



BUSINESS CONCEPT

&

FEASIBILITY PLAN

FOR

**PROPOSED BAOHOON KAOLE INDUSTRIAL
PARK AND LOGISTICS CENTER**

PREPARED BY

M/s BAOHOON COMPANY LIMITED,

DAR ES SALAAM, TANZANIA



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ESTABLISHING AND OPERATING AN INDUSTRIAL PARK AND LOGISTICS CENTER AT FARM NO. 271, VIKINDU, MKURANGA, PWANI REGION, TANZANIA

1. BUSINESS PROPOSAL

This Business Plan has been prepared by **M/s Baphoon Company Limited** for a proposed Industrial Park and Logistics Center to be located at that property currently known and registered under Certificate of Title Number 34681 As Farm No. 271, Vikindu, Mkuranga, Pwani Region, Tanzania.

The Business Plan has been prepared to manifest and analyze the financial and other resources required for the implementation of the proposed business and also assess its economic viability and commercial viability for presentation to the Shareholders of M/s Baphoon Company Limited and external parties including financial institutions, the revenue authority and potential investment partners. Key to this presentation is the allocation of funds so as to supplement the equity contribution.

2. COMPANY'S BACKGROUND

M/S Baphoon Company Limited is a private company registered / incorporated in Tanzania by Registrar of Companies.

The company's shareholders have invested in warehousing and logistics solutions under the auspices and guidance of the Tanzania Investment Center where our flagship project based at Plot 67, Mandela Road is nearing completion. A site visit is warmly welcomed.

The shareholders of the company have identified an exciting opportunity to invest in a proposed industrial park and logistics center to be located in Mkuranga, Pwani Region, Tanzania.

Mkuranga is home to a variety of small and medium sized businesses, including wholesalers, retailer stores, milling equipment, restaurants, butchers, pharmacies, garages, gasoline stations, guest rooms, local bars, salt farms, hardware stores, slaughterhouses, and bars especially in the wards bordering Dar es Salaam region.



There has been a notable increase in investment of light industries in the region where investors have been attracted by favorable investment climate, nearness to Dar es Salaam and its Port leading to regional and international export

A fact sheet on the port of Dar es Salaam shows that Dar es Salaam port is the Tanzania principal port with a rated capacity of 14.1 million (MT) dry cargo and 6.0 million (MT) bulk liquid cargo. The Port has a total quay length of about 2,600 metres with eleven deep-water berths. Dar es Salaam port handles about 95% of the Tanzania international trade. The port serves the landlocked countries of Zambia, Democratic Republic of Congo, Burundi, Rwanda, Malawi, Uganda and Zimbabwe. The port is strategically placed to serve as a convenient freight linkage not only to and from East and Central Africa countries but also to middle and Far East, Europe, Australia and America.

Facilities available to support operations of Dar es salaam port are as follows:

General cargo Berth (0-5) for break bulk, dry bulk and one RORO berth to handle vehicles. Container Terminal Berths (Berth 5 -11) Grain Terminal facility (silos with storage capacity of 30,000 tons). Inland Container Deposits (ICDs) facilities with the capacity of 24,300 TEUs and CFs with the capacity of holding 6,000 vehicles at once. A 150,000 MT Single Point Mooring (SPM) – for handling refined and crude oil. Kurasini oil Jetty (KOJ) for handling refined products (tanker size 45,000MT for KOJ1 and 5,000 tons for KOJ2).

Generally, the intrinsic capacity of the port of Dar es salaam is to handle more than 18 million tons of cargo as follows: -

- General cargo 5.2 million tons.
- Container yard 6.8 million tons.
- Liquid bulk 6.0 million tons.

The Proposed Baphoon Kaole Industrial Park and Logistics Center will therefore be taking advantage of the intrinsic factors mentioned above while at the same time leveraging on the exciting environment located at Mkuranga for investment purposes.

The management has therefore thought it is prudent to establish and operate high quality and modern facility that will serve this clientele.



3. MARKET POTENTIAL

This clearly represents an opportunity for our organization to not only do profitable business but also provide high quality industrial park, warehousing and logistics solution product to all our esteemed clientele.

This is also informed by below key factors as analyzed by the company.

Strategic Location

- **Port of Dar es Salaam:** As one of the largest and busiest ports in East Africa, Dar es Salaam handles a significant volume of cargo. A warehouse and logistics center in close proximity to the port can streamline import and export activities, reducing costs and improving efficiency.
- **Regional Trade Hub:** Dar es Salaam serves as a gateway to several landlocked countries in East Africa, including Uganda, Rwanda, Burundi, and the Democratic Republic of Congo. Efficient logistics facilities can attract businesses from these countries looking for reliable access to international markets.

Economic Growth

- **Tanzania's Growing Economy:** Tanzania has been experiencing steady economic growth, driven by sectors such as mining, agriculture, and tourism. Increased economic activity generates higher demand for warehousing and logistics services.
- **Infrastructure Development:** The Tanzanian government is investing in infrastructure improvements, including road networks, railways, and port facilities. These investments enhance the viability of logistics operations.

