

KITANYOE GROUP COMPANY LIMITED

BUSINESS PLAN

FOR TRANSPORTATION BUSINESS

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1 EXECUTIVE SUMMARY

1.1 Overview of Kitanyoe Group company Limited

Kitanyoe Group Company Limited, established in November 2017, is a homegrown entity contributing to Tanzania's transportation landscape. Situated in Oysterbay Street, Kinondoni District, Dar Es Salaam Region, the company operates with the Tax Identification Number (TIN) 133-580-522. The company's financial affairs are overseen by Lyno Associate Certified Public Accountant, with headquarters located at Toure Drive, Kinondoni, Dar Es Salaam.

The company's structure is rooted in local ownership, with Tanzanian nationals holding key positions. Shareholding is distributed among Hilary Gerson Ngowi (40%), Edith Hilary Ngowi (30%), and Hurbert Hilary Ngowi (30%). The Board of Directors comprises Mr. Hilary G. Ngowi as Chairman, Mr. Gift G. Ngowi as Director/Secretary, Mr. Hurbert H. Ngowi as Manager, and Mr. Edith H. Ngowi as Director.

Currently, Kitanyoe Group Company Limited operates with a fleet consisting of five Howo trucks and trailers. These assets, bearing registration numbers T772DNS, T331EAM, T266EAM, T331EAM, and T322EAM, form the backbone of the company's transportation services.

The company's strategic vision involves serving businesses in East and Central Africa through truck-based distribution centered in Dar es Salaam. With an ambitious plan to dominate cargo transportation services in the region, Kitanyoe Group aims to register a project with the Tanzania Investment Center. This endeavor entails purchasing a total of 300 trucks over three years, starting from 2024 to 2027, with each truck estimated to cost USD 46,000. The funding for this project will be sourced from a combination of internal funds and loans from financial institutions domestically and internationally.

Among Kitanyoe Group's esteemed clients are Fortune Cement, Twiga Cement, Burundi Cement Company, and Sayona Cement Malawi, reflecting the company's reputation for reliability and efficiency in cargo transportation.

Analyzing the Tanzanian transportation sector, it's noted that there was a significant increase in transport licenses issued in 2022 compared to the previous years, indicating growth in the industry. Kitanyoe Group's presence contributes positively to this sector, with plans to expand its fleet and workforce significantly.

In terms of employment, the company currently employs 16 personnel, comprising administrative staff, technicians, drivers, and truck assistants. Projections for the next five years anticipate a substantial increase in employment, with the company expected to create direct and indirect employment opportunities for 686 individuals.

Operating in a stable political and economic environment, Kitanyoe Group stands poised for continued growth and success. With favorable GDP growth rates and prudent financial management, the company has seen remarkable progress, evident in increased sales and asset accumulation over the years.

1.2 Investment Objective

Kitanyoe Group Company Limited has delineated a set of investment objectives aimed at fostering its growth, sustainability, and value creation over the forthcoming years. Central to its strategic vision is the pursuit of financial stability, underpinned by prudent financial management practices and the cultivation of robust liquidity reserves. With an eye toward mitigating risks and uncertainties inherent in the transportation sector, the company endeavors to maintain adequate cash reserves to meet operational exigencies, service debt obligations, and address potential contingencies.

In tandem with its commitment to financial stability, Kitanyoe Group is focused on driving asset growth as a cornerstone of its long-term strategy. Through strategic investments in fixed assets, the company aims to bolster its operational capabilities, enhance efficiency, and fortify its competitive position within the market. The projected trajectory of net fixed assets underscores the company's dedication to augmenting its infrastructure and operational capacity, thereby laying a solid foundation for sustainable expansion and market leadership.

Furthermore, Kitanyoe Group is unwavering in its commitment to creating value for its shareholders. By nurturing a strong equity base and generating attractive returns on investment, the company aims to foster shareholder wealth and optimize long-term shareholder value. The projected growth in shareholders' funds, comprising equity and accumulated revenue reserves, reflects the company's dedication to prudent financial management and capital allocation strategies geared toward maximizing shareholder returns and enhancing overall stakeholder satisfaction.

In parallel, Kitanyoe Group prioritizes prudent debt management practices as a linchpin of its financial strategy. While the projected statement of financial position indicates no long-term debt, the company remains vigilant in monitoring its debt levels and repayment obligations to uphold a healthy balance sheet and forestall excessive leverage. By exercising judicious capital allocation and debt management, Kitanyoe endeavors to fortify its financial resilience and preserve its capacity for sustained growth and profitability.

1.3 Sectoral and Product Focus

Kitanyoe Group Company Limited maintains a clear focus on the transportation sector, leveraging its expertise and resources to provide reliable and efficient logistics solutions to businesses across East and Central Africa. Within this sector, the company primarily specializes in truck-based distribution services, with a strategic emphasis on road transportation. Recognizing the pivotal role of transportation in facilitating trade and commerce, Kitanyoe Group endeavors to be a key enabler of economic activity by offering seamless and cost-effective transportation solutions tailored to the diverse needs of its clientele.

The company's product focus revolves around its fleet of trucks and trailers, which serve as the backbone of its transportation services. With a fleet size projected to grow significantly over the coming years, Kitanyoe Group aims to expand its operational reach and enhance its capacity to meet the growing demand for transportation services in the region. Each truck is meticulously maintained to ensure optimal performance and reliability, reflecting the company's unwavering commitment to quality and customer satisfaction.

Moreover, Kitanyoe Group's sectoral and product focus is closely aligned with its overarching goal of dominating the East and Central African cargo transportation market. By concentrating its efforts on the transportation sector and refining its expertise in truck-based distribution, the company seeks to carve out a niche for itself as a preferred logistics partner for businesses seeking efficient and cost-effective transportation solutions. This singular focus enables Kitanyoe Group to channel its resources and efforts toward continually improving its service offerings, expanding its market presence, and delivering value to its clients across the region.

In essence, Kitanyoe Group's sectoral and product focus underscores its commitment to specialization, efficiency, and customer-centricity within the transportation industry. By concentrating its efforts on road transportation services and investing in a modern and reliable

fleet, the company positions itself for sustained growth and success in the dynamic and evolving East and Central African market.

1.4 Summary of Investment Costs and Financing

Kitanyoe Group Company Limited's investment strategy involves significant capital outlay to expand its fleet and operational capacity, thereby enhancing its market presence and meeting the growing demand for transportation services in East and Central Africa. The projected investment costs primarily revolve around the acquisition of additional trucks over a three-year period, starting from 2024 to 2027. The company aims to purchase a total of 300 trucks within this timeframe, with each truck expected to cost approximately USD 46,000 before import duties.

To finance this ambitious expansion plan, Kitanyoe Group intends to utilize a combination of internal funds and external financing from financial institutions both within and outside Tanzania. The investment costs will be partly covered by the company's own capital reserves and contributions from its directors. Additionally, Kitanyoe Group plans to secure loans from financial institutions to supplement its internal resources and facilitate the timely acquisition of the required fleet.

Furthermore, the company's investment costs extend beyond the purchase of trucks to include associated expenses such as licensing, permits, and operational overheads. These costs are factored into the overall investment plan to ensure the smooth execution of the expansion strategy and the sustainable growth of Kitanyoe Group's operations.

1.5 Proposed Financing Strategy:

Kitanyoe Group Company Limited has devised a comprehensive financing strategy to support its ambitious expansion plans in the transportation sector. The company recognizes the need for a well-thought-out approach to secure the necessary capital and ensure the successful implementation of its growth initiatives.

First and foremost, Kitanyoe Group intends to utilize its internal funds to finance a portion of the investment costs associated with acquiring additional trucks. These internal funds comprise the company's existing capital reserves accumulated over the years of operation. By tapping into its own resources, Kitanyoe Group aims to demonstrate its commitment to the expansion project and reduce reliance on external financing.

In addition to internal funds, the company plans to leverage contributions from its directors to bolster its financial capacity. Directors' contributions represent a significant source of capital injection, highlighting their confidence in the company's growth prospects and their commitment to supporting its expansion efforts.

Furthermore, Kitanyoe Group will explore opportunities to secure loans from reputable financial institutions both within and outside Tanzania. These loans will serve as a vital source of external financing, providing the necessary liquidity to bridge any funding gaps and facilitate the timely acquisition of the required fleet. By partnering with financial institutions, Kitanyoe Group aims to access favorable lending terms and secure competitive interest rates that align with its long-term financial objectives.

Moreover, the company remains open to exploring alternative financing options such as leasing arrangements or partnerships with strategic investors. These avenues offer potential opportunities to access additional capital or acquire assets with minimal upfront costs, thereby optimizing the company's financial structure and enhancing its flexibility in pursuing growth opportunities.

