

BUSINESS PLAN

FOR

KAAH LOGISTICS LIMITED

(TRANSPORTATION PROJECT)

PREPARED FOR

KAAH LOGISTICS LIMITED.

Dar es Salaam

1.0. EXECUTIVE SUMMARY.

KAAH LOGISTICS LIMITED. is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.139203 issued on 8th November 2017.

The project promoters are well established business in Tanzania majoring in Logistics well-established and the like. Having been in the business for over 13 years the directors are now well prepared for the establishment and operation of large transportation logistics projects as they see a very bright future in the transport sector.

This document has been prepared to serve as a business plan for guidance for **KAAH LOGISTICS LIMITED** for the transport and logistics project. The implementation of this project will comprise of the following activities: -

- The purchase of 400 trucks and trailers within 5 years to be implemented in 5 phases from 2023- 2028.
- The purchase 4 pickup for road patrol
- The purchase of 2 staff bus

- The purchase of communication sets radio
- The purchase of 4 folk lift
- Purchase of 4 cranes
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$ **57,355,500**. The **20%** of this investment owners' equity and cash generated from business while the rest of **80%** will be sought from foreign and local banking institutions.

KAAH LOGISTICS LIMITED COST STRUCTURE

| PARTICULAR | US\$ |
|-----------------------|-------------------|
| Land and Buildings | 120,000 |
| Machinery & Equipment | 180,000 |
| Mini bus | 200,000 |
| Trucks | 38,000,000 |
| Trailers | 16,000,000 |
| Pick up | 200,000 |
| Furniture & Fixtures | 5,000 |
| Communication Set | 60,000 |
| Pre exp | 10,000 |
| Others | 50,000 |
| Working Capital | 2,530,500 |
| TOTAL | 57,355,500 |

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 5shareholders, namely: -

| Name | Shares % | Nationality |
|-----------------------|----------|-------------|
| Mohamed Ibrahim Juma | 28.57 | Tanzania |
| Aisha Ahmed Mohamed | 9.52 | Tanzania |
| Ibrahim Jama Salah | 47.62 | Tanzania |
| Hassan Ahmed Mohamood | 9.52 | ? |
| Abdi Hussein Mohamud | 4.76 | Kenya |

1.2 Location.

The project head office will be located at Mtoni Mtongani Area, Temeke, Dar es Salaam, Tanzania.

1.3 Targeted Markets.

The targeted markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi etc. the directors already negotiated contracts with various companies in the mentioned countries.

Poor transport and communication infrastructure are said to be the major causes of low levels of intraregional trade in Africa. It is in view of this that, despite poor road infrastructure linking these countries that **KAAH LOGISTICS LIMITED** has resolved to invest in the

transport sector so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.

Why land locked countries prefer to use Dar es Salaam Port

- **Strategic location**

Dar es Salaam port is the most preferable seaport due to its strategic positioning, it is more convenient, secure, quick and easy to be used by neighboring countries

- **Easy connection world wide**

Dar es Salaam Port is gateway to the world, the port have capacity and ability to transport any cargo

- **Productivity**

Now it is renowned for its security, efficient and reliability using most modern technology.

- **Capacity**

Dar es Salaam Port has the capacity to handle more than 10million tons of cargo such as general cargo 3.1

million tons, container 9,619,876 TEUs) 1.milion tones and liquid bulk 6.0 million tons.

In 2017 international Container Terminal Services limited handled 500,000 containers about 45% of cargoes were transit to land locked countries. This is good news for KAAH LOGISTICS LIMITED which is planning to embark in the transportation and logistics businesses

2.0 PROJECT DETAILS

2.1 INTRODUCTION

Tanzania is the largest country in East Africa that is geographically strategically located in relation to her neighbors. Because of the above-mentioned factor, the country's transportation system is also used to serve landlocked neighbors, i.e. countries of Uganda, Rwanda, Burundi, Eastern D. R. of Congo, Northern parts of Zambia, Malawi and some northern parts of Mozambique.

