

LAKE PREMIX AND CEMENT PRODUCTS LIMITED

**PROGRESSIVE REPORT FOR THE PERIOD COVERING SEPTEMBER 2017 TO
AUGUST 2022**



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0.0 PREAMBLE

Lake Group is into business of fuel marketing across EAC and Central African countries, into road haulage with a fleet of about 500 units, into Pre-mix concrete production in Tanzania and into LPG bottling and marketing across EAC and Central Africa.

The Lake Group is also poised to embark on Concrete-Premix manufacturing in Middle East, primarily to cater to its own captive requirements.

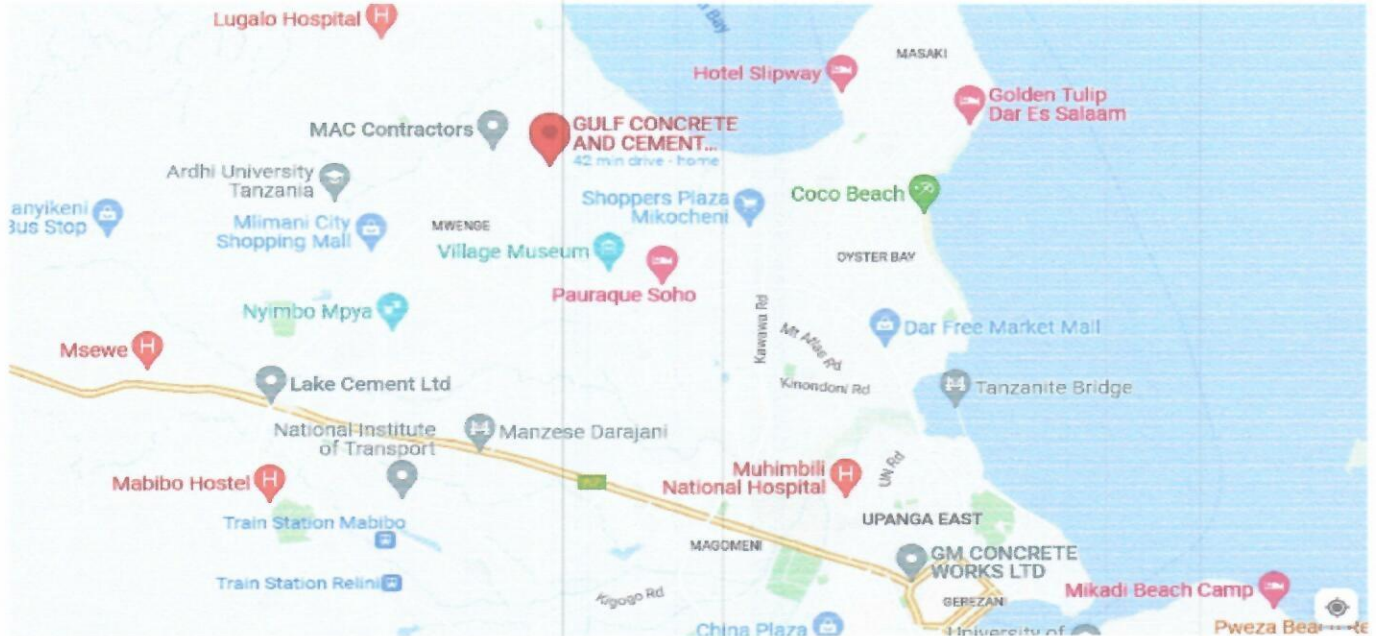
Lake Premix and Cement Products Limited is part of the Lake Group of companies, a prestigious conglomerate of companies originated from Tanzania. This is again the brainchild of Mr. Ally Edha Awadh who spotted the huge potential for Premix Concrete product in a country starved for building. Lake Premix and Cement Products Limited is a leading Premix company in Dar es Salaam providing quality premix concrete to the construction industry. Currently Lake Premix and Cement Products Limited is the Market leader in Dar es Salaam doing Premix business. With the strong investments made in the sector, now the company is looking at expansion to surrounding countries.



