

EACLC LIMITED

**BUSINESS PLAN OF
EAST AFRICA COMMERCIAL & LOGISTICS CENTER
(EACLC)**

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1. Executive Summary

EACL LIMITED a limited liability company incorporated and registered under the laws of Tanzania with Postal Address Number 10605 Dar es salaam region Tanzania has been contracted by The Dar es Salaam City Council to develop and manage various properties within the City of Dar es Salaam.

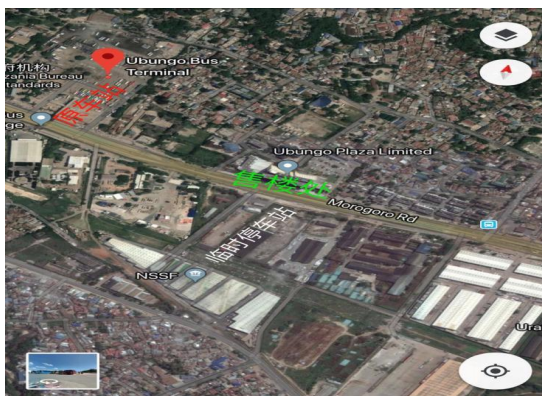
Project name and construction unit

Project name

“ East Africa Commercial & Logistics Center ” in Dar es Salaam (hereinafter referred to as “EACL”))

Project Overview

The “EACL” is planned to be built at the Ubungo Inter-provincial Coach Station, an important transportation hub in Dar es Salaam, Tanzania. The center is 14.8 km from the old Lewis International Airport, 3.1 km from the south side of the nearest Mabibo train station, 8.7 km from the largest railway station in Dar es Salaam, 10 km from the urban rich area, adjacent to the urban finance Business center. As an important node for road, railway, port transportation and trade distribution, East Africa's commercial and trade logistics center has superior geographical position, convenient transportation and dense crowds. It has obvious advantages in customs clearance transportation and trade, and has the connection and radiation of Tanzania and even the whole East Africa. Advantages of the conditions.



PIC 1 PROJECT SITE



PIC 2 PROJECT SITE

Development Goals

Tanzania “ EACL ” is based on Tanzania's good location advantages and convenient transportation conditions. It builds a complete wholesale market for small commodities for enterprises in China and Africa, establishes an international marketing network for African brands in China, and consolidates and explores new channels in African markets. The new space will be built into a large base, large window and large platform based on Tanzania, radiating East Africa's international commodity trade, logistics and distribution, industrial cooperation and cultural exchanges.

Through three to five years, Tanzania East Africa Trade and Logistics Center will build a comprehensive logistics and trade industrial base based in Dar es Salaam, serving Tanzania and radiating East Africa, promote large-scale operation, form an

industrial gathering development platform, and rely on the trade market group. In the future, a distribution processing industry cluster with clustering action will be formed.

Functional positioning

A. the Group builds the cornerstone function of the development of Africa's international trade and logistics industry. Through the follow-up project development, construction and operation of the Trade and Logistics Center, the development of the existing commerce and trade industry will be realized, and the modern logistics service industry with strong radiation capability and support for business development will be fostered, making the "Tanzania East Africa Trade Logistics Center" a pilot. In the process of developing the international trade logistics industry strategy, the Group built the cornerstone of the development of international trade logistics industry in the African continent and laid a solid foundation for the the Group to expand the international trade logistics market.

B. Chinese goods in Africa "one-stop" business procurement base, important distribution base functions and distribution centers. Through the gradual improvement and large-scale development of the professional wholesale market of logistics and trade centers, the scale, level and capability of the development of the commerce and trade industry will be further improved, and the "Tanzania East Africa Trade and Logistics Center" will be built into a "one-stop" commerce and procurement base for exporting African goods to China. It is an important distribution base and relies on the logistics service functions deployed in the park to improve the regional radiation and service capabilities of the commercial and trade industry.

C. Tanzania's logistics and business center functions for the world. With the development and construction of the second phase of the project, the logistics and trade culture will be integrated, and the localization and internationalization of the development of the park will be accelerated. Under the support of the business center as an important commercial and trading base and logistics distribution center, the Tanzania East Africa Trade and Logistics Center will be established. It will become the international logistics and trade center and international exhibition center of Tanzania facing the world, and enhance the level of Tanzania's trade and logistics industry.

Development format

In the trade and logistics industry, the focus is on small commodities such as small hardware accessories, household electrical appliances, daily-use daily-use, daily miscellaneous department stores, textiles and garments, luggage and leather goods, toys and accessories, and sports and office supplies.

Actively introduce international and domestic brands with brand influence and brand image, establish a product brand experience center, and enhance the brand and grade level of the trade logistics center;

In the supporting service industry, the focus is on the development and construction of hotels, offices, commerce, tourism and leisure facilities, providing financial, advertising, legal and other related services to meet the business operations and production needs of enterprises entering the park, as well as the life and service needs of employees.

Construction content and scale

The “EACLC” project covers an area of about 90,000 square meters. It is planned to be developed in two phases. The first phase of the project will be carried out. The first phase of the project covers an area of about 50,000 square meters, with a total construction area of about 124,000 square meters, of which the above-ground construction area is about 119,000 square meters, and the underground construction area is about 0.51 million square meters. The project plans to design about 3,550 shops, providing commodity trade, warehousing and logistics, and “one-stop” supporting services.

Investment estimation and financing

The total investment of the “EACLC” project is US\$114 million, of which construction investment is US\$107 million, construction period interest is US\$4 million, and initial working capital is US\$3 million (all liquidity is estimated at US\$10 million).

The project financing method is: bank loans of 45 million US dollars, and shareholders raised 65 million US dollars.

2. Company Description

(1) ABOUT the Company

The company was incorporated in Tanzania on February 1, 2019. The registered capital is RMB 1,000,000,000 Tsh. Wang Xiangyu is a corporate legal person, holding 100 of the shares, Shanghai Linghang Group Company limited holds the 900 of the shares and Weihai Huatan Supply Chain Co.Ltd holds 9000 of the shares. ANNEX 1 Business Licence, ANNEX 2 Company charter.

The main business includes hardware and electricity, mechanical equipment, power tools and accessories, rubber and plastic products, furniture supplies, cabinet supplies, construction and decoration materials, edible agricultural products (except pig products), textiles, clothing and daily necessities sales, software development, business consulting. (except brokerage), landscaping construction, import and export of goods and technology, food circulation, etc. The company's operating conditions and operating income for the past three years are as follows.

Table 1 The company's operating conditions and operating income Unit: USD

content	2015	2016	2017
Fixed assets and intangible	646,676,550.00	630,247,598.50	547,036,369.26
Total assets	1,243,646,872.00	1,336,076,348.18	1,395,329,529.70
Main business income	1,326,543,786.00	1,457,387,409.00	1,563,859,597.32
Net profit	64,819,013.66	86,637,323.47	127,150,048.49

CORPORATE PHILOSOPHY AND CULTURE

EACLC LIMITED, since its establishment, has always adhered to sincere and pragmatic services, innovative ideas, keeping up with the pace of development of host government policies, strict compliance with good corporate governance policies and regulations in the country, including actively promoting the development of green

industry projects and product innovation. EACLCL LIMITED maintains close communication with the local government partner and acts in harmony with the same. In the construction of the industry park in China, EACLCL LIMITED received high recognition and support of the local government, promoting employment and livelihood of local people, and increasing tax revenue for the Government of the Republic of China. We expect to achieve the same milestones in Tanzania through these projects.

(3) BUSINESS STRATEGY

the company rapid development is closely related with its long-term goal embedded in our strategic planning. Their international focus markets are in North America, Europe and lately Africa. As the European and American markets mature and with increased competition, the Group has embarked on new strategy of "Maintaining a strong base while developing in many directions" in order to meet the development needs of its partners

"Maintain a strong base": to EACLCL LIMITED this means maintaining a strong corporate headquarters which continually consolidates the Group's domestic capital. In the domestic market, the Group actively promotes the "Lisa and Mike" brand. The Group has actively integrated upstream and downstream high-quality resources to provide the whole industry chain with high quality green food.

"Developing in many directions", means for EACLCL LIMITED focusing on cultivating the European and American market, and the Middle East and African markets. the Group has set up a special African Business Development office and team because of the great potential the African market presents.

The Group has developed a professional investment strategy, and actively operates metal precision tool product lines of Power, Cobot, Sweet and other branded products.

(4) THE RELATION OF the Group AND TANZANIA

the Group has been engaged in economic and trade investment cooperation in Africa for a long time. In addition to Tanzania, it is actively exploring mineral resources and agricultural resources projects in Sudan, Zambia, Ethiopia and Kenya. The Group has rich market experience, international reputation and management capabilities. It always adheres to the principles of sincerity, pragmatism, service and innovation, keeps pace with domestic policy development, strictly abides by domestic and foreign laws and regulations, actively integrates upstream and downstream quality resources, and vigorously develops overseas. Potential market. Through close communication and close cooperation with foreign government departments, the local government departments have received high recognition and strong support, and have made due contributions to promoting local people's livelihood employment and government taxation.