The transport sector pays a critical role in the social and economic development of a country. Transport provides links between centers of production and those of consumption, markets, in the economic sectors such as

agriculture, industry mining and tourism. It facilitates the flow of goods and people along the import/export corridors that link the coastal ports and landlocked countries. Transport equally provides access to employment, health, education, recreation and other services. Therefore, one is rightly justified to conclude that "without a good transportation system the development of a country is impossible. What roads and railways are to a country's development is lie what the blood system is to the human body'

It is quite gratifying to note that the Government of Tanzania realizes the role of the transport sector for its economic and social development, and as a result has developed a Transport Sector Programme which will be very instrumental in improving the business and investment environmental in the transport sector.

It is alleged that poor transport and communication infrastructure are the major causes of low levels of intraregional trade in Eastern Africa. It is in view of this that, despite this poor infrastructure, **KAAH LOGISTICS**

LIMITED has resolved to assist to provide a solution to stimulate the said intraregional trade and domestic market in particular.

In summary, we can say that **KAAH LOGISTICS LIMITED**, has a major objective the following: -

- To promote trade between Tanzania and her neighbors
- To procure foreign currency for the country in the course of its business transactions.
- To provide extra employment to more people in the sector.

3.0 THE PROJECT

The project's objective is to purchase a total of 400 trucks and trailers within 5 years from 2023 -2028.

This study is based on 400 trucks and trailers. Some of the selected costs items cost highlighted below -

- cost truck to cos US\$ 95,000
- Trailer US\$ 40,000
- Pick Up US\$ 50,000
- Staff bus US\$ 50,000

- Communication sets radio US\$ 30,000
- Fork lift US\$ 15,000
- Crane US\$ 30,000 etc.
- Expected revenue for each vehicle round trip US\$ 11,000 for 48 days.
- Coast for fuel, road toils, etc. US\$ 4,550 per trip
- 460 drivers and 88 others
- Each vehicle to carry 7 trips per year

3.1 PROJECT SPONSORS

KAAH LOGISTICS LIMITED is owned by five individuals, **KAAH LOGISTICS LIMITED** shareholders have adequate expense in running the business of motor vehicles as such is well versed in the transportation business.

4.0 INVESTMENT AND FINANCING US\$ 57,355,500

For the project to be a reality a total investment amounting to US\$ 57,355,500 is needed to finance the project in five phases.

a) **Office and Packing yard: US\$ 120,000**

The project is going to lease a small space in town to be used as office and other parking yard out of city to be used as garage and storehouse

b) Machinery and Equipment: US\$ 180,000

Is anticipated that the company will to be spent some amount to purchase of various garage machinery and equipments. The equipment for the mechanical workshop will include things like a diesel pump, lathe and panel beating and spray facilities, tyre retreating plants. Also, to be included is the purchase of a welding and grinding machine, compressors, both mobile and stationery, iron sheet folding machine, folk lift, crane and other general tools and equipment

c) Motor Vehicles: US\$ 38,000,000

The project will need 400 trucks at the estimated cost of US\$38,000,000

d) Trailers: US\$ 16,000,000

The project will need 400 trailers at the estimated cost of US\$16,000,000

e) Pick up: US\$ 200,000

4 four-wheel drive pickup for road patrol and project management in general.

f) Minibus Pick up: US\$ 200,000

2 Minibus to be purchased for easy transportation of employees from one place to another.

g) Office Furniture: US\$5,000

Office furniture such as office tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

h) Pre-Operational Expenses: US\$ 10,000

These will cover things like company registration, expenses spent by **KAAH LOGISTICS LIMITED** in exploring the viability of the project, especially the market/client identification exercise done in those countries targeted to be served. This Pre-operational cost item also covers the architectural designs of the warehouse and yard and other engineering services. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

i) Initial Working Capital: US\$ 2,530,500

Calculations been made on working capital requirements

j) Communication Set: US\$ 60,000

The company plan to purchase communication equipment for management of project

k) Other cost: US\$ 50,000

The project has budgeted the above for other cost

5.0 FINANCING PATTERN

The financing pattern being considered is that involving the purchase of 400 trucks and their trailers. The project will be financed both by equity and loan. Loan contribution will constitute US\$52,000,000, while remaining amount will be in the form of equity and cash generated from business. This loan amounting to US\$ 5,355,500

