

GOLD VOYAGE LOGISTICS LIMITED

P.O. BOX 11858

DAR ES SALAAM – TANZANIA

BUSINESS PLAN

On

GOLD VOYAGE LOGISTICS LIMITED

**Prepared by:
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1. Introduction

This feasibility study report is being prepared for GOLD VOYAGE LOGISTICS LIMITED of P.O. Box 11858 DAR ES SALAAM, hereinafter referred to as GOLD VOYAGE has undertaken a project to venture into the the construction of the logistics channel in Middle-East Africa , including ports construction, shipbuilding and purchase of trucks and trailers. The promoters are well experienced in the envisaged line of business. The promoters have enough financial resources to see through the project and will bring in foreign exchange right from the inception stage of the project.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by . Most of the data has been complied by the promoters' own research and study in Tanzania

and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

2. Company Details: Registration:

GOLD VVOYAGE LOGISTICS LIMITED has been registered with the Registrar of Companies on 03th of May, 2024 as a limited liability company with a paid- up share capital of TZS 1,300,000,000. The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 174319642.

3. The Project:

In the next 2-5 years, the exports of copper, lithium, and gold metal in the area will increase by 3 million tons, and the amount of trade and transportation will increase rapidly. Among them, coal imports are expected to reach 1.5 million tons. The quantity will also increase significantly. Therefore, connecting the logistics trade corridor in central Africa and eastern Africa is particularly important. The purpose of this project is to explore the opportunity to connect the logistics lines of the eastern part to strengthen logistics and transportation capabilities and contribute to the development of the east and west transportation economy. In accordance with the outlook of Tanzania's transportation infrastructure construction, we believe that acquiring Kigoma's franchise rights and central line transportation support will greatly improve the efficiency of cargo circulation and personnel exchanges, and provide motivation for Tanzania's economic and social development. We promise to abide by local laws and regulations and respect the local cultural customs, and are committed to carrying out sustainable and beneficial businesses in Tanzania, actively participating in the development of local communities, and promoting economic growth and social progress. The project will create more wealth for the nation and shall endeavor to bring more prosperity and economic independence.

4. PROJECT LOCATION & INPUTS

The main office location of the project will be located in Dar es Salaam, with the construction of Kigoma Port, shipbuilding at Karema Port and the purchase of vehicles for logistics fleets. The main investment inputs are in port construction, shipbuilding and the purchase of vehicles.

5. THE MARKET & DEMAND

Currently, Zijin Mining Group (parent company of GOLD VOYAGE) has made substantial investments in the Democratic Republic of the Congo, including projects like Kolwezi Copper Mine, Kamoanga Copper Mine, and Cement Plant, with a total investment exceeding 2 billion USD and production capacities exceeding 1 million tons of copper, 600,000 tons of cement, and 400,000 tons of lime.

Our attention has been drawn to the urgent development needs of lithium mining resources in the Manono region, with a potential surge in Lithium concentrate production ranging from 1 to 2 million tons in the future. As a company dedicated to respecting and contributing to the development of Tanzania, GOLD VOYAGE envisions becoming a bridge of friendship between East Africa and Central Africa. We hope to connect the eastern-route Manono-Kalemie-Kigoma to support Tanzania's economic growth, we aspire to contribute to changing existing trade and logistics channels, ultimately supporting economic and trade connections between Central and East Africa.

Considering the rapid development of the mining industry in the Congo region over the next 2 - 5 years, with an expected increase in copper, lithium, and gold production by 3 million tons, and the trade transportation volume will also grow rapidly, of which the coal import volume is expected to reach 1.5 million tons, and the import volume of other agricultural products and light industrial products will also increase significantly. Connecting logistics and trade corridors in Central and East Africa is becoming particularly critical.

GOLD VOYAGE is dedicated to link the eastern-route to strengthen logistics functions, and contribute to the development of the transport economy. In light of the outlook for Tanzania's transportation infrastructure development, GOLD VOYAGE believes that this project will significantly enhance the efficiency of goods and personnel exchanges, increasing Tanzania's international influence and providing impetus for the economic and social development of Tanzania.

6. MANPOWER

Due to the involvement of ports construction, logistics fleet construction and shipbuilding in this project, a lot of manpower investment is required to complete the normal operation of this project. This project will provide direct employment opportunities for over 400 local people, including skilled workers, semi skilled workers, and unskilled workers. According to the requirements of the project, a small number of foreign personnel will also be hired. The direct employment of over 400 people will bring indirect employment to over 2000 people.

