

**BUSINESS PLAN FOR BUILDING FACILITIES (ADMINISTRATION BLOCKS)  
FOR MANAGEMENT OF WATER-SUPPLY AND MANAGEMENT PROJECTS IN MWANZA  
AREA**

**CCECC EAST AFRICA LIMITED**

**Introduction:**

**CCECC EAST AFRICA LIMITED** in collaboration with a sister company China Civil Engineering Construction Corporation (CCECC) which is registered as Class One Contractor in the field of Building, Civil Works, Plumbing & Sanitation, Mechanical and Electrical in Tanzania, and has been qualified to undertake construction contracting in Rwanda and Uganda. By undertaking numerous key projects covering railway, highway, buildings, water supply & sanitation and real estate development, and with its excellent performance and quality service, both CCECC and CCECC East Africa Limited they obtained their reputation and credit among East African countries. In the near future, CCECC and CCECC EAST AFRICA LIMITED will continue to carry out an even more extensive and deeper cooperation with friends all over the world to promote common development and mutual benefits by contributing elite projects, expanding business scope, immersing into local community and fulfilling social responsibilities.

**Mission and Vision for the Water Supply & Management Projects**

As per the current Tanzanian Water Policy, access to safely managed drinking water is a fundamental right of every citizen and it is the responsibility of the government to ensure to provide safe drinking water to all citizens. A need for appropriation the utilization of groundwater resources is extremely essential. Allocation of drinking water shall be given priority over all other uses, irrespective of whether these are domestic or commercial

The main purpose of this business plan is to comply with all regulatory requirements to operate, sustain, expand and maintain waterworks infrastructure for efficiently delivering high quality and reliable water supply to Jacobabad's customers for all drinking, recreational, sanitary, fire

protection, and institutional/commercial needs, while also providing education and encouraging water conservation.

**CCECC EAST AFRICA LIMITED** has recently acquired property located at Plot no 25, Block ‘C’, Illemela, Mwanza Region with certificate of title number 840 MZLR, for 99 years. As detailed here, the purposes for the plot acquisition will help the company’s smooth administrative operations towards successfully implementing and managing the government and donor-funded water supply projects in Mwanza Region. **CCECC EAST AFRICA LIMITED** will have its team who are expertise with experience to undertake the projects.

**Industry Analysis:**

The Tanzanian economy is highly dependent on water resources. Nearly half of Tanzania’s GDP comes from the agriculture and livestock sectors which are highly dependent on water resources. However, these water resources are currently vulnerable to climate change and variability. In recent years, the major hydro-plants in the country underperformed due to low river flows. The power shortages caused significant economic losses in many sectors such as industry, agriculture, and mining, to mention only a few. Water is, therefore, a key resource that requires good management. The social and economic circumstances prevailing today have made particular demands upon the country’s water resource base and the environment, and its sustainability is threatened by human-induced activities. Over the past 20 years, these demands have intensified with the increase in population and concurrent growth of economic activities requiring more water. These demands include hydropower generation, irrigated agriculture, livestock keeping, domestic use, and wildlife use. Water scarcity is experienced in many places and sectors in Tanzania due to unreliable rainfall, the multiplicity of competing uses, and the degradation of sources and catchments. There are also increasing challenges in managing the multiple trans- regional watercourses, and in strengthening water resources management policy.

**Objectives:**

Building of the administration blocks for the expertise and other employees of the company to be accommodated when performing the water supply and management projects.

In view of the current challenges in water resources management in Tanzania, integrated water resources management is needed to ensure that water does not become a constraint to national development. This call for a new vision: "A country where there is equitable and sustainable use and management of water resources for socio-economic development, and for maintenance of the environment."

After building the facilities (administration and residential blocks) the objective of **CCECC EAST AFRICA LIMITED** in the next five (5) years is to ensure the infrastructure constructions of water supply projects located around Tanzania are well-built and well-managed. **CCECC EAST AFRICA LIMITED** will focus on superior services which will be provided to the government sectors and other relevant areas which are under central government and each construction project will be managed from start to finish, with some services provided by employees of **CCECC EAST AFRICA LIMITED** and some by subcontracted specialists who will be local Tanzanian companies.

#### **Management Team:**

The company's most valuable asset is the expertise who have experience with other water supply construction projects. Good project managers have specialized in different aspects of construction for the past ten years. **CCECC EAST AFRICA LIMITED** will also employ 20 experienced Tanzanian assistant project managers to co-manage such construction projects when multiple projects are running concurrently and 5 foreigners experienced to manage construction projects. They shall have construction and project management experience and spent significant time in the construction industry/field.

#### **Compliance:**

- Take all measures necessary to eliminate suppressed demand where it exists and to meet the expected growth in demand from residential, commercial, and bulk consumers.
- Expansion of the water distribution system to increase coverage to 100 percent of the service area population.
- Periodic random inspection of water samples for ensuring the cleanliness of water Tariff Policy.

