

PROGRESS REPORT FOR ELSEWEDY ELECTRIC EAST AFRICA LIMITED.

1. PLANNED ACTIVITIES FOR THE PERIOD

This document is prepared to serve the purpose as a feasibility study for **ELSEWEDY ELECTRIC EASTAFRICA LIMITED** from the implementation of the project to the date of writing this report whereby the company was implemented for the manufacturing of electronic equipment and accessories.

2. ACHIVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO DATE

The company has managed to make sure that there is enough availability of electronic equipment's and accessories such as Cables, transformers, PVC and meters and our main objectives is providing products to the local market especially after operation of the dam and export to East African countries.

The Company also has developed some of the achievements: -

- Increase more 400 direct employment opportunities(contractured),50 casual labor estimated 600 indirect jobs.
- Direct Domestic investment of more than 11,000,000 within June 2022 – June 2023.
- Increase tax contributed to the government.
- Generate foreign currency.

3. UPDATED INFORMATION OF THE COMPANY

- The current registered shareholders of the Company are:-
 - i. Elsewedy Holding International Limited – Number of shares owned – 1 share.
 - ii. Elsewedy Cables Tanzania Holding Limited -Number of shares owned- 99
- Certificate of Incorporation -- 140226378
- TIN number – 140-226-378
- Project Core Activity – manufacture of electronic equipment and accessories.

- Project capacity per year – 52,064,343/= whereby the company projects to manufacture electronic accessories.
- Direct employment -- The project has total of 400 foreign male workers, 350 local men, 50 local women.
- Indirect employment—The project has estimated 600 indirect employments.

4. PROJECT FINANCIAL EXPENDITURE TO DATE.

Description	Amount \$
Buildings	9,149,853.55
Machinery & Equipment	8,752,708.52
Vehicles	215,073.97
Tools	2,804,719.23
Furniture & Fixtures	262,632.26
Computer	290,875.25
Right of Use - Assets - HC Lease Contract	863,634.77
Raw Material	3,397,150.77
Packing	113,470.58
Spare Parts	530,972.09

Tools	3,996.44
Fuel and Oil	4,615.93
WIP	318,440.26
Finished Goods	4,758,242.71
Goods in Transit	491,601.65
Goods Under Inspection	326,212.23
Receivables	3,513,043.57
Total - USD	35,797,243.78

5. PROJECT FINANCING

The company has invested in project USD 23,000,000.00 from shareholders' funds. Profits generated from business operation will be re- invested. There has not been an injection of capital that is sourced from loans and the capital is directly from equity.

	Share holders		
Egypt	loan	ELsewedy Electric - Holding	4,000,000.00
	Share holders		
UAE	loan	Elsewedy Electric Holding LTD	4,000,000.00

	Share holders	Elsewedy Electric Company – Tanzania	
Tanzania	loan	Branch	4,000,000.00
Tanzania	Long term loan	NBC bank	11,000,000.00

Total - USD			23,000,000.00
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6. PROBLEMS AND SOLUTION

The company has encountered problems during the execution of the project on training employees and that are to be transferred from agriculture to industry. We worked on this problem by sending some workers and engineers to the Elsewedy Group in Egypt , we used 24 workers and engineer in November 2021 For this challenge , the company has found a way to solve the challenge by using existing Egyptian team for training and we succeeded in transforming the workers from agriculture to industry with the help of the Egyptian team.

7. FUTURE PLANS

After accomplishing the Cables factory which is already running since 5 dec 2021 and Transform factory which is already running from September 2022. We have a plan to add another factory for

In our plan to establish the PVC Factory, we have accomplished prior arrangements and others are still in as shown in the table below:

Items	Status	Remarks
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Civil work	Done	
Utility	Done	
Machines	Arrived	
Commissioning raw material	Arrived	
Start commissioning	Nov 2023	We are wait Italian team for commissioning
Start mass production running	Dec 2023	

We also plan to employ more locals, now that many who have been employed for a while have learnt and are able to transfer knowledge to new ones the following are financials plans.



