



BUSINESS PLAN FOR WEHOLITE PRODUCTS MANUFACTURING PROJECT 2023-2027

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CORPORATE INFORMATION

Company Registration Number: 156618144

Business Activity: Manufacturing and fabrication of the Weholite products

Shareholders:

SNo.	Names	Nationality	Shares Taken	Ownership
1	Aunali Fidahussein Rajabal	Tanzanian	10,000	50%
2	Sajjad Fidahussein Rajabali	Tanzanian	10,000	50%

Registered Office & Address:

Megapipes Solutions Limited
P.O. BOX 79651,
Kisarawe 2, Kigamboni
Dar es Salaam

1. EXECUTIVE SUMMARY

MEGAPIPES SOLUTINS LIMITED is a limited liability company registered under the laws of the United Republic of Tanzania on 25th June 2022 and was granted Certificate of Incorporation No. 156-618-144. The Shareholders of Plasco Ltd have resorted to build a new factory and split out a new business called **MEGAPIPES SOLUTIONS** as a separate investment with its own factory, management and operations as a greenfield operation from Plasco Ltd. Plasco Ltd, Tanzania (“Plasco”), was founded in 1992 and it manufactures high quality plastic pipes and fittings in Tanzania with a conversion capacity of over 20,000 tonnes per annum and staff strength of over 145 people.

In 2018, Plasco made a further investment of USD \$8 million to introduce Weholite structured wall HDPE Pipe Technology, under an exclusive renewable license from Uponor Oy of Finland. The Weholite product is a flexible, light weight and durable structured wall pipe made from high-density polyethylene (HDPE) resin, with superior properties, low-cost of installation and provides a 120-year design life. The Weholite (HDPE) pipes are applicable in: Sewerage and drainage systems, discharge pipes for wastewater treatment plant, marine pipelines, manholes, retention tanks, valve chambers, mine drainage and road & rail culverts.

This business plan has been prepared to establish the viability of the targeted project and guide the procurement, operational and marketing activities of the project. The plan establishes a strategic framework that provides a focus, direction and most importantly a common language that acts as a guide for all production, marketing/brand activities creating cohesive strategic alignment between the company mission, vision and goals.

The manufacturing sector in Tanzania has a significant contribution to the country’s overall GDP. Over the past decade the sector has averaged 8% of GDP and 4% annual growth rate. Most of the manufacturing activities is centered on simple consumer products such as foods, beverages, tobacco, textiles, chemicals, plastic, wood and steel allied products.

This project wants to utilise the prevailing opportunity of high demand in water storage facilities, sanitation solutions as well as equipment for road infrastructure (Culverts) development across the country. The project is a timely solution for the current water crisis in the country and has the potential to cater for and meet the rising demand in the country and substantially contribute to the economy and employment creation in the country.

MEGAPIPES SOLUTIONS LIMITED requires an investment cost of **USD 12,255,438** that will be used to purchase land and buildings, machineries and equipment at the beginning of the project. This project will be financed by local equity by 100%. The annual capacity of the project is expected to be 12,000 metric tons. The financial analysis indicates the feasibility of the project as the company will be able to recover all the invested capital within two years of operations and start making substantial profits from the third year of production. The

project expects to employ at least 120 direct employees of whom 112 will be Tanzanians and 8 foreigners. The project also expects to create more than 100 indirect jobs through sales and commissioning agreements with local traders as well as transporters.

1.1 INTRODUCTION

Company Overview

MEGAPIPES SOLUTINS LIMITED is a Company registered under the laws of the United Republic of Tanzania on 25th June 2022 and was granted Certificate of Incorporation No. 156-618-144. The capital of the Company is Shillings 100,000,000,000/= divided into 10,000,000 shares of Shillings 10,000/= each. For this specific project the company looks forward to engage in the production of weholite pipes and weholite products like water tanks, pipes, and culverts.

The Shareholders of Plasco Ltd have resorted to build a new factory and split out a new business called **MEGAPIPES SOLUTIONS** as a separate investment with its own factory, management and operations as a greenfield operation from Plasco Ltd. Plasco Ltd, Tanzania (“Plasco”), was founded in 1992 and it manufactures high quality plastic pipes and fittings in Tanzania with a conversion capacity of over 20,000 tonnes per annum and staff strength of over 145 people.