- Conservation of water sources by minimizing waste either through leakages or theft.
- Ensure the water safety at sources and distribution network.
- Maintaining established pipe-lines by ensuring regular inspections for leakages and corrosion is undertaken.
- Inspect water sources for risk of water pollution and contamination to maintain safe and clean drinkable water.
- Focus on best practice environmental sustainability issues and protocols under the local environment.

### Financial Highlights

**CCECC EAST AFRICA LIMITED** is seeking a total funding of \$ 692,000 of debt capital to build the office facilities. The capital will be used for funding capital expenditures and location build-out, hiring initial employees, marketing expenses and working capital.

Specifically, these funds will be used as follows:

- Administration blocks- Office design/build and equipment: \$ 600,000
- Working capital: \$ 92,000 to pay for salaries to the expertise and employees.

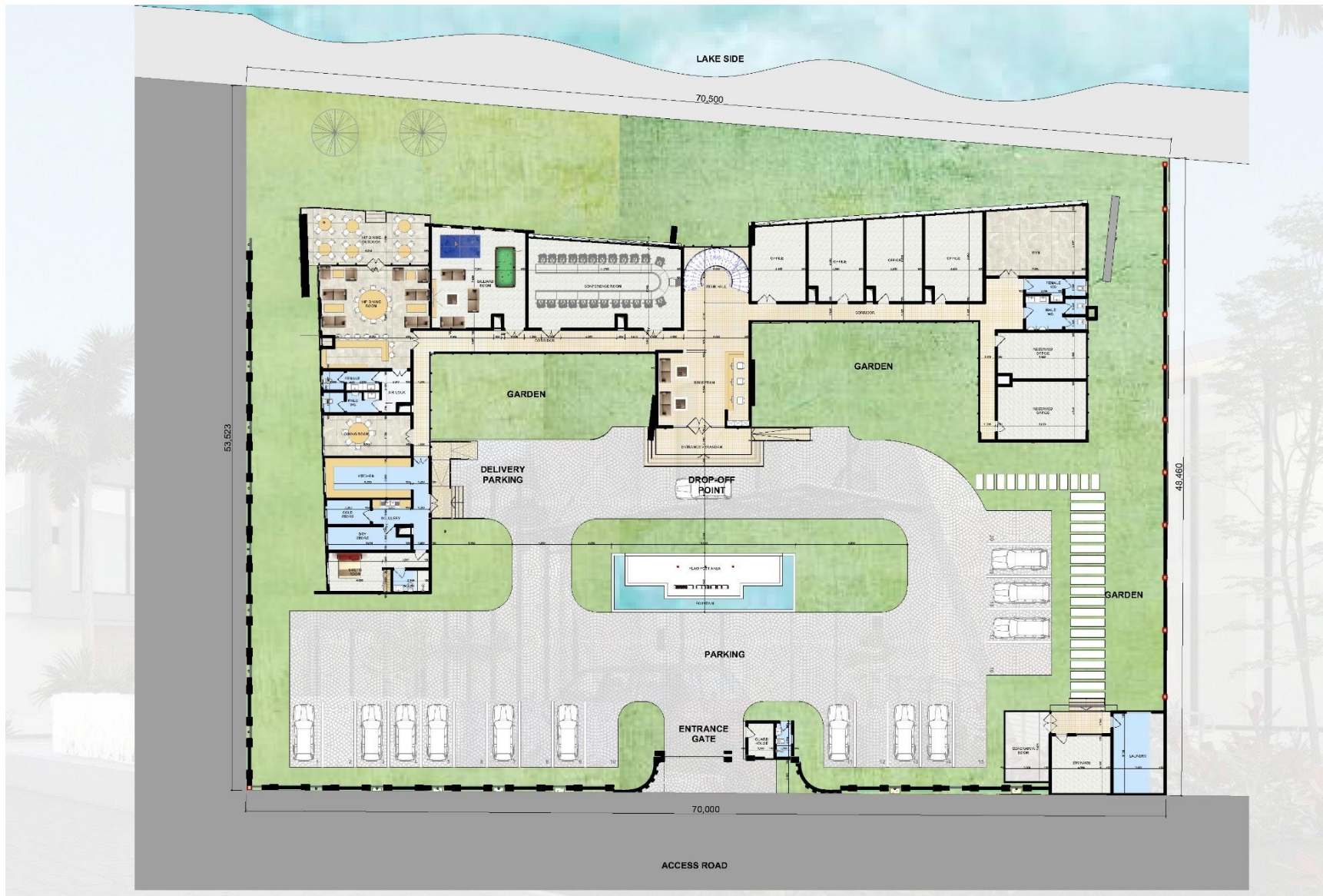
### Project implementation: -

Construction phases	Activity	Target timeline
Phase - 1	Equipment and Materials Delivery to site	1 month
Phase - 2	Foundation Construction	2 months
Phase - 3	Building Construction	7 months

Phase - 4	Decorate	4 months

**Start-up Summary:**

Below is the indicative map and structural vision of the office and residential buildings in the acquired area:



