

# GIGA PREMIUM CARGO LIMITED

*BUSINESS PLAN*  
(TRANSPORTATION)

PREPARED FOR  
GIGA PREMIUM CARGO LIMITED.  
Dar es Salaam

## 1.0. Executive Summary

**GIGA PREMIUM CARGO LIMITED** is a privately owned engaged in total cargo transportation solutions incorporated in Tanzania with certificate of incorporation No.152637640 dated 12<sup>th</sup> July,2021. The Company engages in cargo transport within Tanzania and neighboring regions.

The company is a privately owned with their Innovative thinking, efforts, hard work and support from its esteem customers the company has expanded to what it is today – “safe, Efficient& Reliable Services” and due to our professional approach, competitive pricing, large network, strategic location and the quality of service rendered by the company right from the inception, the company has become the most preferred transporter in Tanzania and neighboring countries. The company’s success is built on a foundation of quality service and lasting relationships with our customers.

## 2.0 QUALITY POLICY:

The board of directors and Company management are committed to providing safe, dependable transportation service to our customers and to meet our goal, and the organization shall strive to: –

- Do their jobs right the first time
- Know our customers’ needs and expectations

- Hire above average, customer-oriented employees
- Perform our jobs in a safe environment
- Be leaders of modern techniques and technology in our industry
- Take pride in our work and in the image of our company
- Act with integrity in all endeavors and
- Be profitable

## **2.1 MISSION STATEMENT**

Our slogan is “Safe, Efficient & Reliable Services”. Customers have the power to choose in this competitive and open market. Our aim is to provide high quality service along with fair and competitive pricing.

## **2.2 VISION**

Our Vision is to be East Africa’s most trusted transporter and Logistics Company.

## **2.3 NETWORK**

The organization has one of the largest networks covering almost all the strategic locations across the East Africa.

## **2.4 TECHNOLOGY**

In the field of technology, we are in the forefront; almost all the branches are computerized and are interconnected.

## 2.5 CARGO HANDLING

The company is are transporting over 4,000 tons into Zambia and Congo and from Zambia we have capacity of moving 16,000 tons and 5,000 tons out of Congo.

## 2.6 FLEET

The company was formed with a view of transporting cargo to different parts both locally as well as internationally.

## 2.7 TRACKING

Company's fleet are being monitored by GPS tracking satellite system which makes it easier for us to trace the exact position of each truck at any given time. We also monitor our drivers by using a tracking system which has been customized by us. We give daily reports to our client for their regular updates

This document has been prepared to serve as a business plan for guidance for **GIGA PREMIUM CARGO LIMITED** for cargo transportation and logistics business. The implementation of this project will comprise the following main activities: –

- The purchase of 100 trucks within 5 years to be implemented in 5 phases from 2024– 2029
- The purchase 2 pickup for road patrol
- The purchase of 1 staff bus

- The purchase of communication sets radio
- Purchase of tracking system and CCTV camera
- The purchase of 2 folk lift
- Purchase of 2 cranes
- Purchase of tyres changer
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$ 5.906.000. US\$1,906,000 of these investment owners' equity and cash generated from business while the rest of US\$4,000,000 will be sought from local financial institutions.

#### **GIGA PREMIUM CARGO LIMITED COST STRUCTURE**

|                        |                  |
|------------------------|------------------|
| Land and Building      | 50,000           |
| Plant and Machinery    | 150,000          |
| Motor vehicles         | 5,000,000        |
| Furniture and Fittings | 1,000            |
| Others                 | 5,000            |
| Working capital        | 700,000          |
| <b>Total</b>           | <b>5,906,000</b> |

## 2.8 Location.

The project head office will be located at Plot No. ...., Block No. ...., Kibada, Kigamboni District, Dar es Salaam Region

## 2.9 Project Details

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

The transport sector plays a critical role in the social and economic development of a country. Transport provides links between centers of production and those of consumption, markets, in the economic sectors such as agriculture, industry mining and tourism. It facilitates the flow of goods and people along the import/export corridors that link the coastal ports and landlocked countries. Transport equally provides access to employment, health, education, recreation and other services. Therefore, one is rightly justified to conclude that "without a good transportation system the development of a country is impossible. What roads and railways are to a country's

development is lie what the blood system is to the human body’

