

# **West International Holding Industrial Investment Project Business Proposal in Kigoma of Tanzania**

## **1、 WEST INTERNATIONAL HOLDING PROFILE**

- ◆ West International Holding Limited, a subsidiary of a Hong Kong listed enterprise West China Cement Limited (stock code 2233.HK), is an international group enterprise integrating cement production and sales, corporate management and industrial investment. Founded in September 2019, the company is committed to the investment, operation and management of cement enterprises in African and Central Asian countries and regions, specializing in the cement sector.
- ◆ In southern Africa, a 5000t/d new dry-process cement clinker production line has been invested and constructed in the south of Mozambique, and another 3500t/d clinker cement production line is under construction in the north of Mozambique.
- ◆ In addition, in East Africa, WIH is investing in the construction of a 10000t/d new dry-process cement clinker production line in Ethiopia, which is expected to be put into production in July 2024.

In Rwanda, WIH has built a grinding station with an annual output of 1 million tons, which has been put into production last June.

The 3500t/d new dry-process cement clinker production line of Kalaimi in D.R.C has been put into production last year as well.

At present, 6000t/d clinker cement production line and 2Mt grinding station in Uganda are under active construction.

Up to now, the cement production capacity of the whole WIH group has reached 9 million tons.

## **2、 WIH TANZANIA CEMENT PROFILE**

WIH TANZANIA CEMENT LIMITE is a subsidiary of West International Holdings Co., Ltd. The project involves a total investment of approximately 70 million USD, with plans to construct a modular cement grinding station system in the Kigoma Industrial Park in Tanzania, with an annual production capacity of 600,000 tons. The station is designed to produce 300,000 tons of CEM II/A-M 42.5 ordinary Portland cement and 300,000 tons of CEM II/B-M 32.5 ordinary Portland cement, all of which will be transported by trucks from the plant.

The construction scope covers everything from the raw material intake to the shipment of finished cement products, including corresponding production and auxiliary living facilities. The project also reserves space for the second phase expansion, cement products, and an intelligent logistics transportation system. It is expected to be operational by February 2025.

Once completed and operational, the project will address the cement supply shortage in the Kigoma market, significantly contribute to the local economic development, increase local fiscal revenue, and create employment opportunities for the local population.

### 3、 Tanzania project site selection

After inspecting the Kigoma Special Economic Zone in Tanzania, we plan to locate the project in the Kigoma Special Economic Zone (KISEZ), 10km away from Kigoma city.



### 4、 Overview of investment projects in Kigoma of Tanzania

NO.	Future projects	cover area	Project scale	Investment(USD)
1	Environmental intelligent 0.6 million cement production line	13hectare	0.6Mt high-quality cement constructed in two phases	50 million
2	Prefabricated building integrated house and cement products	3hectare	20K Square meter Prefabricated integrated house	5 million
4	Supporting logistics system of the Project	2hectare	100 transport vehicles	15 million
	Total			70 million

### 5、 Capital expenditures and sales

#### Capital Expenditure Structure

Description	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	Total Amount
/Premises (Building - if constructed at your cost or rented)	13B TZS		13B TZS		26B TZS

Equipment	52B TZS	26B TZS	52B TZS		130B TZS
Working capital	5.086B TZS	5.086B TZS	5.086B TZS	5.086B TZS	20B TZS
Others	1.3B TZS	1.3B TZS	1.3B TZS	1.3B TZS	5.2B TZS
total	12.8B TZS	32.3B TZS	71.3B TZS	6.3B TZS	181.2B TZS

### Marketing plan

Products	1 <sup>st</sup> Year			2 <sup>nd</sup> Year			3 <sup>rd</sup> Year		
	Sales%Qty		Value	Sales%Qty		Value	Sales%Qty		Value
	Local	Export		Local	Export		Local	Export	
CEMENT	100%	0	53B	100%	0	79B	100%	0	80B
Products	4 <sup>th</sup> Year			5 <sup>th</sup> Year					
	Sales%Qty		Value	Sales%Qty		Value			
	Local	Export		Local	Export			t	
CEMENT	100%	0	80B	100%	0	160B			

Profit and cash flow forecast for the 300,000-ton project of WIH TANZANIA CEMENT LIMITED							
project	2025Year	2026Year	2027Year	2028Year	2029Year	Unit: Ten thousand dollars (US dollars)	
						total	Remark
Ordinary cement---Sales volume (10,000 tons)	20.00	30.00	30.00	30.00	60.00	170.00	
Price (tax included, USD/ton)	125.00	124.00	125.00	125.50	126.00	125.26	
Cost (USD/ton)	102.00	102.00	101.00	101.00	102.00	101.65	
<b>1. Operating income (the following)</b>	2,118.64	3,152.54	3,177.97	3,190.68	6,406.78	18,046.61	
Main business income-cement	2,118.64	3,152.54	3,177.97	3,190.68	6,406.78	18,046.61	
<b>Less: Operating costs</b>	2,040.00	3,060.00	3,030.00	3,030.00	6,120.00	17,280.00	
Main business cost-cement	2,040.00	3,060.00	3,030.00	3,030.00	6,120.00	17,280.00	
Less: Taxes and surcharges	2.00	2.00	2.00	2.00	4.00	12.00	
Less: Selling expenses	5.00	5.00	5.00	5.00	8.00	28.00	
Less: Administrative expenses	10.00	10.00	10.00	10.00	13.00	53.00	
Less: Financial expenses	3.00	3.00	3.00	3.00	6.00	18.00	
<b>2. Operating Profit</b>	58.64	72.54	127.97	140.68	255.78	655.61	
Add: Non-operating income						-	
Less: Non-operating expenses						-	
Including: Donation expenditure						-	
<b>3. Total Profit</b>	58.64	72.54	127.97	140.68	255.78	655.61	
Less: Income tax expense	11.73	14.51	25.59	28.14	51.16	131.12	
<b>4. Net Profit</b>	46.91	58.03	102.38	112.54	204.62	524.49	
<b>5. Cash Flow Forecast</b>							
Net Profit	46.91	58.03	102.38	112.54	204.62	524.49	
Add: Depreciation and amortization	25.00	20.00	20.00	20.00	40.00	125.00	
Including: Depreciation of product	25.00	20.00	20.00	20.00	40.00	125.00	
Net increase in cash flow from operations	71.91	78.03	122.38	132.54	244.62	649.49	

## 6. EMPLOYMENT SCHEDULE

/Employment Category	/1 <sup>st</sup> Year		/2 <sup>nd</sup> Year		/3 <sup>rd</sup> Year	
	/Local	/Foreign	/Local	/Foreign	Local	Foreign
/Management Staff	1	2	2	4	3	4
Technical and Supervisory Staff	8	4	20	10	35	10
Workers (a) /Skilled	12	4	25	10	50	14

(b) /Unskilled	8	0	20	0	30	0
其他/Others	0	0	0	0	30	0

## 7、 implementation schedule

N.O	Year project	2024				2024				2025			
		6	7	8	9	10	11	12	1	1	2	3	4
1	Feasibility studies	_____											
2	preliminary design			_____									
3	Construction preparation												
4	Construction drawing design			_____	_____								
5	Civil construction					_____	_____						
6	Equipment installation						_____	_____					
7	trial productio									_____			
8	Officially put into production										_____		

## 8、 Expected Economic Benefits

The total investment of this project is about \$70 million Expected to achieve annual operating income \$90million , This project is expected to directly and indirectly provide about 400 jobs.