

APS Lanka (Tz) Ltd

Jointly Prepared and Presented by
(APS Lanka (Pvt) Ltd & OKAY PLAST Limited)

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1. Chapter

1.1 APS LANKA PVT LTD...

Playing an impressive role in the MEP construction sector APS Lanka has a proven track record of success over the last 15 years. Being the leader in MEP services, APS Lanka is highly recognized and cherished both locally and internationally.

Established in 2007, APS Lanka offers many vital solutions for electrical (LV, MV & HT), mechanical, plumbing, instrumentation, and building services within the territory of Sri Lanka and outside of Sri Lanka. APS has evidenced its high caliber of operation in the sector of MEP internationally, having successful accomplishments in Maldives & Seychelles.

We provide effective services including design, procurement, installation, project management, commissioning, and facility management service to meet specific client requirements. The highest professional standards of workmanship and service are maintained.

Our services are committed to productive efficiency coupled with ISO standards for Quality Assurance (ISO 9001-2004), workplace of health and Safety, and Protection of the Environment. APS holds the highest rating of recognition (EM-1) offered by the Construction Industrial Development Authority (CIDA) in Sri Lanka which is issued for a recognized limited number of MEP companies in Sri Lanka. Having said that the exceptional provision of value-added engineering, installation, and service skills, APS Lanka is rated with positive reviews and feedback from valuable customers for quality, efficiency, and reliability.

Our dynamic range of services includes electrical (LV, MV, and HT), plumbing & mechanical, fire systems, and facility management services. We extend our services particularly in the sector of Leisure, commercial developments, Industrial & public infrastructure such as international airports and residencies.

1.2. Key Strategic milestones

While having a robust servicing to the field, the company has given more than 500 direct employment opportunities and more than 2000 indirect in the field of engineering-related products and services.

The key strategic observations have directed the company towards diversification of its present business criteria considering its changing environmental factors associated with the construction industry of Sri Lanka.

The industry of building and construction can be defined as a parameter that depicts the development and growth of a country. Although it has been an indicator of moving forward external environmental factors have to be preferable and supportive to the growth of the industry. The current economic recession of the world created predominantly due to the Covid-19 Pandemic has affected the industry of building and construction similarly to all the other industries in the world.

APS as a company were successfully able to face the tough situation during the pandemic with the aid of precise decision-making of management throughout the whole operation.

In planning a way off to the global economic recession in the external environment, our team came up with next key strategic plan in business diversification and market diversification. The continent of Africa being the next economically booming sector in world and Tanzania being one of key strategically important destinations, it would be ideal for anyone to make the decision in investing.

APS and Okay Plast Alliance wants to be a stake holder of this growth as skillful company while sharing our skills with local hands.

1.3. Key Initiatives after 2021

There was a global impact of the Covid-19 pandemic and most of the industries had to face to survive in the business. And growth in the prevailing industry was an unrealistic dream. APS also has to face the same challenge and tried to come out from the issues with various strategies. Since APS is having a professional team within the premises. And the team was decided to choose Diversification and Market Development among the other alternatives.

1.3.1. Diversification

Moving forward to the diversification by APS, as a result of successful research and experiments conducted by the research and development team, the company moved a step forward to the beverage market because the surveys have proved it a right time to move to some natural beverages industry.

Ansoff Matrix

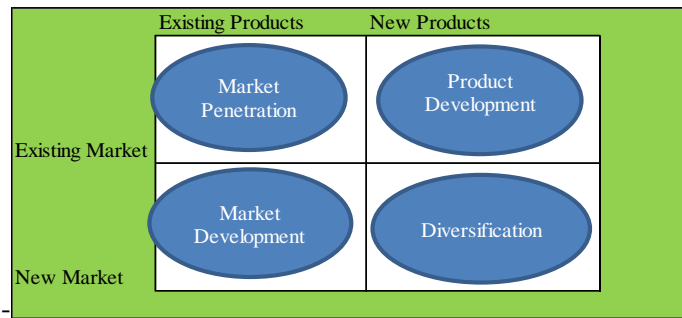


Figure 1:0-1 Ansoff Matrix

1.3.2. Market Developments

As a part of strategic developments, the company has moved the market development aiming at the best strategically important investments. The buyers in different market segments could be identified as the main focus in a market development strategy. An in-depth factor analysis of the world market and MEP industry reveals the economic and industrial boom in the African region and makes it the best option to form the market development in Africa.