In 2018, Plasco made a further investment of USD \$8 million to introduce Weholite structured wall HDPE Pipe Technology, under an exclusive renewable license from Uponor Oy of Finland. The Weholite product is a flexible, light weight and durable structured wall pipe made from high-density polyethylene (HDPE) resin, with superior properties, low-cost of installation and provides a 120-year design life. The Weholite (HDPE) pipes are applicable in: Sewerage and drainage systems, discharge pipes for wastewater treatment plant, marine pipelines, manholes, retention tanks, valve chambers, mine drainage and road & rail culverts.

In line with the above strategy, Megapipes Solutions Limited was registered on June 25th 2022 in with Incorporation number 156618144. The shareholders have acquired and are in process to transfer to Megapipes ownership an Industrial zoned land of 21,026 sqm, Plot no: P24792 with Title DSMT1024136 located in Kigamboni area, Dar es Salaam.

The Company’s new factory to be built on the quoted plot and it will be a 4,500m² manufacturing and fabrication factory, the most advanced in Weholite Worldwide. Full Production shall commence at the beginning of Q1, 2024, with 1 production line capable of producing 3,000 tonnes of Weholite pipes per annum and a fabrication shop with automated cutting and milling equipment manufacturing products for water, wastewater and other products for the water and construction sectors.

VISION, MISSION

Vision

Be the leader for innovative Water Supply, Storage and Sanitation Solutions in Africa

Mission

Manufacture high-quality plastic piping solutions for Water supply, Storage, Sanitation, Gas distribution and Telecom networks using innovative world-class technology

1.2 PROJECT BACKGROUND

Plasco Ltd from which Megapipes Solutions will take over the Weholite business was founded in 1992 by four Tanzanian businessmen and it officially commenced operations in 1993. The first of its products, drinking straws, were produced with a single refurbished extruder. In 2007 the company upgraded its production capacity at its factory in Dar es Salaam through the purchase of several state-of-the-art equipment's. Over the next few years, Plasco continued its expansion through the addition of new equipment to meet the growing demand for quality pipes.

In 2018, Plasco made a further investment of USD \$4 million to introduce Weholite structured wall HDPE Pipe Technology, under an exclusive renewable license from Uponor Oy of Finland.



Weholite Products

Weholite is a structured wall pipe or structural panel made from high-density polyethylene (HDPE)



Weholite: is a structured wall pipe or structural panel made from high-density polyethylene (HDPE). With Weholite, raw material properties have been combined with advanced production technology to create a lightweight engineered solution with superior loading capacity that is chemically inert and provides a 120-year design life.

Weholite Pipes: Whether it is low pressure freshwater distribution, highways drainage or for storm and wastewater management, a properly installed Weholite piping system can easily pass 100 years without any detrimental effect on its integrity. Weholite is used in a variety of pipeline applications from simple road or rail culverts, to the more demanding

sanitary networks. When used in conjunction with bespoke chambers, manholes and fittings the Weholite system offers users opportunities to excel.



Weholite HDPE manholes: Weholite HDPE manholes and chambers are revolutionary for this region. They represent the epitome of sound value engineering. They are truly bespoke products, delivered in quick time, which can be installed and connected in minutes. At last authorities, municipalities,

specifiers and installers can provide factory-built quality to the user, that has been designed and tested and is manufactured offsite using the latest state of the art technology available anywhere in the World.



Potable (Drinking) Water Tanks: The benefits of Weholite pipes can be utilized for potable water storage both above and below ground for uniquely designed applications or in standard product applications. Weholite has been used to provide offsite build solutions from packaged pumping chambers; to chlorine

contact tanks and many other similar products including balance and filtration tanks. Items are prefabricated at automated production facilities in Dar es Salaam and Nairobi using computer-controlled technology.

Storm and Wastewater Tanks: Using the latest manufacturing methods within the automated factory to produce Weholite storm and wastewater tanks, allows clients to save on time by improving site productivity whilst also reducing risks, thus enabling significant savings from a more streamlined installation process and reductions in the construction materials used, the off-site manufacturing process also eliminates the need



for confined space entry to complete the works. The system simplifies the installation process, reducing overall cost whilst ensuring each assembly is functioning correctly.

Weholite Benefits

Weholite pipes are made from high density polyethylene – HDPE - and represent a significant contribution in the development of thermoplastic structured wall pipe systems.

