

**CHAGATU EARTH WORKS COMPANY
LIMITED.**

**CIVIL & BUILDING
CONTRACTORS**

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**BUSINESS PLAN
May, 2023.**

Table of Contents

1.0 Executive Summary;	1
Introduction;	1
Products/Services;.....	1
The Market;	1
Financial Considerations;	2
1.1 Mission;	2
1.2 Vision;	2
2.0 Company Summary;	3
2.1 Safety;	5
2.2 Property, Plant and Equipments;	5
3.0 Product & Services;	5
3.1 Applications;	6
3.2 Contracts;	6
4.0 Market Analysis Summary;	6
4.1 Housing Market Segmentation;	7
4.2 Civil Works Market Segmentation;	7
5.0 Strategy and Implementation Summary;	8
5.1 Sales Forecast;	9
5.2 Marketing Strategy;	11
Promotional Campaign;	11
Marketing Programs;	11
6.0 Management Summary;	12
6.1 Personnel Development;	12
6.2 Personnel Plan;	12
7.0 Financial Plan;	13
7.1 Projected Cash Flow;	13
7.2 Break-even Analysis;	15
7.3 Projected Profit and Loss;	16
7.4 Projected Balance Sheet;	18
7.5 Business Ratios;	19
8.0 Appendix;	1-4

1.0 Executive Summary;

Introduction;

CHAGATU EARTH WORKS COMPANY plans to become the leading provider of Building & Civil Construction Works in Tanzania. This means always having the best and most efficient facilities, processes, and people. To achieve this, CHAGATU EARTH WORKS COMPANY LIMITED is investing in many ways that will pay off in competitive advantages for its customers.

The company's overall strategy will be based on a continuing improvement process of setting objectives, measuring results, and providing feedback to facilitate further growth and progress.

CHAGATU EARTH WORKS COMPANY is Class V Registered Buildings Contractors and Class V Civil Works Contractors a Limited by share registered under Company Act of 2009 with certificate of incorporation No. 141-199-870 of and TIN 141-199-870 with principal offices located in Dar es Salaam-Tanzania.

CHAGATU EARTH WORKS COMPANY LIMITED's Management is highly experienced and qualified. Mr. CHARLES F. MWAKIBETE leads the management team with over twenty years of experience in the construction industry.

Products/Services;

CHAGATU EARTH WORKS COMPANY has developed sophisticated formwork solutions for some of the most complex construction projects being done today. The company's standard form systems are versatile and completely adaptable to a variety of configurations such as walls, shafts, and circular walls.

The CHAGATU EARTH WORKS COMPANY system can be adapted to almost any construction requirement that calls for forming. The company's expert staff has the capability to design and manufacture any custom component or accessory item that may be required to complete the formwork package.

Owners, developers, construction managers, general contractors, and concrete subcontractors have realized substantial savings in labor and material costs by using structural contours construction methods, systems and equipment.

Applications include commercial and residential structures, bridges, educational projects, recreational projects, civil projects, utility projects, environmental projects, and virtually every other types of concrete and steel construction.

The Market;

The construction industry in Tanzania has proceeded at a red-hot pace for several years running. An all-time record was set in 2012, when 886,000 new-site single family homes were sold. That represented a 10% gain from the robust total of 804,000 homes sold in 2019, and an 8.1% rise from the prior record of 819,000 units in 2021. Single-family housing construction accounted for TSHs 48 million of the Totals TSHs 125 million generated in the industry.

This makes for an excellent opportunity to expand Concrete Installation operations and gain significant market share in its primary target market segment. The company also plans to focus to a lesser extent on the residential and heavy construction industry, which is also very robust at the moment.

The company plans to rapidly develop marketing alliances with industry leaders and pursue new sales of its services to residential and commercial builders. The market strategy is to capitalize on CHAGATU EARTH WORKS COMPANY LIMITED's alliances by securing city, county, and state and federal government contracts.

CHAGATU EARTH WORKS COMPANY plans to use a direct sales force, relationship selling, and subcontractors to reach its markets. These channels are most appropriate because of time to market, reduced capital requirements, and fast access to established distribution channels.

Financial Considerations;

We expect to be profitable during the 3rd quarter of year 2025 of operations. Despite initial large outlays in cash to promote sales, the company's cash account is expected to remain healthy. The company expects to earn approximately 1.5 billion Shillings in revenue by Year 2026.

1.1 Vision:

The mission of CHAGATU EARTH WORKS COMPANY is to provide quality service at competitive pricing to become the leading construction firm, while delivering projects that consistently exceed international standards and provide exceptional customer satisfaction, to continually deliver excellent value & innovative construction solutions to meet our clients' requirements, using modern principles and sophisticated technologies,

CHAGATU EARTH WORKS COMPANY LIMITED envisions being the primary preference at all times both nationally and globally, for their renowned excellence, quality, performance and reliability in all types of constructions.

1.2 Mission;

CHAGATU EARTH WORKS COMPANY LIMITED being a leading Building & Civil Construction company in Tanzania is to become the customers' most preferred choice by attaining excellence in quality and timely completed value added projects, providing the highest level of service in the construction industry we handle to continually innovate, develop and adopt state-of-the-art technology in methods and materials to enhance productivity and cost effectiveness.

To continually improve the competence of our team, and employee diverse, innovative & results-oriented persons, motivated to deliver excellence, to build a safety culture aimed at continually reducing the frequency severity rate towards achieving zero accidents.