1.6 Job Creation Estimates

Kitanyoe Group Company Limited anticipates significant job creation opportunities as it executes its expansion plans in the transportation sector. The company's projected job creation estimates underscore its commitment to not only driving economic growth but also fostering employment opportunities within Tanzania and beyond. Over the next five years, Kitanyoe Group expects to substantially increase its workforce across various job categories to support its growing operational needs. The projected job creation estimates encompass both direct and indirect employment opportunities, contributing to overall socio-economic development in the region. In the initial phase of the expansion project, Kitanyoe Group foresees a considerable rise in direct employment, particularly in roles directly related to its core business activities. This includes recruiting additional drivers, truck assistants, technicians, and administrative staff to manage the expanded fleet and support operational logistics. Furthermore, as the company expands its presence and enhances its service offerings, it anticipates generating indirect employment opportunities across the broader supply chain ecosystem. This encompasses roles such as suppliers, service providers, maintenance contractors, and ancillary support staff involved in various aspects of the transportation value chain.

To provide a clearer picture, Kitanyoe Group has outlined its projected job creation estimates over the next five years. Administrative Staff: It plans to increase administrative staff from the current level to nine positions by the end of the fifth year. Technicians: The company anticipates employing 15 technicians to oversee maintenance and repair tasks associated with the expanded fleet. Drivers: The projected employment for drivers is set to increase significantly, reaching a total of 350 drivers by the fifth year to accommodate the expanded fleet operations. Truck Assistants: Kitanyoe Group expects to hire 312 truck assistants to support drivers and facilitate efficient cargo transportation. In total, the company aims to create approximately 686 direct employment opportunities across various job categories over the five-year period.

These job creation estimates not only reflect Kitanyoe Group's commitment to stimulating economic growth but also highlight its role as a responsible corporate citizen dedicated to empowering local communities through meaningful employment opportunities. By fostering job creation and economic empowerment, Kitanyoe Group seeks to make a positive and lasting impact on the socio-economic landscape of Tanzania and the broader East and Central African region.

2 INTRODUCTION

2.1 Background of Kitanyoe Group company Limited

Established in November 2017, Kitanyoe Group Company Limited is a pioneering force in Tanzania's transportation sector. Founded by Hilary Gerson Ngowi, Edith Hilary Ngowi, and Hubert Hilary Ngowi, the company has quickly made its mark with a vision to redefine logistics services in the East African region. Situated in the bustling district of Kinondoni in Dar Es Salaam, Tanzania, Kitanyoe Group has strategically positioned itself to serve as a pivotal player in the regional transportation network. With a Tax Identification Number (TIN) of 133-580-522 and audited by Lyno Associate Certified Public Accountants, the company operates with a strong emphasis on integrity, transparency, and regulatory compliance.

Kitanyoe Group began its journey with a clear commitment to excellence and customer-centricity. With a fleet of five Howo trucks and trailers, the company swiftly established itself as a reliable partner for businesses seeking efficient transportation solutions. Its solid foundation, coupled with a diverse portfolio of clients including Fortune Cement, Twiga Cement, Burundi Cement Company, and Sayona Cement Malawi, has cemented Kitanyoe Group's reputation for reliability and quality service delivery.

Driven by a forward-looking approach, Kitanyoe Group aims to further expand its operational capacity and market reach. With a proposed project to acquire a total of 300 trucks within three years, the company is poised for significant growth and is committed to meeting the evolving needs of its clientele. With a strong focus on innovation, sustainability, and value creation, Kitanyoe Group is well-positioned to make lasting contributions to Tanzania's transportation landscape.

2.2 Mission and Vision Statements

Mission Statement:

Kitanyoe Group Company Limited's mission is to dominate East and Central Africa's cargo transportation services through road transportation. With a vision to become a leading provider of innovative and sustainable logistics solutions, the company aims to exceed customer expectations by delivering reliable and efficient services while maintaining the highest standards of integrity and professionalism. Through continuous improvement and investment in technology and human capital, Kitanyoe Group is committed to driving positive change in the transportation sector and contributing to the region's economic development.

Aligned with its mission, Kitanyoe Group's vision is to establish itself as a trailblazer in the transportation industry, recognized for its excellence, reliability, and commitment to customer satisfaction. By leveraging its expertise, resources, and strategic partnerships, the company seeks to expand its market presence and become the preferred choice for businesses seeking transportation solutions in East and Central Africa. Kitanyoe Group envisions a future where it plays a central role in facilitating trade and commerce, driving economic growth, and creating sustainable value for its stakeholders and the communities it serves.

Vision Statement:

Kitanyoe Group Company Limited envisions itself as a trailblazer in the transportation industry, recognized for its excellence, reliability, and commitment to customer satisfaction. Through leveraging its expertise, resources, and strategic partnerships, the company aims to expand its market presence and become the preferred choice for businesses seeking transportation solutions in East and Central Africa. Kitanyoe Group envisions a future where it plays a central role in facilitating trade and commerce, driving economic growth, and creating sustainable value for its stakeholders and the communities it serves.

2.3 Registration Information

Established on May 9th, 2017, Kitanyoe Group Company Limited, bearing Incorporation Number 135031, ventured into the Tanzanian business landscape with a definitive focus on transportation services. The company, operating under the Tax Identification Number (TIN) 133-580-522, is not only registered to undertake transportation business but also boasts a distinctive shareholding structure. Shareholders, including Hilary Gerson Ngowi (40% ownership), Edith Hilary Ngowi (30% ownership), and Hurbert Hilary Ngowi (30% ownership), collectively own the company, with specific percentages allocated to each. This registration information underscores Kitanyoe Group's commitment to legal compliance and transparent corporate governance, positioning it as a reputable entity in Tanzania's vibrant business environment.

2.4 Keys to Success

Kitanyoe Group Company Limited's success can be attributed to several key factors that set it apart in Tanzania's transportation sector. Firstly, the company's unwavering commitment to excellence and integrity forms the cornerstone of its operations. By prioritizing quality service

delivery and maintaining the highest standards of professionalism, Kitanyoe Group has earned a reputation for reliability and trustworthiness among its clients and stakeholders.

Secondly, strategic positioning and operational efficiency contribute significantly to the company's success. Located in Dar es Salaam, the commercial capital of Tanzania, Kitanyoe Group benefits from a central location that facilitates seamless coordination of transportation activities within the region and beyond. Moreover, the company's modern fleet of trucks and trailers, coupled with its skilled workforce, ensures the efficient and timely delivery of goods, further enhancing its competitive edge in the market.

Lastly, strong leadership and a customer-centric approach drive Kitanyoe Group's success. Led by a team of experienced professionals, the company places a strong emphasis on understanding and meeting the evolving needs of its clients. By prioritizing customer satisfaction and fostering long-term relationships, Kitanyoe Group not only retains its existing clientele but also attracts new business opportunities, paving the way for sustainable growth and expansion in the dynamic transportation industry.

2.5 Objectives

Kitanyoe Group Company Ltd has strategically outlined its project objectives with a clear focus on revolutionizing cargo transportation services throughout East and Central Africa. Central to this vision is the company's commitment to dominating the region's transportation sector through road-based distribution, with Dar es Salaam as the epicenter of its operations. To actualize this ambition, the directors have undertaken the initiative to register the project with the Tanzania Investment Center, marking a pivotal step towards formalizing its expansion plans.

The project's core objective revolves around the acquisition of 300 trucks over a span of three years, starting from 2024 to 2027. Each truck, priced at an estimated USD 46,000 before import duties, represents a substantial investment aimed at bolstering the company's operational capacity and market presence. This strategic move underscores Kitanyoe Group's determination to position itself as a formidable force in the cargo transportation industry, catering to the burgeoning demand for efficient logistics solutions across the region.

To finance this ambitious project, Kitanyoe Group intends to utilize a combination of its internal resources and external financing from domestic and international financial institutions. This multi-faceted approach reflects the company's commitment to prudent financial management while

leveraging external funding opportunities to support its growth trajectory. By harnessing these resources effectively, Kitanyoe Group aims to not only expand its fleet but also enhance its ability to serve businesses across East and Central Africa, thereby cementing its position as a key player in the region's transportation landscape.

2.6 Location:

Kitanyoe Group Company Ltd is strategically headquartered in Dar es Salaam, Tanzania, situated at Oysterbay Street in the Kinondoni District. This location serves as the central hub for the company's operations, providing convenient access to key transportation routes and facilitating seamless movement of goods within the region. Positioned at the heart of Tanzania's economic and commercial activities, Dar es Salaam offers strategic advantages for Kitanyoe Group, allowing it to efficiently coordinate logistics operations and serve a diverse clientele across East and Central Africa. With its prime location in Dar es Salaam, Kitanyoe Group is well-positioned to capitalize on emerging opportunities in the transportation sector while contributing to the region's economic development.

2.7 Suppliers

Kitanyoe Group Company Ltd has forged a robust partnership with Sinotruk Howo Group, a renowned manufacturer of heavy-duty trucks, which has already supplied the company with five trucks. These trucks, known for their durability, reliability, and superior performance, form the backbone of Kitanyoe Group's fleet, enabling the company to deliver exceptional transportation services to its clients. In addition to acquiring trucks from Sinotruk Howo Group, Kitanyoe Group also sources diesel and other essential supplies through selected suppliers. These suppliers are carefully vetted to ensure the quality and reliability of their products, enabling Kitanyoe Group to maintain the efficiency and effectiveness of its operations.