In the design of water distribution systems, thermoplastic structured wall pipes represent an interesting alternative because of their excellent physical, hydraulic and mechanical properties. Manufactured from corrosion-resistant HDPE, Weholite pipes behave differently to traditional steel, ductile iron, concrete and other pipe systems.

Weholite pipe properties have many decisive benefits for piping systems, which include Light weight, Flexible, Easy to Handle and Install, Impact Resistant, Durable, Superior Hydraulics Properties, Fusion Welded Joints, Watertight Mechanical joints, Abrasion Resistant, Corrosion Resistant, Environmental Deterioration Resistant, Non-Toxic, Much lower carbon footprint, Environmental Friendly Production, UV-Resistant, Reliability and a 120 year design life (60 years above ground).

1.4 PROJECT DESCRIPTION

The Weholite Products Factory will be located in Kisarawe II within the municipality of Kigamboni. The plant will be producing weholite products. Weholite is a structured wall pipe or structural panel made from high-density polyethylene (HDPE). With Weholite, raw material properties have been combined with advanced production technology to create a lightweight engineered solution with superior loading capacity that is chemically inert and provides a 120-year design life.

The Products

Weholite Products to be produced by the Kigamboni plant include the following:-

1. **Weholite Pipes:** Whether it is low pressure freshwater distribution, highways drainage or for storm and wastewater management, a properly installed Weholite piping system can easily pass 100 years without any detrimental effect on its integrity. Weholite is used in a variety of pipeline applications from simple road or rail culverts, to the more demanding sanitary networks. When used in conjunction with bespoke chambers, manholes and fittings the Weholite system offers users opportunities to excel.
2. **Weholite HDPE manholes:** these are revolutionary for this region. They represent the epitome of sound value engineering. They are truly bespoke products, delivered in quick time, that can be installed and connected in minutes. At last authorities, municipalities, specifiers and installers can provide factory-built quality to the user, that has been designed and tested and is manufactured offsite using the latest state of the art technology available anywhere in the World
3. **Potable (Drinking) Water Tanks:** The benefits of Weholite pipes can be utilized for potable water storage both above and below ground for uniquely designed applications or in standard product applications. Weholite has been used to provide offsite build solutions from packaged pumping chambers; to chlorine contact tanks and many other similar products including balance and filtration tanks. Items are prefabricated at automated production facilities in Dar es Salaam and Nairobi using computer- controlled technology.
4. **Storm and Wastewater Tanks:** Using the latest manufacturing methods within the automated factory to produce Weholite storm and wastewater tanks, allows clients


to save on time by improving site productivity whilst also reducing risks, thus enabling significant savings from a more streamlined installation process and reductions in the construction materials used, the off-site manufacturing process also eliminates the need for confined space entry to complete the works. The system simplifies the installation process, reducing overall cost whilst ensuring each assembly is functioning correctly.

The Location

The Weholite Products Plant will be located in Kisarawe II within the Municipality of Kigamboni. The land is already secured and it is the land known as **Plot No. P24792** in Kisarawe II, Kigamboni. This is a land of 20,026 km² in size as shown below.

CERTIFICATE OF OCCUPANCY
THE LAND ACT, Cap 113
(Under Section 29)

Title Number: DSMT1024136 Date of Registration: 07-Oct-2022 [11:11]



Mohamed

REGISTRAR OF TITLES
(07-Oct-2022)
Registered under section 35 of the Land Registration Act (Cap 334).

I. REGISTERED OCCUPIER AND TENURE

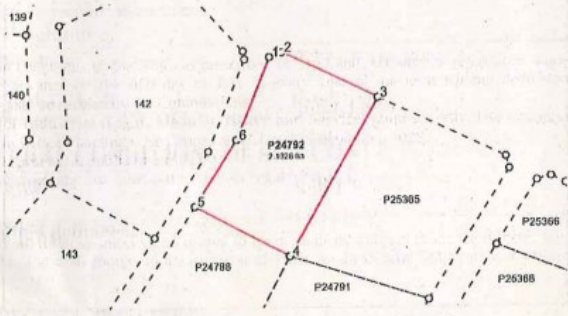
THIS IS TO CERTIFY that MEGAPIPES SOLUTIONS LIMITED of P.O. BOX 79651, Kigamboni, Dar es Salaam (hereinafter called "the Occupier") is entitled to the Right of Occupancy (herein called "the Right") in and over the land described herein (hereinafter called "the land") for a term of sixty six (66) years from the first day of June two thousand and twenty two according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution thereof amendment thereof and to special conditions.