2.0 Company Summary;

Class V Registered Buildings Contractors and Class V Civil Works Contractors a Limited by share registered under Company Act of 2009 with certificate of incorporation No. 141-199-870 of and TIN 141-199-870 with principal offices located in Dar es Salaam-Tanzania.

Table: Requirements TSHs (000');

<i>Requirements</i>	
<i>Addition Expenses</i>	
<i>Legal</i>	
<i>Stationery etc.</i>	500
<i>Brochures</i>	100
<i>Consultants</i>	500
<i>Insurance</i>	1,000
<i>Rent</i>	15,000
<i>Expensed equipment</i>	500
<i>Other</i>	14,000
<i>Total Addition Expenses</i>	1,400
	33,000
<i>Current Assets</i>	
<i>Cash Required</i>	
<i>Inventory</i>	132,000
<i>Other Current Assets</i>	0
<i>Long-term Assets</i>	30,000
<i>Total Assets</i>	20,000
	182,000
<i>Total Requirements</i>	215,000

CHAGATU EARTH WORKS COMPANY LIMITED

Table: Additional Funding TSHs (000');

<i>Additional Funding</i>	
Current Expenses to Fund	33,000
Current Assets to Fund	182,000
Total Funding Required	215,000
Assets	
Non-cash Assets from Accounts	50,000
Cash Requirements from Additions	132,000
Additional Cash Raised	0
Cash Balance to Date	132,000
Total Assets	182,000
Liabilities and Capital	
Liabilities	
Current Borrowing	0
Long-term Liabilities	0
Accounts Payable (Outstanding Bills)	0
Other Current Liabilities (interest-free)	0
Total Liabilities	0
Capital	
Planned Investment	
Charles F. Mwakibete	15,000
Investor	200,000
Additional Investment Requirement	\$0
Total Planned Investment	215,000
Loss to Date (Expenses)	(33,000)
Total Capital	182,000
Total Capital and Liabilities	
	182,000
Total Funding	215,000

2.1 Safety;

CHAGATU EARTH WORKS COMPANY LIMITED will be committed to conducting business in a manner that protects the health and safety of all employees, customers, and persons living in the community where it operates. To accomplish this, CHAGATU EARTH WORKS COMPANY LIMITED will ensure that it complies with current Health Administration and Occupational Health and Safety laws and will maintain its operations, procedures, technologies, and policies accordingly.

Each employee will have the responsibility to fully comply with established safety rules and to perform work in such a manner to prevent injuries to themselves and others. CHAGATU EARTH WORKS COMPANY LIMITED is very concerned about job-site safety and plans to set up a comprehensive safety program.

2.2 Property, Plant and Equipment's;

Properties, Plants and Equipments at The CHAGATU EARTH WORKS COMPANY LIMITED always are stated at historical costs such cost includes replacing or purchasing of new Equipments such as SUV, Pick- Ups, Mobile Crane, Earth Moving Equipments, Scar-fold Clamps, Scar-Fold Pipes, Machines & Tools, Backhoe Loader and Compactor Roller.

3.0 Product & Services;

The CHAGATU EARTH WORKS COMPANY LIMITED system can be adapted to almost any construction requirement that calls for forming. The company's expert staff has the capability to design and manufacture any custom component or accessory item that may be required to complete the formwork package.

Owners, developers, construction managers, general contractors, and concrete subcontractors have realized substantial savings in labor and material costs by using structural contours construction methods, systems and equipment. Applications include commercial and residential structures, bridges, educational projects, recreational projects, civil projects, tunnels, utility projects, environmental projects, and virtually every other type of concrete construction.

CHAGATU EARTH WORKS COMPANY LIMITED's formworks will offer major advances, complete adaptability, and high strength-to-weight ratio, and all at cost effective prices. Assembly will be quick and easy. During form use, maintenance will be minimal. CHAGATU EARTH WORKS COMPANY LIMITED will recommend, as a safety precaution, occasional inspection for bolts and nuts that may have loosened from handling.

The required formwork drawings that CHAGATU EARTH WORKS COMPANY LIMITED will furnish to the contractor eliminate all guesswork. The company will specify the order of assembly and erection including the location of the strong backs and joists, the location and actual loading of the form ties, location of all accessories and advice clients of the maximum allowable rate of concrete placement.

Accident prevention is the cornerstone of CHAGATU EARTH WORKS COMPANY LIMITED's safety commitment. The company will strive to eliminate foreseeable hazards which could result in personal injury or illness; at CHAGATU EARTH WORKS COMPANY LIMITED, health and safety will not be compromised. CHAGATU EARTH WORKS COMPANY LIMITED will sell its services clients in the area of commercial construction.

3.1 Applications;

The following applications are uses for CHAGATU EARTH WORKS COMPANY LIMITED's services.

- Foundations
- Parking Lots
- Parking Garages
- Low Rise/Tilt-Up
- High Rise
- Flowable Fill/Soil Displacement
- Retaining Walls.

Applications include commercial and residential structures, bridges, educational projects, recreational projects, civil projects, utility projects, environmental projects, and virtually every other types of concrete and steel construction.

3.2 Contracts;

CHAGATU EARTH WORKS COMPANY LIMITED LIMITED's Contracts currently amounted to TSHs 8,020,100,000/- and these contracts includes commercial and residential structures, bridges, educational projects, recreational projects, civil projects, utility projects, environmental projects, and virtually every other types of concrete and steel construction.