Since the establishment of the Singapore company in 1998, the the Group has maintained close ties with Tanzania, and has good relations with various functional departments, parliaments, and military departments of the Tanzanian government, and has organized personnel to conduct detailed investigations. The provincial governor,

the mayor of Dacheng, and the representatives of the parliament have also led delegations to China for economic and trade visits in the past few years. They have visited the manufacturing base, Xingang Wharf and industrial park of Weihai in Shandong. In recent years, the two sides have established a sound and stable cooperative relationship and laid a good foundation for cooperation in further developing economic and trade cooperation. At present, the LTE Group's cooperation with Tantan economic and trade projects mainly include: food supply, convenience food, MRE individual rations, foreign military logistics supply, hardware machinery, architectural design and construction.

At present, the city of Dar es Salaam in the capital of Tanzania is actively carrying out planning work on public transportation, urban security, port facilities and large-scale Chinese new town development in China New Town. the Group will actively participate in the city's urban infrastructure. Construction and actively promote China-Africa trade and investment cooperation in various fields.

3. Market Analysis

Overview of the economy and property market

1. Tanzania's economic development status

Tanzania's economic growth is relatively stable. According to World Bank data, in 2015, Tanzania's gross domestic product was US\$44.90 billion, an increase of 7.0% over the previous year. Among them, agriculture, industry and services accounted for 30.5%, 25.9% and 43.6% respectively, and per capital GDP. It is \$840.0. Tanzania actively promoted opening up to the outside world, and the inflow of foreign capital increased rapidly, and its economic vitality was significantly enhanced.

Tanzania's economy is dominated by agriculture and food is basically self-sufficient. Industrial production technology is low, and daily consumer goods need to be imported. In recent years, the Tanzanian government has made poverty alleviation a priority for the government, implemented economic reform policies centered on economic restructuring, promoted economic liberalization and the privatization of state-owned enterprises, and adhered to moderately tight fiscal and monetary policies to enable the national economy to Slowly pick up. At the same time, close relations with Western donors and international financial institutions, seeking to attract foreign investment, reduce foreign debt and get more aid. Tanzania's economic growth has exceeded 6.5% for many years and is among the best in sub-Saharan Africa. Mining and tourism are developing strongly, the investment environment is improving, and foreign direct investment continues to grow. However, problems such as a single economic structure, backward infrastructure, and lack of development funds and human resources still hinder economic development. Tan is an IMF heavily indebted poor country and is highly dependent on foreign aid. In 2013, the external debt ratio was 36.1%.

Agriculture, industry and tourism form the backbone of Tanzania's economy. Agriculture accounts for about 29% of the gross national product. Traditional industries mainly include processing of agricultural products, mining of mineral products, smelting, wood processing, cement production, and footwear. Due to the abundant oil and natural resources, Tanzania is expected to form a natural gas industrial chain. The population of under 35 in Tanzania has a population of 70%, and

young people have strong spending power. Driven by strong domestic demand and agricultural production, Tanzania has maintained an economic growth rate of around 7% in recent years. The GDP for the 2016/2017 fiscal year is approximately \$50.2 billion. Although public investment in energy and transportation infrastructure will weaken this year, falling food and energy prices have led to an increase in disposable income, further boosting domestic demand as the main driver of economic growth. The continuously improving macroeconomic environment will continue to attract foreign capital inflows. It is expected that the future of manufacturing, energy and tourism will have good development prospects. The increase in natural gas resource reserves will also bring positive factors to Tanzania's medium and long-term economic growth. Therefore, the World Bank expects that the economic growth rate will remain at around 7% in the next few years.

Financial situation. Monetary policy remained stable in the 2016/2017 fiscal year. According to data released by the Tanzanian central bank, by March 2017, the growth rate of the broad money M3 was 4.1% over the past year, mainly due to the bank's slowdown in private sector credit and the decline in foreign currency assets held by the banking system. In the first quarter of 2017, the inflation rate was 5.7%. Combined with the 2016 quarterly data, the overall inflation rate was moderate. In the medium term, Tanzania's fiscal policy will remain accommodation. In order to limit inflation, monetary policy may be tightened appropriately, but overall it is expected that monetary policy will remain stable in the future.

Banking aspect. In 2017, the credit system of the banking system increased by 19.9%, slightly lower than the 21.1% level of the previous year. Credit is concentrated in the private sector, transportation and communications, manufacturing, hotels, restaurants, agriculture, construction and commerce. The government's debt to the banking system fell by 17.5%, while private sector bank debt increased by 3.7%. In terms of the credit stock of the entire banking system, the credits obtained by the private sector and commercial trade from the banking system are among the top two. This also reflects the development potential of the Tanzanian private sector economy. The latest data for 2017 shows that the average deposit interest rate of the banking system is 10.6%, which is higher than the 8.95% in 2016. The average loan interest rate is 17.01%, slightly higher than 16.32% in 2016. There are more than 30 banks in Tanzania, consisting of branches of international banks, large domestic banks and small banks (mainly domestic banks). In addition, there are more than 20 non-bank financial institutions, pension funds and insurance companies, as well as about 650 savings and credit cooperatives and micro finance institutions to provide financial services to small clients. Tanzania's financial institutions are mainly concentrated in the banking industry and are small in scale. The market between banks is underdeveloped. Despite the reform of the banking industry, the role of the financial industry in the Tanzanian economy is still very limited. It can only provide small-scale, short-term credit, coupled with higher credit costs, which is why the project seeks other financing channels.

2. Tanzania's trade development status

Tanzania's 2016/2017 fiscal year (to the year ending April 2017, the same below) exports products and services totaled \$875.33 million. Agricultural products in Tanzania's traditional export products play an important role. In 2016/2017, the total export value was US\$863.6 million. Among them, the export of cashew nuts reached

US\$341.1 million. No matter the export quantity and price, other such as clove and sisal, Tobacco and so on have declined slightly. Most traditional export product prices are consistent with changes in international market prices. Non-traditional export products include mining, manufacturing, food industry, export processing, and fisheries. In addition to horticultural products, mining, especially gold, such as edible oil, steel products, textiles and clothing, etc., the main reason is that the market competition has strengthened, and the total export volume of service trade reached US\$370.75 million in 2016.

Total imports from Tanzania in the 2016/2017 fiscal year reached \$783.47 million. It includes two major items of imported goods and services. Among them, imported products mainly include petroleum, machinery, consumer goods (including pharmaceuticals, paper products, plastic products, optical or imaging products, textiles and clothing, etc.), transportation equipment, construction equipment, industrial raw materials, food, fertilizers and so on. Services include transportation, tourism, communications, engineering contracting, insurance, concessions, financial services, computers, and personal or other business services.

3. Overview of using foreign capital

According to the 2015 World Investment Report released by UNCTAD, in 2014, Tanzania absorbed foreign direct investment ranked third in the least developed countries, up 1% from 2013, and absorbed foreign investment of 2.1 billion US dollars. The investment stock reached \$17 billion.

Foreign investment is mainly concentrated in the fields of mining, tourism, agriculture, manufacturing and communications. The Tanzanian government encourages foreign investors to invest more in agriculture, education, health care, and infrastructure projects such as roads, railways, airports and hotels. At present, the United Kingdom, the United States, China, India, Kenya, South Africa, etc. are the main sources of foreign investment in Tanzania, and the investment from emerging economies such as China, South Africa and India is relatively active. According to 2014 data, China is the second largest source of foreign investment in Tanzania, after the United Kingdom.

4. Development of trade logistics in Dar es Salaam

Dar es Salaam is the capital of Tanzania. It is the largest city and port in Tanzania, the national economic and cultural center, an important port in East Africa, and the capital of Dar es Salaam. The city is green all year round and has a beautiful environment. It is a city along the “Maritime Silk Road”. Nowadays, the population of this city has grown very fast in reform and opening up, and has become a big city with a population of 4.36 million. Dar es Salaam is the starting point of the Central Railway and the Tanzania-Zambia Railway, which leads to major cities and towns across the country. The port of Dar es Salaam is on the west side of the Indian Ocean. The northeast is opposite to the island of Zanzibar (ZANZIBAR). It is the largest seaport in Tanzania and one of the famous ports in East Africa. The waters of the port are wide and the conditions in the port are good, even if There are strong winds and waves at the outside, and there is no big impact on the port. The port exports cotton, coffee, sisal and other agricultural and mineral products. The main imported goods are steel, cotton products, food, machinery and vehicles. Some of the supplies from neighboring countries Zambia, Zaire and Burundi are also being re-exported here.

Another oil pipeline is connected to Ndola in Zambia. The industrial output of the port accounts for about half of the country's total. The main industries include refining, textile, machinery, fertilizer, food, cement, locomotive repair, farm tools repair and thermal power generation. The port is 3.6 kilometers from the international airport and has regular flights to all parts of the world and major cities in the country.