II. DESCRIPTION OF THE PROPERTY

District: Kigamboni
Location: KISARAWA II
Block: -
Plot No.: P24792
Area: 21,026.00 Square Metres
Reg. Plan No.: DSMS0027661

Plot Reference Points (Part of):
TAREF11 / UTM ZONE 37S

	X	Y
1	543237.35	9233479.80
2	543250.00	9233484.66
3	543350.79	9233436.62
4	543259.21	9233271.65
5	543158.94	9233324.40
6	543203.05	9233393.64



Plant Capacity and Supplies

The Company's new factory to be built in Kigamboni will be a 4,500m² **manufacturing and fabrication factory**, the most advanced in Weholite Worldwide. Full Production shall commence at the beginning of Quarter 1, 2024, with 1 production line capable of producing 3,000 tons of Weholite pipes per annum and a fabrication shop with automated cutting and milling equipment manufacturing products for water, wastewater and other products for the water and construction sectors. At its full capacity with 4 production lines the plant will be producing **12,000 metric tons per annum**.

The plant will source raw materials from within Tanzania, and from outside the country.

2.0 MARKET ANALYSIS

Globally the technology of Weholite was developed already in 1983 and since then it has provided great value to the global pipe market. All solutions are 100 % customizable. Weholite is a well proven durable system that is built to last for more than 100 years. It provides many benefits for the designer, contractor as well as the end-user.

The Weholite Polyethylene (PE) or Polypropylene (PP) pipe is a spirally wound structured-wall pipe, which makes it very light weight. The product is designed for non- or low pressure applications such as sewage, drainage, storm water, road culverts and retention tank systems in diameters currently available up to DN/ID 3500 mm.

Tanzanian Perspective of the Sector

Tanzania is not new to weholite products. However, the market is promising. This is because there is high demand for the products. As the country pursues the Sustainable Development Goal No. 6 (SDG 6) – **Clean Water and Sanitation** – it provides an avenue for investment in the manufacturing of these products by creating demand for them.

SWOC Analysis for the Project

Strengths:

1. At the business level the company has technology and competent as well as experienced personnel who can manage the business to excellence. This is attested by previous engagements the team has accomplished as shown hereunder:
2. The Promoters of the Company have enough equity to fund the project and can have access to loans for funding of the project



Weaknesses:

1. Based on the huge experience of the management of the company, we do not expect any foreseeable weakness in execution of the project.

Opportunities:

1. Tanzania, being a member of the East African Community, provides access to potential markets within the other states namely the Democratic Republic of the Congo (DRC), Burundi, Kenya, Rwanda, South Sudan and Uganda.
2. Tanzania has a high demand for the plastic products envisaged by the company. This is promising and the company looks forward to making profits while supplying best quality products that are environmental-friendly.
3. Utilities-wise Tanzania has got relatively lower tariffs and has less power cuts. In the near future Tanzania is expecting to be exporting electricity which will be generated from the Julius Nyerere Hydro Electric Power plant. The assurance of affordable power is an opportunity for this power-reliant manufacturing.
4. In governance Tanzania is characterized by peace and tranquility for there has been no social havoc in the country for years. This is strength as it provides our business with assurance that production will prevail and the market won't be shaken.

Challenges:

