

KIRIN COMPANY LIMITED

PROJECT DOCUMENT ON ESTABLISHMENT

OF

ALGAE MODERN AGRICULTURE PROJECT IN TANZANIA



JULY 2023

1. Executive summary

Kirin Company Limited, is a company limited by shares aims to introduce large scale production of algae in Mtwara hence expand algae plant market, focused on modern styles for sea water agricultural project. This shall expand market at about 21.6% yearly. Initially the company intend to have about one hundred acres of algae farm. Currently algae production is very small in small scale and not potential in government income contribution. The company intend to produce 1500 tons of algae in the first year and 5000 tons in three years to come.

2. Company description

Kirin algae agricultural project is designed to be a modern styled sea farming project where the production will be in the farmers located in the sea.

- **Introduction:** Kirin Company Limited is a self-standing company intending to introduce modern agriculture of algae in Tanzania especially in Mtwara region. Starting from production farms of about 100 acres and after three years to come the company intend to have about 800 acres of algae.
- **Founding team:** The founding team of Kirin Company limited is main its directors especial Mr Cheng Qiang a Chinese person who get this ideal from his friend styled in Indonesia where his produces tons and tons of algae and highly contributed in the country's economy.
- **Business mission:** the company intend to produce and export or sale algae in large scale.
- **Business goals:**
 - Establish about 800 acres farms of algae starting with 100 acres this year.
 - Building a 5000 square meters green house.
 - Building up to 2000 square meters house, office and warehouse
 - Buying about 45 small boats and 3 big ships for the first time
 - Buying machines for more than 30,000 US Dollars

3. Products and services

The project shall include the following activities

- Procurement of algae seeds
- Production of algae in large scale sea farms
- Selling of algae products
- Managing agricultural waste disposal
- Algae renovation projects

4. MARKET ANALYSIS

The project shall use the popular SWOT analysis (strengths, weaknesses, opportunities, and threats) technique to show company's positioning and competitive advantages. SWOT analyses are excellent complements to one-page plans as they convey so much information about business operations, positioning, and potential using little space on the page.

STRENGTH: We have the opportunity to take and lead an entire Industry of Algae from Tanzania

WEAKNESS: East Africa is Far Distance to US and European Market and shipping costs may be challenging.

OPPORTUNITIES: Able to Open Amazon store from Tanzania, Able to Digitally Market at a competitive pace, able to control the entire process from collection to drying, packaging and export, Employ and train local Tanzanians and raise level of education and cost of living. Opportunity to

THREATS: This project may suffer from project CREEP on deliverables due to limitations of local labor pool and therefore growth and development for deliverables must be in pace with human training and education capacity.

SOLUTION: Hire International Professionals, Volunteers and Contractors for short periods to come to Tanzania and train local staff on high skilled jobs. Tanzanians will then take over these jobs for the long term, keeping our company resilient and raising the quality of living for Tanzanian people.

5. Management team

For Kirin Company Limited, it may list the personnel working on the new partnership from the executive and management teams of the company.

6. Financial plan

Kirin company limited, is a company limited by shares. Its financial plan would include a balance sheet summary showing assets, liabilities, and capital of the company, as well as additional financial data including periodic projections.

INVESTMENT COST		
SN	ITEMS	TSHS
1	LAND/BUILDING	10,800,000/-
2	PLANT	30,000,000/-
	VEHICLES	26,000,000/-
	WORKING CAPITAL	1,800,000,000/-
TOTAL INVESTMENT CAPITAL		1,866,800,000/-

FINANCIAL PLAN		
SN	ITEMS	TSHS
	FOREIGN EQUITY	1,866,800,000/-
TOTAL		1,866,800,000/-

7. Operational plan

For Kirin company limited, the operational plan may include getting procurement quotes from international suppliers, a system for estimating production costs on each new project, manufacturing equipment to design the panes, and manufactured/sales inventory for shipping to customers.