Moreover, Kitanyoe Group prioritizes the procurement of genuine spare parts to ensure the longevity and optimal performance of its fleet. By partnering with trusted suppliers of authentic spare parts, the company can minimize downtime, reduce maintenance costs, and enhance the overall reliability of its trucks. Furthermore, Kitanyoe Group's commitment to quality extends beyond its fleet to every aspect of its operations, including its procurement processes. The company's emphasis on sourcing high-quality materials and components underscores its dedication to delivering superior services and maintaining the trust of its clients.

Overall, Kitanyoe Group's strategic partnerships with suppliers, including Sinotruk Howo Group, and its focus on sourcing quality diesel, spare parts, and other essential supplies, are integral to its success in the transportation sector. By prioritizing reliability, efficiency, and customer satisfaction in its procurement practices, Kitanyoe Group reinforces its position as a leading logistics provider in East and Central Africa, poised for continued growth and success in the years to come.

2.8 Customers

Kitanyoe Group Company Ltd serves a diverse range of clients across East and Central Africa, providing them with reliable and efficient transportation solutions tailored to their specific needs. Among its esteemed clientele are prominent companies in various industries, including cement production, construction, and manufacturing. Notable customers include Fortune Cement, Twiga Cement, Burundi Cement Company, and Sayona Cement Malawi, among others. By catering to the transportation needs of these esteemed clients, Kitanyoe Group plays a vital role in facilitating trade and commerce across the region, contributing to economic growth and development.

The company's commitment to excellence, reliability, and customer satisfaction has earned it the trust and loyalty of its clients, who rely on Kitanyoe Group to ensure the timely and secure delivery of their goods. With a fleet of modern trucks and a team of skilled professionals, Kitanyoe Group consistently meets and exceeds the expectations of its customers, delivering value-added services that enhance their operational efficiency and competitiveness in the market. By fostering long-term partnerships and understanding the unique requirements of each client, Kitanyoe Group remains dedicated to delivering personalized solutions that drive mutual success and prosperity. Furthermore, as Kitanyoe Group continues to expand its operations and enhance its service offerings, it remains committed to building enduring relationships with both existing and prospective customers. Through ongoing communication, collaboration, and innovation, the company seeks to anticipate and respond to the evolving needs of its clients, ensuring that it remains their preferred transportation partner of choice. With a customer-centric approach and a focus on delivering superior value, Kitanyoe Group is well-positioned to sustain its growth trajectory and solidify its reputation as a trusted leader in the transportation industry.

3 MARKET ANALYSIS SUMMARY

3.1 Overview of Tanzanian Transportation Sector

The Tanzanian transportation sector, overseen by the Land Transport Regulatory Authority (LATRA), experienced significant developments in 2022. With a notable increase of 9.6% in the issuance of transport licenses compared to the previous year, the industry showcased signs of growth and expansion. Particularly noteworthy was the surge in licenses issued for motorcycles and motor-tricycles, indicating a rising demand for these modes of transport. However, this positive trend was counterbalanced by a decline in licenses issued to commuter buses, signaling challenges within the sector, including accidents and wear and tear on vehicles.

Despite the overall growth in transport licenses, road safety remains a critical concern in Tanzania. The sector witnessed a marked increase in road accidents associated with both passenger and cargo transportation vehicles, reflecting the urgent need for stricter enforcement of safety regulations. This rise in accidents underscores the importance of prioritizing measures to enhance road safety standards and mitigate risks within the transportation industry. Effective enforcement of safety protocols and regulations is imperative to ensure the well-being of both passengers and cargo, as well as to maintain the integrity of the transportation infrastructure.

Amidst these challenges, the Tanzanian transportation sector continues to offer promising opportunities for marketability and growth. Despite setbacks, the sector's resilience and adaptability are evident, with ongoing investments and initiatives aimed at addressing key issues such as road safety. As the country's population grows and urbanization accelerates, the demand for efficient and reliable transportation services is expected to rise further. Strategic planning and concerted efforts to address regulatory challenges and improve safety standards will be crucial in unlocking the full potential of Tanzania's transportation industry and fostering sustainable growth in the years to come.

3.2 Marketability of Transportation Industry in Tanzania

The transportation industry in Tanzania is poised for substantial growth and marketability, supported by key factors such as population growth, urbanization, and increased trade activities. According to the Quarterly Gross Domestic Product (GDP) data, the transport and storage sector has consistently contributed a significant share to the total GDP. In March 2022, this sector accounted for 6.7% of the total GDP, maintaining this share through June and September. However, there was a slight decline observed in December 2022, with the share dropping to 6.2%.

Subsequent quarters saw fluctuations, with an increase to 6.4% in March 2023, a significant rise to 7.4% in June 2023, and further growth to 7.9% in September 2023. These figures underscore the importance of the transport and storage sector in driving economic growth and reflect its resilience and adaptability to changing market conditions.

Despite challenges such as road accidents and regulatory issues, the sector remains attractive to investors, as evidenced by the growing number of transport licenses issued by the Land Transport Regulatory Authority (LATRA). With a diverse range of transportation needs, including cargo and passenger transport, the market offers ample opportunities for growth and expansion. However, to fully capitalize on these opportunities, stakeholders must effectively manage risks, adhere to safety standards, and strategically plan their operations.

Success in the Tanzanian transportation industry hinges on proactive risk management, regulatory compliance, and strategic planning. By implementing robust safety protocols, investing in modern infrastructure and technology, and fostering strategic partnerships, companies can position themselves for long-term success and contribute to the growth and development of the Tanzanian transportation sector.

3.3 Marketing Strategies for Kitanyoe Group company Limited:

Kitanyoe Group Company Limited recognizes the importance of strategic marketing initiatives to establish its presence and attract customers in the competitive Tanzanian transportation industry. Leveraging a multi-faceted approach, the company aims to effectively reach its target audience and drive business growth.

First and foremost, Kitanyoe Group will focus on building a strong brand identity that resonates with its target market. This will involve developing a compelling brand narrative that highlights the company's commitment to reliability, efficiency, and customer satisfaction. By emphasizing its core values and unique selling propositions, Kitanyoe Group aims to differentiate itself from competitors and foster brand loyalty among customers.

In addition to brand-building efforts, Kitanyoe Group will implement targeted marketing campaigns across various channels to reach potential customers effectively. This includes both traditional and digital marketing tactics, such as print advertisements, radio spots, social media marketing, and search engine optimization (SEO). By utilizing a mix of offline and online channels, the company aims to maximize its reach and engage with customers at every touchpoint.

Furthermore, Kitanyoe Group will prioritize customer relationship management (CRM) to cultivate long-term partnerships and repeat business. This involves providing exceptional customer service, promptly addressing inquiries and concerns, and maintaining open lines of communication with clients. By prioritizing customer satisfaction and building strong relationships, Kitanyoe Group aims to foster loyalty and secure a steady stream of business in the competitive Tanzanian transportation market.

Pricing Strategy:

Kitanyoe Group Company Limited's print strategy involves deploying print advertisements in newspapers and magazines targeting its desired audience, emphasizing key services and competitive advantages to spur interest. Additionally, the company will utilize print collateral like brochures and business cards distributed at trade shows and networking events to provide detailed information about its offerings. Seeking collaborations with relevant publications and industry organizations will further amplify Kitanyoe's visibility and credibility, positioning it as a leader in the Tanzanian transportation sector. Through these print media initiatives, Kitanyoe aims to effectively communicate its value proposition and expand its customer base in the competitive market landscape.

Distribution Channels:

Kitanyoe Group Company Limited's distribution strategy encompasses establishing strategic partnerships with logistics companies and wholesalers to ensure efficient and widespread delivery of its transportation services. Leveraging its network of partners, Kitanyoe will optimize route planning and logistics management to reach customers across East and Central Africa promptly. Additionally, the company will invest in establishing distribution centers strategically located near major transportation hubs to streamline operations and minimize delivery times. By prioritizing partnerships and infrastructure investments, Kitanyoe aims to enhance its distribution capabilities and provide seamless and reliable transportation services to its clients, thereby solidifying its position in the market.

Promotional Strategies:

Kitanyoe Group Company Limited's promotion strategy revolves around a multi-channel approach aimed at maximizing brand visibility and attracting potential clients. Utilizing digital marketing platforms, traditional advertising channels, and targeted promotional events, the company will showcase its reliable and efficient transportation services to a wide audience. Moreover, Kitanyoe will leverage social media platforms, industry-specific publications, and participation in trade shows and exhibitions to engage with key stakeholders and showcase its competitive advantages. By implementing an integrated promotion strategy, Kitanyoe aims to increase brand awareness, generate leads, and ultimately drive business growth in the East and Central African transportation market.