Business Environment

- **Ease of Doing Business:** Tanzania has been making efforts to improve its business environment. Simplified regulatory procedures, investment incentives, and a stable political climate can attract both local and international businesses to set up operations.
- **Industrialization Agenda:** Tanzania's industrialization agenda aims to boost manufacturing and processing activities. This shift will increase the demand for storage, handling, and distribution services.



4. THE COMPANY'S OBJECTIVES

Proposed Design Plan for the Industrial Park and Logistics Center

The proposed facility is designed to be located at that property currently known and registered under Certificate of Title Number 34681 As Farm No. 271, Vikindu, Mkuranga, Pwani Region, Tanzania.

The proposed infrastructure development for Baphoon Industrial Park and Logistics Center aims to create a state-of-the-art facility that supports diverse industrial activities while promoting regional economic growth. The development will focus on creating a robust logistical network that integrates seamlessly with existing transportation hubs, including major highways, rail links, and proximity to key ports, facilitating efficient movement of goods and services.

Drawing inspiration from projects like Kamal Industrial Estate in Bagamoyo, the infrastructure at Baphoon Industrial Park and Logistics Center will prioritize the establishment of essential utilities, including a dedicated power supply, water systems, and advanced telecommunication networks. These facilities are crucial to ensuring the uninterrupted operations of industries that will be set up within the park. The development will also include environmentally sustainable features to support energy efficiency and reduce the carbon footprint of the estate.

To attract a wide range of industries, Baphoon Industrial Park and Logistics Center will be designed to accommodate sectors such as manufacturing, logistics, agro-processing, and light industries. This approach echoes Kamal Industrial Estate's model of sector diversity, which supports industries like steel, alloys, and construction, contributing to the industrial and economic dynamism of the region.

The project will also include warehousing, cold storage facilities, and a comprehensive logistics center designed to streamline supply chain operations. This focus on logistics aligns with the modern demands of global trade, ensuring that companies within the park can efficiently manage their inventory and distribution.

Ultimately, Baphoon Industrial Park and Logistics Center aims to be a catalyst for economic transformation, creating employment opportunities and attracting both local and foreign investments. With a strategic focus on export-led growth, the development is set to position the park as a key player in enhancing Tanzania's industrial output and increasing its competitiveness in the global market.



M/s Baphoon Company Limited has the following objectives in the setting up of this Industrial Park and Logistics Center.

- ❖ To provide high quality industrial space in the United Republic of Tanzania;
- ❖ To provide high quality warehouse and logistics facilities in the United Republic of Tanzania;
- ❖ To promote the availability of high quality storage facilities at affordable pricing to all our clientele;
- ❖ **Job creation as the company will create employment opportunities;**
 - **Contract for Design and Build of the facility will be given to local Tanzania company to ensure 100% use of local labor, 100% use of local raw material and local 100% use of local content;**
 - **Top priority on employment will be given to Tanzanian Citizens as we seek to provide jobs and opportunities locally.**
- ❖ Skill development (Transfer of knowledge/human resources development) through on job training;
- ❖ Income generation;
- ❖ Improve their social welfare equally important the company contribute to the government revenue through taxes and other levies.



Job Creation and Value Addition to the Community

The Executive Management of M/s Baohoon Company Limited strongly believes in job creation as well as value addition in the supply chain for the benefit of Tanzanian Citizens.

This has been achieved as below:

S/No	Item	Detailed Statement and Status to date
01	Job Creation	<p>Since its inception, the shareholders and executive management of Baohoon Company Limited believes in job creation and empowerment of Tanzanian Citizens in jobs and opportunities available at the Baohoon Warehouse and Logistics Center.</p> <p>To this end we have devised clear policy that our employment policy should always consider local Citizens at all times.</p>
02	Training and Development	<p>The provision of education, training and personal development is one of those areas of our business where we have an opportunity to put something back into the local community by increasing the overall level of industry skills and knowledge and thereby increasing job prospects for individuals; thus creating increased wealth and prosperity for the longer term. Of course, this is not purely altruistic on the part of Baohoon Company Limited, there is also a need to bring-on, young, well trained people into the industry who can help Baohoon Company Limited, grow its own business for the future.</p> <p>We have here an opportunity to utilise some of the revenues gained from the Baohoon Warehouse and Logistics Center to develop this training facility; which will directly support local communities and local businesses through an increased potential for higher skilled, higher paying careers for a significant number of young people from those local communities, thereby creating wealth and reducing local unemployment.</p>