The port has convenient logistics and transportation conditions. The annual designed throughput is 10.1 million tons, and the warehouse, ship repairing and loading and unloading equipment are available. There are 11 main berths in the port area, with a coastline of 2016 meters and a maximum water depth of 10 meters. Handling equipment includes various shore cranes, door cranes, movable cranes, floating cranes, container cranes, barges, tugboats and ro-ro facilities. The maximum lifting capacity of floating cranes is 120 tons. Bulk terminals can reliably park 30,000 ton bulk cargo ships. The oil tanker jetty can dock 36,000 dwt oil tankers. The anchorage of large ships is 15 meters deep. During the holidays, Christmas and International Labor Day do not work all day.

Tanzania investment attractiveness

Tanzania is more attractive in the African region and the business environment is relatively good. According to the World Economic Forum's 2015-2016 Global Competitiveness Report, Tanzania ranks 120th among the 140 most competitive countries and regions in the world. According to the World Bank's Business Environment Report 2016, Tanzania's business environment ranks 139th among 189 economies worldwide.

1. High political and social stability

Since independence in 1961, Tanzania has steadily conducted five presidential elections and has been governed by the Tanzanian Revolutionary Party for a long time. The 5th general election ended on October 25, 2015. The new president is the candidate for the Revolutionary Party and the former Minister of Engineering John Magufuli. At the same time, Tanzania's vigorous development of good-neighborly and friendly relations is one of the few countries in Africa that have long-term stability in the internal affairs. There are 126 tribes in Tanzania, and there has never been a clan conflict; the Christians and Muslims in Tanzania are generally harmonious; the development of Tanzanian democracy is relatively sound, and it is praised by the West as a model for the democratization of African countries. Immediately after the inauguration of the new president, the anti-corruption, lazy, accountable, and benefiting people in the political arena in Tanzania demanded to improve the efficiency of the government, reduce unnecessary expenditures, and rank development as the top priority.

2. Rich in natural resources, laying a solid foundation for economic and social development

Tanzania has a wealth of agricultural, mining and tourism resources.

Agriculture, forestry and fisheries: Tanzania has 44 million hectares of arable land; it has a forest and forest area of 33.5 million hectares, of which 80,000 hectares of

artificial forests and 11.4 million hectares of natural forests can be commercially harvested; with 64,000 square kilometers of Indian Ocean territorial waters, With a water area of 223,000 square kilometers of the exclusive economic zone of the Indian Ocean and a freshwater lake of 58,000 square kilometers, the potential for seawater and freshwater fishing is enormous.

Mining: Tanzania is rich in mineral resources. The main minerals that have been identified include gold, diamond, iron, nickel, phosphate, coal and various gemstones, ranking the fifth in Africa. Tanzania's natural gas reserves are also very large. According to Tanzania's official data, Tanzania's proven natural gas reserves are 5.5 billion cubic feet, and the total reserves are expected to reach at least 200 trillion cubic feet.

Tourism: Tanzania's tourism resources are unique, not only have scenic spots such as Lake Tanganyika, Lake Victoria, Lake Manyara and Lake Malawi National Park, but also Mount Kilimanjaro and East Africa. The majestic natural landscapes such as the Rift Valley and the famous wildlife viewing areas such as Serengeti National Park and Mikumi Safari Park.

In addition, Tanzania has proven natural gas reserves of 1,132.67 billion cubic meters. The oil storage prospects in some parts of the mainland, Zanzibar and offshore waters are good, and abundant natural resources have laid a solid foundation for Tanzania's economic development.

3. The legal system is relatively sound and the investment environment is relatively perfect.

Since 1986, the Tanzanian government, with the support of the World Monetary Fund and the World Bank, has implemented economic rectification plans, promoted privatization, committed to creating a good investment environment, and enacted laws and regulations to promote and protect investment. The Tanzanian government introduced the new Investment Law and the Export Processing Zone Act in 1997 and 2002 respectively, which provided a more favorable policy for foreign investment. Foreign-funded enterprises can enjoy preferential policies including tax incentives, policy assistance, and financial support. For example, a foreign-funded enterprise can enjoy a 100% capital return (that is, a full return of the capital investment of the enterprise through the reduction and exemption of taxes and fees); dividends and dividends received by foreign shareholders can be remitted freely; income tax is exempted before capital investment is recovered; Payment of dividends withholding tax, etc. Based on the investment law passed in 1997, Tanzania also established a national-level investment center to provide "one-stop" services for foreign investors.

In March 2013, when President Xi Jinping visited Tanzania, China and Tanzania formally signed the China-Tanzania Investment Protection Agreement, which came into effect on March 18, 2014.

4. Strong radiation capability in the region and the location advantage of developing trade and logistics industry

Tanzania is an important estuary in East Africa and Southeast Africa. Its strategic position is important, its regional influence is large, and its geographical advantages are obvious. In recent years, economic growth has been strong, infrastructure has

improved significantly, and road traffic with neighboring countries in East Africa has developed rapidly. Dar es Salaam and Bagamoyo have gradually become the most important transit logistics ports in East Africa. As one of the member states of the East African Community, the superior geographical position of Tanzania is a good condition for further radiation to neighboring countries, so investing in the Tanzanian market has its strategic significance. Of particular concern is that Tanzania has reached agreements with the United States, the European Union, etc. to develop markets. Therefore, the products produced in Tanzania Investment can be exported to the United States and the European Union without duty and speed. The above conditions have laid a good foundation for the development of the trade and logistics industry in Dar es Salaam.

5. The economic development potential is large, and the urbanization rate continues to increase.

Tanzania is one of the fastest growing economies in East Africa. The average annual growth rate of GDP in 2009-2014 is 6.5%, which is much higher than the African average. It is one of the fastest growing economies in Africa after the financial crisis. The organization is rated as one of the countries with the most development potential. Economic growth is expected to remain at the same level in the coming years. Since 2015, the inflation rate has remained basically at around 6%. The Tanzanian shilling depreciated significantly against the world's major currencies. The population of Tanzania is growing fast. The nationals under 35 account for 70% of the total. The young people have strong spending power and will effectively boost Tanzania's economic growth in the next few years.

According to UN-HABITAT, the proportion of people living in urban areas in Africa has risen from 32% in 1990 to 40% in 2010, and is expected to reach 47% in 2025. Tanzania is no exception. According to Tanzania's 2012 census data, the population of Tanzania has reached 12.36 million, and the number has continued to grow. The urbanization rate reached 26.7%, and the urban population compound growth rate was 4.56%. According to forecasts, the urbanization rate of Tanzania in 2015 will reach 28.2%, and the urbanization rate will reach 30% in 2020.

Status and trends of economic and trade cooperation between China and Tanzania

Tanzania is an important country along the Silk Road Economic Belt. China and Tanzania have seen increasing exchanges in politics, economy, trade and humanities in recent years. The willingness of the two sides to pragmatic cooperation has been continuously enhanced, and bilateral cooperation has made positive progress. At present, China-Tanzania economic and trade cooperation faces new opportunities for development and cooperation.

Since the establishment of diplomatic ties 51 years ago, China and Tanzania have had frequent exchanges of high-level visits. The exchanges and cooperation between the two sides in the fields of politics, economy, culture, education, security, energy and health have yielded fruitful results, showing multi-level, multi-field and all-round

development. Good situation. China's exports to Tanzania are mainly mechanical and electrical products, auto parts, construction materials, shoes, clothing and other daily necessities. China imports mainly from Tanzania, such as mineral products, sesame and other agricultural products, fish products, spices and their products, rawhide and leather. Since July 1, 2010, China has granted 60% of Tanzania's BACKGROUND background products to Tanzania for duty-free treatment. In March 2013, President Xi Jinping paid a state visit to Tanzania. The two sides signed infrastructure construction, energy, communications, agriculture, Cooperation documents between various governments and enterprises and financial institutions such as investment and financing, import quarantine. Since 2014, China has unilaterally granted duty-free treatment to 97% of Tanzanian products. In October 2014, President Kikwete returned to China. China exported 3.89 billion U.S. dollars to Tanzania, up 24% from 2013; imported 440 million U.S. dollars from Tanzania, down 22% from 2013; China's trade surplus was 3.45 billion U.S. dollars, up 34% from 2013.

In recent years, with the continuous enhancement of the strength of Chinese enterprises and the gradual implementation of the "going out" strategy, Tanzania has become one of the non-key investment countries of Chinese enterprises in recent years with its relatively stable political environment and relatively open market environment. The 2014 China-Tanzania bilateral investment agreement came into effect, effectively promoting China's investment in Tanzania. At present, China's investment in Tanzania is more than 5 billion US dollars, and there are more than 300 Chinese-funded enterprises in Tanzania, mainly related to mining, manufacturing, processing, power generation and power transmission and transformation, infrastructure construction and real estate development, agriculture, trade, logistics. And other fields. Among them, there are nearly 50 state-owned enterprises, mainly engaged in project contracting and large-scale investment as well as preferential loan projects. With the completion of the port of Bagamoyo, natural gas power generation, power transmission and transformation, and natural gas pipeline projects, China-Tanzania economic and trade cooperation will further increase.