The business alliance with APS and Okay Plast under the strategy of market development would gain many mutual benefits including improving the quality supposed products and services, acquiring new customers, upselling current customers, developing new products or services, increasing revenue margins, building organizational resilience, and support long-term mutual company growth.

1.3.2.1. Reasons to invest in Tanzania as APS Lanka (Tz) Ltd

The United Republic of Tanzania which is located in the East African region is a country with world-famous mountainous and densely forested territory. The geographical location of the country is a key factor for the new market development and its logistical importance makes it the ideal place to establish a commercial operation. It borders Uganda to the north; Kenya to the northeast; the Comoro Islands and the Indian Ocean to the east;

Mozambique and Malawi to the south; Zambia to the southwest; and Rwanda, Burundi, and the Democratic



Republic of the Congo to the west.

Figure 1-2 Dar Es Salam Logistic connectivity

The port of Dar Es Salam is located in a strategic location where many African countries such as Burundi and Rwanda get connected logistically. Thus the opportunity of expanding the business in adjacent countries while investing in a geographically expedient place gets created.

Favorable external factors of socioeconomics such as stable politics, peaceful law, and order make it more attractive to the country as a foreign investor.

We, APS Lanka believe that the mutual understanding between two parties would enhance the utilization of resources, knowledge, and skills to upgrade the new joint operation of business in the MEP sector.

The proposed operation would be under 2 main sectors;

1. Panel Manufacturing process (proposed SBU - OKAY Plastic Tz LTD)
2. Electrical (LV, MV & HT), mechanical, plumbing, instrumentation and etc.

1. Panel manufacturing process (proposed SBU operating under OKAY Plast Tz Ltd)

1.1. PHASE-1

Developing assembling facility with the help of outsourced enclosure suppliers in cooperation with M/S Elsteel who is having all compliance tested panels (Type Tested with Dekra, Asta, IPH)



Picture 1 - Panel manufacturing process (It's a SBU under OKAY Plastic)



Picture 2

1.2. Cu Bus Bars

The Material what we need to this Cu Bus Bars are expecting to source from Tanzania or nearby with below attributes.

- I. 99% purity
- II. Current density



Picture 3 - Current density

1.3. Bus Bar Supporters

Ebonite, tested bus bar supporters to be sourced from Elsteel.



Picture 4 - Bus Bar Supporters

1.4. Accessories plus protective and measuring equipment

L/V Switch Gears - SIEMENS

Supply of LV switch gears via APS. APS being the authorized channel partner for the distribution of LV switch gears.

Cables

Flexible and switch gear cables to be sourced in partnering with Okey Plast Tanzania



Picture 5 L/V Switch Gears - SIEMENS

1.5. Proposed facility at Tanzania

Stage 01 – Enclosures

Enclosures are supposed to supply from M/S ELSTEEL

Supposed to make an attempt find alternative economical option from Tanzania or from sub-region

Stage 01 – Bus Bars

Required in finding partnership who can accomplish the purity level & current density. (From the region / sub region itself)

Stage 01 – Bus bars supporters

Supposed to export from SL (via Elsteel)

1.6. Machinery requirements (For assembly plant)

1. Bus bar Bender
2. Bus bar Puncher
3. Bus bar cutter
4. Standard workshop tools
5. Testing bench comprises of; high voltage test, Insulation Test, Functional test.