4.0 Market Analysis Summary;

Industry Statistics – Buildings & Civil Engineering Works, Data Installation and Telecommunication Works.

Special Trade Contractors primarily engaged in Civil Works, including Roads (Paved or Murom) Drainage and Bridges (Box Culverts and Other Related Structure).

CHAGATU EARTH WORKS COMPANY LIMITED

Estimated Number of Contract Establishments	30,214
Number of Contractors Employed in this Industry	230,338
Total Annual Sales in this Industry	21 Million
Average Contractors per Establishment	8
Average Sales per Establishment	700 Million

Establishments primarily engaged in Building Constructions and Metal Fabrications Building, Irrigation and Water Supply Works.

Estimated Number of Establishments	5,798
Number of People Employed in this industry	89,662
Total Annual Sales in this Industry	919 Million
Average Number of Employees per Establishment	517
Average Sales per Establishment	1,556.5 Million

4.1 Housing Market Segmentation;

The housing industry has proceeded at a red-hot pace for several years running. An all-time record was set in 2020, when 886,000 new-site single family homes were sold. That represented a 10% gain from the robust total of 804,000 homes sold in 2019, and an 8.1% rise from the prior record of 819,000 units in 2019. Single-family housing construction accounted for TSHs 48 million of the totals TSHs125 million generated in the industry.

Home sales strengthened even further during most of 2021's first 10 months. In that period, new single-family home sales increased by 4.8% on a year-to-year basis, to 791,000 units, according to the Department of Commerce, Tanzania Building Agency. Through October 2021, seasonally adjusted sales had exceeded 800,000 on an annualized basis in every month since the start of 2019.

The record setting string of home sales since the second half of 2019 has forced builders to pick up the pace of their construction activity. During 2020, total starts increased by 9.7% to 1.62 million units. Starts for single family units moved up 12 % for the year, and those of multifamily units were ahead by 1.5%. As an indication of building activity at year-end 2021, housing starts in November 2021 came in at a seasonally-adjusted annual rate of 1.6 million units.

The table below outlines the total market potential of the three targeted market segments in the served markets (in TSHs 800 millions).

4.2 Civil Works Market Segmentation;

The Tanzanian construction market is expected to register a CAGR greater than 8% during the forecast period (2024 - 2028). According to the Bank of Tanzania's (BoT) quarterly economic bulletin, lending growth to the private sector by commercial banks fell to 2.3% in March 2021,

CHAGATU EARTH WORKS COMPANY LIMITED

owing to the impact of the COVID-19 outbreak on the demand and supply of various products. Building and construction, trade, agriculture, manufacturing, mining, and quarrying were among the economic activities that saw negative growth rates.

The fact that Tanzania is creating infrastructure has raised its indebtedness in recent years, as more infrastructure projects are being built around the country. Fiscal spending in 2021 was USD 15.7 billion, with donors covering only 8% of the total. From 2024 to 2028, the government anticipates the economy to grow at a rate of 6.3%.

Tanzania's government is working to develop its infrastructure, energy, and agriculture sectors in order to grow its economy and expand export opportunities. Tanzania's infrastructure development may help future generations as they grow up, enhancing Tanzania's ability to care for its citizens and providing a stable source of transportation and movement of people and goods around the country.

Table: Market Analysis TSHs (000')

<i>Market Analysis</i>							
		2024	2025	2026	2027	2028	
Potential Customers	Growth						CAGR
Single-family housing construction	8%	125,000	135,000	145,800	157,464	170,061	8.00%
Residential construction	5%	25,000	26,250	27,563	28,941	30,388	5.00%
Heavy construction	5%	50,000	52,500	55,125	57,881	60,775	5.00%
Total	6.90%	200,000	213,750	228,488	244,286	261,224	6.90%

5.0 Strategy and Implementation Summary;

The company plans to rapidly develop marketing alliances with industry leaders and pursue new sales of its services to residential and commercial builders. The market strategy is to capitalize on CHAGATU EARTH WORKS COMPANY LIMITED's alliances by securing city, county, and state and federal government contracts.

CHAGATU EARTH WORKS COMPANY LIMITED will be committed to ensuring that the products used on its' customers job sites, everything from access scaffolding to concrete shoring frames and forming equipment, is safe and OSHA approved. Along with clients, the company believes in a health and safety initiative that is all pervasive, managing any potential loss in the work environment.

CHAGATU EARTH WORKS COMPANY LIMITED will develop sophisticated formwork solutions for some of the most complex construction projects being done today. The company's standard form systems will be versatile and completely adaptable to a variety of configurations such as walls, shafts, and circular walls.

With that in mind, CHAGATU EARTH WORKS COMPANY LIMITED will adopt a corporate strategy

CHAGATU EARTH WORKS COMPANY LIMITED

that is dedicated to improving the performance of activities on the critical path of its customers' projects. The company will do this by building on its core strengths: innovative equipment, design engineering expertise, and project and site management, within an environment of safety excellence.

At CHAGATU EARTH WORKS COMPANY LIMITED, customer service is a pro-active partnership, a relationship that ensures a professional, efficiently run, safe workplace. The company's customer service philosophy starts at the top, is ingrained into the fabric of the company, and is closely aligned to CHAGATU EARTH WORKS COMPANY LIMITED 's goal of contributing to its' customers critical success factors.