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

In summary, we can say that GIGA PREMIUM CARGO LIMITED has a major objective the following: –

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

## **2.10 Project ownership**

The company is owned Tanzanians

## **3.0 Transport Sector Overview**

Tanzania Transport the Tanzanian transport sector comprises surface transport (including roads, railways), inland waterways (lakes and rivers), air transport, and sea transport. Tanzania’s transport sector contributed 8.1% to the country’s real GDP in 2018 with USD 3.8 billion,

compared to USD 2.8 billion in 2014, representing an increase of 33%. Main growth drivers include the increase in the number of passengers carried and freight handled through road transport. According to Tanzania's 2025 Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority. The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

### **3.1 Road transport**

Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country. The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads. Tanzania's Ministry of Works, Transport, and Communication through the Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads. The remaining network of about 53,460 kilometers of urban, district and feeder roads

is under the responsibility of the Prime Minister's Office Regional Administration and Local Government (PMO–RALG).

### **3.3 Railway transport**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania. Tanzania has a total of 3,676 kilometers of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania – Zambia Railways (TAZARA). The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. The TAZARA line is 1,860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia.

### **3.4 Tanzania Air Transport**

The total number of air passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%. Currently (2020), there are 19 airline operators in Tanzania, including some of the leading international air carriers such as British Airways, KLM, Qatar Airways, and SWISS. There are 58 airports in Tanzania and more than 300 private airstrips owned by

mining companies and tour operators. The Julius Nyerere International Airport (JNIA), located in Dar es Salaam, is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers. In August 2019, Tanzanian President John Magufuli inaugurated Terminal 3 of the JNIA. The new terminal, which cost USD 314 million set the airport capacity at 8 million passengers annually. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma. The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

### **3.5 Tanzania Water Transport**

Tanzania has a coastline of about 720 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika. Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA). The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani, and Kwale. Dar es Salaam is Tanzania's principal port with intrinsic capacity of 10.1 tonnes per year. The port handles over 92% of the total

maritime ports' throughput. The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda. These countries are connected to the port through two railway systems (TRL-1.0 metre gauge and TAZARA-1.067 cape gauge), road network, as well as the TAZAMA oil pipeline to Zambia. TPA also operates Tanzania's lake ports, maintaining around 20 ports on Lake Victoria. Some major ports include Bukoba, Kemono Bay, Musoma, and Nansio. Principal lake ports on Tanganyika include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports provide trade connections between Burundi, Eastern Democratic Republic of the Congo, and Zambia. Lake Nyasa has 4 important ports, at Itungi, Mbamba Bay, Liuli, and Manda. There are up to 10 other smaller TPA ports on the lake that facilitate passenger movement along the lake and between the countries of Malawi, Mozambique, and Tanzania.

### **3.0 Targeted Markets.**

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

The mentioned countries depend on Tanzania port for handling fuel which is transported by road to respective countries, in order to link these countries that GIGA PREMIUM CARGO LIMITED has resolved to invest in the cargo transport industry so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.

Why land locked countries prefer to use Dar es Salaam Port

#### **Strategic location**

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

#### **Easy connection world wide**

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

#### **Productivity**

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

### **4.0 The Project**

The project's objective is to purchase a total of 80 trucks within 5 years to be implemented in phases from 2024–2029.

This study is based on the 80 trucks.

Some of selected item's cost highlighted below –

- One truck average cost of US\$ 80,000
- Pick Up US\$ 50,000
- Staff bus US\$ 70,000
- Communication sets radio US\$ 30,000
- Folk lift US\$ 15,000
- Crane US\$ 30,000 etc.
- Expected revenue for each trip US\$ 6,500
- Operating 80% of revenue
- 50 drivers and 15 others
- Each vehicle to carry 2 trips per month

#### 4.1 Project Capacity

- **GIGA PREMIUM CARGO LIMITED** is planning to have 100 truck carrying capacity of 30tons
- One truck to operate 2 trips per month
- 1100trips to be conducted per year
- 33,000 tons to be transported per year

#### 5.0 Investment and Financing

For the project to be a reality a total investment amounting to US\$ 5,906,000 is needed to finance the project.