The loan will be negotiated and acquired from financial institutions. The project sponsors expect to procure this loan on the following terms and conditions: -

| | | |
|---------------|---|-----------------|
| Loan Amount | : | US\$ 52,000,000 |
| Grace Period | : | 1 year |
| Interest Rate | : | 8. % annually |
| Phases | : | six phases |

6.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier of the trucks has already been identified and supply is awaiting word from the project promoters.

7.0 MANPOWER AND ORGANIZATION STRUCTURE

The project will be managed by a Board of Directors of **KAH LOGISTICS LIMITED**. The Board, like all other boards is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director

The project's employee requirement is estimated to be 548 people in number, as shown below: -

MAN POWER REQUIREMENT US\$

| | CATEGORY | NO | RATE | MONTHLY | PER YEAR |
|---|-----------------------------|-----|-------|---------|----------|
| | Salaries & Wages | | | | |
| 1 | Drivers | 460 | 150 | 69,000 | 828,000 |
| 2 | Others | 70 | 120 | 8,400 | 100,800 |
| 3 | Mechanics Experts | 3 | 200 | 600 | 7,200 |
| 4 | Mechanics Normal | 4 | 200 | 800 | 9,600 |
| 6 | Accountant/Manager | 4 | 200 | 800 | 9,600 |
| 7 | Director | 2 | 5,000 | 10,000 | 120,000 |

| | | | | | |
|---|---------------------------------------|------------|-------|---------------|------------------|
| 8 | Manager Transport and Logistics | 3 | 1,500 | 4,500 | 54,000 |
| 9 | Manager Mechanics | 2 | 250 | 500 | 6,000 |
| | SUB TOTAL | 548 | | 94,600 | 1,135,200 |

Employees Distribution Summary

| Employment | Foreign Skilled | Local Skilled | Local Unskilled | Total |
|--------------|-----------------|---------------|-----------------|------------|
| Women | 1 | 4 | 5 | 10 |
| Men | 4 | 480 | 54 | 538 |
| TOTAL | 5 | 484 | 59 | 548 |

To ensure timely delivery of consignments, provision of goods service to customers, Management will provide on the job training in the field of motor vehicle maintenance and will provide bonus and other incentives as a means of instilling and boosting employee work morale.

8.0 SWOT Analysis

Strengths

- The zeal, strong commitment, passion of the young directors and vast experience in same Field.
- Highly educated with entrepreneurial & leadership skills.

- The required knowledge in harvesting the new areas and expanding the customer base
- Willingness to serve the fellow businessmen across the Africa for affordable prices
- Interested to increase the employment opportunities.

Weaknesses

- Lack of Capital investment for this huge project
- High-rate of interest on bank loans
- Labour Turnover
- High cost of vehicles maintenance charges
- Long queues / delays at the borders in the name of documentation.

Opportunities

- Increasing the demand for Road Transportation
- Increasing the importation & mining works which need movement of cargo preferably by road.
- Recent market surveys reveal the fact of the need for more trucks

Threats

- The usage of other means of transportation such as rail
- Cut throat competition among transporters

- Threat of possible high inflation rates
- Unpredictable increase in fuel rates & other operational costs for spares & tyres

Roles and Responsibilities of Top and Key Level management

Managing Director & Director

The Managing Directors, being the shareholders of the SSCS Ltd, will be responsible for the implementation of the business plan and managing other functions in general.