Customer service can be divided into two interrelated areas: equipment and people. On the job site, with the help of a newly integrated technology system and a well-trained staff, CHAGATU EARTH WORKS COMPANY LIMITED will be able to maintain excellent control over such key areas as inventory, shipments/deliveries, damage loss, and invoicing. Troubleshooting, which customer service representatives often do right on the job site, will be handled quickly and efficiently. On the people side, CHAGATU EARTH WORKS COMPANY LIMITED will provide a highly qualified and well- prepared labor force, ensuring that schedules and deadlines are met and worker safety remains a top consideration.

5.1 Sales Forecast;

The following table and charts show our projected Sales Forecast.

Table: Sales Forecast

<i>Sales Forecast</i>	TSHs				
	2024	2025	2026	2027	2028
Sales					
All construction work	700,000	1,050,000	1,575,000	1,765,750	2,014,540
Other	0	0	0	0	0
Total Sales	700,000	1,050,000	1,575,000	1,765,750	2,014,540
Direct Cost of Sales					
All construction work	448,000	558,750	698,437	789,000	879,780
Other	0	0	0	0	0
Subtotal Direct Cost of Sales	448,000	558,750	698,437	789,000	879,780

5.2 Marketing Strategy;

CHAGATU EARTH WORKS COMPANY LIMITED plans to use a direct sales force, relationship selling, and subcontractors to reach its markets. These channels are most appropriate because of time to market, reduced capital requirements, and fast access to established distribution channels. The overall marketing plan for CHAGATU EARTH WORKS COMPANY LIMITED's service is based on the following fundamentals:

- The segment of the market(s) planned to reach.
- Distribution channels planned to be used to reach market segments: television, radio, sales associates, and mail order.
- Share of the market expected to capture over a fixed period of time.

In addition, CHAGATU EARTH WORKS COMPANY LIMITED plans to advertise in magazines, newspapers, and radio.

The table and chart below outline the company's sales forecast for FY2024-2028. In our sales forecasts, the cost of sales includes only direct labor costs (administrative labor costs are discussed below).

Promotional Campaign;

CHAGATU EARTH WORKS COMPANY LIMITED is committed to an extensive promotional campaign. This will be done aggressively and on a broad scale. To accomplish initial sales goals, the company will require an effective promotional campaign to accomplish two primary objectives:

1. Attract customers who will constantly look to CHAGATU EARTH WORKS COMPANY LIMITED for their construction projects.
2. Attract quality sales personnel who have a desire to be successful.

In addition to standard advertisement practices, CHAGATU EARTH WORKS COMPANY LIMITED will gain considerable recognition through these additional promotional mediums:

- Press releases sent to major radio stations, newspapers, and magazines.
- Radio advertising on secondary stations.

Marketing Programs;

For the first six months of operation, advertising and promotion is budgeted at approximately TSHs 25,850,000. A fixed amount of sales revenues will go toward the state CHAGATU EARTH WORKS COMPANY LIMITED advertisement campaign. On an ongoing basis, CHAGATU EARTH WORKS COMPANY LIMITED feels that it can budget advertising expenses at less than 10% of revenues.

Incentives; As an extra incentive for customers to remember CHAGATU EARTH WORKS COMPANY LIMITED LIMITED's name, the company plans to distribute coffee mugs, T-shirts, pens, and other advertising specialties with its logo.

Brochures; The objective of brochures is to portray CHAGATU EARTH WORKS COMPANY LIMITEDs' goals and products as an attractive functionality. It is also to show customers how to use the latest in technology as it relates to construction and building services.

CHAGATU EARTH WORKS COMPANY LIMITED will develop three brochures: one to be used to promote sales,one to use to announce the product in a new market, and the other to recruit sales associates.

6.0 Management Summary;

The company's management philosophy will be based on responsibility and mutual respect. CHAGATU EARTH WORKS COMPANY LIMITED will maintain an environment and structure that will encourage productivity and respect for customers and fellow employees.

CHAGATU EARTH WORKS COMPANY LIMITED will be responsible to its employees, the men and women who work with the company throughout the state. At CHAGATU EARTH WORKS COMPANY LIMITED, everyone will be considered as an individual and the company will respect their dignity and recognize their merit.

Employees will be encouraged to have a sense of security and pride in their jobs. Additionally, employees will be free to make suggestions and complaints. The company will afford equal opportunity for employment, development, and advancement for those qualified.

CHAGATU EARTH WORKS COMPANY LIMITED will remain committed to:

- Providing a safe work environment to protect employees, the employees of customers and subcontractors, and the public.
- Supplying safe products for customers.
- Continuously improving the company's safety program to reduce the risk of accidents and occupational illness in a changing work environment.
- Encouraging employees to participate in accident prevention programs and take personal responsibility for their own and their co-workers' health and safety.
- Regulatory compliance and contribution to high safety standards for our industry.
- Monitoring workplaces, enforcing safe work practices, and communicating the company's safety performance to employees and other stakeholders.
- Making safety a value-added service that the company provides to its customers.

6.1 Personnel Development;

Personnel development is at the heart of CHAGATU EARTH WORKS COMPANY LIMITED's plans the process of improving Employees through conscious habits and activities. We do believe It is the pursuit of personal growth to enhance Employees quality of life and to achieve their dreams and aspirations.