Tanzania is an important member of the East African Community. In recent years, Chinese companies' investment in the East African Community has grown rapidly. The main areas of direct investment by Chinese companies in the East African Community include agriculture, real estate, mining, industry, and manufacturing. With its unique geographical location and convenient transportation, especially the unique advantages of China-Tanzania all-weather friendship, Tanzania has become a bridge and link for China to expand cooperation with the East African Community. It has the ability to become a model for China-Africa industry docking and capacity transfer. The country will certainly demonstrate and radiate its cooperation with China and Africa.

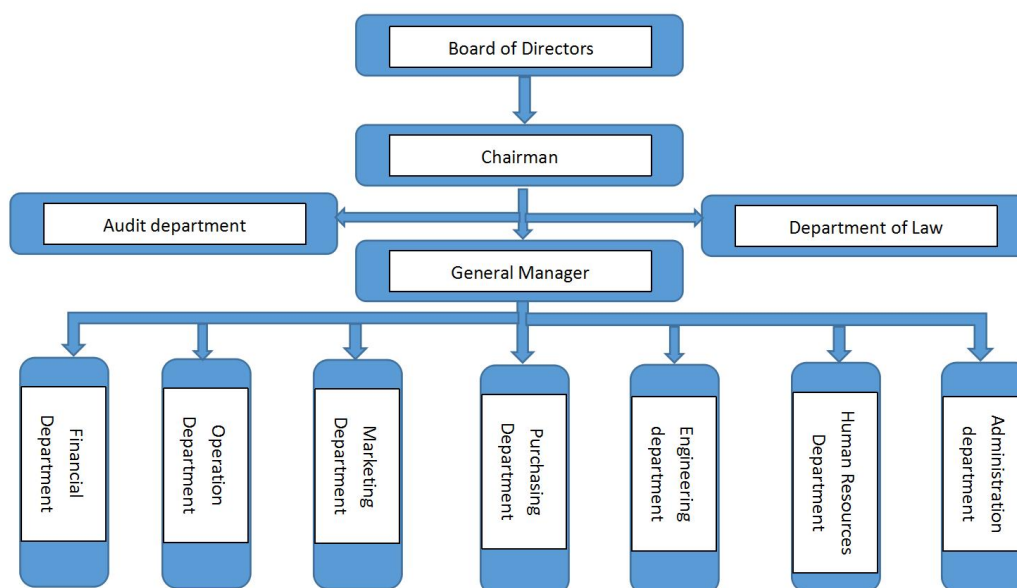
4. Organization and Management

The current organization structure of Linhang Group creates a lean business-like organization structure that would help the Group become more efficient, competitive and customer centric.

Since there have been many changes and challenging issues in the business environment, including technology, customer behaviour and competition, the Group will continue to re-examine the objectives of the current organization structure with

the view to determine whether or not the objectives for which it was created still serve the purpose under the current business and international environment.

The Group's Organisation Structure is as follow:



The Group is under the Management of the Board of Directors.

Shareholding and Directors

As of July 2014, the Group has two (2) competent Board members cum shareholders as summarized below:

Table 2 Shareholders list

No	Name	Position	Nationality	Qualification	Ownership (%)
1.	Wangxiangyun	Director	Chinese	Entrepreneur	95%
2.	Wangxiangyu	Director	Chinese	Marketing	5%

Group Management:

In the development of enterprises, the Group has a good number of trained technical personnel and strict management system. The Group carries out training programmes aimed at improving its staff performance. The Group spends huge sums of money to provide on-the-job training and professional training. The Group's members of staff are trained in order to inculcate in them a sense of belonging and a cultural sense of mission.

EALCL LIMITED puts the customer first and service as a priority by developing step by step.

The day to day activities of the Group are under the Chinese entrepreneur and Chief Executive Officer (CEO), Mr. Wang zhanwen, who is also the major shareholder of

Linghang Tanzania Company Limited. He is responsible for overseeing Linghang Tanzania Company Limited.

A full list of the Group companies is as follows:

- (i) TSLJ(1998) SINGAPORE CORPORATION – established in May 2008 with a capital of USD 10 million;
- (ii) LINGHANG INDUSTRIAL (SHANGHAI) CO. LTD – established in May 2004, with a capital of USD 5 million;
- (iii) HENTEC MORE INDUSTRIAL (HONGKONG) CO. LTD – established in March 2005 with a capital of USD 7.7 million;
- (iv) LINGHANG (SHANDONG) CO., LTD - established in March 2008 with a capital of USD 6.5 million, and
- (v) LINGHANG (GUANGDONG) CO. LTD - established in June 2008 with a capital of USD 5 million.
- (vi) LINGHANG TANZANIA CO. LTD - established in April 2014 with a capital of USD 500 million

The key Management team of Linghang Tanzania is explained as follows:

(i) General Manager, Wang Zhanwen

Linghang Tanzania Company Limited is under the Management of the General Manager, Zhanwen Wang, who reports to the Board of Directors.

Mr. Zhanwen has 13 years of experience leading corporate marketing and internal communications for multimillion-dollar companies across diverse industries. He is a respected leader of creative teams, multimedia divisions and corporate communications departments. He conceptualises and orchestrates marketing campaigns that effectively reinforce and build brand images. Furthermore, he is an expert in the technical, conceptual and content development. He has a proven ability to drive record-high marketing campaign response rates and execute successful product launches.

(ii) Finance and Sales Manager, WANG xiangyu

Wang xiangyu is an experienced accounting and finance manager in the Group and has a track record of long term reliable performance. She is an expert in all areas of finance and sales dealership management.

Between November 2012 and June 2014, Ms Wang xiangyu worked as Finance Manager at Group level and participated effectively in debt financing arrangements and ensured availability of funds for operational requirements.

Her other activities included overseeing and processing loans, management of banking relationships as well as collections. She was also responsible for preparation of revenue and expenditure forecasts during the budgeting process and preparation of regular financial reports and data analysis.

She was responsible for goal setting and monitoring sales goals. She developed company standards for financing and ensured compliance.

Finally, she was responsible for management of Sales and Finance Staff. She provided high level customer service.

Between November, 1998 to November, 2012 Ms Wang worked as Financial Controller for five locations at LINGHANG INDUSTRIAL (SHANGHAI) CO LTD.

As Financial Controller she was responsible for implementation of financial policies and procedures of the company. Her other responsibilities included establishment and maintenance of cash controls, general ledger reconciliations, invoice processing and ensured proper recording of all finance transactions.

(iii) Human Resource Manager, Wang lili

Ms **Wang lili** joined Linghang Tanzania as HR Manager in June 2014. As HR Manager, she is responsible for all human resource management functions of recruitment, training, HR administration, etc.

- Review and evaluate applicant qualifications or eligibility for employment
- Interview applicants to obtain information on work history, training, education, and job skills
- Perform searches for qualified candidates according to relevant job criteria, using computer databases, networking, Internet recruiting resources, cold calls, media, and employee referrals,
- Conduct reference and background checks on applicants
- Process paperwork for new employees
- Contact applicants to inform them of employment opportunities, consideration, and selection
- Manage a team to ensure quality placements and job duties
- Works as a sales and business development but setting meetings and learning more about job description and company
- Maintain complex database and keep detailed history notes of all communication with clients and candidates
- Negotiate billing terms and salary requirements
- High volume of phone and email communication
- Gets new business for the Staffing Managers

(iv) Attorneys, Ngassa Dindi

Ngassa Dindi is a Senior Partner at Lawcastles. He was born at Shinyanga, Tanzania on 19 April 1966. He was admitted to practice law in Tanzania in 1998. He is also admitted to practice law in Zanzibar (which is autonomous part of the United Republic of Tanzania). Ngassa is a graduate of the University of Dar es Salaam (LL.B 1992). He is also a graduate of the London School of Economics - University of London (LL.M Corporate and Commercial Law 1995). Further, Ngassa is a graduate of the University of Brussels (LL.M

International and Comparative Law 1996). In 2005, Ngassa pursued drafting course at Grays Inn, London.

Ngassa taught Corporate and Commercial Law at the Institute of Finance Management in Dar es Salaam, Tanzania from 1992 to 1999. During this time, he practiced law on part time basis as an associate at Mkono & Co in association with Denton Wilde Sapte. In 1997, Ngassa was seconded to Herbert Smith in London where he worked in a Corporate Recovery Department. From 1999 to 2003, Ngassa was a Senior Legal Counsel at the Tanzanian Privatization Commission. In 2000, Ngassa was seconded to Denton Wilde Sapte (Energy and Infrastructure Department) in London as part of professional development programme. Ngassa is an active member of Tanganyika Law Society. He is a Fellow of Association of Fellows and Legal Scholars of the Centre for International Legal Studies, Salzburg, Austria.

The specific areas of practice in which Ngassa practices law are corporate and commercial law, particularly, project finance, syndicated lending, projects development and finance, energy and infrastructure, mergers and acquisitions, secured lending, Public-Private Partnerships projects development and finance, intellectual property law, mining and natural resources law (particularly minerals, petroleum and natural gas exploration & production), distribution agreements, franchising, copyrights, mineral joint ventures, corporate insolvency law, cross-border insolvency, telecommunications contracts, construction and engineering contracts, BOT projects, Government contracts, due diligence, public works contracts and corporate taxation.