The project will be financed partially by shareholders equity amounting to US\$ 1,906,000 and loan US\$ 4,000,000

## GIGA PREMIUM CARGO LIMITED COST STRUCTURE

|                        |                  |
|------------------------|------------------|
| Land and Building      | 250,000          |
| Plant and Machinery    | 150,000          |
| Motor vehicles         | 5,000,000        |
| Furniture and Fittings | 1,000            |
| Others                 | 5,000            |
| Working capital        | 500,000          |
| <b>Total</b>           | <b>5,906,000</b> |

### 5.1 Financing Pattern

The financing pattern being considered is that involving the purchase of 50 trucks. The project will be financed both by equity and loan. Loan contribution will constitute US\$4,000,000 while remaining amount will be in the form of equity and cash generated from business equivalent to US\$1,906,000.

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

Loan Amount : US\$ 4,000,000

Interest Rate : 6 % annually

Repayment period : Six years

### 6.0 Implementation

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier of the

trucks has already been identified and supply is awaiting word from the project promoters.

It is expected that the Project will be implemented as shown below: –

|    | ACTIVITY                                | PERIOD                  |
|----|---|-------------------------|
| 1. | Processing TIC Certificate of Incentive | November 2024           |
| n  | Funds Mobilization                      | Octo – Jan 2025         |
| 3. | Ordering of Vehicles                    | January 2024 – May 2029 |
| 5. | Arrival of Vehicles                     | February 2024– May 2029 |
| 6. | Trial Operations                        | February 2024           |
| 7. | Commercial Operations                   | March 2025              |

## 7.0 Manpower and Organization Structure

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

The project's employee requirement is estimated to be 120 people

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

## **8.0 SWOT Analysis**

### **Strengths**

- The zeal, strong commitment, passion of the young directors and vast experience in same field.
- Highly educated with entrepreneurial & leadership skills.
- The required knowledge in harvesting the new areas and expanding the customer base
- Willingness to serve the fellow businessmen across the Africa for affordable prices
- Interested to increase the employment opportunities.

### **Weaknesses**

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

## **Opportunities**

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

## **Threats**

- The usage of other means of transportation such as rail
- Cut throat competition among transporters
- Threat of possible high inflation rates
- Unpredictable increase in fuel rates & other operational costs for spares & tyres

## **Roles and Responsibilities of Top and Key Level management**

### **Managing Director & Director**

The Managing Directors, being the shareholders of the GIGA PREMIUM CARGO LIMITED, will be responsible for the implementation of the business plan and managing other functions in general.

### **Project Manager**

- Responsible for important functions like planning, executing, leading, organizing and controlling the fleet in optimum level
- Increase the customer base and liaising for memorandum of understanding with major customers.

- Co-ordinate with other functional heads to remove the bottle-necks.
- Periodical meetings directors to reviews the policies
- Update the information on local Government's laid down policies & taxes.

### **Operational Manager**

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

### **Finance Manager**

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

### **Admin & Personnel Manager**

- Employ the right candidate for right position
- Keep the employment cost under control while keeping the staff in good humour.
- Periodical medical check-up for all drivers including eye-test

- Rotate the drivers and prepare the duty roaster in such a way driver get enough rest while on duty.
- Liaison with Finance Manager for timely salaries & other benefits.
- Introduce the incentive system to encourage the staff for better performance.
- Review the Salary structure to match with inflation rate.

## 9.0 Project Operating Costs

The company has estimated operating cost to be 80% of total revenue.

## 10.0 market and Marketing

The project's earmarked clientele is in the land locked neighboring countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and even Uganda. Management has already explored these markets and is confident it can conduct profitable business.

The project management plans for all vehicles several trips per month. The number of trips and the cost of trip are determined by both the trip's destination and nature of road involved. All in all, a total of **one truck will conduct 2 trips** per month.

The routes are prices according to distance and the status of the road in question. It has however been conservatively

assumed that all foreign destinations will have a flat rate charge of **US\$ 6500 for trip**.