6.2 Personnel Plan;

CHAGATU EARTH WORKS COMPANY LIMITED's management is highly experienced and qualified. Mr. CHARLES F. MWAKIBETE leads the management team. Besides the direct labor a cost discusses in section 5.0, other labor costs include 21 Personnel. The table below outlines CHAGATU EARTH WORKS COMPANY LIMITED's personnel plan for **FY2024-2028**.

Table: Personnel TSHs (000')

<i>Personnel Plan</i>	2024	2025	2026	2027	2028
Administration	43,478	43,478	52,174	55,789	59,763
Other	0	0	0	0	0
Total People	21	21	21	21	21
Total Payroll	43,478	43,478	52,174	55,789	59,763

7.0 Financial Plan;

At CHAGATU EARTH WORKS COMPANY LIMITED. We do not anticipate a significant increase in profits until our 3rd Quota of 2023 financial Year as we will need time to penetrate our new market. We plan on basing dividend payouts on overall performance and health of the company and may decide to retain such earnings for future growth.

7.1 Projected Cash Flow;

Projected cash flow statements for FY2024-2026 are provided below

CHAGATU EARTH WORKS COMPANY LIMITED

Table: Cash Flow TSHs (000')

<i>Pro Forma Cash Flow</i>	2024	2025	2026	2027	2028
Cash Received					
Cash from Operations					
Cash Sales	175,000	262,500	393,750	445,750	550,000
Cash from Receivables	436,500	743,250	1,114,875	1,210,875	1,230,000
Subtotal Cash from Operations	611,500	1,005,750	1,508,625	1,656,625	1,780,000
Additional Cash Received					
Sales Tax, VAT, Received	0	0	0	0	0
New Current Borrowing	0	0	0	0	0
New Other Liabilities (interest-free)	0	0	0	0	0
New Long-term Liabilities	0	0	0	0	0
Sales of Other Current Assets	0	0	0	0	0
Sales of Long-term Assets	0	0	0	0	0
New Investment Received	0	0	0	0	0
Subtotal Cash Received	611,500	1,005,750	1,508,625	1,656,625	1,780,000
Expenditures					
Expenditures from Operations					
Cash Spending	43,478	43,478	52,174	62,500	65,300
Bill Payments	575,604	793,306	1,050,234	1,150,200	1,200,200
Subtotal Spent on Operations	619,082	836,784	1,102,408	1,212,700	1,265,500
Additional Cash Spent					
Sales Tax, VAT, Paid Out	0	0	0	0	0
Principal Repayment of Current Borrowing	0	0	0	0	0
Other Liabilities Principal Repayment	0	0	0	0	0
Long-term Liabilities Principal Repayment	0	0	0	0	0
Purchase Other Current Assets	0	0	0	0	0
Purchase Long-term Assets	105,000	100,000	100,000	100,000	100,000
Dividends	0	0	0	0	0
Subtotal Cash Spent	724,082	936,784	1,202,408	1,312,700	1,265,500
Net Cash Flow	(112,582)	68,966	306,217	343,925	514,500
Cash Balance	19,418	88,384	394,601	738,526	1,253,026

7.0 Break-even Analysis;

During the first year of operations, the break-even sales volume is estimated as shown below.

Chart: Break-even Analysis TSHs (000')

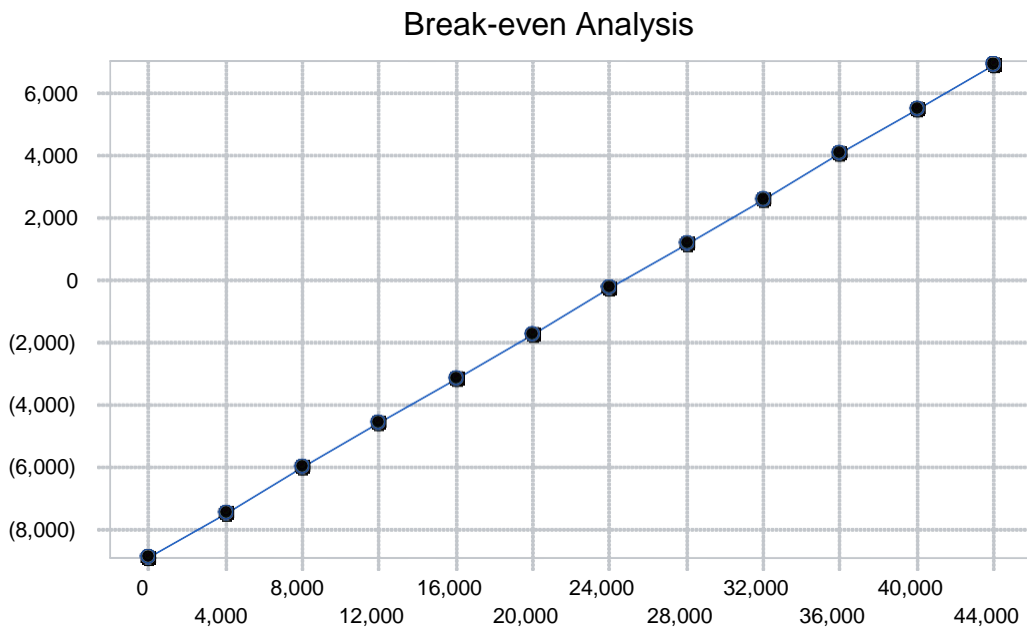


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	24,706
Assumptions:	
Average Percent Variable Cost	64%
Estimated Monthly Fixed Cost	8,894

CHAGATU EARTH WORKS COMPANY LIMITED

7.1 Projected Profit and Loss;

CHAGATU EARTH WORKS COMPANY LIMITED is in the early stage of development, thus initial projections have only been made on accounts that are believed to most drive the income statement.