Picture 6 - Machinery requirements

1.7. Proposed Organization Structure

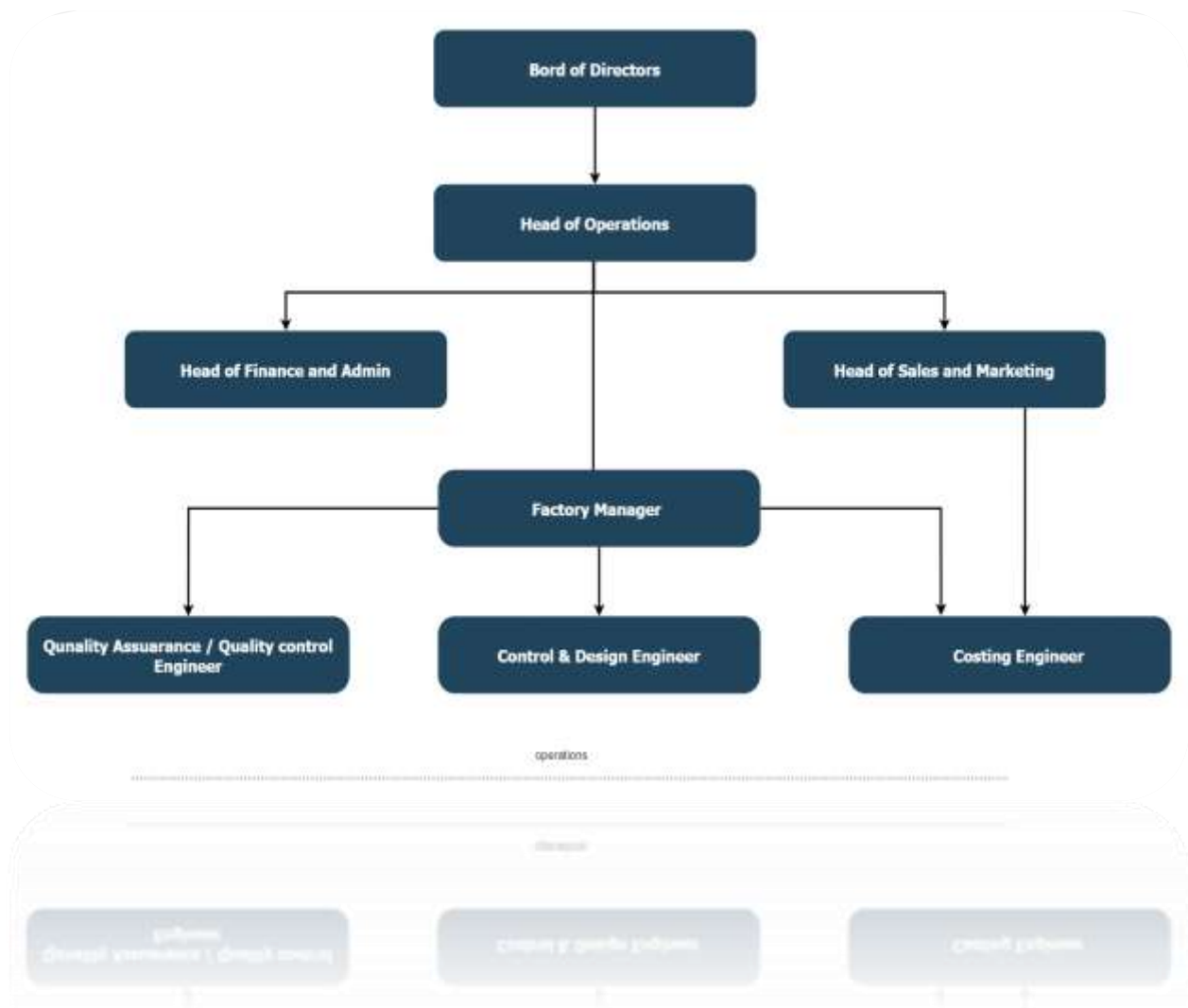


Figure 1:2 Proposed Organization Structure

2. Electrical (LV, MV & HT), mechanical, plumbing, instrumentation and etc.

Mechanical, electrical, and plumbing services (MEP) is a significant component of the construction supply chain. MEP design is critical for design, decision-making, accurate documentation, performance and cost estimating, construction planning, managing and operating the resulting facility.

2.1. Quality Policy

As an MEP service provider, we are committed to understand & meet customer requirements, providing safety, energy saving & cost effective services, providing updated technology to handgrip the competitiveness in the market, developing a competent & creative team of employees, monitoring the performance and taking necessary action for the continual improvement of the quality management system.