1. There is no material challenge so far in the Tanzanian market.

3.0 BUSINESS STRATEGY

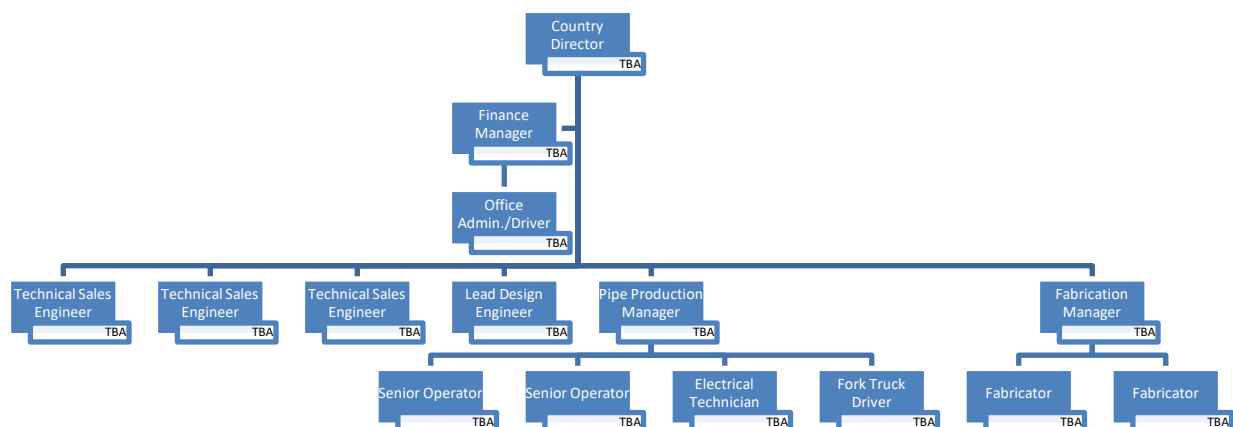
Operating Philosophy

The company's operating philosophy is founded on its core values namely Reliability, Fairness, Respect and Innovation. Through these core values we dispose ourselves before our clients as follows:-

- i) **Reliability:** We are your support when you need us
- ii) **Fairness:** We strive always for a fair deal, beneficial to all parties involved
- iii) **Respect:** We respect our stakeholders
- iv) **Innovation:** We focus on manufacturing high quality, innovative plastic piping solutions

Project Manning

The company when at full production capacity with the planned 4 lines expects to provide direct employment to over **120 people**, with the following management structure at the top level.



Of the expected 120 direct employees 112 are local while 8 are foreign as detailed in the table below:-

CATEGORY	MALE	FEMALE	TOTAL
Local	72	40	112
Foreign	8	0	8
TOTAL	80	40	120

Gender wise males to be employed are 80 while females are 40. Basing on nationalities, however, the locals amount to 93.33% while foreigners make 6.67% of the employees.

4.0 RATIONALE OF THE PROJECT

This project is promising to be a success. Its investment will be 100% local in terms of equity. The planned total equity for this project is **TShs. 28 billion** which is an equivalent of **USD 12.17 million**. The multiplier effect of this investment can be viewed financially, fiscally, environmentally and socially as detailed below, with reference to the financial projections.

Fiscal Rationale

The company looks forward to complying with all requirements of the Income Tax Act of Tanzania. Basing on the financial projections developed and presented, the company expects to pay a total of **USD 188,509** as corporate tax in its first five years of operation. These amounts will go to the Central Government via the TRA and the Treasury.

In the first two years when the company will be investing in developing the production lines projections point to negative incomes before taxes. Starting from year 3 (YR 2025) the company will experience profits forth from which the projected income taxes will flow.

In terms of VAT on sales, the projections show that the project will generate a total of **USD 2,935,615.26** for years 2 to 5 i.e. YR 2024 – 2027. This project is fiscally rational for the economy of Tanzania.

		CONSTRUCTION	OPERATIONS			
		YR 2023	YR 2024	YR 2025	YR 2026	YR 2027
Sales	Local	-	2,397,399	3,596,099	4,135,514	4,549,065
	Total Sales	-	2,397,399	3,596,099	4,135,514	4,549,065
Cost of Sales		-	-	-	-	-
	Total Cost of Sales	-	1,234,661	1,686,570	2,146,332	2,329,121
Gross Profit		-	1,162,739	1,909,528	1,989,182	2,219,944
Overheads						
	Total Overheads	72,528	1,563,402	1,545,799	1,537,621	1,557,111
Operating Profit		(72,528)	(400,663)	363,729	451,561	662,832
Finance Costs						
		173,445	342,118	313,362	283,600	252,796
Profit Before Exceptional Items		(245,973)	(742,781)	50,367	167,961	410,036
	Exceptional Items	-	-	-	-	-
Profit Before Tax		(245,973)	(742,781)	50,367	167,961	410,036
Corporate Tax		(73,792)	(222,834)	15,110	50,388	123,011
Profit After Tax		(172,181)	(519,947)	35,257	117,573	287,025

To the local government in Kigamboni the company will comply with all levies as stipulated in the Local Government Authorities. Considering materiality, this plan does not include its projections.

