	\$25,278,429	\$34,176,243	\$37,707,036
Cash	\$ 10,000	\$ 270,870	\$ 674,804	\$ 471,162	\$ 982,788
Accounts Receivable	\$ -	\$ 6,973,000	\$ 5,707,000	\$ 6,908,333	\$ 9,927,500
Inventory	\$ -	\$15,797,349	\$18,896,626	\$26,796,748	\$26,796,748
Long-Term Assets	\$1,200,000	\$11,062,875	\$10,453,375	\$ 9,843,875	\$ 9,234,375
Long-Term Assets	\$1,200,000	\$11,290,000	\$11,290,000	\$11,290,000	\$11,290,000
Accumulated Depreciation	\$ -	\$ (227,125)	\$ (836,625)	\$ (1,446,125)	\$ (2,055,625)
Liabilities & Equity	\$1,210,000	\$34,104,094	\$35,731,804	\$44,020,118	\$46,941,411
Liabilities	\$ -	\$29,439,294	\$28,499,573	\$32,749,829	\$32,459,652
Accounts Payable	\$ -	\$26,065,069	\$26,495,405	\$32,088,574	\$32,156,097
Income Taxes Payable	\$ -	\$ 29,422	\$ 71,318	\$ 112,168	\$ 214,207
Sales Taxes Payable	\$ -	\$ 62,757	\$ 51,363	\$ 62,175	\$ 89,348
Short-Term & Long-term Debt	\$ -	\$ 3,282,045	\$ 1,881,487	\$ 486,912	\$ -
Equity	\$1,210,000	\$ 4,664,800	\$ 7,232,231	\$11,270,289	\$14,481,759
Paid-In Capital	\$1,210,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
Retained Earnings	\$ -	\$ -	\$ 264,800	\$ 2,832,231	\$ 2,370,289
Earnings	\$ -	\$ 264,800	\$ 2,567,432	\$ 4,038,057	\$ 7,711,470



Appendix - VIII

Projected Cash Flow

Projected Cash Flow					
	2021	2022	2023	2024	2025
Net Cash from Operations	\$ -	\$ 3,878,824	\$ 1,804,492	\$ 1,190,934	\$ 5,498,538
Net Profit	\$ -	\$ 264,800	\$ 2,567,432	\$ 4,038,057	\$ 7,711,470
Depreciation and Amortization	\$ -	\$ 227,125	\$ 609,500	\$ 609,500	\$ 609,500
Change in Accounts Receivable	\$ -	\$ (6,973,000)	\$ 1,266,000	\$ (1,201,333)	\$ (3,019,167)
Change in Inventory	\$ -	\$ (15,797,349)	\$ (3,099,276)	\$ (7,900,122)	\$ -
Change in Accounts Payable	\$ -	\$ 26,065,069	\$ 430,335	\$ 5,593,169	\$ 67,523
Change in Income Tax Payable	\$ -	\$ 29,422	\$ 41,895	\$ 40,851	\$ 102,039
Change in Sales Tax Payable	\$ -	\$ 62,757	\$ (11,394)	\$ 10,812	\$ 27,173
Net Cash from Investing	\$ (1,200,000)	\$ (10,090,000)	\$ -	\$ -	\$ -
Assets Purchased or Sold	\$ (1,200,000)	\$ (10,090,000)	\$ -	\$ -	\$ -
Net Cash from Financing	\$ 1,210,000	\$ 6,472,045	\$ (1,400,558)	\$ (1,394,575)	\$ (4,986,912)
Investments Received	\$ 1,210,000	\$ 3,190,000	\$ -	\$ -	\$ -
Dividends & Distributions	\$ -	\$ -	\$ -	\$ -	\$ (4,500,000)
Change in Short-Term & Long-term Debt	\$ -	\$ 3,282,045	\$ (1,400,558)	\$ (1,394,575)	\$ (486,912)
Net Change	\$ 10,000	\$ 260,870	\$ 403,934	\$ (203,641)	\$ 511,626
Cash at the beginning of period	\$ -	\$ 10,000	\$ 270,870	\$ 674,804	\$ 471,162
Cash at the end of the period	\$ 10,000	\$ 270,870	\$ 674,804	\$ 471,162	\$ 982,788