2.2. Safety Policy

As a construction & building service provider, APS Lanka (Pvt) LTD is committed to inhibit the injury and ill health by initiating an ongoing system to identify and control all possible hazards while complying with applicable legal & other requirement related to occupational health & safety. The company ensures, their employees and interested parties who are aware of the established safety measurement as well as the applicable legal & other requirements. Order of the continual improvement of the occupational health & safety management system, it is reviewed periodically and actions are taken appropriately.

2.3. Team Play

ONE TEAM... ONE GOAL!

APS Project Implementation Tree for ONE GOAL to achieve QUALITY work within given TIME frame by the minimum COST.

2.4. Key Expertise

Over 300 professionals including professional engineers' professional technicians and professional planners, working as a team with goal oriented attitude and team spirit to achieve the cooperate objectives providing quality, reliable and economical service in the sector of MEP projects.

2.5. Success Stories

2.6.1 Our contribution in the sector of Leisure.

2.6.1.1 GRAN BELL HOTEL COLOMOB - OVER 300 ROOMS 4-STAR +



Scope;

Design and built of complete MEP work including entire electrical, plumbing, networking and IT, fire detection and protection, central air conditioning, Swimming pool, Sauna and water cascading installations.

Client: Hazama Ando Corporation to Marin Drive Hotels (Pvt) Ltd

Consultant: Design & Built by APS

Cost: Approx. USD 10Mn

Date and completion – 2022 JAN

2.6.1.2 Ananthara Peace Heaven Resort at Tangalle, Sri Lanka.



5 Star Resort with 160 Rooms including 32 pool Villas. Hotel is spreading over 54 archers. Ananthara Resort is the 19th Largest Resort in the world.

Scope;

Entire electrical and ELV work.

Client: Hemas Holdings PLC

Cost Consultant: Hoolooman Project Services - Mauritius

MEP Consultant; WPA Associates

Cost; USD 2.1Mn Completed on - 2017

2.6.1.3 Jetwing Jaffna – Sri Lanka.



Jetwing Jaffna City Hotel at Jaffna, Sri Lanka. 3 Star Resort with 60 Rooms including Restaurant & Bar etc.

Scope;

Entire electrical and ELV work.

Client: Sanken Constructions, Jetwing Hotels

Consultant: DESIGN GROUP FIVE

Cost: Approx.; 400,000 USD

Completed on; 2016

2.6.1.4 Laguna Hotel – Maldives



One of the most beautiful resorts in Maldives with water villas & Beach Villas.

Scope;

Entire electrical and ELV work.

Client: Universal Resorts Pvt. Ltd

Consultant:

Cost: Approx.; USD 1.1 Mn

Completed on; 2012

2.6.1.4 Resort for SPH (Pvt) ltd- Jumera, Bolifushi island



Resort for SPH (Pvt) ltd, Jumera, Bolifushi island is one of the most beautiful resort in Maldives with water villas & Beach villas.

Scope;

Entire electrical and ELV work.

Client: SPH (pvt.) ltd

Cost: Approx.; USD 1.2 Mn

Completed on; 2013

2.6.1.4 Al-Amada Resort - Seychelles



Al-Amanda Resort is one of the most beautiful resort in Seychelles with 60 rooms.

Scope;

Entire electrical and ELV work.

Client: Al-Amanda Resort & SPA

Cost: Approx.; USD 1.7 Mn

Completed on; 2010

2.6.1.4 Raffles Residencies – Sri Lanka



Raffles Residencies is the high architectural Building with two large elegant banquet Hall with few rooms.

Scope;

Entire electrical and ELV work.

Client: Raffels Consolidated Ltd

Consultant: Dilantha Muraj Associate

Cost: Approx.; USD 40 Mn

Completed on;

2.6.2 Our contribution in the sector of Condominium & Housing

2.6.2.1 Capital Twin Peak



Proposed 50 storied twin towers with 400 luxury residential units

Scope; Entire electrical and ELV work

Client: Sanken Constructions to Capital Residencies

Consultant: Messas International

Cost: Approx. LKR 400Mn

Completion;

2.6.2.2 Avalon Residential Project for Blue Mountain

Avalon Residential Project for Blue Mountain properties at Kirulapone



Scope; Entire electrical and ELV work

Client: Blue mountain properties

Consultant:

Cost: Approx. LKR 20 Mn

Completion;

Cost: Approx. LKR 20Mn

2.6.2.3 Thulasi Mahal Apartments



Thulasi Mahal Apartments is the 1st Apartment building in Northern Sri Lanka.