S/No	Item	Detailed Statement and Status to date
03	Taxes and Duties as a Responsible Corporate Citizen	<p>We believe a real opportunity exists here to establish a new high quality Warehouse and Logistics Center. A strong local presence which will focus on the highest levels of Service Delivery for both local, regional and international customers, ensure ongoing investment in the latest equipment, technology and processes and a provider with the ability to introduce a new era in quality within the Tanzanian logistics and warehousing industry.</p> <p>As a responsible Corporate Citizen, this will generate both direct and indirect taxes as well as levies such as Service Levy, WHT, Billboard Revenues, PAYE, SDL, Corporate taxes which leads to added revenue to Government and Local Municipality</p>



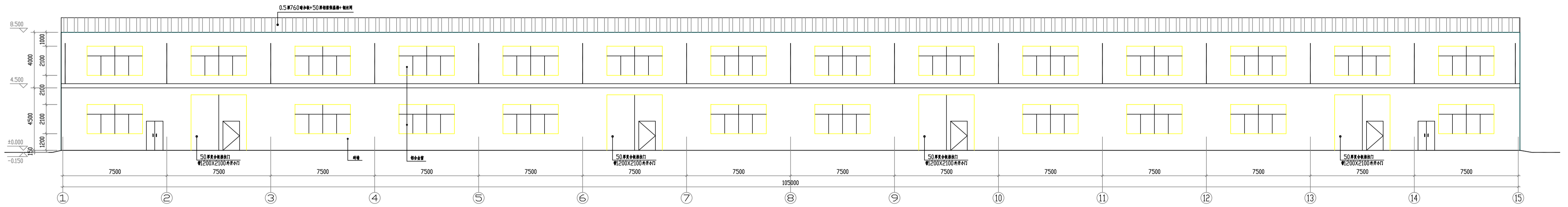
**5. *PROPOSED IMPLEMENTATION SCHEDULE FOR THE
INDUSTRIAL PARK AND LOGISTICS CENTER***



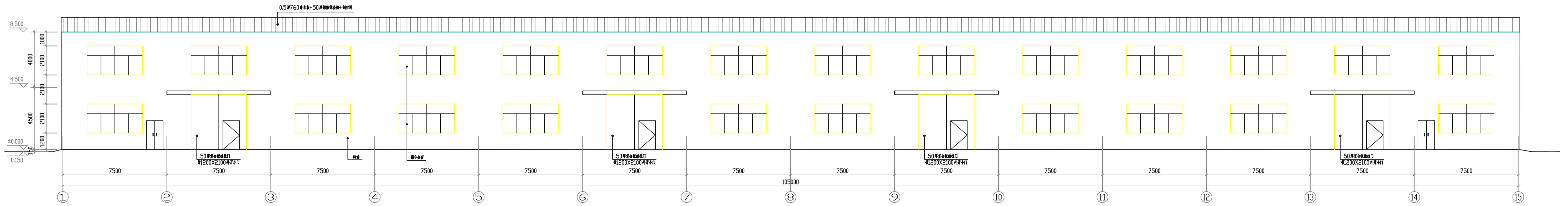
PHASE I (Comprising of Logistics Center and Road/Utility Infrastructure)	
Period	Activity Schedule
Quarter 1 Year 2025 (January to March)	Project Mobilization – Lease Signing, Contractor, Local Authorities, Work force mobilization
Quarter 2 Year 2025 (April to June)	Project Implementation – Construction Phase I
Quarter 3 Year 2025 (July to September)	Project Implementation – Construction Phase I
Quarter 4 Year 2025 (October to December)	Project Implementation – Construction Phase I
Quarter 1 Year 2026 (January to March)	Project Implementation – Construction Phase I
Quarter 2 Year 2026 (April to June)	Handover by Contractor
Quarter 3 Year 2026 (July to September)	Operations Commence. Open for business
Quarter 4 Year 2026 (October to December)	Systems review, testing and review. Fine-tuning of operational systems.
Quarter 4 Year 2026 (October to December)	Full facility functional status
Quarter 1 Year 2027 (January to March)	Project Phase I is fully 100% operational
HANDOVER AND MOVE TO PROJECT PHASE II	