Project Manager

- Responsible for important functions like planning, executing, leading, organizing and controlling the fleet in optimum level
- Increase the customer base and liaising for memorandum of understanding with major customers.
- Co-ordinate with other functional heads to remove the bottle-necks.
- Periodical meetings directors to reviews the policies
- Update the information on local Government's laid down policies & taxes.

Operational Manager

- Execute the management's policies

- Control the fleet through GPRS
- Arrange the fleet as per the requirement of the customers
- Liaison with Workshop & Finance managers for smooth movement of trucks and timely funds management.

Finance Manager

- Ensure recording of all transactions and submit timely MIS
- Plan for periodical meetings for presenting the MIS for optimum information
- Presenting the Financials in a best possible way with best combinations such as route-wise & customer-wise.

Admin & Personnel Manager

- Employ the right candidate for right position
- Keep the employment cost under control while keeping the staff in good humour.
- Periodical medical check-up for all drivers including eye-test
- Rotate the drivers and prepare the duty roaster in such a way drivers get enough rest while on duty.
- Liaison with Finance Manager for timely salaries & other benefits.

- Introduce the incentive system to encourage the staff for better performance.
- Review the Salary structure to match with inflation rate.

9.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet the following operating costs.

a) Salaries and Wages US\$ 1,135,200

The project will engage 548 people as shown above. These project employees range from the Managing Director down to drivers, messengers and watchmen. Total annual wage bill is as indicated above.

b) Utilities

Considered here are water and electricity which together will cost US\$1,200 annually.

c) Fuel and Lubricants

Petrol/diesel and lubricant requirement for the project's motor vehicles is assumed to cost **US\$ 4550** per round trip, and one vehicle projected to have 7 trips per year.

10.0 MARKET AND MARKETING

The project's earmarked clientele is in the land locked neighboring countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and even Uganda.

Management has already explored these markets and is confident it can conduct profitable business.

The project management plans for all vehicles several trips per month. The number of trips and the cost of trip are determined by both the trip's destination and nature of road involved. All in all, a total of **one truck will conduct 7 trips** per year.

The routes are priced according to distance and the status of the road in question. It has however been conservatively assumed that all foreign destinations will have a flat rate charge of **US\$ 11,000 for round trip which will take 48 days**.

11.0 REVENUE ASSUMPTIONS

- The company expecting to have 400 trucks and trailers each makes 7trips per year. Each round trip will generate revenue of **US\$ 11,000**.
- Trucks and trailers to be purchased in five phases
- Project calculation based on 11 years
- Each phase to apply loan separately
- Bank interest is 8% per annum

The combined revenue and expenditure from all the planned routes, in the 1st year up to 11th year are indicated above.

The number of trips assumed here, is just a conservative estimate. With the expected improvement of the roads and in general operations coupled with the driver's gaining experience in long distance travels, the number of trips per truck will be raised. This will have a tremendous impact on the Company's expenditure and earnings.

12.0 FINANCIAL ASPECTS FOR THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 11years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$77,210** in the 1st year to **US\$107,779,077** in the 11th year.

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from

US\$1,242,290 in the first year to **US\$85,422,762** at the end of 11th years of the project's operations based on the 400 trucks and trailers obtained.

(iii) Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Assets grow from **US\$10,511,090** in the first year to **US\$125,076,562** at the end of 11th years of the project's operations based

(iv) Internal (After Tax) Rate of Return

The project has an after-tax internal rate of return that is over 12%, while the bank loan carries an interest rate of 8% per year. Therefore, with an internal rate of return which is more than the cost of capital the project is very acceptable and encouraging.

(v) Payback Period

PAYBACK PERIOD: US\$

Total investment is **US\$57,355,500** cash accumulation in 9th year **US\$66,070,428** which is more than the initial

investment by US\$8,714,928 The project payback Period is exactly 9 years.

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$ 57,355,500 being recovered within 9 years.

13.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **KAAH LOGISTICS LIMITED**, is going to provide additional employment to 548 people all of whom will be nationals. This is a significant contribution coming from local investors.