Monetary Rationale

The company looks forward to using, as much as possible, the locally available supplies in both goods and services. The aim is to engage local players in its value chain of product. This implies that the cost of sales (save for raw materials which will be imported), overheads, and finance costs will flow from the company to the local economy. Basing on the table below, for the first 5 years the project will create a cash flow amounting to **USD 6,677,896** to the local economy. This has a positive multiplier effect in the economy as it is an impetus for growth to local suppliers and actors. It will attract competition which will induce more efficiency and competitiveness among locals.

		YR 2023	YR 2024	YR 2025	YR 2026	YR 2027	TOTALS
Cost of Sales							
	Transport		47,948	71,922	90,981	45,491	
	Labour Cost	-	59,935	89,902	103,388	122,825	
	Siteweld Costs	-	47,948	86,306	90,981	113,727	

	Total COST OF SALES	-	155,831	248,131	285,350	282,042	
Overheads							
	Direct Costs	-	242,660	259,660	296,700	347,764	
	Company Management	21,300	212,996	212,998	212,999	213,000	
	Sales and Marketing	18,285	172,873	172,873	172,873	172,873	
	Operations	19,488	222,921	222,921	222,921	222,921	
	Finance and Administration	13,456	142,898	148,450	156,653	170,700	
	Human Resource	-	-	22,679	22,679	22,679	
	TOTAL OH COSTS	72,528	994,349	1,039,581	1,084,825	1,149,938	
Finance Costs							
	Bank Charges	4,772	4,772	4,772	4,772	4,772	
	Interest Charges	168,673	337,346	308,591	278,828	248,024	
	TOTAL FINANCE COSTS	173,445	342,118	313,362	283,600	252,796	
	TOTAL FINANCIAL OUTFLOW	245,973	1,492,298	1,601,074	1,653,775	1,684,776	6,677,896