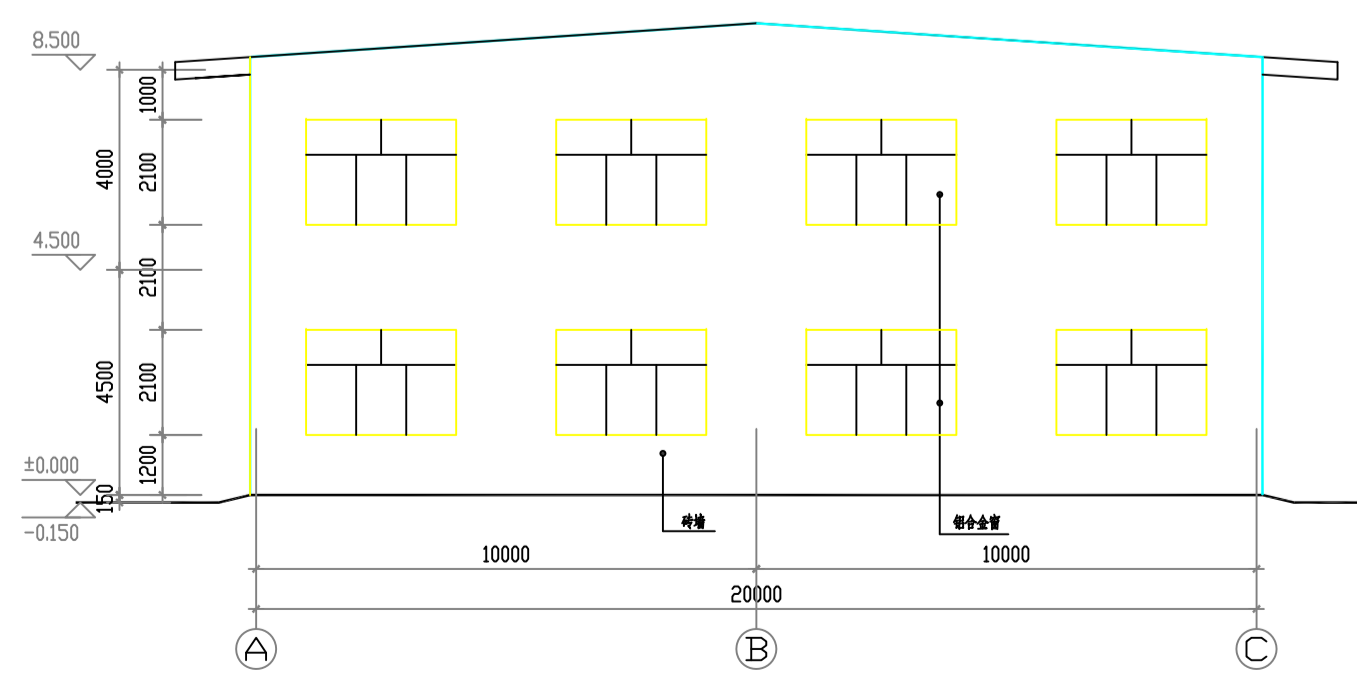
**6. PROPOSED DESIGN PLAN FOR LOGISTICS CENTER WAREHOUSES TO
BE CONSTRUCTED ON SITE**



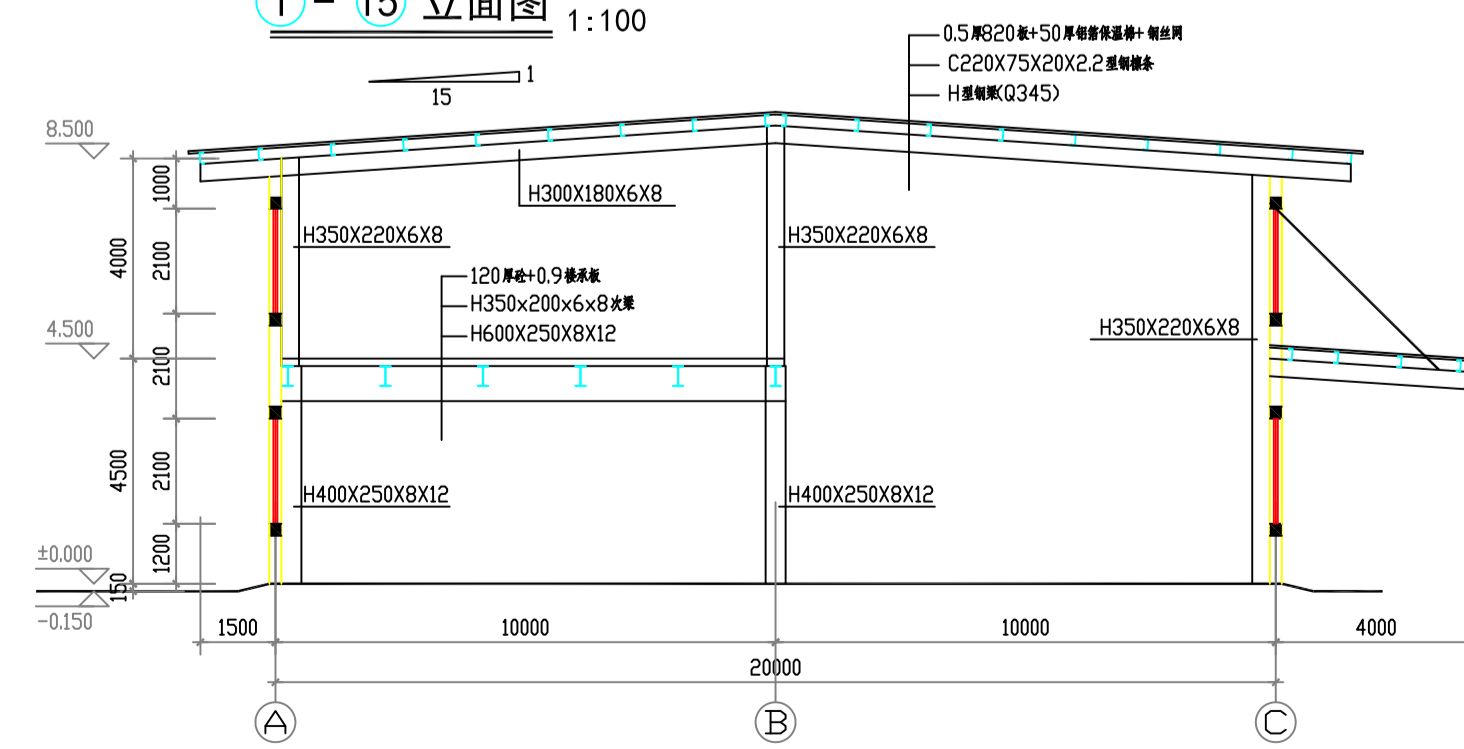
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A-C 立面图 1:100
C-A 立面图