STATEMENT (US\$)

	2023	2024	2025	2026	2027
Revenue	54,386,360.62	59,009,201.27	63,729,937.37	68,828,332.36	74,334,598.95
Cost of Material	#####	#####	#####	#####	#####
Operating Expenses:	(3,612,000.00)	(3,792,600.00)	(3,982,230.00)	(4,181,341.50)	(4,390,408.58)
Gross Margin	4,362,851.21	5,092,171.11	5,613,322.80	6,181,855.53	6,801,844.21
Sales & Distribution	(601,398.57)	(631,468.50)	(663,041.93)	(696,194.02)	(731,003.73)
G & A expenses.	(1,648,593.88)	(1,731,023.57)	(1,817,574.75)	(1,908,453.49)	(2,003,876.16)
Financial costs	(1,320,000.00)	(1,320,000.00)	(1,320,000.00)	(1,320,000.00)	(1,320,000.00)
Net Profit	792,858.76	1,409,679.04	1,812,706.13	2,257,208.02	2,746,964.33
Tax (30%)	(237,857.63)	(422,903.71)	(543,811.84)	(677,162.40)	(824,089.30)
Profit After Tax	555,001.13	986,775.33	1,268,894.29	1,580,045.61	1,922,875.03

PROJECTED CASH FLOW US\$

	2023	2024	2025	2026	2027
Overdraft	3,500,000.00	-	1,276,596.00	-	-
Collection	52,064,343.00	58,705,622.00	63,419,929.00	68,493,524.00	73,973,005.00
Total Inflow	55,564,343.00	58,705,622.00	64,696,525.00	68,493,524.00	73,973,005.00

Cash out flow

Metal Foreign purchase	27,683,200.00	35,683,200.00	36,914,400.00	36,914,400.00	41,914,400.00
Other RM Foreign purchase	9,500,000.00	9,500,000.00	9,500,000.00	9,500,000.00	9,500,000.00
Local copper	5,700,000.00	5,700,000.00	5,700,000.00	5,700,000.00	5,700,000.00
Local Wooden Drum	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Other Local Purchase	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Consulat Fees	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Manufacturing exp.	3,521,000.00	3,701,600.00	3,891,230.00	4,090,342.00	4,299,409.00
Selling exp.	601,399.00	631,469.00	663,042.00	696,194.00	731,004.00
G & A exp.	1,648,594.00	1,731,024.00	1,817,575.00	1,908,453.00	2,003,876.00
Spare Parts purchasing	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00
Loans Settlement	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	-
Financial charges	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	-
Total outflow	55,264,192.00	63,557,292.00	65,096,247.00	65,419,389.00	65,958,688.00

Cash - Beginning Balance	51,325.00	351,475.00	(4,500,195.00)	(4,899,916.00)	(1,825,782.00)
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Net cash flow	351,475.00	(4,500,195.00)	(4,899,916.00)	(1,825,782.00)	6,188,535.00
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Collection PLAN

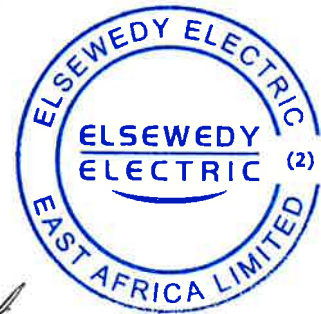
	2023	2024	2025	2026	2027	Total
Sales Value						
Local	35,715,222.00	38,751,015.00	41,851,097.00	45,199,184.00	48,815,119.00	210,331,637.00
Export	18,671,139.00	20,258,186.00	21,878,841.00	23,629,148.00	25,519,480.00	109,956,793.00
	54,386,361.00	59,009,201.00	63,729,937.00	68,828,332.00	74,334,599.00	320,288,431.00
Collection Value						
Receivables Beg Balance	1,249,504.00	-	-	-	-	1,249,504.00

8. RECOMMENDATIONS AND ANY OTHER COMMENTS

There is neither recommendations nor comments.

9. CONTACT PERSON

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