(ii) **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

(iii) **Foreign Exchange Earning**

Since the project's clientele is mostly towards neighboring countries the project will thus earn

foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency

14.0 CONCLUSION

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 548 people all of whom are national Tanzanians.
- (iii) The project is an encouraging sign to prove that we have local investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

15.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue

Authority, TRA and the Tanzania Investment Centre - (TIC). The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.

APPENDIX I

KAAH LOGISTICS LIMITED. PROJECTED PROFIT AND LOSS STATEMENT

US\$

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| No of trips | 350 | 700 | 1050 | 1575 | 2100 | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 |
| Revenue | 3850000 | 7700000 | 11550000 | 17325000 | 23100000 | 30800000 | 30800000 | 30800000 | 30800000 | 30800000 | 30800000 |
| Operating cost | | | | | | | | | | | |
| Cost of employees | 168000 | 168000 | 168000 | 216000 | 216000 | 288000 | 288000 | 288000 | 288000 | 288000 | 288000 |
| Fuel and other cost | 1592500 | 1592500 | 1592500 | 2388750 | 2388750 | 3185000 | 3185000 | 3185000 | 3185000 | 3185000 | 3185000 |
| Other cost | 770000 | 770000 | 770000 | 1550000 | 1155000 | 1540000 | 1540000 | 1540000 | 1540000 | 1540000 | 1540000 |
| Operating cost | 2530500 | 2530500 | 2530500 | 4154750 | 3759750 | 5013000 | 5013000 | 5013000 | 5013000 | 5013000 | 5013000 |
| Profit before interest and Depreciation | 1319500 | 5169500 | 9019500 | 13170250 | 19340250 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 |
| Interest | 608000 | 1080503 | 1428349 | 1950690 | 2303075 | 2797361 | 1944609 | 1246933 | 691929 | 296112 | 60129 |
| Depreciation | 601200 | 1141200 | 1681200 | 2491200 | 3301200 | 4191200 | 4191200 | 4191200 | 4191200 | 4191200 | 4191200 |
| Profit After interest and Depreciation | 110300 | 2947797 | 5909951 | 8728360 | 13735975 | 18798439 | 19651191 | 20348867 | 20903871 | 21299688 | 21535671 |
| Tax | 33090 | 884339.1 | 1772985.3 | 2618508 | 4120792.5 | 5639531.7 | 5895357.3 | 6104660.1 | 6271161.3 | 6389906.4 | 6460701.3 |
| Net Profit After Tax | 77210 | 2063457.9 | 4136965.7 | 6109852 | 9615182.5 | 13158907.3 | 13755833.7 | 14244206.9 | 14632709.7 | 14909781.6 | 15074969.7 |
| Accumulate Profit | 77,210.00 | 2,140,667.90 | 6,277,633.60 | 12,387,485.60 | 22,002,668.10 | 35,161,575.40 | 48,917,409.10 | 63,161,616.00 | 77,794,325.70 | 92,704,107.30 | 107,779,077.00 |