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7. **CAPITAL INVESTMENT COST – PHASE I**

Projected capital requirements for Phase I of the project are highlighted below. We envisage a balanced mix of shareholder equity and external financing if required from banks.

Our expected capital to asset ratio is within desired capital adequacy ratio designed to promote adequacy of the operations.

This projections are highlighted below.

S/No	Source of Capital	Projected Amount (In USD)
01	Shareholders' Equity - Lease and Construction	500,000.00
02	Equity Mix/ Capital Equipment Lease	900,000.00
Total Projected Equity/Capital for the Project		1,400,000.00
		United States Dollar One Million, Four Hundred and Thirty Only

8. **FINANCIAL PLAN AND USE OF FUNDS**

Projected expenditure for the project inclusive of startup costs are highlighted as structured below:

- **GENERAL ASSUMPTIONS**

The Company has the following key assumptions which guide this investment decision.

- a) A steady exponential growth curve based on market demand for our industrial park, warehouse and logistics center;
- b) Fixed facilities costs which do not fluctuate with more than 10% deviation;
- c) New age technological tools and equipment designed to meet and match space utilization and capacity needs.

- **SALES FORECAST**

The company envisages a conservative sales forecast of 74% space utilization within a 7-day work week. This is well within Industrial Park, Warehousing and Logistics industry estimates of eighty (80%) percent capacity utilization.



We however estimate that we shall start at a conservative figure of twenty (20) percent gradually increase reaching peak occupancy of eighty-eight (88%) percent peak average daily.

Based on performance metrics we believe we can incorporate cold chain solutions within our facility in a span of 3 years based on the strength of in-house experience, production stabilization and economies of scale.

This translates to estimated sales unit of

Capacity of facility based on design of facility and racking system installed: 138,000 CBM available

Utilization at 70% capacity = 96,600 CBM available per Month X 12 Months = 1,159,200 Capacity sold Annually

Units Produced Annually	Sale Price Per Unit	Projected Annual Revenue
1,159,200 CBM	2,000 Tshs. per CBM per day	2,318,400,000.00
Projected Annual Revenue		2,318,400,000.00
		Tanzania Shillings Two Billion, Three Hundred and Eighteen Million, Four Hundred Thousand Shillings Only

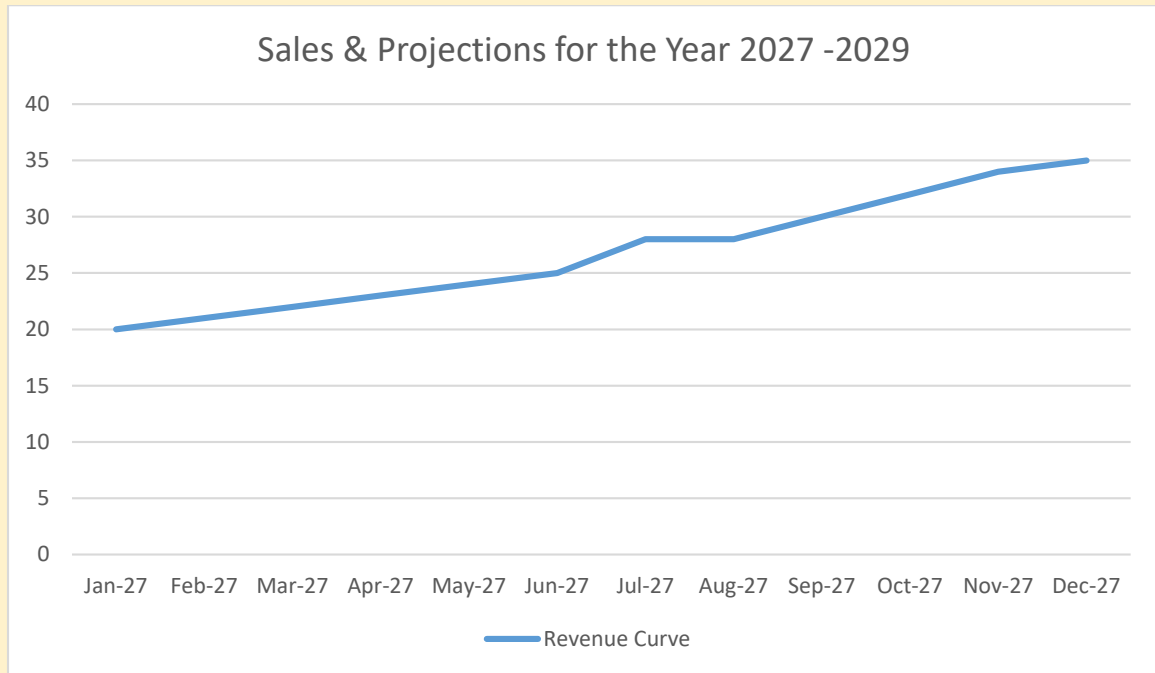
This projection also does not quantify expected revenue from the below streams of income namely:

- Industrial Park Clients
- Support Industries who rely on the manufacturing component from the industries located on site
- Logistics Consultation Revenue
- Collection/Delivery Services if requested by Customers revenue
- Specialized Cargo
- E- Commerce clients who can use our facility for inventory management



These are conservatively expected to bring in at least and extra 15% of total revenue for the establishment.

Our projected Year on Year growth curve once the project is fully operational would be as below:



- STARTUP COSTS**

Envisaged start-up costs for the project are highlighted as below.

S/No	Detailed Start Up Costs	Projected Amount (In USD)
01	Long term land lease	650,000.00
02	Buildings Construction	350,000.00
03	Vehicles	45,000.00
04	Operational Equipment & Fittings	75,000.00
05	Pre- Expenses	50,000.00
06	Others	30,000.00
07	Working Capital	200,000.00
Detailed Start Up Costs for the Project		1,400,000.00
		United States Dollar One Million, Four Hundred Thousand Only



- **RUNNING COSTS**

Envisaged running costs for the project once operational are highlighted as below per month

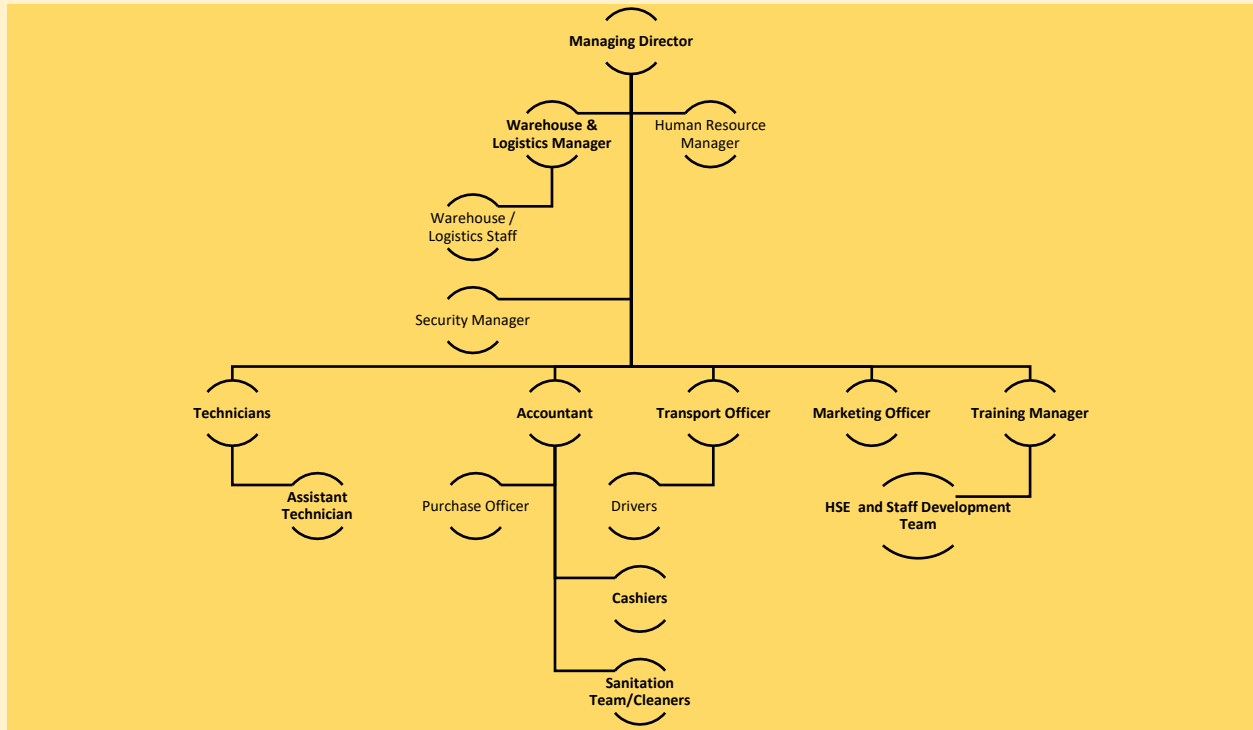
PROFORMA RUNNING COSTS

S/No	Description	Projected Expenditure per Month (In Tanzania Shillings)
Production Costs	Electricity	5,000,000.00
Production Costs	Security Services, Cargo Management Services	63,000,000.00
Administrative Costs	Admin Expenses	2,500,000.00
Administrative Costs	Finance Costs	4,000,000.00
Payroll Expenses	Salaries and Wages	32,200,000.00
Total Monthly Running Costs for the Project		106,700,000.00
		Tanzania Shillings One Hundred and Six Million, Seven Hundred Thousand Only