Scope; Entire electrical and ELV work

Client: Through Sanken Constructions,

Consultant: Mesas Internationals, Peninsular Property Developers

Cost: Approx. LKR 37 Mn

Completion;

2.6.2 Our contribution in the sector of Industrial and Infrastructure

2.6.2.1 Bandaranaike International Air-Port Development Project Phase II

Bandaranaike International Air-Port Development Project Phase II, Stage B Remote Apron & Taxiways



Scope; Entire electrical and ELV work

Client: Through Hazama Ando Corporation to AASL

Consultant: JAC

Cost: Approx. LKR 200 Mn

Completion;

2.6.2.2 Extension of De La Rue currency and security print (Pvt) Ltd.



Scope; Entire electrical and ELV work

Client: Through Sanken Lanka, De La Rue Lanka Currency and Security Print

Consultant:

Cost: Approx. LKR 42 Mn

Completion;

2.6.2.3 Extension of GSK Factory at Attidiya, Sri Lanka.



Scope; Entire electrical and ELV work

Client: GSK

Consultant:

Cost: Approx. LKR 22 Mn

Completion;

2.6.2.4 Interior Upgrading for HCL Technologies Structure



Scope;

ELV Work, Testing and commissioning.

Client: HCL Technologies

Consultant: IDawn

Cost: Approx. USD 0.156Mn

Completion;

2.6.2.5 Sanjeevika Ayurvedic Products Pvt Ltd



Scope;

ELV Work, Testing and commissioning.

Client:

Consultant:

Cost: Approx.

Completion;

2.6.2.5 Hela clothing



Scope;

ELV Work, Testing and commissioning.

Client:

Consultant:

Cost: Approx.

Completion;

2.6.3 Our contribution in the sector of commercial buildings

2.6.3.1 H.Siffa, Maldives

10 Story commercial residential building at H.Siffa, Maldives with Shopping Area & Apartments.



Scope;

ELV Work, Testing and commissioning.

Client: Sanken Overseas, Athirively
Investments Pvt. Ltd

Consultant:

Cost: Approx. USD 0.9 Mn

Completion;

2.6.3.2 House of Faison Mega Mall – Colombo



House of Faison Mega Mall is one of the largest shopping malls in Sri Lanka is Having 12 Storied with 2 basements for parking.

Scope;

ELV Work, Testing and commissioning.

Client: House of Fashion

Consultant:

Cost: Approx. 160 LKR Mn

Completion;

2.6.3.3 HNB Regional office -Northern Region in Sri Lanka.



HNB Regional office is LEED Certified First Green Building in Northern Region in Sri Lanka.

Client: Through Sanken Constructions, Hatton National Bank

Consultant: Shayan Kumardas Chartered Architects

Cost: Approx. LKR 22Mn

Completion;

2.6.4 Our contribution in the sector of Power plants

2.6.4.1. Greater Polonnaruwa Water Supply Project.



Scope;

Client: Through Hyundai Sanken JV, NWS & DB

Consultant: NWS & DB

Cost: Approx. LKR 47Mn

Completion;

2.6.4.2 Upper Kotmale Hydropower Project Lot-02



Scope;

Client: Through MNJV, Ceylon Electricity Board

Consultant: J-Power

Cost: Approx. LKR 122Mn

Completion;

2.6.4.3 Koswathu ganga project

Scope;

Client: Through MNJV, Ceylon Electricity Board

Consultant: J-Power

Cost: Approx. LKR 122Mn

Completion;

3. Strategic Business Direction

3.1. Vision

“To become the leader of MEP technological industry in Tanzania”

3.2. Mission

To deliver fully turnkey solution through in house excellence, updated technology and the effective use of alliance partnerships. Guaranteeing to provide a cost effective and quality assured service, tailored to meet our customer requirements, through developing a competent, creative and dedicate team of employees.