Ngassa is an author of the Tanzanian Chapter in a book titled 'Doing Business in Africa' published by Yorkhill Publishers in 2008.

(v) Architectural Partner, FINI

The Fifth Research and Design Institute of Nuclear Industry (hereinafter referred to as FINI), established in 1958, is a Grade A comprehensive research and design institute which is subordinate to China National Nuclear Industry Group Corporation, which is a collective making unremitting efforts to improve itself with indomitable fortitude in the history of atomic energy cause as well as a united, realistic and creative collective in facing the market competition. Since its establishment, the FINI people seize every opportunity to keep forging ahead with keen determination.

With half a century's development, it has become a well-known large-sized research, engineering consulting, design and general contract enterprise with a staff of over 1000 and more than 40 specialized fields. It is awarded the national top one hundred enterprise in engineering project management.

As a national Grade A comprehensive research and design institute, FINI is mainly engaged in the research, project consultation, design, general contract, project management and supervision of nuclear engineering projects, civil architecture, electric power industry, chemical industry, petrochemical industry, pharmacy, electronics, communication, broadcast, television, and environmental

protection. It possesses Grade A qualifications in the following fields as nuclear industry, civil architecture, environmental protection, building intelligence system engineering design, engineering consultation, general contract, project supervision, construction cost, and engineering prospecting, etc. It is also the design institute of Classes I, II, and III pressure vessels, and it has the qualification for foreign operations.

With its quality policy of exquisite design, faithful service, standardized management and continuous improvement, since its establishment, it has successively completed the engineering design, general project contract and project supervision of approximately forty national key projects, with its achievements spreading in 26 provinces, municipalities and autonomous regions making important contributions to the development of the hydrogen bomb, atomic bomb and nuclear submarine, and to the construction of military projects of national defense and national economy.

It has formed its core competition ability in the design technique of military nuclear projects, high-risers and super high-rise buildings, building intelligence, medium and small-sized coal-fired power plants, general project contract, project construction management and project supervision. In the field of nuclear engineering technology research it has some unique techniques as military nuclear materials, nuclear fuel elements production process, physical protection, air cleaning, non-destructive detection and technical equipment development, and its products and technical achievements reach the advanced domestic level.

5. Development goals and functional positioning

First. Development goals

Tanzania “EACLIC” is based on Tanzania's good location advantages and convenient transportation conditions. It builds a complete wholesale market for small commodities for enterprises in China and Africa, establishes an international marketing network for African brands in China, and consolidates and explores new channels in African markets. The new space will be built into a large base, large window and large platform based on Tanzania, radiating East Africa's international commodity trade, logistics and distribution, industrial cooperation and cultural exchanges.

Through three to five years, Tanzania East Africa Trade and Logistics Center will build a comprehensive logistics and trade industrial base based in Dar es Salaam, serving Tanzania and radiating East Africa, promote large-scale operation, form an industrial gathering development platform, and rely on the trade market group. Form a distribution processing industry cluster with clustering operations.



PIC 3 EALC Project Rendering Picture

Second, functional positioning

1. the Group builds the cornerstone function of the development of Africa's international trade and logistics industry. Through the follow-up project development, construction and operation of the Trade and Logistics Center, the development of the existing commerce and trade industry will be realized, and the modern logistics service industry with strong radiation capability and support for business development will be fostered, making the “Tanzania East Africa Trade Logistics Center ” a pilot. In the process of developing the international trade logistics industry strategy, the Group built the cornerstone of the development of international trade logistics industry in the African continent and laid a solid foundation for the the Group to expand the international trade logistics market.

2. Chinese goods in Africa "one-stop" business procurement base, important distribution base functions and distribution centers. Through the gradual improvement and large-scale development of the professional wholesale market of logistics and trade centers, the scale, level and capability of the development of the commerce and trade industry will be further improved, and the “Tanzania East Africa Trade and Logistics Center ” will be built into a “ one-stop ” commerce and procurement base for exporting African goods to China. It is an important distribution base and relies on the logistics service functions deployed in the park to improve the regional radiation and service capabilities of the commercial and trade industry.

3. Tanzania's logistics and business center functions for the world. With the development and construction of the second phase of the project, the logistics and trade culture will be integrated, and the localization and internationalization of the development of the park will be accelerated. Under the support of the business center as an important commercial and trading base and logistics distribution center, the Tanzania East Africa Trade and Logistics Center will be established. It will become the international logistics and trade center of Tanzania facing the world and enhance the level of Tanzania's trade and logistics industry.

Third, the development of the format and product positioning

The functional development of the trade logistics center will be realized through industrial development. The format of the layout of the East African Business Logistics Center is based on: (1) adapting to the domestic market demand and economic development needs in Tanzania; (2) adapting to the market demand of neighboring East African countries; (3) diversifying the types of small commodities; (4) filling the regional market blank.

Based on the analysis of the foreign trade structure of East Africa, Tanzania and Dar es Salaam, combined with the characteristics of the trade and logistics park and the situation of investment promotion, the following key development formats are proposed:

Commercial logistics industry, focusing on small hardware accessories, household electrical appliances, daily use, daily miscellaneous department stores, textile and clothing, luggage, leather goods, toys and accessories, sports and office supplies and other categories of small commodities;

Actively introduce international and domestic brand influence and brand image enterprise occupancy centers, establish commodity brand experience centers, and enhance the brand and grade level of commercial logistics centers;

In the supporting service industry, the focus is on the development and construction of hotels, offices, commerce, tourism and leisure facilities, providing financial, advertising, legal and other related services to meet the business operations and production needs of the enterprises, as well as the life and service needs of the employees.

Table 3 the EACLCL market centralized

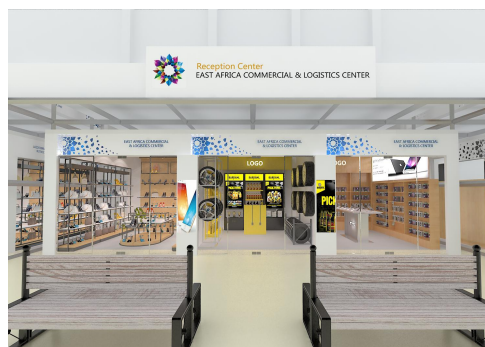
Item	Commodity category	Specific format
Business logistics	Hardware accessories	Various tools, daily hardware, hardware kitchen and bathroom, home protection
	Household appliances	Daily small appliances, electrical accessories, kitchen appliances, home appliances, mobile digital accessories, security equipment
	Daily use class	Cleaning supplies, cosmetics, hairdressing supplies, maternity and baby products
	Japanese Department Store	Kitchen utensils, tableware, cleaning utensils, bathroom utensils, rain gear, disposables
	Textile and clothing	All kinds of clothing, shoes and hats, small knitting supplies, knitting home textiles, labor insurance supplies
	Luggage and leather	All kinds of luggage, leather goods
	Toy accessories	Ordinary toys, inflatable toys, electronic toys, boutique jewelry, jewelry, watches and clocks
	Stylistic office supplies	Office stationery, student stationery, books and audio products, sports equipment
Supporting service industry	foodstuffs	Specialty food, dry goods
	Hotel (Phase II)	Rooms, dining, vacation, leisure, etc.
	business	Merchandise sales, bars, supermarkets, etc.
	financial	Deposit and loan, foreign exchange settlement, insurance,
	advertising	Advertising planning, design, release, public relations,
	legal	Legal advice, litigation agency, lawyers, etc.

6. Marketing and Sales

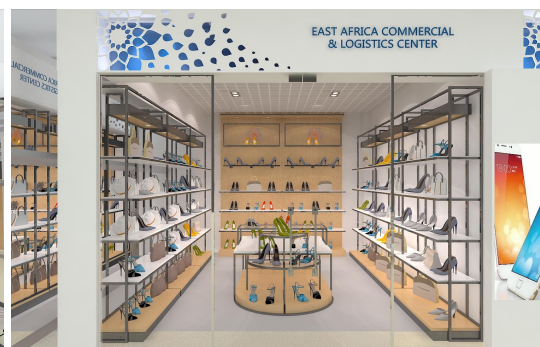
First, the sales target and scale

At present, the merchants engaged in the distribution of goods in Dar es Salaam are scattered around the city and the business environment is very bad. Therefore, there is a large market space for the development and construction of commodity wholesale markets in Dar es Salaam. Based on a comprehensive analysis of relevant historical data and related data, the urban area will calculate the annual transaction volume of the East African Trade and Logistics Center to reach US\$6 billion in five years based on the current population and growth situation and other commodity demand.

The proposed “EACLC” has 116,900 square meters of commercial pavement, half of which is for rental, and the sellers distribute the goods. The average rent per square meter is about \$360. The other half is for sale and is also available to buyers for merchandising. Functionally, some areas can be used for warehousing. It is expected to absorb 3,550 units of investment. The investment promotion area is mainly the place where the first-level wholesalers and earphone wholesalers are located. The key areas for investment promotion are local Chinese businessmen in Kariacu, local businessmen in Tanzania, local Indian and Pakistani businessmen, local financial and civil servant investors. The sub-focus areas for investment promotion are merchants who intend to go to Tanzania to develop in Yiwu, Yongkang, and Linyi, Shandong.