8. PROJECTED PROFIT AND LOSS ACCOUNTS

The Income and Expenditure Statement shows the projected income for the 10 years period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits greater-t

9. PROJECTED CASH FLOWS STATEMENT (TSHS)

	1	2	3	4	5
Revenue	8,056,800.00	8,099,640.00	9,044,622.00	9,091,853.10	1,041,445,000.76
Operating					
Expenses:	3,042,720.00	3,059,856.00	3,077,848.80	3,096,741.24	4,016,578.30
Gross Profit Before Interest and Depreciation					
Depreciation	5,014,080.00	5,039,784.00	5,066,773.20	5,095,111.86	6,024,867.45
Interest	12,000,000.00	9,000,000.00	6,000,000.00	3,000,000.00	-
Depreciation	280,000.00	280,000.00	280,000.00	280,000.00	280,000.00
Gross Profit	4,274,080.00	5,402,784.00	5,732,773.20	5,764,111.86	5,996,867.45
Tax (30%)	142,224.00	150,835.20	159,831.96	169,233.56	179,060.24
Profit After Tax	331,856.00	351,948.80	372,941.24	394,878.30	417,807.22
Accumulated Profit	331,856.00	683,804.80	1,056,746.04	1,451,624.34	1,869,431.56

7.0 Projected Cash Flows

This is shown in the Projected Cash Flows Statement in appendix II. They indicate that the project will meet its entire financial obligation, the Accumulated cash flow in the first year

7.1 PROJECTED CASH FLOWS STATEMENT (US\$)

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation		5,014,080.00	5,039,784.00	5,066,773.20	5,095,111.86	6,024,867.45
Equity	1,866,800,000.00					
Total Sources	1,866,800,000.00	5,014,080.00	5,039,784.00	5,066,773.20	5,095,111.86	6,024,867.45
Applications:						
Capital expenditure working Capital & Others	9,020,000.00					
Cash	0	3,371,856.00	3,688,948.80	4,706,941.24	4,825,878.30	4,945,807.22
Tax	-	1,342,224.00	1,550,835.20	1,659,831.96	1,769,233.56	1,979,060.24
Sub total	1,866,800,000.00	5,314,080.00	5,439,784.00	5,666,773.20	5,795,111.86	6,824,867.45
Total applications	1,866,800,000.00	5,314,080.00	5,439,784.00	5,666,773.20	5,795,111.86	6,824,867.45
Accumulated cash		371,856.00	760,804.80	1,167,746.04	1,593,624.34	2,039,431.56

7.2 Projected Balance Sheet

The projected Balance Sheet of the project is shown in the financial statements under the total owners' equity of the project increases from Tshs. 1,866,800,000 at the end of first year of the operation to Tshs. **2,000,869,431.56** at the end of in 5th year. Therefore; balance sheets depict a healthy financial,

7.3 PROJECTED BALANCE SHEET STATEMENT (Tshs)

Fixed Assets		1	2	3	4	5
Opening balance		9,020,000.00	8,992,000.00	8,764,000.00	8,536,000.00	8,908,000.00
Additions						
Total Long-term Assets		9,020,000,000	8,992,000,000	8,764,000,000	8,536,000,000	8,908,000,000
Less depreciation		728,000.00	728,000.00	728,000.00	728,000.00	728,000.00
Closing balance		55,892,000,000	22,864,000,000	54,836,000,000	44,808,000,000	76,780,000,000
Working capital	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000
Accumulated cash		10,371,856,000	20,760,804,080	51,167,746,004	51,593,624,034	52,039,431,056
Total assets Financed by	1,800,000,000	343,856,000	704,804,080	83,746,004	481,624,034	899,431,056
Equity	1,866,800,000	1,866,800,000.00	1,866,800,000.	1,866,800,000	1,866,800,000.00	1,866,800,000
Accumulated profit		35,031,856	65,083,804.80	114,056,746	113,451,624	110,869,432

total equity
total
and

Total equity	1,866,800,000	110,331,856.00	110,683,804.80	210,056,746.04	210,451,624.34	210,869,431.56
Total equity and debts	1,866,800,000.00	190,431,856.00	160,783,804.80	290,106,746.04	290,451,624.34	260,869,431.56

8.0 CONCLUSION & RECOMMENDATION

8.1 CONCLUSION

From the financial and economic evaluation of the project, the following conclusion can be drawn:

8.1.1 The Proposed project is commercially attractive and financially viable.

The project will create additional employment opportunities to 15 people.

8.1.2 Foreign exchange savings through import substitution and earnings through exports are substantial.

9. RECOMMENDATION

Since the project meets the main objectives creating self-sufficiency in basic consumer needs from locally available raw materials while earning foreign exchange, its early implementation is strongly recommended.

This Company business plan is prepared in accordance with the company's board of directors resolution made on the06.....day ofJuly.....2023 .

Signed by CHEN QIANG this 25 Day of August 2023 Signature.....13, 4, 51

Company Seal