KAAH LOGISTICS LIMITED
PROJECTED CASH FLOWS

US\$

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|----------------|----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| SOURCES: | | | | | | | | | | | | |
| Profit before interest and depreciation | 0 | 1319500 | 5169500 | 9019500 | 13170250 | 19340250 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 |
| Loan | 7600000 | 7600000 | 7600000 | 11214750 | 11214750 | 14943000 | | | | | | |
| Total Sources | 7600000 | 8919500 | 12769500 | 20234250 | 24385000 | 34283250 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 | 25787000 |
| Applications: | | | | | | | | | | | | |
| Capital expenditure | | 5245000 | 4980000 | 4980000 | 7455000 | 7455000 | 9930000 | 0 | 0 | 0 | 0 | 0 |
| working Capital & Others | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 1866627 | 1478124 | 1201052 | 1035864 |
| Cash | 0 | 1242290 | 3371043 | 8762285 | 8465148 | 14858068 | 343093 | 9676167 | 9676167 | 9676167 | 9676167 | 9676167 |
| Tax | 0 | 77210 | 2063457.9 | 4136965.7 | 6109852 | 9615182.5 | 13158907.3 | 13755833.7 | 14244206.9 | 14632709.7 | 14909781.6 | 15074969.7 |
| Sub total | 2355000 | 8919500 | 12769500.9 | 20234250.7 | 24385000 | 34283250.5 | 25787000.3 | 25787000.7 | 25787000.9 | 25787000.7 | 25787000.6 | 25787000.7 |
| Total applications | 2355000 | 8919500 | 12769500.9 | 20234250.7 | 24385000 | 34283250.5 | 25787000.3 | 25787000.7 | 25787000.9 | 25787000.7 | 25787000.6 | 25787000.7 |
| Accumulated cash | | 1242290 | 4613333 | 13375618 | 21840766 | 36698834 | 37041927 | 46718094 | 56394261 | 66070428 | 75746595 | 85422762 |
| Necessary working capital | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 |

APPENDIX III

KAAH LOGISTICS LIMITED
PROJECTED BALANCE SHEET

US\$

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Fixed Assets | - | | | | | | | | | | | |
| Opening balance | - | 7,515,000 | 14,265,000 | 21,015,000 | 31,140,000 | 41,265,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 |
| Total Long-term Assets | - | 7,515,000.00 | 14,265,000 | 21,015,000 | 31,140,000 | 41,265,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 | 52,390,000 |
| Less depreciation | - | 601200 | 1141200 | 1681200 | 2491200 | 3301200 | 4191200 | 4191200 | 4191200 | 4191200 | 4191200 | 4191200 |
| Closing balance | - | 6,913,800 | 13,123,800 | 19,333,800 | 28,648,800 | 37,963,800 | 48,198,800 | 48,198,800 | 48,198,800 | 48,198,800 | 48,198,800 | 48,198,800 |
| Working capital | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 | 2355000 |
| Accumulated cash | - | 1242290 | 4613333 | 13375618 | 21840766 | 36698834 | 37041927 | 46718094 | 56394261 | 66070428 | 75746595 | 85422762 |
| Total assets | 2,355,000 | 10,511,090 | 20,092,133 | 35,064,418 | 52,844,566 | 77,017,634 | 87,595,727 | 97,271,894 | 106,948,061 | 116,624,228 | 126,300,395 | 135,976,562 |
| Financed by | | | | | | | | | | | | |
| Net profit | - | 77210 | 2063457 | 4136965 | 6109852 | 9615182.5 | 13158907.3 | 13755833.7 | 14244206 | 14632709.7 | 14909781.6 | 15074969.7 |
| Total equity | - | 77,210.00 | 2,063,457.90 | 4,136,965 | 6,109,852 | 9,615,182 | 13,158,907 | 13,755,833 | 14,244,206 | 14,632,709 | 14,909,781 | 3,701,397 |
| Long term loan | 7,600,000 | 13,506,286 | 17,854,355 | 24,383,615 | 28,788,427 | 34,966,997 | 24,307,592 | 15,586,654 | 8,649,106 | | | |
| Total debts | 7,600,000 | 13,506,286 | 17,854,355 | 24,383,615 | 28,788,427 | 34,966,997 | 24,307,592 | 15,586,654 | 8,649,106 | - | - | - |
| Total equity and debts | 7,600,000 | 13,583,496 | 19,917,812 | 28,520,580 | 34,898,279 | 44,582,179 | 37,466,499 | 29,342,487 | 22,893,312 | 14,632,709 | 14,909,781 | 3,701,397 |

PROPOSED FINANCING PATTERN

US\$

| FOREIGN LOAN | LOCAL LOAN | LOCAL EQUITY |
|---------------------|-------------------|---------------------|
| NIL | 12,000,000 | 5,355,500 |
| 40,000,000 | | 0 |