3.3. Core Values

Who do you work for?

ProCurement

QUality

AccountS

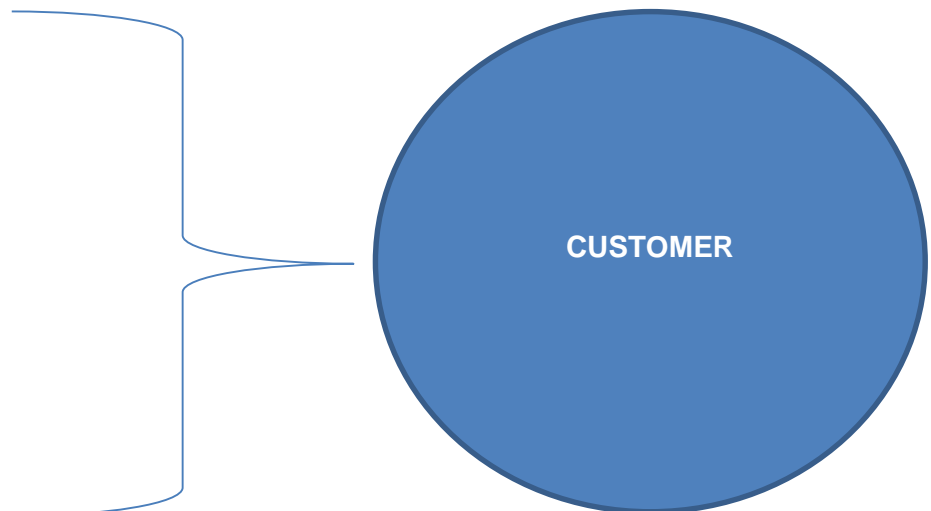
ProducTion

Human ResOource

Marketing

EngineEring

Research



3.4. Competitive Positions

The Synergy of Okey Plast (Tz) Ltd and APS Lanka (Pvt) Ltd is “APS (Tz) Ltd”. Okey Plast having sectorial and terrain know how & APS Lanka having expertise of MEP know how could be the best out best MEP company in the region.

4. Financials

4.1. Financial Plans

4.1.1. Assumptions

I. All these calculations are based on zero sales assumption for the first year. Since, APS trying to introduce a value addition to the existing Industry with their expertise, there will be an extra time consumption to become reality in Tanzanian soil.

II. According to the meetings what we have conducted and the information was gathered in the market, there are massive projects are in the pipeline. My calculations based on average turnover and its value will be almost USD 100,000 per month. If we get high value projects, there is a requirement to consider its advance guarantee as a separate case.

III. All calculations won't consider any FOREX fluctuations and considered that it will remain same.

IV. There is 20% annual increase for the revenue would have been considered.

V. All Machinery and tools are depreciating by 15% per annum on straight basis.

4.1.2. Working Capital

Description	Year1
Revenue	-
Investment on Fixed Assets	(124,310)
Material MOQ	(104,000)
Labor & Administration	(156,138)
Overheads	(129,451)
	(513,899)

Figure 4-1 Working Capital

4.1.3. Breakdown of Cost Estimation

Investment on Machinery, Tools, Equipments,Etc					
Note '01					
Description	Base	Duty	VAT	Clearing	Year1
Testing Bench	(45,000)	-	(8,100)	(6,750)	(59,850)
Bus Bar Bending Machine	(5,000)	-	(900)	(750)	(6,650)
Engrave Labeling Machine	(5,000)	-	(900)	(750)	(6,650)
Other Tools	(12,000)	-	(2,160)	(1,800)	(15,960)
Plumbing Tools(3 Sets)	(10,000)	-	(1,800)	(1,500)	(13,300)
8 Seater (Alfred)	(7,500)				(7,500)
Delivery Truck(One Ton)	(10,000)				(10,000)
Office Furniture	(1,000)				(1,000)
General Computer (two)	(800)				(800)
Apple Computer	(1,200)				(1,200)
CCTV	(400)				(400)
Others	(1,000)				(1,000)
					-
					-
	(98,900)		(13,860)	(11,550)	(124,310)