PIC 4 MODLE SHOP



PIC 5 MODLE SHOP

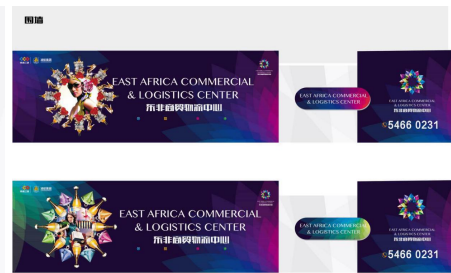
The general guiding ideology for expanding the target and scale of investment in the project is to strive for the entry of the Kariyakoo small commodity wholesale merchants and the development of the first-level wholesalers in other provinces and cities in Tanzania. Develop Chinese manufacturers to set up factory direct sales points in the project, and guide secondary wholesalers in other countries and regions in East Africa to develop the East African market. Encourage some areas of Tanzania and local businesses to transform into wholesale.

The specific measures are to establish warehousing, logistics and life supporting measures, and establish financial services facilities for banks to meet the financial services needs of customers. Provide preferential conditions for merchants who are stationed in advance, encourage merchants to join

membership, or enjoy the purchase channels of Yiwu small commodities. Carry out overall publicity and marketing, especially for targeted investment in Zhuhai and surrounding cities.



PIC 6 Outdoor Bill Borad Advertisement



PIC 7 Wall advertisement

Second, management and sale plan ANNEX 1

The goal set by the Group Co., Ltd. to “EACLC” is to build a transit hub in East Africa - the largest, highest grade, most complete, most abundant, most reasonable planning, lowest procurement cost, "one-stop shopping, one-stop service" "Expo procurement headquarters. At the same time, it has set up a parking lot and a channel for facilitating the flow of people, logistics, money, and traffic in terms of parking and traffic. Efforts will be made to create a business environment with beautiful environment, convenient transportation, complete facilities, convenient settlement and perfect functions. At the same time, monitoring and security measures will be adopted to provide a comfortable and safe shopping environment for merchants and consumers who are doing business here.

The entire business center operates enterprise-oriented management and market-oriented operation. The overall operation is mainly in the form of “Yiwu Small Commodities + Chinese Clothing, Shoes and Bags”. Functionally based on wholesale and retail functions. In the marketing method, the combination of self-operated purchase and sales and retail leasing, the combination of storage and storage and logistics and distribution; the facilities, complete functions, large-scale operation and intensive management. A special investment promotion department, including a sales center and a rental center, was established to conduct marketing activities and expand the influence of the project through investment promotion, media promotion, and event marketing.



PIC 8 Sales Office



PIC 9 Sales Office

7. Investment Requirements

The total investment of the East African Business Logistics Center project is estimated to be approximately US\$11,396,300, of which construction investment is US\$10,696,300, construction period interest is US\$4 million, and initial working capital is US\$3 million (all liquidity is estimated at US\$10 million).

The project construction investment is 10696.13 million US dollars, of which the construction cost is 77.187 million US dollars, accounting for 73.60% of the total investment; the other construction cost is 8.434 million US dollars, accounting for 7.89% of the total investment; the land transfer fee is 15.45 million US dollars, accounting for 14.44% of the total investment. The reserve fee is \$435,770, accounting for 4.07% of the total investment.

Table 4 Project Construction Investment Estimation Table

Item	Sub-project	sub-total	Percent
		(thousand \$)	
A	Project construction fee	78,718.90	73.60%
1	Construction cost	27,487.00	25.70%
2	Infrastructure engineering fee	42,521.90	39.75%
2.1	Land leveling and basement engineering	5702	5.33%
2.2	Water supply and drainage engineering	2728	2.55%
2.3	Electrical engineering	6733.2	6.29%
2.4	Weak electrical engineering	2108	1.97%
2.5	Fire Engineering	6200	5.80%
2.6	Decoration engineering	15,530.00	14.52%
2.6.1	interior renovation	10,120.40	9.46%
2.6.2	Outdoor decoration	5409.6	5.06%
2.7	Exterior project	2704.4	2.53%
2.8	Green landscape project	816.4	0.76%
3	Equipment purchase and installation fee	8710	8.14%

3.1	Power Equipment	3600	3.37%
3.2	Pump room equipment	1100	1.03%
3.3	air conditioning	1500	1.40%
3.4	Sewage treatment equipment	1200	1.12%
3.5	elevator	1190	1.11%
3.6	other devices	120	0.11%
B	Other construction costs	8434.7	7.89%
1	Construction management fee (estimated at 1.5% of	1180.8	1.10%
2	Upfront costs for planning, feasibility studies and	1180.8	1.10%
3	Expenses for survey, design, environmental assessment,	3148.8	2.94%
4	Engineering insurance premium (estimated at 2% of project	1574.4	1.47%
5	Early power supply and water supply fee	500	0.47%
6	Termite control fee	50	0.05%
7	Urban construction support fee	800	0.75%
C	Land transfer fee	15,450.00	14.44%
D	Reserve fee	4357.7	4.07%
1	Basic reserve fee (estimated according to engineering cost	4357.7	4.07%
2	Price increase reserve	0	
TOTAL	Total construction investment	106,961.30	100.00%

The use of funds and funding plan

The total investment of the “EACLC” project is about USD 11,396,300, including bank loans of USD 45 million, accounting for 39.48% of the total investment, and shareholders raising RMB 68,961,300, accounting for 60.52% of the total investment.

Construction schedule of Project

Table 5 Construction schedule

Time	28-Aug-18	30-Sep-18	01-Oct-18	01-Jan-19	01-Oct-19	01-Oct-19
content	30-Sep-18	01-Oct-18	01-Jan-19	01-Oct-19	01-Dec-19	01-Dec-19
Three links and one flat						
Preparation for the project						
Basic engineering						
structural work						
Decoration engineering						
Environmental Engineering						
Project put into use						

8. Financial Projections

Operating income estimate

The income of the project is the sales income of the sales shop. The sales are 2268 shops, each of which has an area of about 12.9-14.4 /m². and the price is calculated at US\$4467/m². It is expected to be sold in 4 years after completion. The sales ratio in the first year is 16.67%, and the second and third year are 39.68% and 39.68%, the fourth year is 3.97%.

Table 6 Income statement

INCOME STATEMENT in thousand USD	2,018	2,019	2,020	2,021
Revenue	23,048.38	60,907.43	75,315.13	7,949.87
For Sale	23,048.38	60,907.43	75,315.13	7,949.87
Sale Percent	16.67%	39.68%	39.68%	3.97%
Income of Sale	23,048.38	60,907.43	75,315.13	7,949.87
Cost (paid cash)	21,237.73	49,807.27	50,095.42	5,934.99
Cost of sales	19,072.17	45,409.92	45,409.92	4,540.99
Administrative expenses	1,227.00	2,344.00	2,344.00	887.00
Selling expenses	938.57	2,053.35	2,341.50	507.00
Cost of Lease business	21,237.73	49,807.27	50,095.42	5,934.99
EBITDA	1,810.65	11,100.16	25,219.71	2,014.88
<i>EBITDA Margin as % of revenue</i>	<i>0.08</i>	<i>0.18</i>	<i>0.33</i>	<i>0.25</i>
EBIT	1,810.65	11,100.16	25,219.71	2,014.88
<i>EBIT Margin</i>	<i>0.08</i>	<i>0.18</i>	<i>0.33</i>	<i>0.25</i>
Financail Expenses	-	-	-2,700.00	-1,500.00
Interest (6%)	-	-	-2,700.00	-1,500.00
Profit before Taz	1,810.65	11,100.16	22,519.71	514.88
Sales tax (rate10%)	2,304.84	6,090.74	7,531.51	794.99
Net Profit	-494.19	5,009.42	14,988.19	-280.10
Attibutable to LH	-494.19	5,009.42	14,988.19	-280.10

Table 7 Investment plan and fund raising table

Investment plan and fund raising table							
in thousand USD							
ITEMS	PROJECT YEAR	Construction Period+Operation Period					合计
		2018	2019	2020	2021	2022	
1	Total investment	75,028	39,405				114,433
1.1	Fixed asset investment	70,220	35,705				105,925
1.2	Basic reserve fee	4,358					4,358
1.2	Construction period interest	450	2,700				3,150
1.4	Liquidity		1,000				1,000
2	Financing	75,028	39,405				114,433
2.1	private capital	45,028	24,405				69,433
	Which is used for working capital						
2.2	loan	30,000	15,000				45,000