0.1 The Company and location

- a. The Premix division is known as Lake Premix and has batching plant at HQ office in Mikocheni Light Industrial Area - Plot 49, another batching plant being located at Ilala - Yapi Merkez site in Dar es Salaam and Ngerengere in Morogoro at SGR Project, while it is building further batching plant in United Arabs Emirates.

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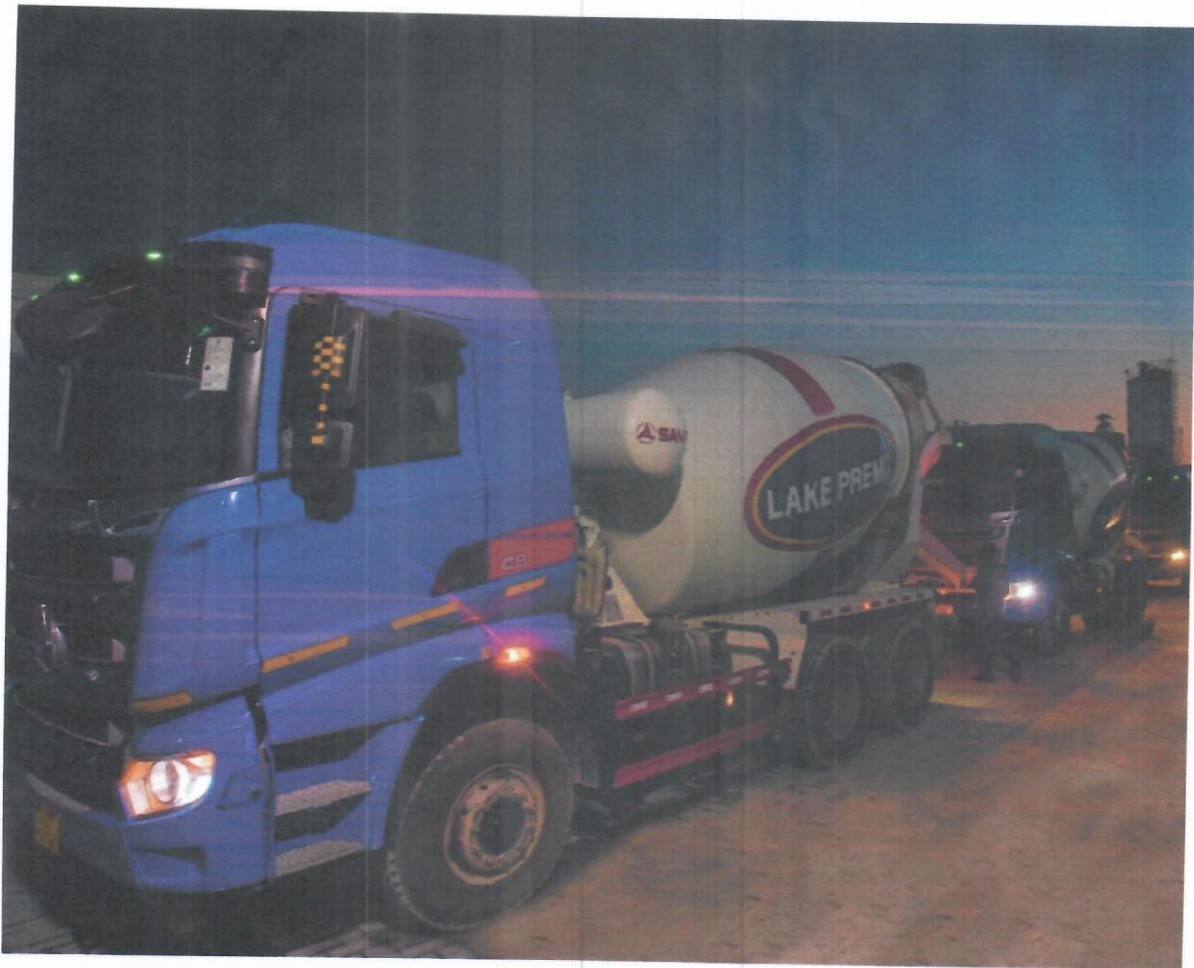


b. Employment

Lake Premix and Cement Products Limited currently has Direct local employees (250) whereas (200) being men and (30) are women. Also, Direct foreign employees amount to (20) which all are men.