Figure 4-2 Breakdown of Cost Estimation

Material for the MOQ	
Note '02	
Description	Year1
Switch Gear (Siemens)	(60,000)
Panel Accsories	(24,000)
Panel	(20,000)
	-
	(104,000)

Figure 4-3

Labour & Administration			
Note '03			
	Description	Numbers	Year1
01	Commercial Administration, Finance, Stores	2	(25,630)
02	Enginer, Process, Marketing	2	(27,700)
03	Technicians	10	(83,800)
04	Treanee Technicians	2	(5,280)
05	Office Assistant	1	(5,280)
06	Drivers	2	(3,168)
07	Servants	4	(5,280)
		25	(156,138)

Figure 4-4

Overheads	
Note '04	
Description	Year1
Business Registration	(40,000)
Building Rent	(24,000)
Internet Expenses	(4,800)
Accommodation (6)	(25,200)
Stationery	(1,800)
Other Expenses	(3,000)
Fuel	(3,600)
Insurance	(51)
Administration Expenses Tickets, Visa & Etc	(14,000)
Audit Fees	(1,000)
Marketing Budget	(12,000)
	(129,451)

Figure 4-5

4.1.4. BEP Analysis

Description	Mgn impact @ 25%
Total Investment	513,899
Expected Mgn	25%
BEP Turnover	<u>2,055,596</u>
TO Recover Monthly Fixed Cost	
Description	Monthly Fixed Cost @ 25%
Monthly Fixed Cost	23,799
Expected Mgn	25%
BEP Turnover per Month	<u>95,196</u>

Figure 4-6 BEP Analysis

4.1.5. Forecast Income Statements & Balance Sheets

APS LANKA (TZ) LTD						
FORECAST INCOME STATEMENT						
DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
REVENUE	-	1,000,000	1,200,000	1,440,000	1,728,000	
MATERIAL	(104,000)	(600,000)	(720,000)	(864,000)	(1,036,800)	
LABOR	(156,138)	(156,138)	(156,138)	(156,138)	(156,138)	
OVERHEADS	(129,451)	(129,451)	(129,451)	(129,451)	(129,451)	
DEPRICIATION	(18,647)	(18,647)	(18,647)	(18,647)	(18,647)	
NET PROFIT	(408,236)	95,765	175,765	271,765	386,965	
NP %	#DIV/0!	10%	15%	19%	22%	
APS LANKA (TZ) LTD						
FORECAST BALANCE SHEETS						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
NONE CURRENT ASSETS						
PLANT & MACHINERY	105,664	87,017	68,371	49,724	31,078	
CURRENT ASSETS						
INVENTORY	104,000	104,000	104,000	104,000	104,000	
CASH AND BANK BALANCE	(13,899)	404,748	503,394	618,041	751,887	
	195,765	595,765	675,765	771,765	886,965	
EQUITY	500,000	500,000	500,000	500,000	500,000	
NET PROFIT/(LOSS)	(304,236)	95,765	175,765	271,765	386,965	
CURRENT LIABILITIES						
	195,765	595,765	675,765	771,765	886,965	

Figure 4-7 Forecast Income Statements & Balance Sheets

5. Conclusion

APS Tz Ltd is a business alliance of Okey Plast and APS Lanka Pt Ltd. Okey plast has been survived in the industry for the past 25 years and APS has been survived for the past 15 years. Hence, this alliance is kind of a symbol of excellence that is planted in Tanzanian soil with local expertise and field expertise.

The joining hands of the industry experts would be positively influenced in fulfilling the gap of MEP in the construction industry.

The Mutual contribution of the skilled knowledgeable technical team of foreign experts and local technical people will transfer all expertise & knowledge to the local community when performing in the industry. This will truly level up the skills of the technical teams which would be highly beneficial for the operation. The technical community of the country would be given many opportunities whereas APS Tz Ltd would be providing valuable opportunities for the skilled technicians who are qualified for knowledge improvement courses like VITA.

With our products and services, investors could easily use local expertise without bringing down international contractors. This would help the growth of the economy of the country as well.

Based on all the in-depth analysis done together proposed APS Tz Ltd would be a successful project in every aspect contributing to the national industry of construction.