GROUND FLOOR PLAN



PERSPECTIVE VIEW

<i>Table 1</i>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>Pro Forma Balance Sheet</i>	TZS	TZS	TZS
<b>Non Current Assets</b>			
Property and Equipment	13,301,189,875	13,301,189,875	13,301,189,875
Accumulated Depreciation	13,129,372,571	13,141,123,671	13,146,928,089
<b>Net Value of Non Current Assets</b>	<b>171,817,304</b>	<b>160,066,204</b>	<b>154,261,786</b>
<b>Current Assets</b>			
Cash	61,108,861	48,140,249	65,213,416
Accounts Receivable	67,261,424	76,418,954	73,586,317
Inventory	5,310,000	5,310,000	2,332,000
Other Current Assets	23,751,001	24,490,585	18,530,726
<b>Total Current Assets</b>	<b>157,431,286</b>	<b>154,359,788</b>	<b>159,662,459</b>
<b>Total Assets</b>	<b>329,248,590</b>	<b>314,425,992</b>	<b>313,924,245</b>
<b>Equity &amp; Liabilities</b>			
Profit (from previous year)	-102,580,926	-101,512,846	-100,059,858
Profit/(Loss)	1,068,080	1,452,988	1,095,458
<b>Total Equity</b>	<b>-101,512,846</b>	<b>-100,059,858</b>	<b>-98,964,400</b>
<b>Non Current Liabilities</b>			
Long Term Loan	-	-	-
<b>Liabilities</b>			
Accounts Payable	8,078,515	9,630,176	9,630,176
Current Borrowing	-	-	-
Other Current Liabilities	422,682,921	404,855,674	403,258,469
<b>Total Liabilities</b>	<b>430,761,436</b>	<b>414,485,850</b>	<b>412,888,645</b>
<b>Total Equity &amp; Liabilities</b>	<b>329,248,590</b>	<b>314,425,992</b>	<b>313,924,245</b>

<i>Table 2</i>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>Pro Forma Income Statement</i>	TZS	TZS	TZS
<b>Income</b>	<b>469,415,704</b>	<b>478,209,720</b>	<b>498,191,026</b>
<b>Less: Expenditures</b>			
Labor	115,542,300	118,579,500	120,869,250
Office	9,670,450	7,530,600	7,921,618
Fuel	103,257,000	105,240,000	110,937,451
Security	118,140,000	118,140,000	118,140,000
telecommunication	3,600,000	3,600,000	3,600,000
Insurance	1,874,000	1,874,000	1,874,000
Water & Electricity	114,812,307	120,811,532	136,530,217
Depreciation	16,341,240	11,751,100	5,804,418
<b>Total Operating Expenses</b>	<b>483,237,297</b>	<b>487,526,732</b>	<b>505,676,954</b>
<b>Less: Financial Costs</b>			
Bank Commission	860,327	1,192,400	1,269,337
Interest	-	-	-
Foreign Exchange Loss	-15,750,000	-11,962,400	-9,850,723
<b>Total Financial Costs</b>	<b>-14,889,673</b>	<b>-10,770,000</b>	<b>-8,581,386</b>
<b>Operating Profit</b>			
This Year Profit/(Loss) before Taxation	1,068,080	1,452,988	1,095,458
Accumulated Net Profit/(Loss) after Tax before Dec 31st, 2022	-102,580,926	-101,512,846	-100,059,858
<b>Total Profit/(Loss)</b>	<b>-101,512,846</b>	<b>-100,059,858</b>	<b>-98,964,400</b>
Taxation	-	-	-
<b>Net Profit/(Loss) After Tax</b>	<b>-101,512,846</b>	<b>-100,059,858</b>	<b>-98,964,400</b>

<i>Table 3</i>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>Pro Forma Cash Flow</i>	TZS	TZS	TZS
<b>Cash Received</b>			
Cash Sales	-	-	-
Cash from Receivable	541,142,712	558,314,400	569,011,250
<b>Subtotal Cash from Operations</b>	<b>541,142,712</b>	<b>558,314,400</b>	<b>569,011,250</b>
<b>Additional Cash Received</b>			
New Current Borrowing			
Sales of Other Current Assets			
Sales of Long Term Assets			
<b>Total Cash Received</b>	<b>541,142,712</b>	<b>558,314,400</b>	<b>569,011,250</b>
<b>Expenditures</b>			
Labor	115,542,300	118,579,500	120,869,250
Other Cash Paid for Operating Expenses	352,214,084	358,388,532	380,272,623
<b>Subtotal Cash Paid for Operations</b>	<b>467,756,384</b>	<b>476,968,032</b>	<b>501,141,873</b>
Acquire Non Current Assets	-	-	-
Other Cash Payments	-	-	-
<b>Total Cash Paid</b>	<b>467,756,384</b>	<b>476,968,032</b>	<b>501,141,873</b>
<b>Net Cash Flows</b>	<b>73,386,328</b>	<b>81,346,368</b>	<b>67,869,377</b>