Table: Profit and Loss TSHs (000')

<i>Pro Forma Profit and Loss</i>	2024	2025	2026	2027	2028
Sales	700,000	1,050,000	1,575,000	1,732,500	1,800,500
Direct Cost of Sales	448,000	558,750	698,437	768,280	810,000
Other	50,000	50,000	50,000	50,000	50,000
Total Cost of Sales	498,000	608,750	748,437	818,280	860,000
Gross Margin	202,000	441,250	826,563	914,220	940,500
Gross Margin %	28.86%	42.02%	52.48%	52.76%	52.24%
Expenses					
Payroll	43,478	43,478	52,174	62,000	73,150
Sales and Marketing and Other Expenses	28,600	77,000	112,000	115,000	125,000
Depreciation	3,600	5,000	6,000	7,000	8,000
Fuel and oil	2,030	4,000	5,000	6,000	7,000
Telephone	1,500	2,400	2,400	2,500	2,600
Utilities	6,000	6,000	6,500	7,000	7,000
Insurance	9,000	9,000	9,000	9,000	9,000
Rent	6,000	6,500	7,000	7,500	8,000
Payroll Taxes	6,522	6,522	7,826	8,000	8,000
Other	0	0	0	0	0
Total Operating Expenses	106,730	159,900	207,900	224,000	247,750
Profit Before Interest and Taxes	95,270	281,350	618,663	690,220	692,750
EBITDA	98,870	286,350	624,663	697,220	700,750
Interest Expense	0	0	0	0	0
Taxes Incurred	23,621	70,338	157,243	216,850	278,980
Net Profit	71,650	211,013	461,419	473,370	413,770
Net Profit/Sales	10.24%	20.10%	29.30%	30.45%	26.75%

7.2 Projected Balance Sheet;

The table below provides CHAGATU EARTH WORKS COMPANY LIMITED's projected balance sheets for 2024-2026.

Table: Balance Sheet; Figures in ("000")

<i>Pro Forma Balance Sheet</i>	2024	2025	2026	2027	2028
Assets					
Current Assets					
Cash	19,418	88,384	394,601	250,000	220,000
Accounts Receivable	88,500	132,750	199,125	150,000	120,000
Inventory	42,240	63,881	80,029	90,000	98,000
Other Current Assets	30,000	30,000	30,000	40,000	55,000
Total Current Assets	180,158	315,015	703,755	530,000	493,000
Long-term Assets					
Long-term Assets	125,000	225,000	325,000	325,000	400,000
Accumulated Depreciation	3,600	8,600	14,600	28,000	56,000
Total Long-term Assets	121,400	216,400	310,400	297,000	344,000
Total Assets	301,558	531,415	1,014,155	1,357,000	1,330,000
Liabilities and Capital					
Current Liabilities					
Accounts Payable	47,908	66,752	88,073	60,000	70,000
Current Borrowing	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0
Subtotal Current Liabilities	47,908	66,752	88,073	60,000	70,000
Long-term Liabilities	0	0	0	0	0
Total Liabilities	47,908	66,752	88,073	60,000	70,000

CHAGATU EARTH WORKS COMPANY LIMITED

Paid-in Capital	215,000	215,000	215,000	215,000	215,000
Retained Earnings	(33,000)	38,650	249,663	668,630	701,230
Earnings	71,650	211,013	461,419	473,370	413,770
Total Capital	253,650	464,663	926,082	1,399,452	1,813,222
Total Liabilities and Capital	301,558	531,415	1,014,155	1,357,000	1,330,000
Net Worth	253,650	464,663	926,082	1,297,000	1,260,000

7.3 Business Ratios;

The following table presents important ratios from the concrete work industry, as determined by the Standard Industry Classification (SIC).

<i>Ratio Analysis</i>	2024	2025	2026	2027	2028	Industry Profile
Sales Growth	23.7%	25.00%	25.00%	27.00%	30.00%	7.50%
Percent of Total Assets						
Accounts Receivable	29.35%	24.98%	19.63%	20.00%	18.00%	30.90%
Inventory	14.01%	12.02%	7.89%	10.81%	9.67%	6.30%
Other Current Assets	9.95%	5.65%	2.96%	5.65%	2.96%	29.80%
Total Current Assets	59.74%	59.28%	69.39%	59.28%	69.39%	67.00%
Long-term Assets	40.26%	40.72%	30.61%	31.72%	32.61%	33.00%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities	15.89%	12.56%	8.68%	12.56%	9.68%	43.50%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	14.10%
Total Liabilities	15.89%	12.56%	8.68%	12.56%	8.68%	57.60%
Net Worth	84.11%	87.44%	91.32%	87.44%	91.32%	42.40%
Percent of Sales						
Sales	100.00%	100.00%	100.00%			100.00%
Gross Margin	28.86%	42.02%	52.48%	42.02%	52.48%	29.40%
Selling, General & Administrative Expenses	18.65%	21.93%	23.02%	11.93%	13.02%	15.50%
Advertising Expenses	3.29%	6.67%	6.35%	5.67%	4.85%	0.30%
Profit Before Interest and Taxes	13.61%	26.80%	39.28%	28.80%	40.28%	2.40%
Main Ratios						
Current	3.76	4.72	7.99	4.72	7.99	1.55
Quick	2.88	3.76	7.08	3.76	6.08	1.17
Total Debt to Total Assets	15.89%	12.56%	8.68%	12.56%	8.68%	57.60%
Pre-tax Return on Net Worth	37.56%	60.55%	66.80%	55.43%	63.80%	6.50%
Pre-tax Return on Assets	31.59%	52.94%	61.00%	42.94%	60.00%	15.40%
Additional Ratios	2024	2025	2026	2027	2028	
Net Profit Margin	10.24%	20.10%	29.30%	20.10%	29.30%	n.a
Return on Equity	28.25%	45.41%	49.82%	45.41%	49.82%	n.a
Activity Ratios						
Accounts Receivable Turnover	5.93	5.93	5.93	4.77	3.63	n.a
Collection Days	57	51	51	51	51	n.a