- **ORGANIZATION STRUCTURE & PROJECTED PAYROLL COSTS**

A detailed Organization Structure inclusive of payroll details is listed below



S/No	Position	Number of Employees	Gross Salary	Total Gross Salary
01	Managing Director	1	2,000,000	2,000,000.00
02	Warehouse & Logistics Manager	1	1,000,000	1,000,000.00
03	Human Resource Manager	1	1,000,000	1,000,000.00
04	Training Manager	1	1,000,000	1,000,000.00
05	Security Manager	1	800,000	800,000.00
06	Technicians	6	600,000	3,600,000.00
07	HSE and Staff Development Team	9	600,000	4,500,000.00
08	Warehouse and Logistics Team	15	500,000	7,500,000.00
04	Assistant Technicians	4	400,000	1,600,000.00



05	Cashiers	2	200,000	400,000.00
06	Accountant	1	1,000,000	1,000,000.00
07	Drivers	2	500,000	1,000,000.00
08	Marketing Officer	1	500,000	500,000.00
09	Sanitation/Cleaners	7	300,000	2,100,000.00
	Gross Salary Expenses			28,000,000.00
	NSSF Liability			2,800,000.00
	WCF Liability			280,000.00
	SDL Liability			1,120,000.00
			Total Salary and Wages Cost	32,200,000.00

- **CASH FLOW FORECAST ONCE OPERATIONAL**

Based on projected production figures; our cash flow forecast for the project in its initial year of operations has been split into 4 stages to match accommodation capacity.

Quarter 4 – Year 2026 (October to December)

BAOHOON COMPANY LIMITED					
PROJECTED CASHFLOW FOR FINANCIAL YEAR 2026 – QUARTER 4 (OCT - DEC 2026)					
SPACE UTILIZATION – 35% CAPACITY					
	Quarter 4 Year 2026 October	Quarter 4 Year 2026 November	Quarter 4 Year 2026 December		QUARTER 4 YEAR 2026 YTD
Revenue					
Unit Selling Price	2000.00	2,000.00	2,000.00		2,000.00
Capacity in CBM	48,300	48,300	48,300		48,300
Expected Sales p/month	96,600,000	96,600,000	96,600,000		289,800,000.00
LESS: Direct Costs Allocation	63,000,000	63,000,000	63,000,000		189,000,000.00



Gross Profit	33,600,000	33,600,000	33,600,000		100,800,000.00
Payroll	32,200,000	32,200,000	32,200,000		96,600,000.00
Admin Costs	2,500,000	2,500,000	2,500,000		7,500,000.00
Electricity	5,000,000	5,000,000	5,000,000		15,000,000.00
Finance Costs	4,000,000	4,000,000	4,000,000		12,000,000.00
Net Profit before Tax	(10,100,000.00)	(10,100,000.00)	(10,100,000.00)		(30,300,000.00)
Corporate Tax @ 30 Percent					
Net Loss	(10,100,000.00)	(10,100,000.00)	(10,100,000.00)		(30,300,000.00)

Quarter 1 – Year 2027 (January to March)

BAOHOON COMPANY LIMITED					
PROJECTED CASHFLOW FOR FINANCIAL YEAR 2027 – QUARTER 1 (JAN TO MARCH 2027)					
SPACE UTILIZATION – 55% CAPACITY					
	Quarter 1 Year 2027 January	Quarter 1 Year 2027 February	Quarter 1 Year 2027 March		QUARTER 1 YEAR 2027 YTD
Revenue					
Unit Selling Price	2000.00	2,000.00	2,000.00		2,000.00
Capacity in CBM	75,900	75,900	75,900		75,900
Expected Sales p/month	151,800,000	151,800,000	151,800,000		455,400,000.00



LESS: Direct Costs Allocation	63,000,000	63,000,000	63,000,000			189,000,000.00
Gross Profit	88,800,000	88,800,000	88,800,000			266,400,000.00
Payroll	32,200,000	32,200,000	32,200,000			96,600,000.00
Admin Costs	2,500,000	2,500,000	2,500,000			7,500,000.00
Electricity	5,000,000	5,000,000	5,000,000			15,000,000.00
Finance Costs	4,000,000	4,000,000	4,000,000			12,000,000.00
Net Profit before Tax	45,500,000.00	45,500,000.00	45,500,000.00			136,500,000.00
PROJECT BREAK EVEN & PROFITABILITY BY Q1 2026						
Corporate Tax @ 30 Percent	13,650,000	13,650,000	13,650,000			40,950,000.00
Net Profit	31,850,000	31,850,000	31,850,000			95,550,000.00