3.4 Competition Analysis

The competitive landscape in the Tanzanian transportation industry is indeed populated by numerous key players, each offering unique services and catering to specific market segments. Among these competitors are Transcargo Haulage Contractors, Arusha Freight & Transport Agency Ltd (AFTA), Bhanji Transport LTD, Jones Logistics Limited, Labedan Insurance Brokers, Sino Logistics Co Ltd, Primefuels Tanzania, TNT Express Tanzania, Arusha Travel Agency, Geamos Company (LTD), A.K Transport Co. LTD, Destination Tanzania Cargo Logistics, SAS Logistics LTD, Continental Reliable Clearing (Tanzania) Co. Ltd, Ostrich Transport & Logistic Company Ltd., AGS International Movers Tanzania, Dar Es Salaam Merzario Tanzania Limited, and Integrity Logistics Tanzania Limited.

In navigating this competitive environment, Kitanyoe Group company Limited is committed to implementing strategic initiatives aimed at differentiation and innovation. Recognizing the diversity and specialization of competitors, Kitanyoe Group seeks to establish its unique value proposition by focusing on reliability, efficiency, and customer satisfaction. Through strategic partnerships and leveraging advanced technologies, the company aims to enhance operational excellence and address the evolving needs of its target market segments. Moreover, Kitanyoe Group prioritizes employee training, safety, and compliance to build trust and credibility among its customers, thus gaining a competitive edge in the market.

Furthermore, Kitanyoe Group acknowledges the importance of targeted marketing and market segmentation to effectively position itself against established competitors. By identifying underserved segments and tailoring its services to meet their specific needs, the company aims to carve out a distinct niche in the competitive landscape. With a focus on continuous

improvement and customer-centric strategies, Kitanyoe Group is poised to not only survive but thrive amidst competition, ultimately emerging as a leading player in the Tanzanian transportation industry.

4 OPERATIONAL PLAN

4.1 Infrastructure and Facilities

Kitanyoe Group Company Limited acknowledges the fundamental role of infrastructure in optimizing operational efficiency and meeting customer demands. As part of its operational plan, the company is committed to investing in cutting-edge facilities, including warehouses, distribution centers, and maintenance depots strategically positioned in key transportation hubs throughout Tanzania. These facilities will be outfitted with the latest technology and equipment to facilitate smooth operations and ensure the swift handling of goods. By prioritizing the development of modern infrastructure, Kitanyoe Group aims to bolster its logistical capabilities, improve service quality, and maintain a competitive edge in the market.

Furthermore, Kitanyoe Group recognizes the significance of establishing a robust transportation network to support its operations effectively. The company will focus on building an extensive network of transportation routes that span various regions, enabling efficient connectivity and seamless movement of cargo. By optimizing route planning and leveraging logistical insights, Kitanyoe Group endeavors to minimize transit times, reduce transportation costs, and enhance overall supply chain efficiency. Through strategic infrastructure investments and the expansion of its transportation network, the company aims to reinforce its position as a reliable and preferred logistics provider, catering to the evolving needs of its clientele across Tanzania and beyond.

4.2 Fleet Management

Kitanyoe Group Company Limited recognizes the critical importance of effective fleet management in achieving its operational goals and delivering reliable transportation services. As part of its expansion strategy, the company is set to acquire 300 trucks over the next three years, highlighting the need for robust fleet management practices. Central to this approach is the implementation of regular maintenance schedules tailored to each vehicle's requirements. By conducting routine inspections, servicing, and repairs in accordance with manufacturer recommendations and industry standards, Kitanyoe Group aims to ensure the reliability and longevity of its fleet while minimizing the risk of unexpected breakdowns.

In addition to scheduled maintenance, Kitanyoe Group will deploy advanced fleet tracking systems to enable real-time monitoring of its vehicles. Leveraging GPS technology and telematics solutions, the company will have immediate visibility into the location, speed, and condition of each truck in its fleet. This real-time tracking capability facilitates proactive management of

operations, allowing Kitanyoe Group to optimize route planning, respond promptly to emergencies or delays, and enhance overall fleet efficiency. By harnessing the power of real-time data, the company can make informed decisions, improve resource allocation, and deliver superior service to its customers.

Furthermore, Kitanyoe Group recognizes the importance of investing in driver training programs to promote safe and efficient driving practices. Comprehensive training initiatives will be implemented to educate drivers on defensive driving techniques, vehicle handling procedures, and compliance with traffic regulations. By empowering its drivers with the necessary skills and knowledge, Kitanyoe Group aims to enhance road safety, minimize the risk of accidents, and protect both personnel and assets. Through continuous training and performance monitoring, the company strives to maintain a culture of safety and professionalism across its fleet operations.

Overall, Kitanyoe Group's commitment to effective fleet management underscores its dedication to operational excellence and customer satisfaction. By prioritizing regular maintenance, deploying advanced tracking systems, and investing in driver training, the company seeks to optimize fleet performance, minimize operational disruptions, and achieve its business objectives in the competitive Tanzanian transportation industry. Through proactive management and strategic investments, Kitanyoe Group aims to position itself as a leader in the market, delivering reliable and efficient transportation solutions to its clientele.

4.3 Supply Chain Management

Efficient supply chain management is crucial for Kitanyoe Group to effectively meet customer demand and deliver superior service. The company's operational plan includes the implementation of robust supply chain management practices, encompassing procurement, inventory management, and logistics coordination. Kitanyoe Group will establish strategic partnerships with reliable suppliers and vendors to ensure a steady and cost-effective supply of fuel, spare parts, and other essential resources. Furthermore, the company will leverage technology and data analytics to optimize inventory levels, minimize stockouts, and streamline logistics processes, ultimately enhancing overall supply chain efficiency and responsiveness.

4.4 Quality Control and Safety Measures

Kitanyoe Group's dedication to excellence encompasses a steadfast commitment to maintaining rigorous quality control and safety measures across all facets of its operations. With a firm adherence to stringent quality standards and regulatory guidelines, the company is poised to uphold the integrity and dependability of its services. By implementing comprehensive inspection protocols for vehicles, goods, and facilities, Kitanyoe Group ensures that all aspects of its operations meet or exceed industry benchmarks for quality and safety. Moreover, the company remains proactive in adopting industry best practices to enhance safety and compliance, further reinforcing its reputation as a trusted and reliable logistics partner.

In addition to adhering to regulatory requirements, Kitanyoe Group prioritizes employee training and development initiatives aimed at fostering a culture of safety consciousness and continuous improvement. Through comprehensive training programs, employees are equipped with the necessary knowledge and skills to identify and mitigate potential safety hazards effectively. By instilling a strong safety culture within its workforce, Kitanyoe Group not only ensures the well-being of its employees but also minimizes risks to stakeholders and enhances overall operational efficiency. By prioritizing quality control and safety measures, Kitanyoe Group reaffirms its commitment to delivering exceptional service while safeguarding the interests of its customers, employees, and the broader community.

4.5 Operational Efficiency and Continuous Improvement

Continuous improvement is at the core of Kitanyoe Group's operational philosophy. The company is committed to enhancing operational efficiency, reducing costs, and optimizing processes through ongoing evaluation and refinement. This involves regular performance reviews, data analysis, and feedback mechanisms to identify areas for improvement and implement targeted solutions. By embracing a culture of innovation and continuous learning, Kitanyoe Group aims to stay ahead of the competition, adapt to changing market dynamics, and drive long-term success in the Tanzanian transportation industry.

5 KITANYOE GROUP COMPANY LIMITED MANAGEMENT

Kitanyoe Group Company Limited maintains a robust management structure that underscores its commitment to corporate governance and operational excellence. The company places significant emphasis on ensuring a professional organizational framework with stringent internal controls and effective oversight mechanisms. By prioritizing corporate governance practices, Kitanyoe Group aims to foster transparency, accountability, and ethical conduct across all facets of its operations.

At the core of Kitanyoe Group's management philosophy is a dedication to cultivating a culture of collaboration, innovation, and continuous improvement. The management team works cohesively to steer the company towards its strategic goals and objectives while adhering to the highest standards of integrity and professionalism. Through proactive leadership and strategic decision-making, the management team strives to optimize organizational performance, drive sustainable growth, and create long-term value for shareholders and stakeholders.

Furthermore, Kitanyoe Group recognizes the importance of fostering strong relationships with external stakeholders, including regulatory bodies, industry partners, and the local community. By engaging with external stakeholders in a transparent and collaborative manner, the company seeks to build trust, mitigate risks, and identify opportunities for mutual growth and development. This holistic approach to stakeholder management enables Kitanyoe Group to navigate the dynamic business landscape effectively, adapt to changing market conditions, and maintain its competitive edge in the transportation industry.

5.1 Management Profile

At the helm of Kitanyoe Group Company Limited is Hilary Gerson Ngowi, an industry veteran with over 19 years of experience in the transportation sector. Under his leadership, Kitanyoe Group has flourished, expanding its footprint and solidifying its position as a trusted provider of logistics solutions in Tanzania and beyond.

Supported by a team of seasoned professionals across various functional areas, Hilary Gerson Ngowi oversees the day-to-day operations and strategic direction of the company. His extensive industry knowledge, coupled with a visionary leadership style, has been instrumental in driving the company's growth trajectory and fostering a culture of excellence within the organization.