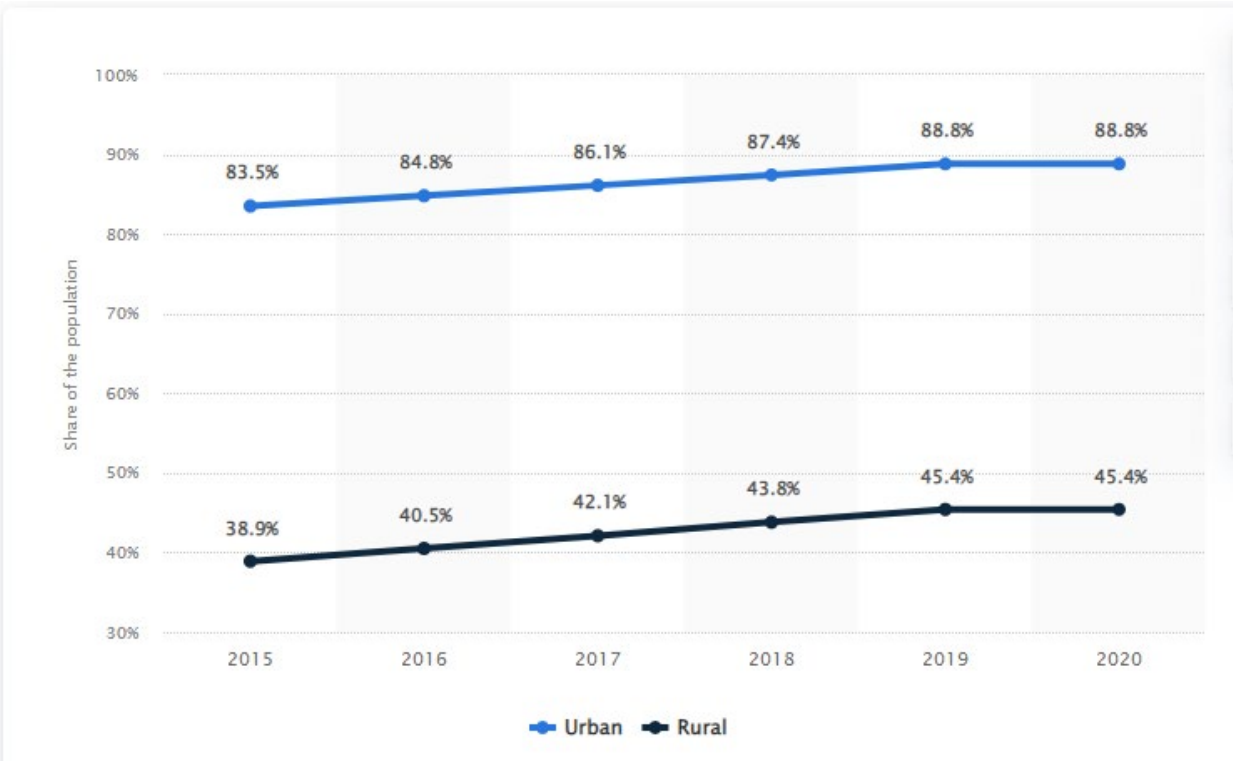
Social Rationale

This project will create employment, both direct and indirect, where it will directly employ 120 people in the course of its roll-out. Among these, 8 foreign expatriates will be employed with the aim of training the locals as well. This implies building a social asset in the form of skills transfer in the industry.

Over the first 5 years the company will participate in community development via its CSR program.

This project is supportive to attainment of Sustainable Development Goal 6 (**SDG6**) which focuses on *clean water and sanitation for all*. Basing on the figure below less than 50% have access to clean water in rural Tanzania as compared to more than 85% in the urban areas. Operationalization of this project will help very much in extending clean water outreach to more Tanzanians. The supply of pipes from this plant will not be confined to clean water pipes alone but it will also cover supply of pipes for sewage systems (which implies sanitation under SDG6) and culverts for both rails and roads.

Share of the Population with Access to Basic Drinking Water Services in Tanzania from 2015 to 2020, By Area of Residence



Source: Statista, 2022

Environmental Rationale

Tanzania and the wider East African Region generally suffers from poor WASH infrastructure and has to rely heavily on funding from various banks, NGOs and foreign investors for major infrastructure improvement projects. For Megapipes Solutions Limited, this justifies the decision to invest in the country with benefits that Weholite products can bring to the Tanzanian infrastructure by demonstrating the positive effect on the general population.

Environmental and Social Impact for Megapipes Solutions Limited:

Manufactured locally, providing employment opportunities, and upskilling for the local population	Fully recyclable at the end of service life
World class manufacturing facilities contributing to the local economy	Reduced carbon footprint when compared to traditional materials
Products have a buried service life of over 100 years creating high sustainability of WASH infrastructure	Superb hydraulic qualities ensure low maintenance and less risk of blockage and failures
Totally leak free system ensure no contamination of local land and water courses	Nature of products ensure less impact to local community during installation

Longer lengths and light weight ensure faster installation and reduced programme times on site	Reductions in required plant and labour for installation also give health and safety benefits of lower risk to general public and site operatives
Portfolio of WASH products will provide Tanzanians with access to clean water and sanitary facilities, even if not connected to the main infrastructure	

This project is thus fiscally, monetarily, socially and environmentally viable. Its operations will reduce dependence on imported products thus saving the trade balance deficit of the economy of Tanzania.

5.0 PROJECT FINANCIALS

This project will be financed by local equity by 100%. The total value of investment is planned to be **USD 12,255,483**. This is an equivalent of **TShs 28,046,325,420**. In this regard equity will amount to **USD 12.26 million**. This item (Project Financials) covers the *financial projections* (sales and income projections), and *project financing* (sources of funding and funding of items).

Financial Projections

Megapipes Solutions Ltd was founded on June 2022 and its in process of land acquisition and construction planning for its new Weholite factory in Tanzania. The rest of 2022 and 2023 are planned for construction of the factory, installation of machinery, acquisition of equipment and training of staff. Operations are expected to commence at full production at beginning of 2024.

The company is projected to incur a loss on its first year of operation but expects to break-even from 2025 onwards.