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

## **11.0 Financial Aspects**

### **(i) Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 670,478** in the 1<sup>st</sup> year to **US\$ 10,519,264** in the 8<sup>th</sup> year,

### **(ii) Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 1,142,652** in the first year to **US\$ 10,466,719** at the end of 8<sup>th</sup> years,

### **(iii) Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 1,906,000** in the

first year to **US\$ 3,819,303** at the end of 8<sup>th</sup> years of the project's operations,

(iv) **Payback Period**

Total investment is **US\$ 5,906,000** cash accumulation in 6<sup>th</sup> year **US\$ 7,190,243** which is more than the initial investment by **US\$ 1,284,243** the project payback Period is exactly within 6 years.

## 12.0 Economic Aspects

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

(i) **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **GIGA PREMIUM CARGO LIMITED** is going to provide additional employment to **87** people all of whom will be nationals. This is a significant contribution coming from foreign investors.

(ii) **Revenue to the Government**

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

(iii) **Foreign Exchange Earning**

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

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

### **13.0 Conclusion**

- (v) The project is profitable and contributes to government revenue by way of taxes.
- (vi) The project provides employment to 87 people all of whom are national Tanzanians.
- (vii) The project is an encouraging sign to prove that we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment

### **14.0 Recommendation**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.



## APPENDIX I

## GIGA PREMIUM CARGO LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

|                                      | 1         | 2         | 3         | 4         | 5          | 6          | 7          | 8          |
|--------------------------------------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
| Revenue                              | 7,150,000 | 7,865,000 | 8,651,500 | 9,516,650 | 10,468,315 | 11,515,147 | 12,666,661 | 13,933,327 |
| Operating cost                       | 5,720,000 | 6,292,000 | 6,921,200 | 7,613,320 | 8,374,652  | 9,212,117  | 10,133,329 | 11,146,662 |
| Profit before Depreciation &Interest | 1,430,000 | 1,573,000 | 1,730,300 | 1,903,330 | 2,093,663  | 2,303,029  | 2,533,332  | 2,786,665  |
| Interest                             | 418,800   | 180,000   | 140,000   | 100,000   | 60,000     | 0          | 0          | 0          |
| Depreciation                         | 53,375    | 53,375    | 53,375    | 53,375    | 53,375     | 53375      | 53375      | 53375      |
| Net Profit before Tax                | 957,825   | 1,339,625 | 1,536,925 | 1,749,955 | 1,980,288  | 2,249,654  | 2,479,957  | 2,733,290  |
| Tax (30%)                            | 287,348   | 401,888   | 461,078   | 524,987   | 594,086    | 674,896    | 743,987    | 819,987    |
| Profit After Tax                     | 670,478   | 937,738   | 1,075,848 | 1,224,969 | 1,386,202  | 1,574,758  | 1,735,970  | 1,913,303  |
| Accumulated Profit                   | 670,478   | 1,608,216 | 2,684,063 | 3,909,032 | 5,295,233  | 6,869,991  | 8,605,961  | 10,519,264 |

## APPENDIX II

## GIGA PREMIUM CARGO LIMITED PROJECTED CASH FLOWS US\$

|   | –                | 1                | 2                | 3                | 4                | 5                | 6                | 7                | 8                |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>SOURCES:</b>                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Profit before interest and depreciation | –                | 1,430,000        | 1,573,000        | 1,730,300        | 1,903,330        | 2,093,663        | 2,303,029        | 2,533,332        | 2,786,665        |
| Equity                                  | 1,906,000        |                  |                  |                  |                  |                  |                  |                  |                  |
| Loan                                    | 4,000,000        | –                | –                | –                | –                | –                |                  |                  |                  |
| <b>Total Sources</b>                    | <b>5,906,000</b> | <b>1,430,000</b> | <b>1,573,000</b> | <b>1,730,300</b> | <b>1,903,330</b> | <b>2,093,663</b> | <b>2,303,029</b> | <b>2,533,332</b> | <b>2,786,665</b> |
| <b>Applications:</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Capital expenditure                     | 5,205,000        | –                | –                | –                | –                | –                |                  |                  |                  |
| working Capital &Others                 | 701,000          | –                | –                | –                | –                | –                |                  |                  |                  |
| Cash                                    | –                | 1,142,652        | 1,171,112        | –                | 1,269,222        | 1,499,577        | 1,628,133        | 1,789,345        | 1,966,678        |
| Tax                                     | –                | 287,348          | 401,888          | 461,078          | 524,987          | 594,086          | 674,896          | 743,987          | 819,987          |
| <b>Sub total</b>                        | <b>5,906,000</b> | <b>1,430,000</b> | <b>1,573,000</b> | <b>461,078</b>   | <b>1,794,209</b> | <b>2,093,663</b> | <b>2,303,029</b> | <b>2,533,332</b> | <b>2,786,665</b> |
| <b>Total applications</b>               | <b>5,906,000</b> | <b>1,430,000</b> | <b>1,573,000</b> | <b>461,078</b>   | <b>1,794,209</b> | <b>2,093,663</b> | <b>2,303,029</b> | <b>2,533,332</b> | <b>2,786,665</b> |
| Accumulated cash                        |                  | 1,142,652        | 2,313,764        | 2,313,764        | 3,582,986        | 5,082,563        | 6,710,696        | 8,500,041        | 10,466,719       |