**KAH LOGISTICS LIMITED
PROJECTED DEPRECIATION SCHEDULE**

US\$

| DEPRECIATION | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | | | | | | | | |
| Land And Buildings | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 |
| Machinery, Tools & Equipment | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 |
| Trucks | 380,000 | 760,000 | 1,140,000 | 1,710,000 | 2,280,000 | 2,850,000 | 2,850,000 | 2,850,000 | 2,850,000 | 2,850,000 | 2,850,000 |
| Trailers | 160,000 | 320,000 | 480,000 | 720,000 | 960,000 | 1,280,000 | 1,280,000 | 1,280,000 | 1,280,000 | 1,280,000 | 1,280,000 |
| Pick up | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Mini Bus | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Communication Set | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 | 4,800 |
| Furniture & Fixtures | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| ANNUAL DEPRECIATION | 601,200 | 1,141,200 | 1,681,200 | 2,491,200 | 3,301,200 | 4,191,200 | 4,191,200 | 4,191,200 | 4,191,200 | 4,191,200 | 4,191,200 |

Summary of projected capital expenditure

| PARTICULAR | US\$ |
|-----------------------|----------------------|
| Land and Buildings | 120,000.00 |
| Machinery & Equipment | 180,000.00 |
| Mini bus | 200,000.00 |
| Trucks | 38,000,000.00 |
| Trailers | 16,000,000.00 |
| Pick up | 200,000.00 |
| Furniture & Fixtures | 5,000.00 |
| Communication Set | 60,000.00 |
| TOTAL | 54,765,000.00 |

SUMMARY OF REVENUE AND EXPENDITURE FROM TRUCK TRIPS.

| | Year | 1 | 2 | 3 | 4 | 5 |
|---|----------------|------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Trips | 500 | 1,000 | 1,500 | 2000 | 2000 |
| 2 | Revenue | 5,500,000 | 11,000,000 | 16,500,000 | 22,000,000 | 22,000,000 |
| 3 | Cost | 2,275,000 | 4,550,000 | 6,825,000 | 9,100,000 | 9,100,000 |

SUMMARY OF PROJECTED INTEREST REPAYMENT

| Interest Repayments US\$ | | | | | | | |
|--------------------------|----------|----------|----------|----------|----------|-----------|----------------|
| Year | 1st Year | 2nd year | 3rd year | 4th year | 5th year | 6th year | Total Interest |
| 0 | | | | | | | |
| 1 | | | | | | | |
| 2 | 608,000 | | | | | | 608,000 |
| 3 | 472,503 | 608,000 | | | | | 1,080,503 |
| 4 | 347,846 | 472,503 | 608,000 | | | | 1,428,349 |
| 5 | 233,161 | 347,846 | 472,503 | 897,180 | | | 1,950,690 |
| 6 | 127,651 | 233,161 | 347,846 | 697,237 | 897,180 | | 2,303,075 |
| 7 | 30,582 | 127,651 | 233,161 | 513,290 | 697,237 | 1,195,440 | 2,797,361 |
| 8 | | 30,582 | 127,651 | 344,058 | 513,290 | 929,028 | 1,944,609 |
| | | | 30,582 | 188,365 | 344,058 | 683,928 | 1,246,933 |
| | | | | 45,127 | 188,365 | 458,437 | 691,929 |
| | | | | | 45,127 | 250,985 | 296,112 |
| | | | | | | 60,129 | 60,129 |

PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 15 months to implement as shown below:-

| | ACTIVITY | PERIOD |
|----|---|-----------------------|
| 1. | Processing TIC Certificate of Incentive | February2023 |
| 2. | Funds Mobilization | Octo - Dec 2023 |
| 3. | Ordering of Vehicles | March 2023 - Dec 2028 |
| 5. | Arrival of Vehicles | April 2023- Dec 2028 |
| 6. | Trial Operations | April 2023 |
| 7. | Commercial Operations | May 2023 |