Committed to corporate governance and best practices, Kitanyoe Group under Hilary Gerson Ngowi's stewardship ensures a professional organizational structure with robust internal controls. By prioritizing transparency, accountability, and ethical conduct, the management team upholds the highest standards of integrity and strives to maintain the trust and confidence of stakeholders.

Beyond his role as Managing Director, Hilary Gerson Ngowi is deeply involved in fostering employee development and engagement, recognizing the pivotal role of human capital in achieving organizational success. Through mentorship, training programs, and empowerment initiatives, he cultivates a high-performance culture that encourages innovation, collaboration, and continuous learning.

In essence, Kitanyoe Group's management profile epitomizes a blend of seasoned leadership, industry expertise, and a commitment to excellence. With Hilary Gerson Ngowi at the helm, backed by a talented and dedicated team, the company is poised to navigate challenges, seize opportunities, and sustain its trajectory of growth and success in the competitive transportation landscape.

5.2 Organization Structure

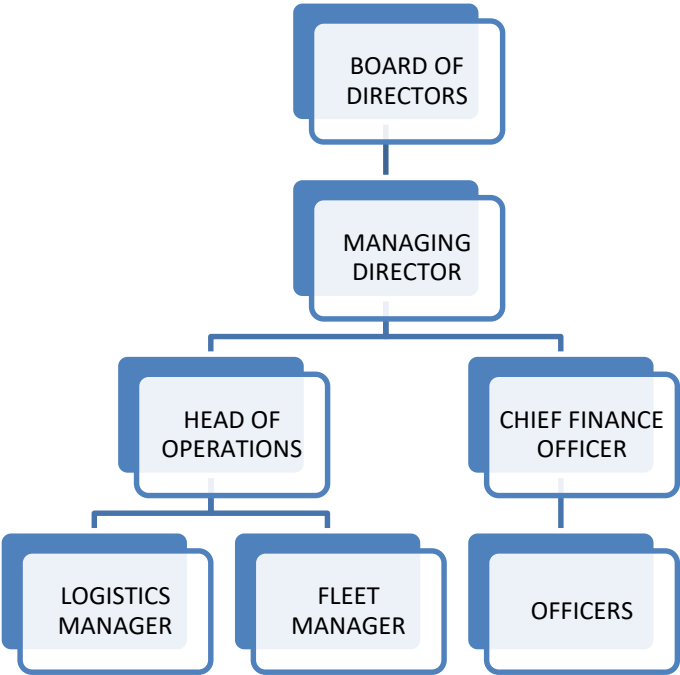
Kitanyoe Group Company Limited operates under a well-defined organizational structure that facilitates efficient management and coordination of key functions. At the apex of the hierarchy is the Board of Directors, led by Mr. Hilary G. Ngowi, serving as the Chairman, with Mr. Gift G. Ngowi as Director/Secretary, and Mr. Edith H. Ngowi as Director. Below the Board of Directors is the Managing Director (MD), who assumes overall leadership responsibilities, setting strategic direction, and ensuring the company's adherence to its mission and vision.

Directly reporting to the Managing Director are two pivotal departments: Finance and Operations. The Finance department, overseen by the Chief Finance Officer (CFO), handles all financial matters, including accounting, budgeting, financial planning, and administration. Moreover, the Finance department manages payroll processing, ensuring accuracy and efficiency in employee compensation management.

Within the Operations department, two managerial roles play crucial roles: the Fleet Manager and the Logistics Manager. The Fleet Manager is tasked with maintaining the optimal performance of the company's fleet of trucks. This involves scheduling regular maintenance, monitoring vehicle conditions, and coordinating repairs to uphold operational efficiency. Additionally, the Fleet Manager tracks the location and operational status of each truck, ensuring smooth operations.

Conversely, the Logistics Manager oversees a spectrum of activities related to efficient goods and materials movement. This encompasses devising marketing strategies to attract clients, procuring necessary resources, and managing the overall logistics process. The Logistics Manager collaborates closely with clients, suppliers, and stakeholders to ensure seamless service delivery, emphasizing timeliness and reliability.

This streamlined organizational structure fosters clear lines of authority and accountability within Kitanyoe Group Company Limited. By delineating roles and responsibilities across departments, the company promotes operational efficiency, coordination, and teamwork. Each department and managerial role contributes to the company's overarching objectives, collectively working towards delivering value to clients and sustaining the company's growth and success.



5.3 Kitanyoe Group Succession Plan

Kitanyoe Group Company Limited recognizes the importance of succession planning to ensure continuity, stability, and sustained growth within the organization. As part of its commitment to effective corporate governance and long-term sustainability, the company has developed a comprehensive succession plan to address key leadership positions and critical roles across various departments.

The succession plan outlines a systematic approach to identify, develop, and prepare potential successors for leadership roles within the company. It involves the assessment of existing talent pools, identification of high-potential employees, and the implementation of targeted development programs to groom individuals for future leadership positions.

Moreover, Kitanyoe Group emphasizes the importance of nurturing a culture of mentorship and knowledge transfer to facilitate smooth transitions and ensure the seamless transfer of responsibilities from outgoing leaders to their successors. This approach not only mitigates the risks associated with leadership vacancies but also fosters career development opportunities for employees, thereby enhancing overall organizational resilience and agility.

By proactively planning for leadership transitions, Kitanyoe Group aims to minimize disruptions, maintain operational continuity, and preserve the company's values, vision, and strategic direction over the long term. The succession plan reflects the company's commitment to building a strong and capable leadership pipeline capable of driving innovation, growth, and success in the ever-evolving business landscape.

5.4 Employment Creation

Kitanyoe Group Company Limited's commitment to fostering job opportunities is evident in its strategic plan for significant workforce expansion over the next five years. At present, the company has a dedicated team of 16 individuals, encompassing drivers, assistants, technicians, and administrative staff. However, recognizing the need for expansion to support its growing operations, Kitanyoe Group is poised for substantial growth in its employee base. Projections indicate a planned increase in staffing levels across various departments, with the aim of bolstering the company's capacity to meet rising demands and enhance service delivery.

Looking forward, Kitanyoe Group anticipates a noteworthy expansion of its administrative staff, technicians, drivers, and truck assistants, reflecting its commitment to creating job opportunities and fostering economic growth. The planned workforce expansion includes an increase in administrative staff to nine individuals, technicians to 15, drivers to 350, and truck assistants to 312, resulting in a projected total workforce of 686 employees. By strategically expanding its team, Kitanyoe Group aims to not only meet the demands of its growing operations but also contribute to job creation and socioeconomic development in Tanzania.

This strategic initiative underscores Kitanyoe Group's dedication to supporting Tanzania's economy by providing meaningful employment opportunities. By expanding its workforce across various departments, the company aims to enhance operational efficiency, service quality, and customer satisfaction. Moreover, the planned increase in employment aligns with Kitanyoe Group's long-term vision of becoming a leading player in the transportation sector while simultaneously making a positive impact on the communities it serves.

6 FINANCIAL PLANS AND PROJECTIONS

In our financial plan, we anticipate a year of steady profit growth, with profitability directly influencing our loan repayment strategy. We have allocated ample investment to encompass the expenses associated with borrowing, including both interest and principal repayments, as well as operational costs and any additional liabilities incurred by the business, such as tax obligations.

6.1 Historical Financial Performance

According to the audited financial statements, Kitanyoe Group Company Limited experienced significant growth in sales over the period from 2020 to 2022, with sales increasing by 238.3 million Tanzanian Shillings during this timeframe. This growth reflects the company's expanding market presence and increasing demand for its products or services.

Additionally, there was a substantial increase in total assets from 61.3 million Tanzanian Shillings in 2020 to 691.4 million Tanzanian Shillings in 2022. This remarkable surge in assets indicates the company's successful efforts in expanding its asset base, which could be attributed to investments in new equipment, infrastructure, and other resources to support its operations.

It is noteworthy that the increase in total assets was primarily financed by debt, with the company securing 648.7 million Tanzanian Shillings in debt financing by 2022. This suggests that Kitanyoe Group utilized debt as a strategic tool to fuel its growth and expansion initiatives, leveraging external funding to support its investment in assets and drive business growth.

Overall, the financial analysis indicates that Kitanyoe Group Company Limited has experienced robust growth in both sales and total assets over the analyzed period, with prudent utilization of debt financing to support its expansion objectives and strengthen its financial position.

6.2 Financing Plan

Our financing plan underscores a prudent approach to capital management, prioritizing internal funding while remaining open to debt financing options, both domestically and internationally. Kitanyoe Group Company Limited anticipates utilizing its internal resources to meet a significant portion of its financial requirements. However, in the event that internal funds are exhausted or insufficient to support our growth initiatives, we will strategically leverage debt financing, with a focus on local and international sources, notably from China.

The proposed debt financing will be structured to ensure that it complements our capital structure without unduly burdening the company. Kitanyoe Group is committed to maintaining a balanced financial position, and as such, the proposed debt will not exceed 35% of our capital structure. This conservative approach mitigates financial risk while providing the necessary flexibility to access external funding for strategic investments, operational needs, and expansion projects.