## APPENDIX III

## GIGA PREMIUM CARGO LIMITED PROJECTED BALANCE SHEET US\$

| Fixed Assets                  |                  | 1                | 2                | 3                | 4                | 5                 | 6                 | 7                 | 8                 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Opening balance               | –                | 5,205,000        | 5,151,625        | 5,098,250        | 5,044,875        | 4,991,500         | 4,938,125         | 4,884,750         | 4,831,375         |
| <b>Total Long-term Assets</b> | –                | <b>5,205,000</b> | <b>5,151,625</b> | <b>5,098,250</b> | <b>5,044,875</b> | <b>4,991,500</b>  | <b>4,938,125</b>  | <b>4,884,750</b>  | <b>4,831,375</b>  |
| <b>Less depreciation</b>      | –                | <b>53,375</b>    | 53,375           | 53,375           | 53,375           | 53,375            | 53,375            | 53,375            | 53,375            |
| <b>Closing balance</b>        | –                | <b>5,151,625</b> | <b>5,098,250</b> | <b>5,044,875</b> | <b>4,991,500</b> | <b>4,938,125</b>  | <b>4,884,750</b>  | <b>4,831,375</b>  | <b>4,778,000</b>  |
| Working capital               | 700,000          | 700,000          | 700,000          | 700,000          | 700,000          | 700,000           | 700,000           | 700,000           | 700,000           |
| Accumulated cash              | –                | 1,142,652        | 2,313,764        | 2,313,764        | 3,582,986        | 5,082,563         | 6,710,696         | 8,500,041         | 10,466,719        |
| <b>Total assets</b>           | <b>700,000</b>   | <b>6,994,277</b> | <b>8,112,014</b> | <b>8,058,639</b> | <b>9,274,486</b> | <b>10,720,688</b> | <b>12,295,446</b> | <b>14,031,416</b> | <b>15,944,719</b> |
| Financed by                   |                  |                  |                  |                  |                  |                   |                   |                   |                   |
| Equity                        | <b>1,906,000</b> | 1,906,000        | 1,906,000        | 1,906,000        | 1,906,000        | 1,906,000         | 1,906,000         | 1,906,000         | 1,906,000         |
| Net profit                    | –                | <b>670,478</b>   | <b>937,738</b>   | <b>1,075,848</b> | <b>1,224,969</b> | <b>1,386,202</b>  | <b>1,574,758</b>  | <b>1,735,970</b>  | <b>1,913,303</b>  |
| Total equity                  | 1,906,000        | 2,576,478        | 2,843,738        | 2,981,848        | 3,130,969        | 3,292,202         | 3,480,758         | 3,641,970         | 3,819,303         |
| Long term loan                | 4,000,000        | –                | –                | –                | –                | –                 | –                 | –                 | –                 |
| <b>Total debts</b>            | <b>4,000,000</b> | –                | –                | –                | –                | –                 | –                 | –                 | –                 |
| <b>Total equity and debts</b> | <b>5,906,000</b> | <b>2,576,478</b> | <b>2,843,738</b> | <b>2,981,848</b> | <b>3,130,969</b> | <b>3,292,202</b>  | <b>3,480,758</b>  | <b>3,641,970</b>  | <b>3,819,303</b>  |