Quarter 2 – Year 2027 (April to June)

BAOHOON COMPANY LIMITED						
PROJECTED CASHFLOW FOR FINANCIAL YEAR 2027 – QUARTER 2 (APRIL TO JUNE 2027)						
SPACE UTILIZATION – 55% CAPACITY						
	Quarter 2 Year 2027 April	Quarter 2 Year 2027 May	Quarter 2 Year 2027 June			QUARTER 2 YEAR 2027 YTD
Revenue						
Unit Selling Price	2000.00	2,000.00	2,000.00			2,000.00
Capacity in CBM	75,900	75,900	75,900			75,900



Expected Sales p/month	151,800,000	151,800,000	151,800,000			455,400,000.00
LESS: Direct Costs Allocation	63,000,000	63,000,000	63,000,000			189,000,000.00
Gross Profit	88,800,000	88,800,000	88,800,000			266,400,000.00
Payroll	32,200,000	32,200,000	32,200,000			96,600,000.00
Admin Costs	2,500,000	2,500,000	2,500,000			7,500,000.00
Electricity	5,000,000	5,000,000	5,000,000			15,000,000.00
Finance Costs	4,000,000	4,000,000	4,000,000			12,000,000.00
Net Profit before Tax	45,500,000.00	45,500,000.00	45,500,000.00			136,500,000.00
Corporate Tax @ 30 Percent	13,650,000	13,650,000	13,650,000			40,950,000.00
Net Profit	31,850,000	31,850,000	31,850,000			95,550,000.00

Quarter 3 – Year 2027 (July to September)

BAOHOON COMPANY LIMITED					
PROJECTED CASHFLOW FOR FINANCIAL YEAR 2027 – QUARTER 3 (JULY TO SEPTEMBER 2027)					
SPACE UTILIZATION – 55% CAPACITY					
	Quarter 3 Year 2027 July	Quarter 3 Year 2027 August	Quarter 3 Year 2027 September		QUARTER 3 YEAR 2027 YTD
Revenue					
Unit Selling Price	2000.00	2,000.00	2,000.00		2,000.00



Capacity in CBM	75,900	75,900	75,900			75,900
Expected Sales p/month	151,800,000	151,800,000	151,800,000			455,400,000.00
LESS: Direct Costs Allocation	63,000,000	63,000,000	63,000,000			189,000,000.00
Gross Profit	88,800,000	88,800,000	88,800,000			266,400,000.00
Payroll	32,200,000	32,200,000	32,200,000			96,600,000.00
Admin Costs	2,500,000	2,500,000	2,500,000			7,500,000.00
Electricity	5,000,000	5,000,000	5,000,000			15,000,000.00
Finance Costs	4,000,000	4,000,000	4,000,000			12,000,000.00
Net Profit before Tax	45,500,000.00	45,500,000.00	45,500,000.00			136,500,000.00
Corporate Tax @ 30 Percent	13,650,000	13,650,000	13,650,000			40,950,000.00
Net Profit	31,850,000	31,850,000	31,850,000			95,550,000.00

Quarter 4 – Year 2027 (October to December)

BAOHOON COMPANY LIMITED					
PROJECTED CASHFLOW FOR FINANCIAL YEAR 2027 – QUARTER 4 (OCTOBER TO DECEMBER 2027)					
SPACE UTILIZATION – 75% CAPACITY					
	Quarter 4 Year 2027 July	Quarter 4 Year 2027 August	Quarter 4 Year 2027 September		QUARTER 4 YEAR 2027 YTD
Revenue					
Unit Selling Price	2000.00	2,000.00	2,000.00		2,000.00



Capacity in CBM	103,500	103,500	103,500		103,500
Expected Sales p/month	207,000,000	207,000,000	207,000,000		621,000,000.00
LESS: Direct Costs Allocation	63,000,000	63,000,000	63,000,000		189,000,000.00
Gross Profit	144,000,000	144,000,000	144,000,000		432,000,000.00
Payroll	32,200,000	32,200,000	32,200,000		96,600,000.00
Admin Costs	2,500,000	2,500,000	2,500,000		7,500,000.00
Electricity	5,000,000	5,000,000	5,000,000		15,000,000.00
Finance Costs	4,000,000	4,000,000	4,000,000		12,000,000.00
Net Profit before Tax	100,300,000.00	100,300,000.00	100,300,000.00		300,900,000.00
Corporate Tax @ 30 Percent	30,090,000	30,090,000	30,090,000		90,270,000.00
Net Profit	70,210,000	70,210,000	70,210,000		210,630,000.00