0.2 Products and services

Lake Premix and Cement Products Limited It does not simply manufacture concrete, but develops solutions based on the thorough knowledge and application of concrete technology. With 10 years of experience, a pool of knowledge, and state-of-the-art expertise about the different concrete constituents and their interaction. Lake Premix and Cement Products Limited offers its customers 'concrete by design', tailor designed concrete. It is material that can be cast into different shapes, is durable, and is the most attractive construction materials in terms of compressive strength (construction materials with highest strength per unit cost) and its increasing use is fundamental for sustainable construction.



Lake Premix and Cement Products Limited specialists are able to modify the properties of concrete through the use of innovative chemical mixtures, combined with the proportions of the various constituents. For example, depending on the type of application and jobsite requirements, we can design concrete that is more fluid, stronger, develops strength faster, and also retains workability longer.

Lake Premix and Cement Products Limited offers a special concrete portfolio, comprised of such products as ultra-rapid hardening concrete, crack-resistant/low shrinkage concrete, self-consolidating concrete, and number of others.

We continuously work to improve the properties of concrete that make it a key component of sustainable construction: durability, resistance to aggressive environment, light reflection, and capacity to store energy among others. We also constantly work to develop innovative solutions that advance the sustainable buildings that can take advantage of the benefits of concrete in a wide range of applications.

0.3 PLANNED ACTIVITIES DURING PROJECT IMPLEMENTATION

The planned activities for Implementation this project covering the period of September 2017 up to August 2022 are listed here below

- Acquiring site for Installation of Concrete Batching Plant at Central zone i.e Dodoma and Singida region to facilitate the distribution of Concrete to SGR Project to Mwanza region.
- Importation of highly technology Premix-Concrete related equipments and mobile concrete pumps.
- Developing storage facility for Cement
- Investing in Concrete mixer trucks which shall be shipping Concrete products between its storage facilities, batching plants to the construction industry.
- Investing in Powder Cement Trucks
- Strengthening the distribution outlets and dealership in Tanzania.

1.0 ACHIEVEMENT MADE ON THE PROJECT IMPLEMENTATION TO DATE.

The project has been implemented to more than 95% by;-

i. Premix Division

Lake Premix and Cement Products Limited in 10 years of operation, this unit achieved a sales turnover of USD 5 million a month. It boasts of major clients like Strabag, Group 6 International, China Civil Engineering Construction Company, Yapi Merkez etc who are major international civil contractors engaged by EAC governments. This unit is almost approaching sales of 100,000 cubic meters of premix per annum. This 10years old division of Lake Group is poised to be an integrated supplier to the ongoing construction industry in Tanzania, recently the Company is having 8 Cement Silo plant in the Premix Division.



Cement Silo in Mikocheni Plant

ii. Lake Premix and Cement Products Limited is currently having 10 mobile Concrete Pumps. The first type of concrete pump is attached to a truck. It is known as a trailer-mounted boom concrete pump because it uses a remote-controlled articulating robotic arm (called a boom) to place concrete accurately. Boom pumps are used on most of the larger construction projects as they are capable of pumping at very high volumes and because of the labor saving nature of the placing boom. They are a revolutionary alternative to truck-mounted concrete-pumps



Trailer-mounted boom concrete pump

iii. The second main type of concrete pump is mounted on a truck and known as a truck-mounted concrete pump. This pump requires steel or flexible concrete placing hoses to be manually attached to the outlet of the machine. Those hoses are linked together and lead to wherever the concrete needs to be placed. Line pumps normally pump concrete at lower volumes than boom pumps and are used for smaller volume concrete placing applications such as swimming pools, sidewalks, and single family home concrete slabs and most ground slabs.



Truck-mounted concrete pump

- iv. The company operates a fleet of 50 Mixer Trucks for transportation of Premix Concrete between its bottling plants and construction industry.



- v. The Company at present employs 250 employees with qualified and experienced staff from the Premix Concrete industry.

vi. The Company recently owns 10 Cement Trucks which carries Cement from the Supplier Tanzania Portland Cement Company limited (Twiga Cement) and Tanga Cement (Simba Cement) to Batching Plant at Mikocheni, Ilala plant, Ngerengere plant and Morogoro Plant. Each truck carries 28 tons of powder cement.