Table 8 Statement of Cash flow

Statement of Cashflow					
in thousand USD					
No.	Items	Construction Period+Operation Period			
		2018	2019	2020	2021
1	Cash inflow	23,048.38	60,907.43	75,315.13	7,949.87
2	Business income	23,048.38	60,907.43	75,315.13	7,949.87
5	Cash outflow	81,703.56	47,687.69	14,917.02	3,688.98
6	Investment on fix assets	77,233.15	37,199.60		
8	operationg cost	2,165.57	4,397.35	4,685.50	1,394.00
9	Financail expenses			2,700.00	1,500.00
10	Land royalty	2,304.84	6,090.74	7,531.51	794.99
12	Net cashflow(before income ta	-58,655.18	13,219.74	60,398.11	4,260.89
13	Accumulated net cashflow (b	-58,655.18	-45,435.44	14,962.68	19,223.57
14	(P/F,0.1,t)	1.00	0.91	0.83	0.75
15	NPV Before income tax	-58,655.18	12,017.94	49,915.80	3,201.27
16	Accumulated NPV (before tax	-58,655.18	-46,637.23	3,278.57	6,479.83
17	NPV(after income tax)	-58,655.18	13,219.74	60,398.11	4,260.89
18	Accumulated Net cashflow (a	-58,655.18	-45,435.44	14,962.68	19,223.57
19	Net cashflow(after income tax)	-58,655.18	12,017.94	49,915.80	3,201.27
20	Accumulated NPV of net cash	-58,655.18	-46,637.23	3,278.57	6,479.83

Construction investment loan repayment plan

The “EACLC ” project is expected to borrow 45 million US dollars from the bank during the construction period, including 30 million US dollars in the first year and 15 million US dollars in the second year. The repayment will be started from the third year, and the entire loan repayment will be completed in the fourth year.

Table 9 Refund of principal & interest**Refund of Principal & interest**

in thousand USD

No.	ITEMS	Rate (%)	Construction Period+Operation Period			
			2018	2019	2020	2021
1	Loan & payback	6.00%				
1.1	Loan		30,000.00	15,000.00		
1.2	Refund of Principal				20,000.00	25,000.00
1.3	Residual principal		30,000.00	45,000.00	25,000.00	0.00
1.4	Interest paid		450.00	2,700.00	2,700.00	1,500.00
1.5	Principal & interest paid		450.00	2,700.00	22,700.00	26,500.00

9. Conclusion

It is estimated that during the operation period of the project, the annual average operating income is 41,805,203.27 US dollars, the annual average total cost is 15,884,427.03 US dollars, the annual average total profit is 5,990,899.47 US dollars, and the net profit is 3,203,904.63 US dollars. The project is expected to operate well and increase profits for the company.

The financial internal rate of return on project investment is 16.38%, the financial net present value is US\$6.48 million (ic=10%), the static investment payback period is 2.75 years (including the construction period of 2 years), and the dynamic investment payback period is 2.9 years (including the construction period of 2 years).), the total investment yield is 8.77%, indicating that the project has strong profitability.

Through the calculation of the cash flow statement of the financial plan, the net cash flow of operating activities is large in each year of the calculation period, and there is no negative number of accumulated surplus funds, indicating that the project has strong financial viability and sufficient net cash flow to maintain normal operations. Financial sustainability can be achieved.

From the above data and analysis: the project's profitability and financial viability are strong, and it has strong anti-risk ability. The overall measurement results show that the project has good economic returns and the project is feasible.

Table 10 Project financial analysis summary

No.	Items	Value	Unit	Remarks
1	ROI	8.77%		
2	IRR (before income tax)	16.38%		
3	IRR (after income tax)	16.38%		
4	NPV@=10%	6479.8	thousand USD	Y2021
5	Static payback period	2.75	Year	including Construction Period
6	Dynamic payback period	2.9	Year	including Construction Period

ANNEX 1 BUSINESS LICENCE



THE UNITED REPUBLIC OF TANZANIA

BUSINESS LICENCE

B.L. No: 20000034761

The Business Licensing Act No. 25 of 1972 (R.E. 2002)

1. Issuing Office: **BUSINESS REGISTRATIONS AND LICENSING AGENCY**
2. Tax Identification No: **138-753-697**
3. License Issued to: **EACLC LIMITED** for the Business of: **Import and Sale of Bags and Belts**
4. Business Location
Region: **Dar Es Salaam**
District: **Ubungo Municipal Council**
Ward: **UBUNGO**
Street: **Ubungo Plaza**
5. Principal / Branch: **Principal**
6. Amount of fee paid: **TZS 400000** Receipt No: **4835236** on: **17/08/2022**
7. New/ Renewal of Licence No: Dated:
8. Date of Issue: **17/08/2022** Expiring Date: **17/08/2023**



This digital copy does not require a signature authority

NOTE - This licence must be kept in a conspicuous position at the place of business. Any change in the particulars originally registered must be notified to the Licence Issuer.

EACLC LIMITED

BUSINESS PLAN FOR WAREHOUSE FACILITY AT MAILI MOJA KIBAHA
DAR ES SALAAM.

1. **Executive Summary**

EACLC LIMITED a limited liability company incorporated and registered under the laws of Tanzania with Postal Address Number 55613 Dar es salaam region Tanzania has been contracted by The Dar es Salaam City Council to develop and manage various properties within the City of Dar es Salaam.

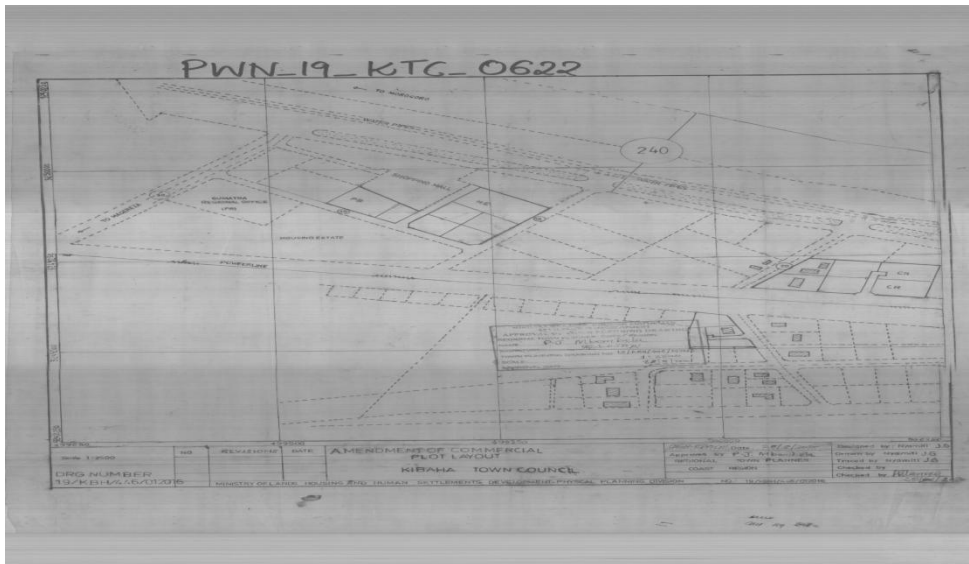
Project name and construction unit

Project name

“EACLC Warehouse Facility in Kibaha Dar es Salaam

Project Overview

The “EACLC Warehouse Facility” is planned to be built at the Maili Moja Kibaha, the activities which we are going to conduct in the area is to create a new business model called overseas warehouse, and dispatch center for the high quality importing products. It is going to greatly shorten the shipping duration of the imported goods and it will be a small-scale business model of Free trade zone. Which will benefit the Tanzania and East African trading business and introduce a new conception of E-commerce which is most popular in the world.



Through three to five years, Tanzania East Africa Trade and Logistics Center will build a comprehensive logistics and trade industrial base based in Dar es Salaam, serving Tanzania and radiating East Africa, promote large-scale operation, form an industrial gathering development platform, and rely on the trade market group. In the future, a distribution processing industry cluster with clustering action will be formed.

Functional positioning

A. The company builds the cornerstone function of the development of Africa's international trade and logistics industry. Through the follow-up project development, construction and operation of the Trade and Logistics Center, the development of the existing commerce and trade industry will be realized, and the modern logistics service industry with strong radiation capability and support for business development will be fostered, making the "Tanzania East Africa Trade Logistics Center" a pilot. In the process of developing the international trade logistics industry strategy, the Group built the cornerstone of the development of international trade logistics industry in the African continent and laid a solid foundation for the the Group to expand the international trade logistics market.

B. Chinese goods in Africa "one-stop" business procurement base, important distribution base functions and distribution centers. Through the gradual improvement and large-scale development of the professional wholesale market of logistics and trade centers, the scale, level and capability of the development of the commerce and trade industry will be further improved, and the "Tanzania East Africa Trade and Logistics Center" will be built into a "one-stop" commerce and procurement base for exporting African goods to China. It is an important distribution base and relies on the logistics service functions deployed in the park to improve the regional radiation and service capabilities of the commercial and trade industry.

C. Tanzania's logistics and business center functions for the world. With the development and construction of the second phase of the project, the logistics and trade culture will be integrated, and the localization and internationalization of the development of the park will be accelerated. Under the support of the business center as an important commercial and trading base and logistics distribution center, the Tanzania East Africa Trade and Logistics Center will be established. It will become the international logistics and trade center and international exhibition center of Tanzania facing the world, and enhance the level of Tanzania's trade and logistics industry.