APPENDIX IV

**GIGA PREMIUM CARGO LIMITED PAYBACK PERIOD US\$**

| Year | Profit After Tax | Depreciation | Total Cash Flow | Accumulated Cash Flow |
|------|------------------|--------------|-----------------|-----------------------|
| 1    | 670,478          | 53,375.00    | 723,853.00      | 723,853.00            |
| 2    | 937,738          | 53,375.00    | 991,113.00      | 1,714,966.00          |
| 3    | 1,075,848        | 53,375.00    | 1,129,223.00    | 2,844,189.00          |
| 4    | 1,224,969        | 53,375.00    | 1,278,344.00    | 4,122,533.00          |
| 5    | 1,386,202        | 53,375.00    | 1,439,577.00    | 5,562,110.00          |
| 6    | 1,574,758        | 53,375.00    | 1,628,133.00    | 7,190,243.00          |
| 7    | 1,735,970        | 53,375.00    | 1,789,345.00    | 8,979,588.00          |
| 8    | 1,913,303        | 53,375.00    | 1,966,678.00    | 10,946,266.00         |

APPENDIX V

**GIGA PREMIUM CARGO LIMITED PROJECTED LONG TERM LOAN REPAYMENT**

| Year  | principle | Loan Interest (6%) | Total Amount Paid | Loan Balance |
|-------|-----------|--------------------|-------------------|--------------|
| 0     |           |                    |                   | 6,980,000    |
| 1     | 666,667   | 418,800            | 1,085,467         | 3,000,000    |
| 2     | 666,667   | 180,000            | 846,667           | 2,333,333    |
| 3     | 666,667   | 140,000            | 806,667           | 1,666,666    |
| 4     | 666,667   | 100,000            | 766,667           | 999,999      |
| 5     | 666,667   | 60,000             | 726,667           | 333,332      |
| 6     | 666,667   | 20,000             | 686,667           | -333,335     |
| TOTAL | 4,000,002 | 918,800            | 4,918,802         |              |

GIGA PREMIUM CARGO LIMITED PROPOSED FINANCING PATTERN US\$

| LOCAL LOAN | LOCAL EQUITY |
|------------|--------------|
| 4,000,000  | 1,906,000    |

**GIGA PREMIUM CARGO LIMITED PROJECTED DEPRECIATION SCHEDULE US\$**

| <b>NAME OF ASSETS</b>        | <b>1</b>         | <b>2</b>         | <b>3</b>         | <b>4</b>         | <b>5</b>         | <b>6</b>         | <b>7</b>         | <b>8</b>         |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Land And Buildings           | 50,000           | 49,000           | 48,000           | 47,000           | 46,000           | 45,000           | 44,000           | 43,000           |
| Machinery, Tools & Equipment | 150,000          | 148,125          | 146,250          | 144,375          | 142,500          | 140,625          | 138,750          | 136,875          |
| Motor Vehicles               | 5,000,000        | 4,950,000        | 4,900,000        | 4,850,000        | 4,800,000        | 4,750,000        | 4,700,000        | 4,650,000        |
| Furniture & Fixtures         | 5,000            | 4,500            | 4,000            | 3,500            | 3,000            | 2,500            | 2,000            | 1,500            |
| <b>Total</b>                 | <b>5,205,000</b> | <b>5,151,625</b> | <b>5,098,250</b> | <b>5,044,875</b> | <b>4,991,500</b> | <b>4,938,125</b> | <b>4,884,750</b> | <b>4,831,375</b> |
| <b>DEPRECIATION</b>          | <b>1</b>         | <b>2</b>         | <b>3</b>         | <b>4</b>         | <b>5</b>         | <b>6</b>         | <b>7</b>         | <b>8</b>         |
| Land and buildings           | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            |
| Machinery tools & Equipment  | 1,875            | 1,875            | 1,875            | 1,875            | 1,875            | 1,875            | 1,875            | 1,875            |
| Motor Vehicles               | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Furniture & Fixtures         | 500              | 500              | 500              | 500              | 500              | 500              | 500              | 500              |
| <b>ANNUAL DEPRECIATION</b>   | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    | <b>53,375</b>    |