Lake Premix and Cement Products Limited within a short span has managed to develop a good customer base in Dar Es Salaam and in the regions, and currently has contracts with the following:

- Railways
- Mining companies
- Fish processing plants
- Port and ICD Operators
- Government stores
- Road and building contractors
- Hotel / Lodges industry
- Petrol stations
- Warehouse facilities.

2.0 FINANCING OF THE PROJECT

Below is a summary is a summary of expenditure to date

ITEM	FOREIGN \$
• Land & Buildings	2,000,000
• Plant and Machinery	4,000,000
• Vehicles	1,500,000
• Furniture and Equipments	350,000
• Insurance cover	100,000
• Pre –Operational Expenses	50,000
• Working capital	2,000,000
GRAND TOTAL	10,000,000

3.0 PROJECT FINANCING

The project is financed by Lake Premix and Cement Products Limited by local loan, local equity and other income from Lake Group of companies.

4.0 PROBLEMS AND SOLUTION

The problems which the management has been encountering in executing the project are:

- Covid 19 pandemic which inhibits the importation of equipments from abroad, delay in approvals on the bank loan and LC's facilities.

5.0 FUTURE PLANS/ EXPANSION PLAN

The Company is planning to launch the Middle East Ready Mix in United Arab. The company had already finalized the machinery and storage bullets for these plants and in the process of shifting them to respective locations from Dar base. The civil works are in progress at the sites and given to group's strength in project execution within least possible

time, the plants shall be ready for operation within this year itself. These satellite batching plants provide better logistics advantages and also ensure uninterrupted supply of Premix Concrete to end customers at competitive prices. Logistics distribution is the key in today's retail markets and Lake Premix and Cement Products Limited leverages its strength in this business segment.

Lake Premix and Cement Products Limited is planning to extend its business plan for its foray into Rwandan and Burundi markets. Lake Oil Ltd is already operating depots and retail stations in these countries and it is leveraging this infrastructure and manpower for the rollout of its marketing plan. We shall be appointing dealers and distribution network within a short span and aim to capture a sizeable market share.

Lake Premix and Cement Products Limited is also exploring options to enter the markets in other neighboring countries like Uganda, Kenya, Malawi, Mozambique and Zimbabwe and is in the process of identifying business partners in these countries. Nevertheless, we are already providing transportation services to some of the companies in these countries and its only time before we finally make strong inroads into these markets.

All the above plans need steady supply of empty cylinders and accessories apart from bulk LPG. Lake Premix and Cement Products Limited has entered into long term contracts with major suppliers of Cement from internal sources and ensured an uninterrupted supply Powder Cement. However, availability of Premix concrete at competitive prices and at our convenience remains a challenge.

Lake Group's Vision is to become the leading regional convenience retailer and marketer of products and services while achieving continuous improvement. This vision will be achieved through operational excellence, innovation and through a culture based on performance. The group will consistently deliver convenience, quality services and add value to its customers. ***Lake Group's Mission*** is to provide its customers with quality products and services in a safe efficient and cost effective manner without damaging the environment, to identify and enter new areas of business thereby expanding the company, to create a work environment

where an employee can exceed his personal best in job performance and in customer service, to operate the group in a manner of continuous improvement thereby expanding market share in all its diversified businesses, to be oriented towards adaptation and to take advantage of windows of opportunity, to make a contribution to various communities as individuals and as a group and finally to succeed in business and to provide a sufficient return on investment to the stake holders.

At Lake Group, our future is enshrined in our Vision statement and we aim to achieve this Vision by delivering our Mission where specific goals have been identified, and are to be executed. This journey has been guided by our core Values which are Team work, Reliability, Integrity and Customer satisfaction.

6.0 RECOMMENDATION & OTHER COMMENTS

We appreciate the current services provided by TIC. There is however areas of improvement to speed goods clearance save management time and cost and consequently speed the implementation of the project.

Increase the implementation period from 5 years to 7 years which will facilitate the investment in our country due to the respective incentives provided to investors via TIC.



Managing Director