Development format

In the trade and logistics industry, the focus is on small commodities such as small hardware accessories, household electrical appliances, daily-use daily-use, daily miscellaneous department stores, textiles and garments, luggage and leather goods, toys and accessories, and sports and office supplies.

Actively introduce international and domestic brands with brand influence and brand image, establish a product brand experience center, and enhance the brand and grade level of the trade logistics center;

In the supporting service industry, the focus is on the development and construction of hotels, offices, commerce, tourism and leisure facilities, providing financial, advertising, legal and other related services to meet the business operations and production needs of enterprises entering the park, as well as the life and service needs of employees.

2.LABOR CAPACITY

Project personnel includes two parts: personnel of the Company related to operation and investment attraction, and personnel of the enterprises stationed in the Project (the specific number of people depends on the working procedure of the stationed enterprise). Labor capacity of the Company is expected to be 20, mainly openly recruited and selected from the society.

In addition to the personnel required by the Company, the future operation of the project Project is expected to bring more than 300 jobs to the local area, indirectly driving employment growth of thousands, which will play a positive role in promoting local residents' lives.

Chart 2: Labor capacity

S/N	Items	Quantity
1	Administrative staff	2
2	Administration staff	2

S/N	Items	Quantity
3	Property management personnel	6
4	HR Department personnel	2
5	Finance Department personnel	2
6	Investment Attraction Department personnel	2
7	Security and cleaning staff	4
8	Total	20

3.PROJECT CONSTRUCTION PERIOD

The construction period of the Project is divided into two parts, about 24 months in total. The first part is the project planning period (i.e. before April 2020), and the second part is the construction period, from May 2023 to December 2023.

Chart 3: Project construction progress

S/N	Work item	2023			2024			
		Jan.- Apr.	May- August	Septemb er- Decembe r	Jan.- Apr.	May- August	Septemb er- Decembe r	Dec.
1	Project preparation							
2	Main construction							
3	Interior and exterior decoration							

S/N	Work item	2023			2024			
		Jan.- Apr.	May- August	Septemb er- Decembe r	Jan.- Apr.	May- August	Septemb er- Decembe r	Dec.
4	Electromechanical facility installation work							
5	Outdoor works							
6	Completion acceptance							
7	Delivery for use							

Chart 4: List of project investment estimation

S/N	Items	Total	Proportion of total investment
1	Fixed-asset investment	3,475.35	99.30
1.1	Construction investment	3,298.95	94.26
1.1.1	Construction cost	2,868.65	81.96
1.1.1.1	Cost of construction	1,191.05	34.03

1.1.1.2	Equipment purchase expenses	1,597.71	45.65
1.1.1.3	Installation engineering cost	79.89	2.28
1.1.2	Preparation expense	430.30	12.29
1.1.2.1	Basic reserve	430.30	12.29
1.1.2.2	Price increase reserve	0.00	0.00
1.2	Construction period interest	176.40	5.04
2	Initial working capital	24.65	0.70
3	Total	3,500.00	100.00

Unit: USD 1,000

Total area:7884sqm

4.Financial Projections

Operating income estimate

The income of the project is the sales income of the sales shop. The Lease area is 7884sqm, Rent prices USD200 /m2 annual for the first five years, rent prices USD250 /m2 annual for the second five years. Take the case of a 10-year lease. The lease ratio in the first year is 60%, and the second and third year are 75%, fourth and fifth year is 80%, sixth, seventh and eighth year is 85%, ninth and tenth year is 90%.

Table 1 Income statement

INCOME STATEMENT in thousand USD	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue	\$946	\$1,183	\$1,183	\$1,261	\$1,261	\$1,675	\$1,675	\$1,675	\$1,774	\$1,774
Construction Area	7,884	7,884	7,884	7,884	7,884	7,884	7,884	7,884	7,884	7,884
Lease Unit Price (USD /m ² annual)	200.00	200.00	200.00	200.00	200.00	250.00	250.00	250.00	250.00	250.00
Lease Rate	60%	75%	75%	80%	80%	85%	85%	85%	90%	90%
Income of Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income of Lease	\$946	\$1,183	\$1,183	\$1,261	\$1,261	\$1,675	\$1,675	\$1,675	\$1,774	\$1,774
Cost (paid cash)	142	177	177	189	189	251	251	251	266	266
Selling expenses	47	59	59	63	63	84	84	84	89	89
Administrative expenses	95	118	118	126	126	168	168	168	177	177
Cost of Sale	142	177	177	189	189	251	251	251	266	266
EBITDA	804	1,005	1,005	1,072	1,072	1,424	1,424	1,424	1,508	1,508
EBITDA Margin as % of revenue	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Depreciation & Amortization	348	348	348	348	348	348	348	348	348	348
Depreciation	348	348	348	348	348	348	348	348	348	348
EBIT	457	658	658	725	725	1,077	1,077	1,077	1,160	1,160
Profit before Tax	457	658	658	725	725	1,077	1,077	1,077	1,160	1,160
Income tax (rate30%)	137	197	197	217	217	323	323	323	348	348
Net Profit	320	460	460	507	507	754	754	754	812	812

Table 2 Statement of Cash flow

Appendix Statement of Cashflow

in thousand USD

No.	Items	Construction Period	Operation Period									
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1	Cash inflow	-	946.08	1,182.60	1,182.60	1,261.44	1,261.44	1,675.35	1,675.35	1,675.35	1,773.90	1,773.90
2	Business income	-	946.08	1,182.60	1,182.60	1,261.44	1,261.44	1,675.35	1,675.35	1,675.35	1,773.90	1,773.90
5	Cash outflow	3,500.00	278.90	374.69	374.69	406.62	406.62	574.26	574.26	574.26	614.17	614.17
8	operating cost		141.91	177.39	177.39	189.22	189.22	251.30	251.30	251.30	266.09	266.09
11	Income tax		136.99	197.30	197.30	217.41	217.41	322.95	322.95	322.95	348.08	348.08
12	Net cashflow (before income tax)	-3,500.00	804.17	1,005.21	1,005.21	1,072.22	1,072.22	1,424.05	1,424.05	1,424.05	1,507.82	1,507.82
13	Accumulated net cashflow (before tax)	-3,500.00	-2,695.83	-1,690.62	-685.41	386.81	1,459.04	2,883.08	4,307.13	5,731.18	7,228.99	8,746.81
14	(P/F,0.1,t)	1.00	0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42	0.39
15	NPV Before income tax	-3,500.00	731.06	830.75	755.23	732.34	665.77	803.84	730.76	664.33	639.46	581.33
16	Accumulated NPV (before tax)	-3,500.00	-2,768.94	-1,938.19	-1,182.96	-450.61	215.15	1,018.99	1,749.75	2,414.08	3,053.54	3,634.87
17	NPV (after income tax)	-3,500.00	667.18	807.91	807.91	854.82	854.82	1,101.09	1,101.09	1,101.09	1,159.73	1,159.73
18	Accumulated Net cashflow (after tax)	-3,500.00	-2,832.82	-2,024.91	-1,217.01	-362.19	492.63	1,593.72	2,694.82	3,795.91	4,955.64	6,115.37
19	Net cashflow (after income tax)	-3,500.00	606.53	667.69	606.99	583.85	530.77	621.54	565.04	513.67	491.84	447.13
20	Accumulated NPV of net cashflow (after income tax)	-3,500.00	-2,893.47	-2,225.78	-1,618.79	-1,034.94	-504.16	117.38	682.41	1,196.08	1,687.92	2,135.04

5. Conclusion

It is estimated that during the operation period of the project, the annual average operating income is 1,440,801.00US dollars, the annual average total cost is 144,080.10 US dollars, the annual average total profit is 877,145,850 US dollars, and the net profit is 6,140,020.95US dollars. The project is expected to operate well and increase profits for the company.

The financial internal rate of return on project investment is 27.98%, the financial net present value is US\$2.13 million (ic=10%), the static investment payback period is 4.7 years (excluding the construction period of 1 years), and the dynamic investment payback period is 5.8 years (excluding the construction period of 1 years).), the total investment yield is 25.24%, indicating that the project has strong profitability.

Through the calculation of the cash flow statement of the financial plan, the net cash flow of operating activities is large in each year of the calculation period, and there is no negative number of accumulated surplus funds, indicating that the project has strong financial viability and sufficient net cash flow to maintain normal operations. Financial sustainability can be achieved.

From the above data and analysis: the project's profitability and financial viability are strong, and it has strong anti-risk ability. The overall measurement results show that the project has good economic returns and the project is feasible.

Table 3 Project financial analysis summary

No.	Items	Value	Unit	Remarks
1	ROI	25.24%		
2	IRR (before income tax)	27.98%		
3	IRR (after income tax)	21.38%		
4	NPV@=10%	2541.5	thousand USD	Y2033
5	Static payback period	4.7	Year	excluding Construction Period
6	Dynamic payback period	5.8	Year	excluding Construction Period