Projected Income Statements

		CONSTRUCTION	OPERATIONS			
		YR 2023	YR 2024	YR 2025	YR 2026	YR 2027
Sales	Local	-	2,397,399	3,596,099	4,135,514	4,549,065
	Export	-	-	-	-	-
	Technical & Marketing Fee	-	-	-	-	-
	Total Sales	-	2,397,399	3,596,099	4,135,514	4,549,065
Cost of Sales		-	-	-	-	-
	Raw Materials	-	1,078,830	1,438,439	1,860,981	2,047,079
	Transport	-	47,948	71,922	90,981	45,491
	Labour Cost	-	59,935	89,902	103,388	122,825
	Siteweld Costs	-	47,948	86,306	90,981	113,727
	Total Cost of Sales	-	1,234,661	1,686,570	2,146,332	2,329,121
Gross Profit		-	1,162,739	1,909,528	1,989,182	2,219,944
Gross Profit %		-	0	0	0	0
Overheads	Direct Costs	-	242,660	259,660	296,700	347,764
	Administration Costs	-	-	-	-	-
	Company Management	21,300	212,996	212,998	212,999	213,000
	Sales and Marketing	18,285	172,873	172,873	172,873	172,873
	Operations	19,488	222,921	222,921	222,921	222,921
	Finance and Administration	13,456	142,898	148,450	156,653	170,700
	Human Resource	-	-	22,679	22,679	22,679
	Depreciation	-	569,053	506,218	452,796	407,174
	Total Overheads	72,528	1,563,402	1,545,799	1,537,621	1,557,111
Operating Profit		(72,528)	(400,663)	363,729	451,561	662,832

Other Income	Sale of Assets	-	-	-	-	-
	Interest Earned	-	-	-	-	-
		-	-	-	-	-
Finance Costs	Bank Charges	4,772	4,772	4,772	4,772	4,772
	Interest Charges	168,673	337,346	308,591	278,828	248,024
		173,445	342,118	313,362	283,600	252,796
Profit Before Exceptional Items		(245,973)	(742,781)	50,367	167,961	410,036
	Exceptional Items	-	-	-	-	-
Profit Before Tax		(245,973)	(742,781)	50,367	167,961	410,036
Corporate Tax		(73,792)	(222,834)	15,110	50,388	123,011
Profit After Tax		(172,181)	(519,947)	35,257	117,573	287,025

Project Financing

The project will be financed by local equity by 100%. The projected equity totals to TShs 28 billion which is an equivalent of USD USD 12.26 million.

Sources of Funding

Funding for this project will come from equity by 100% as shown below in absolute USD values:-

Equity	Amount	Percentage
Local Equity	5,255,438.29	43%
Foreign Equity	-	
TOTAL EQUITY	5,255,438.29	43%
Loan		
Local Loan	7,000,000.00	57%
Foreign Loan	-	0%
TOTAL LOAN	-	0%
TOTAL FINANCING	12,255,438.29	100%
TOTAL INVESTMENT	12,255,438.29	

Funding of Items

The investment capital will be used in funding of items as detailed in the table below.

Years 2022 - 2027

DETAILS	TOTAL	2022-2023	2024-2027
Land	174,788.51	174,788.51	-
Pland & Machinery	5,141,065.03	4,112,852.02	1,028,213.01

Factory Building	3,015,101.73	1,055,285.60	1,959,816.12
Laboratory Equipment	108,652.21	5,432.21	103,220.00
Furniture & Fittings	149,397.29	82,168.56	67,228.73
Water Tanks & Drainage	251,119.78	251,119.78	-
Power Supply	72,434.80	21,730.84	50,703.96
Computers & Accessories	16,351.90	13,081.52	3,270.38
Tools & Equipment	39,595.32	39,595.32	-
Motor Vehicles	403,371.36	121,011.11	282,360.26
Pre-Operation Expenses	87,394.25	87,394.25	-
CAPEX	9,459,272.18	5,964,459.73	3,494,812.45
Contingency	1,445,927.22	1,096,445.97	349,481.25
Additional CAPEX	1,350,238.89	-	1,350,238.89
TOTAL CAPEX	12,255,438.29	7,060,905.70	5,194,532.59

6.0 THE ROLL-OUT PLAN

The company has so far acquired the land for construction of the plant. Tentatively the project is expected to commence its operation in the first quarter of the year 2024. Prior activities have been scheduled to commence within the year 2022. The main activities are as shown in the roll-out program shown in the chart below.

	2022				2023								2024															
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Registrations																												
Land Acquisition																												
Site Development																												
Plant Construction																												
Personnel Recruitment (Gradual)																												
Operationalization of Production Line 1																												