By judiciously managing our debt levels and adhering to prudent financial practices, Kitanyoe Group aims to optimize its capital structure while minimizing financial costs and risks. The utilization of internal funding as the primary source of capital underscores our confidence in the company's financial stability and growth prospects. Concurrently, the strategic use of debt financing ensures that we can capitalize on opportunities for expansion and value creation while maintaining a sustainable financial position over the long term.

6.3 Implementation Strategy

The implementation strategy of Kitanyoe Group Company Limited is meticulously designed to ensure the effective execution of our business plans and the achievement of our strategic objectives. At the core of our strategy is a phased approach that emphasizes clear goals, robust project management, and continuous monitoring and evaluation.

First and foremost, we will establish a dedicated implementation team comprising key stakeholders from various departments within the company. This team will be responsible for overseeing the execution of our initiatives, ensuring alignment with our overall business strategy, and addressing any challenges that may arise during the implementation process.

Our implementation strategy will be divided into distinct phases, each with its specific milestones and deliverables. We will prioritize high-impact projects that offer quick wins while also laying the foundation for long-term success. By breaking down our implementation plan into manageable stages, we can maintain focus, manage resources efficiently, and adapt to changing market dynamics as needed.

Furthermore, effective communication and collaboration will be paramount throughout the implementation process. We will foster a culture of transparency and accountability, ensuring that all team members are aligned with our strategic objectives and empowered to contribute their expertise towards achieving our goals.

Continuous monitoring and evaluation will be integral to our implementation strategy, allowing us to track progress, identify areas for improvement, and make timely adjustments as necessary. Regular reviews and performance assessments will enable us to measure the effectiveness of our initiatives and ensure that we remain on track to meet our targets.

Overall, our implementation strategy is designed to facilitate the smooth execution of our business plans, optimize resource allocation, and drive sustainable growth and success for Kitanyoe Group Company Limited. Through diligent planning, proactive management, and a focus on continuous improvement, we are confident in our ability to realize our vision and deliver value to our stakeholders.

6.4 Financial Projections

6.4.1 General Assumptions

In forecasting the financial performance of Kitanyoe Group Company Limited, we have made several key assumptions to underpin our analysis. These assumptions cover various economic and operational factors and serve as the foundation for projecting the company's financial outlook over the next five years.

Firstly, we assume a stable inflation rate of 3% annually throughout the forecast period. This assumption allows us to anticipate potential changes in purchasing power and estimate future cost increases accurately.

Secondly, GDP growth is expected to show a consistent upward trend, starting at 5% in the baseline year and gradually increasing to 7% by the fifth year. This assumption reflects our anticipation of economic expansion and its impact on the company's revenue growth trajectory.

Thirdly, we project a depreciation rate of 2% annually for the exchange rate between the US dollar (USD) and Tanzanian shilling (TZS). This assumption considers potential fluctuations in exchange rates and their influence on import costs and revenue from international transactions.

Additionally, we maintain a constant corporate tax rate of 30% throughout the forecast period to estimate the company's tax obligations accurately and assess their impact on net income.

Furthermore, we anticipate a steady growth in the company's fleet size, from 5 trucks in the baseline year to 300 by the fifth year, with a fleet utilization rate of 90%. These assumptions reflect our expectations of efficient asset utilization to generate revenue.

Finally, various operational parameters, including the number of trips per truck per month, revenue per trip, direct labor costs, fuel expenses, fees, vehicle maintenance costs, and indirect expenses, have been estimated based on historical data and industry benchmarks.

By incorporating these assumptions into our financial model, we aim to provide a comprehensive understanding of Kitanyoe Group's future financial performance. These assumptions serve as a guide for assessing potential scenarios, identifying risks and opportunities, and making informed strategic decisions to drive the company's growth and success.

S/N	General Assumptions	Base lIne	Year 1	Year 2	Year 3	Year 4	Year 5
1	Inflation	3%	3%	3%	3%	3%	3%
2	GDP Growth	5%	6%	6%	7%	7%	7%
3	Exchange Rate USD/TZS (Depeiciation 2%)	2,560	2,611	2,663	2,717	2,771	2,826
4	Tax	30%	30%	30%	30%	30%	30%
5	Number of Tracks	5	85	175	265	300	300
6	Fleet Utilization Rate	90%	90%	90%	90%	90%	90%
7	Number of Trip/Month/Track	3	3	3	3	3	3
8	Revenue Per trip	5,000,000	5,150,000	5,304,500	5,463,635	5,627,544	5,796,370
9	Direct Labour Per trip 300k Driver 200k assistant	500,000	515,000	530,450	546,364	562,754	579,637
10	Fuel per Trip	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	2,318,548
11	Fees and other Charges	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274
12	Vehicle Maintenance per track pa	3,000,000	3,090,000	3,182,700	3,278,181	3,376,526	3,477,822
13	Indirect Cost Assumptions Per Month						
	Administrative Expenses	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741
	Marketing and Advertising	400,000	412,000	424,360	437,091	450,204	463,710
	Licensing and Permits	330,000	339,900	350,097	360,600	371,418	382,560
	IT Infrastructure	150,000	154,500	159,135	163,909	168,826	173,891
	Miscellaneous Expenses	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274

6.4.2 Income Statement Projections

The projected income statement for Kitanyoe Group Company Limited outlines the anticipated financial performance over the next five years. Sales revenues are expected to witness a substantial increase from TZS 14.18 billion in Year 1 to TZS 56.34 billion in Year 5. This growth trajectory reflects the company's strategic initiatives to expand its operations and capture a larger market share in the transportation industry.

Cost of goods sold comprises various expenses, including direct labor, fuel per trip, fees and other charges, and vehicle maintenance. Despite the increase in sales revenues, the cost of goods sold also rises, albeit at a slower pace, resulting in a steady growth in gross profit over the forecast

period. Gross profit is projected to reach TZS 22.04 billion by Year 5, indicating healthy margins and operational efficiency.

Operating expenses, including administrative expenses, marketing and promotion, training and development, IT infrastructure, and miscellaneous expenses, are anticipated to rise gradually as the company scales up its operations. However, these expenses are carefully managed to ensure sustainable growth and profitability.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) reflects the company's operational earnings, showing a positive trend throughout the forecast period. Similarly, EBIT (Earnings Before Interest and Taxes) demonstrates robust profitability, indicating the company's ability to generate consistent earnings from its core operations.

After accounting for loan interest and corporate tax obligations, earnings after tax (EAT) are projected to increase steadily, reaching TZS 12.63 billion by Year 5. This signifies the company's ability to generate sustainable profits and create long-term value for its stakeholders. Overall, the income statement projections highlight Kitanyoe Group's sound financial performance and its potential for continued growth and success in the future.

PROJECTED INCOME STATEMENT

YEAR	TZS 1000				
	Year 1	Year 2	Year 3	Year 4	Year 5
SALES REVENUES					
Revenue	14,183,100	30,076,515	46,910,770	54,699,728	56,340,720
Less: Cost of Goods sold					
Direct Labour	1,418,310	113,098	126,896	142,377	145,224
Fuel per Trip	5,673,240	12,030,606	18,764,308	21,879,891	22,536,288
Fees and other Charges	2,836,620	6,015,303	9,382,154	10,939,946	11,268,144
Vehicle Maintenance	87,550	185,658	289,573	337,653	347,782
Subtotal	10,015,720	18,344,664	28,562,930	33,299,866	34,297,439
Gross profit	4,167,380	11,731,851	18,347,840	21,399,862	22,043,281
Less: Selling costs and operating overheads					
Administrative Expenses	123,600	127,308	131,127	135,061	139,113
Marketing and Promotion	4,944	5,092	5,245	5,402	5,565
Training and Development	4,079	4,201	4,327	4,457	4,591
IT Infrastructure	1,854	1,910	1,967	2,026	2,087
Miscellaneous Expenses	12,360	12,731	13,113	13,506	13,911
Subtotal	146,837	151,242	155,779	160,453	165,266
EBITDA	4,020,543	11,580,609	18,192,061	21,239,409	21,878,015
Less: Depreciation	261,114	1,429,627	2,629,245	3,706,478	3,800,837
EBIT	3,759,429	10,150,982	15,562,816	17,532,931	18,077,178
Less: Loan interest	46,649	40,818	35,716	31,251	27,345
EARNINGS BEFORE TAX (EBT)	3,712,780	10,110,165	15,527,100	17,501,680	18,049,833
Less: Corporation tax	1,113,834.14	3,033,049.38	4,658,129.99	5,250,504.09	5,414,950.03
EARNINGS AFTER TAX (EAT)	2,598,946	7,077,115	10,868,970	12,251,176	12,634,883
Profit / Loss brought fwd	90,307	2,689,254	9,766,369	20,635,339	32,886,515
PROFIT / (LOSS) C/FWD	2,689,254	9,766,369	20,635,339	32,886,515	45,521,399

6.4.3 Projected Statement of Financial Position

The projected statement of financial position offers a glimpse into Kitanyoe Group's financial trajectory over the next five years. It outlines the expected evolution of key financial metrics, notably net fixed assets and current assets. The figures reveal a planned increase in net fixed assets from TZS 11,437,013,000 in Year 1 to TZS 26,605,861,000 in Year 5, indicative of strategic investments in the company's asset base to support its growth initiatives. Concurrently, the

projection illustrates fluctuations in current assets, including cash reserves, which are forecasted to reach TZS 32,915,538,000 by Year 5, reflecting the company's changing liquidity position as it navigates various operational and investment activities.