CHAGATU EARTH WORKS COMPANY LIMITED

Inventory Turnover	10.91	10.53	9.71	8.53	6.71	n.a
Accounts Payable Turnover	13.01	12.17	12.17	11.17	8.17	n.a
Payment Days	27	26	26	24	22	n.a
Total Asset Turnover	2.32	1.98	1.55	1.88	1.53	n.a
Debt Ratios						
	0.19	0.14	0.10	0.10	0.10	n.a
Debt to Net Worth						
Current Liab. to Liab.	1.00	1.00	1.00	1.00	1.00	n.a
Liquidity Ratios						
Net Working Capital	132,250	248,263	615,682	1,297,000	1,260,000	n.a
Interest Coverage	0.00	0.00	0.00	0.00	0.00	n.a
Additional Ratios						
Assets to Sales	0.43	0.51	0.64	0.64	0.64	n.a
Current Debt/Total Assets	16%	13%	9%	9%	9%	n.a
Acid Test	1.03	1.77	4.82	4.82	4.82	n.a
Sales/Net Worth	2.76	2.26	1.70	1.70	1.70	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast TSHs (000')

<i>Sales Forecast</i>													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
All construction work	0%	30,000	30,000	50,000	70,000	70,000	70,000	70,000	70,000	60,000	60,000	60,000	60,000
Other	0%	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales		30,000	30,000	50,000	70,000	70,000	70,000	70,000	70,000	60,000	60,000	60,000	60,000
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
All construction work		19,200	19,200	32,000	44,800	44,800	44,800	44,800	44,800	38,400	38,400	38,400	38,400
Other		0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Direct Cost of Sales		\$19,200	19,200	32,000	44,800	44,800	44,800	44,800	44,800	38,400	38,400	38,400	38,400

Table: Personnel TSHs (000')

<i>Personnel Plan</i>													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Administration	0%	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,625
Other	0%	0	0	\$0	0	0	0	0	0	0	0	0	0
Total People		21	21	21	21	21	21	21	21	21	21	21	21
Total Payroll		3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,625

Table: General Assumptions

<i>General Assumptions</i>													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12	
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Tax Rate	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
Other	0	0	0	0	0	0	0	0	0	0	0	0	

Appendix

Table: Profit and Loss TSHs (000')

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	30,000	30,000	50,000	70,000	70,000	70,000	70,000	70,000	60,000	60,000	60,000	60,000
Direct Cost of Sales	19,200	19,200	32,000	44,800	44,800	44,800	44,800	44,800	38,400	38,400	38,400	38,400
Other	6,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Cost of Sales	25,200	23,200	36,000	48,800	48,800	48,800	48,800	48,800	42,400	42,400	42,400	42,400
Gross Margin	4,800	6,800	14,000	21,200	21,200	21,200	21,200	21,200	17,600	17,600	17,600	17,600
Gross Margin %	16.00%	22.67%	28.00%	30.29%	30.29%	30.29%	30.29%	30.29%	29.33%	29.33%	29.33%	29.33%
Expenses												
Payroll												
Sales and Marketing and Other Expenses												
Depreciation	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,625
Gasoline and oil	2,300	2,300	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Telephone	300	300	300	300	300	300	300	300	300	300	300	300
Utilities	100	100	150	200	200	200	200	200	170	170	170	170
Insurance	125	125	125	125	125	125	125	125	125	125	125	125
Rent	500	500	500	500	500	500	500	500	500	500	500	500
Payroll Taxes	750	750	750	750	750	750	750	750	750	750	750	750
Other	500	500	500	500	500	500	500	500	500	500	500	500
	15%	543	543	543	543	543	543	543	543	543	543	544
Total Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Profit Before Interest and Taxes	8,741	8,741	8,891	8,941	8,941	8,941	8,941	8,941	8,911	8,911	8,911	8,914
EBITDA												
Interest Expense	(3,941)	(1,941)	5,109	12,259	12,259	12,259	12,259	12,259	8,689	8,689	8,689	8,686
Taxes Incurred	(3,641)	(1,641)	5,409	12,559	12,559	12,559	12,559	12,559	8,989	8,989	8,989	8,986
	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	(1,182)	(485)	1,277	3,065	3,065	3,065	3,065	3,065	2,172	2,172	2,172	2,172
Net Profit/Sales	(2,759)	(1,456)	3,831	9,194	9,194	9,194	9,194	9,194	6,516	6,516	6,516	6,515
	-9.20%	-4.85%	7.66%	13.13%	13.13%	13.13%	13.13%	13.13%	10.86%	10.86%	10.86%	10.86%

Appendix

Table: Cash Flow TSHs (000')

<i>Pro Forma Cash</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales												
Cash from Receivables	7,500	7,500	12,500	17,500	17,500	17,500	17,500	17,500	15,000	15,000	15,000	15,000
Subtotal Cash from Operations	0	750	22,500	23,000	38,000	52,500	52,500	52,500	52,500	52,250	45,000	45,000
	7,500	8,250	35,000	40,500	55,500	70,000	70,000	70,000	67,500	67,250	60,000	60,000
Additional Cash Received												
Sales Tax, VAT, Received												
New Current Borrowing	0.00%	0	0	0	0	0	0	0	0	0	0	0
New Other Liabilities (interest-free)		0	0	0	0	0	0	0	0	0	0	0
New Long-term Liabilities		0	0	0	0	0	0	0	0	0	0	0
Sales of Other Current Assets		0	0	0	0	0	0	0	0	0	0	0
Sales of Long-term Assets		0	0	0	0	0	0	0	0	0	0	0
New Investment Received		0	0	0	0	0	0	0	0	0	0	0
Subtotal Cash Received	0	0	0	0	0	0	0	0	0	0	0	0
	7,500	8,250	35,000	40,500	55,500	70,000	70,000	70,000	67,500	67,250	60,000	60,000
Expenditures												
Expenditures from Operations												
Cash Spending												
Bill Payments	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,625
Subtotal Spent on Operations	1,665	49,209	28,493	56,814	70,494	56,883	56,883	56,883	56,404	42,755	49,561	49,561
	5,288	52,832	32,116	60,437	74,117	60,506	60,506	60,506	60,027	46,378	53,184	53,186
Additional Cash Spent												
Sales Tax, VAT, Paid Out												
Principal Repayment of Current	0	0	0	0	0	0	0	0	0	0	0	0
Other Liabilities Principal	0	0	0	0	0	0	0	0	0	0	0	0
Long-term Liabilities Principal	0	0	0	0	0	0	0	0	0	0	0	0
Purchase Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
Purchase Long-term Assets	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Subtotal Cash Spent	0	0	0	0	0	0	0	0	0	0	0	0
	10,288	57,832	37,116	70,437	84,117	70,506	70,506	70,506	70,027	56,378	63,184	63,186

Appendix

Net Cash Flow													
Cash Balance	(2,788)	(49,582)	(2,116)	(29,937)	(28,617)	(506)	(506)	(506)	(2,527)	10,872	(3,184)	(3,186)	
	129,212	79,630	77,514	47,578	18,961	18,455	17,949	17,443	14,916	25,787	22,604	19,418	

Table: Balance Sheet TSHs (000')

<i>Pro Forma Balance Sheet</i>													
	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets													
Current Assets													
Cash	132,000	129,212	79,630	77,514	47,578	18,961	18,455	17,949	17,443	14,916	25,787	22,604	19,418
Accounts Receivable	0	22,500	44,250	59,250	88,750	103,250	103,250	103,250	103,250	95,750	88,500	88,500	88,500
Inventory	0	21,120	21,120	35,200	49,280	49,280	49,280	49,280	49,280	42,240	42,240	42,240	42,240
Other Current Assets	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Current Assets	162,000	202,832	175,000	201,964	215,608	201,491	200,985	200,479	199,973	182,906	186,527	183,344	180,158
Long-term Assets													
Long-term Assets	20,000	25,000	30,000	35,000	45,000	55,000	65,000	75,000	85,000	95,000	105,000	115,000	25,000
Accumulated Depreciation	0	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700	3,000	3,300	3,600
Total Long-term Assets	20,000	24,700	29,400	34,100	43,800	53,500	63,200	72,900	82,600	92,300	102,000	111,700	121,400
Total Assets	182,000	227,532	204,400	236,064	259,408	254,991	264,185	273,379	282,573	275,206	288,527	295,044	301,558
Liabilities and Capital													
Current Liabilities													
Accounts Payable	0	48,291	26,615	54,448	68,598	54,987	54,987	54,987	54,987	41,103	47,909	47,909	47,908
Current Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Current Liabilities	0	48,291	26,615	54,448	68,598	54,987	54,987	54,987	54,987	41,103	47,909	47,909	47,908
Long-term Liabilities													
Long-term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	0	48,291	26,615	54,448	68,598	54,987	54,987	54,987	54,987	41,103	47,909	47,909	47,908
Capital													
Paid-in Capital	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000
Retained Earnings	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Earnings	0	(2,759)	(4,215)	(384)	8,810	18,004	27,198	36,392	45,586	52,102	58,619	65,135	71,650
Total Capital	182,000	179,241	177,785	181,616	190,810	200,004	209,198	218,392	227,586	234,102	240,619	247,135	253,650
Total Liabilities and Capital	182,000	227,532	204,400	236,064	259,408	254,991	264,185	273,379	282,573	275,206	288,527	295,044	301,558
Net Worth	182,000	179,241	177,785	181,616	190,810	200,004	209,198	218,392	227,586	234,102	240,619	247,135	253,650