In terms of capital structure, the total capital employed, comprising shareholders' funds and revenue reserves, is anticipated to undergo significant growth throughout the forecast period. Starting at TZS 16,689,254,000 in Year 1, the total capital employed is projected to soar to TZS 59,521,399,000 by Year 5. This substantial increase underscores Kitanyoe Group's concerted efforts to accumulate financial resources for future operations, expansion initiatives, and potential contingencies. By bolstering its capital base, the company aims to fortify its financial resilience and enhance its capacity to seize emerging opportunities in the market.

Overall, the projected statement of financial position provides valuable insights into Kitanyoe Group's financial health and strategic direction. It showcases the company's proactive approach to managing its assets, liquidity, and capital structure as it strives to achieve its long-term objectives. Through prudent financial planning and disciplined execution, Kitanyoe Group aims to position itself for sustained growth, profitability, and value creation in the dynamic business landscape of Tanzania and beyond.

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Net Fixed assets	11,437,013	21,033,962	29,651,823	30,406,698	26,605,861
Current assets					
Cash	5,252,241	2,732,407	4,983,516	16,479,817	32,915,538
Total Capital Employed	16,689,254	23,766,369	34,635,339	46,886,515	59,521,399
Financed by					
Shareholders Funds					
Equity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Directors Contribution	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Revenue reserves	2,689,254	9,766,369	20,635,339	32,886,515	45,521,399
Subtotal	16,689,254	23,766,369	34,635,339	46,886,515	59,521,399
Total Employment of Capital	16,689,254	23,766,369	34,635,339	46,886,515	59,521,399

6.4.4 Projected Cash Flows

In the projected cash flows, Kitanyoe Group anticipates a steady increase in revenue over the next five years, with sales expected to reach TZS 56,340,720,000 by Year 5. This growth trajectory reflects the company's strategic initiatives aimed at expanding its market presence and enhancing customer engagement. The substantial revenue projections underscore Kitanyoe's promising prospects in capturing market share and driving sustainable business growth.

On the flip side, the cash outflows consist of various direct costs and operational expenses, totaling TZS 34,297,439,000 by Year 5. These include direct labor, fuel per trip, fees, vehicle maintenance, and other operating costs essential for sustaining day-to-day operations. Despite the significant outflows, Kitanyoe Group's meticulous financial planning ensures the efficient allocation of resources to maximize operational efficiency and profitability.

Moreover, the projected cash flows highlight the company's commitment to prudent financial management, as evidenced by the strategic allocation of funds for loan repayments and capital expenditures. Loan repayments, including interest costs and tax obligations, are projected to amount to TZS 5,607,561,000 in Year 5. This demonstrates Kitanyoe's dedication to fulfilling its financial obligations and maintaining a healthy balance between debt servicing and business growth.

Furthermore, Kitanyoe Group's investment in capital expenditures underscores its focus on long-term sustainability and infrastructure development. With TZS 9,609,216,000 allocated to capital expenditures in Year 1, the company aims to enhance its operational capabilities, improve efficiency, and capitalize on emerging market opportunities. These investments signify Kitanyoe's proactive approach to strengthening its competitive position and driving future growth.

Overall, the projected cash flows paint a comprehensive picture of Kitanyoe Group's financial outlook, showcasing its robust revenue generation capabilities, prudent cost management practices, and strategic investment decisions. With a positive net cash flow of TZS 16,435,721,000 projected for Year 5, Kitanyoe is well-positioned to navigate market dynamics, pursue expansion initiatives, and deliver sustainable value to its stakeholders.

PROJECTED CASH FLOWS

YEAR	TZS 1000				
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash in Flows					
Revenue	14,183,100	30,076,515	46,910,770	54,699,728	56,340,720
Directors Contribution	12,000,000				
Total Inflows	26,183,100	30,076,515	46,910,770	54,699,728	56,340,720
Direct Costs					
Direct Labour	1,418,310	113,098	126,896	142,377	145,224
Fuel per Trip	5,673,240	12,030,606	18,764,308	21,879,891	22,536,288
Fees and other Charges	2,836,620	6,015,303	9,382,154	10,939,946	11,268,144
Vehicle Maintenance	87,550	185,658	289,573	337,653	347,782
Subtotal	10,015,720	18,344,664	28,562,930	33,299,866	34,297,439
Operating Costs					
Less: Selling costs and operating overheads					
Administrative Expenses	123,600	127,308	131,127	135,061	139,113
Marketing and Promotion	4,944	5,092	5,245	5,402	5,565
Training and Development	4,079	4,201	4,327	4,457	4,591
IT Infrastructure	1,854	1,910	1,967	2,026	2,087
Contingency Fund	12,360	12,731	13,113	13,506	13,911
Loan Repayment					
Interest Cost	46,649	40,818	35,716	31,251	27,345
Tax	1,113,834	3,033,049	4,658,130	5,250,504	5,414,950
Subtotal	1,307,320	3,225,109	4,849,625	5,442,208	5,607,561
Capex	9,609,216	11,026,575	11,247,107	4,461,352	-
Total Cash Inflows	26,183,100	30,076,515	46,910,770	54,699,728	56,340,720
Total Cash Outflows	20,932,256	32,596,349	44,659,662	43,203,426	39,904,999
Net Cash Flow	5,250,844	(2,519,834)	2,251,108	11,496,302	16,435,721
Opening Cash Fow	1,396.68	5,252,241	2,732,407	4,983,516	16,479,817
Closing Cash Flow	5,252,241	2,732,407	4,983,516	16,479,817	32,915,538

MOVEMENT OF NON CURRENT ASSETS

		TZS 1000					
		Base lIne	Year 1	Year 2	Year 3	Year 4	Year 5
Gross fixed assets							
Tools and Equipment		73,191	73,191	73,191	73,191	73,191	73,191
Furniture and fittings		20,000	20,000	20,000	20,000	20,000	20,000
Motor vehicles		2,619,680	12,228,896	23,255,471	34,502,578	38,963,931	38,963,931
Total		2,712,871	12,322,087	23,348,663	34,595,769	39,057,122	39,057,122
	Rate:						
	%/p.a.						
Annual depreciation							
Tools and Equipment	12.50%		7,044.65	6,164.07	5,393.56	4,719.36	4,129.44
Furniture and fittings	12.50%		1,925.00	1,684.38	1,473.83	1,289.60	1,128.40
Motor vehicles	12.50%		252,144	1,421,778	2,622,378	3,700,469	3,795,579
Total			261,114	1,429,627	2,629,245	3,706,478	3,800,837
Accumulated depreciation							
Tools and Equipment		16,834	23,879	30,043	35,436	40,156	44,285
Furniture and fittings		4,600	6,525	8,209	9,683	10,973	12,101
Motor vehicles		602,526	854,671	2,276,449	4,898,827	8,599,296	12,394,875
Total		623,960	885,074	2,314,701	4,943,946	8,650,424	12,451,261
Net fixed assets							
Tools and Equipment		56,357	49,313	43,148	37,755	33,036	28,906
Furniture and fittings		15,400	13,475	11,791	10,317	9,027	7,899
Motor vehicles		2,017,154	11,374,225	20,979,023	29,603,752	30,364,635	26,569,056
Total		2,088,911	11,437,013	21,033,962	29,651,823	30,406,698	26,605,861

7 EXTERNAL ENVIRONMENT ANALYSIS

7.1 Overview of Tanzania Economy

Tanzania's economic landscape from 2017 to 2022 portrays a mix of growth and stability, marked by fluctuations in key indicators. Real GDP growth remained robust, with figures ranging from 4.7% to 7.0% during this period. However, the nominal GDP growth rate experienced more variability, ranging from 5.1% to 9.6%, reflecting fluctuations in both real growth and inflation. Investment to GDP ratio steadily increased from 30.6% in 2017 to 41.8% in 2022, indicating growing investment activity within the economy. Similarly, the savings to GDP ratio remained relatively stable, hovering around 20% throughout the period.

The slowdown in GDP growth from 2020 to 2022 can be linked to external factors such as the COVID-19 pandemic and geopolitical tensions, notably the Russian-Ukrainian war. These events disrupted global trade, leading to trade troubles, disrupted supply chains, increased fuel costs, and exacerbated scarcity of USD in the market. Despite these challenges, Tanzania's economy exhibited resilience compared to some neighboring countries that experienced even more severe economic downturns during the same period.

The economy's resilience was further evident in its recovery, with the growth rate improving to 5.3% in the third quarter of 2023. This rebound signals a positive trajectory for future economic performance, suggesting that Tanzania is on track to overcome recent adversities. With continued stability and effective policy measures, the economy is expected to strengthen, reclaiming its position of achieving GDP growth rates of 7% and above in the coming years, barring any significant external or global shocks.

Inflation rates, both CPI and GDP deflator, fluctuated moderately over the years. CPI inflation, both at the end of the period and on average, ranged between 3.2% and 5.3%. Meanwhile, GDP deflator inflation fluctuated between 0.7% and 4.0% annually, reflecting varying levels of price stability within the economy. Interest rates showed some volatility, with short-term lending rates ranging from 13.7% to 18.3%, and short-term deposit rates fluctuating between 8.3% and 18.3%. Despite fluctuations, the interest rate spread remained relatively high, ranging from 2.2% to 8.3% over the years.

Monetary indicators demonstrated mixed trends, with M3 and M2 growth rates fluctuating between single digits and double digits. Non-performing loans gradually decreased from 11.5% to 8.4%, indicating improving asset quality in the banking sector. However, the growth of credit to

the private sector exhibited volatility, ranging from 1.7% to 22.5%, reflecting changing lending patterns and economic conditions.

The balance of payments showed varying ratios of exports and imports to GDP, with current account deficits widening over the years. While exports as a percentage of GDP remained relatively stable, imports witnessed more fluctuation. The reserves months of imports fluctuated between 4.6 months and 6.2 months, indicating variations in the country's ability to cover import costs with its foreign reserves.

7.2 Business Environment:

Tanzania's business environment presents an attractive proposition for foreign companies, thanks to its abundant natural resources, well-established infrastructure, and a skilled labor force. These factors, combined with its strategic geographical location, make it a prime destination for investment. Moreover, the country's political stability has been a crucial factor in drawing international companies, with investors favoring Tanzania's peaceful environment and conducive business climate.

In 2021, Tanzania witnessed a notable increase in foreign direct investment (FDI), with a total flow of USD 1,190.5 million compared to USD 943.8 million in 2020, marking a significant rise of 26.1 percent. This rebound in FDI post-COVID-19 was consistent with the global trend, driven by an uptick in mergers and acquisitions, retained earnings of multinational enterprises, and remarkable growth in international project finance.

The sectors that attracted the most significant FDI inflows in Tanzania in 2021 were mining and quarrying, manufacturing, and finance and insurance. These three sectors collectively accounted for approximately 90.8 percent of the total FDI flows during the year. Notably, mining and quarrying received a substantial inflow of USD 596.3 million, albeit slightly lower than in 2020, reflecting continued investor interest in Tanzania's mineral resources. Additionally, manufacturing activities saw a considerable boost, with FDI inflows totaling USD 352.0 million, indicating a strong push towards industrialization and infrastructure projects. Similarly, the finance and insurance sector experienced a significant increase in FDI inflows, reaching USD 132.8 million in 2021, underscoring growing confidence in Tanzania's financial services industry.

7.3 Political Stability:

Tanzania has long been regarded as a bastion of political stability in the region. Since gaining independence in 1961, the country has enjoyed a remarkable period of tranquility, characterized by the absence of civil conflict or major internal strife. Unlike some of its neighbors, Tanzania boasts a unified national identity that transcends ethnic divisions, fostering a sense of solidarity among its citizens.

In 2015, Tanzania underwent a significant political transition with the election of President John Magufuli. His tenure focused on anti-corruption initiatives, infrastructure development, and economic reforms aimed at propelling the nation forward. However, President Magufuli's unexpected passing in 2021 raised concerns about the continuity of this stability and the peaceful transfer of power.

President Samia Suluhu Hassan introduced the concept of the 4Rs as a framework for achieving development in Tanzania. These principles encompass reconciliation, resilience, reforms, and rebuilding. Reconciliation aims to unite various societal groups with differing perspectives on religious, social, political, and economic issues for the collective national interest rather than individual group interests. Resilience involves building the nation's capacity to withstand social, political, and economic challenges by strengthening leadership and the economy. Reforms entail making changes to governance systems, policies, and laws to enhance performance and drive positive transformation, while rebuilding focuses on restoring and improving infrastructure, social services, and the economy. These principles address contemporary issues affecting Tanzania's social, political, and economic landscape, ensuring alignment with the Sustainable Development Goals of Agenda 2030 and the aspirations of Agenda 2063 to uplift people's well-being in various spheres..

7.4 Challenges and Prospects:

Tanzania faces a myriad of challenges that pose significant obstacles to its development trajectory, despite its favorable business environment and political stability. One major challenge is the impact of external factors such as the COVID-19 pandemic and geopolitical tensions, including the Russian-Ukrainian conflict, which have disrupted global supply chains, increased fuel costs, and exacerbated the scarcity of USD in the market. These external shocks have contributed to the slowing down of GDP growth from 2020 to 2022, reflecting a broader economic downturn. However, Tanzania's resilience in the face of these challenges is evident, as it has managed to maintain a positive growth trajectory, outperforming some neighboring countries that experienced negative growth rates.

In addition to external factors, Tanzania also grapples with internal challenges, including the need for continued investment in infrastructure development, education, and healthcare to support sustainable economic growth. Despite progress in attracting foreign direct investment, the concentration of FDI in specific sectors such as mining, manufacturing, and finance underscores the importance of diversifying the economy to reduce dependence on volatile industries. Moreover, ensuring inclusive growth remains a critical priority, with efforts needed to address income inequality, promote job creation, and enhance social protection programs to uplift marginalized communities.

Looking ahead, Tanzania holds promising prospects for economic recovery and growth. The rebound in GDP growth in the third quarter of 2023, reaching 5.3%, signals positive momentum and the potential for the economy to reclaim its position of 7% growth and above in the coming years. To capitalize on these prospects, policymakers must prioritize reforms aimed at enhancing the business environment, promoting innovation and entrepreneurship, and strengthening the country's resilience to future shocks. By fostering a conducive environment for investment, diversifying the economy, and advancing sustainable development goals, Tanzania can unlock its full potential and pave the way for inclusive and equitable growth in the years to come.

8 CONCLUSION AND RECOMMENDATIONS

8.1 Conclusion:

In conclusion, Kitanyoe Group Company Limited, an indigenous firm established in Tanzania, is poised for significant growth and impact within the East and Central African region. With a strategic location in Dar es Salaam and a strong shareholder structure, the company aims to revolutionize cargo transportation services through its fleet of trucks and trailers. The ambitious project to acquire 300 trucks over the next three years underscores its commitment to meeting the region's transportation needs and driving economic development.

Operating in a favorable business environment, characterized by political stability and supportive government policies, Kitanyoe Group Company Ltd is well-positioned to capitalize on emerging opportunities in the transportation sector. The company's investment in human capital, with plans to expand its workforce in the coming years, will contribute to job creation and skills development, further boosting the economy.

Despite challenges such as fluctuating oil prices and regulatory changes in the transportation sector, the company remains resilient and adaptive, guided by its core principles of reconciliation, resilience, reforms, and rebuilding. These principles align with the vision of Tanzania's leadership, including President Samia Suluhu Hassan, who advocates for sustainable development and national unity through strategic initiatives.

As Tanzania's GDP continues to grow, driven by key sectors such as agriculture, financial services, and mining, Kitanyoe Group Company Ltd stands poised to play a pivotal role in the country's economic transformation. By adhering to its values, leveraging technological advancements, and fostering partnerships, the company is well-equipped to navigate future challenges and contribute meaningfully to Tanzania's socio-economic progress.

8.2 Recommendation:

In light of the promising outlook for Kitanyoe Group Company Limited and its significant potential to contribute to Tanzania's economic growth, I highly recommend supporting the project through various means, including government investment incentives. The project's viability, profitability projections, and positive cash flows make it a compelling candidate for strategic investment and support.

Firstly, the project's commitment to acquiring 300 trucks over the next three years demonstrates a clear vision for expansion and development within the transportation sector. With a strong shareholder structure and a skilled workforce, the company is well-equipped to execute its growth plans effectively.

Moreover, the project's economic benefits cannot be understated. By creating direct employment opportunities for 686 individuals and generating additional indirect employment, Kitanyoe Group Company Ltd will contribute significantly to reducing unemployment and fostering economic empowerment within the region.

Furthermore, the company's tax contributions, including corporate tax, PAYE, Skills and Development Levy (SDL), VAT, and other taxes, will bolster government revenues and support public infrastructure and social development initiatives.

Given the project's alignment with Tanzania's development priorities and its potential to stimulate economic activity and innovation, I urge the government to consider providing support through investment incentives. This could include tax breaks, subsidized financing, and regulatory support to facilitate the smooth execution of the project and maximize its socio-economic impact.

Overall, investing in Kitanyoe Group Company Limited represents a strategic opportunity to drive inclusive growth, create sustainable employment, and enhance Tanzania's competitiveness in the regional transportation sector. It is strongly recommend for government support and collaboration to realize the full potential of this transformative project.