7. COST OF THE PROJECT & MEANS OF FINANCE:-

A. Cost of the Project:-

S. No.	Details	US \$
1	Land & Building	1,000,000/=
2	Ports Construction	100,000,000/=
3	Furniture, Computers & Fixtures	100,000/=
4	Vehicles	300,000/=
5	Trucks and Trailers	30,000,000/=
6	Shipbuilding	20,000,000/=
7	Pre-operating Costs	5,000,000/=
8	Initial working capital	1,000,000/=
		157,400,000/=

B. Means of Finance:-

Total Cost of the Project

Details	US\$
Equity Funds	157,400,000
Total Means of finance	157,400,000

The total cost of the project consisting of has been estimated at US \$157,400,000/= As can be seen from the above chart, majority of the expenses involved will be on ports construction, trucks and trailers and shipbuilding, nearly 95.29%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

8. PROJECT IMPLEMENTATION SCHEDULE

8. PROJECT IMPLEMENTATION SCHEDULE

The main items of the project are port construction, shipbuilding and logistic fleet construction, ship operation and logistics activities and transportation of goods by road. The five items are carried out separately and do not interfere with each other. The following is the implementation plan and time consumption of the three items.

8.01 Ports Construction:

- a) Planning and preparation phase: It is expected to take about 3 months (from the start of feasibility study to the completion of approval matters).
- b) Design phase: It is expected to take about 2 months (from entrusting the design company to completing the construction drawing design).
- c) Construction phase: It is expected to take about 5 months (from launching bidding to completing terminal construction and equipment installation).
- d) Testing and commissioning phase: It is expected to take about 2 months (from completing port facility construction to completing equipment testing and functional commissioning).
- e) Operation preparation phase: It is expected to take about 2 months (from training operating personnel to final inspection and preparation).
- f) Start-up operation phase: It is expected to take about 1 month (from official commissioning).

8.02 Shipbuilding:

- a) Design Phase: It is expected to take about 3 months
- b) Preparation Phase: It is expected to take about 2 months
- c) Hull Construction Phase: It is expected to take about 5 months
- d) Equipment Installation Phase: It is expected to take about 2 months
- e) Testing and Commissioning Phase: It is expected to take about 2 months
- f) Acceptance and Delivery Phase: It is expected to take about 1 months

8.03 Logistic Fleet Construction:

- a) Planning Phase: It is expected to take about 2 months
- b) Vehicle and Equipment Procurement Phase: It is expected to take about 3 months
- c) Personnel Recruitment and Training Phase: It is expected to take about 2 months
- d) Infrastructure Construction Phase: It is expected to take about 3 months

- e) Operational Trial Phase: It is expected to take about 2 months
- f) Formal Operation Phase: It is expected to take about 1 months

8.04 Ship Operation and Logistics Activities:

- a) Preparation phase: It is expected to take about 2 months (including setting up the operation team and establishing logistics routes).
- b) Operational trial phase: It is expected to take about 2 months (including initial shipments and monitoring operations).
- c) Full operation phase: It is expected to take about 1 month (from scaling up operations to full capacity).

8.05 Transportation of Goods by Road:

- a) Planning phase: It is expected to take about 1 month (including route planning and regulatory approvals).
- b) Fleet acquisition phase: It is expected to take about 2 months (including procurement of vehicles and necessary equipment).
- c) Personnel recruitment and training phase: It is expected to take about 2 months.
- d) Operational trial phase: It is expected to take about 1 month (initial transport operations and performance monitoring).
- e) Full operation phase: It is expected to take about 1 month (scaling up road transportation activities to full capacity).

11. Project Financials:-

11.01 Assumptions

- a) The rate of one (1) US \$ is equal to TZS 2,505/=
- b) Required labor force will be available
- c) Required permits will be granted within the limited time schedule to ensure implementation as per schedule.
- d) Total investment will be US\$ 157,400,000
- e) The project will have own finance

11.02 Projected Five Years Profitability Statements

As can be seen from the enclosed projected profitability statement, the company will not earn profits in the first year where the operations are to run only for six months, however there will be cash- profits.

The company will attain a turnover of US \$ 0.62 million in first six months; will go up to US \$ 9.240 millions in the next years and from third year of

operation will remain steady at US \$ 0.8 millions.

The profits will start coming from the 2nd year of operations. From the year 4 and onwards the annual profits will be in the range of US \$ 200,000 and above. The project enjoys a payback period of 5 years.

The company will be earning gross profit @ 6% and net profit of nearly 2.5%. For a very large project, like this a net profit of 2% is quite reasonable. Government will earn lot of revenues due to such high turnover.

Selling costs have been assumed at 2% of the sales and other overheads have been assumed not to cross US \$ 50,000 a month including manpower costs.

Depreciation has been provided as per the prevailing income tax rates. Further full depreciation has been provided on assets purchased during the year. Separate schedules are attached with this report for calculation of depreciation.

11.03 Projected Five Years Balance Sheet

The enclosed balance sheet shows very sound positions of the company. The current assets ratio is in excess of 1.2 from the beginning and by the year 5 it reaches 2.

Inventory will be maintained only for a period of one week. The reason being the plant is going to be located in the close proximity of ice cream.

Since majority of sales will be done outside Tanzania, vide advance TT or L.C debtors are not expected to be on the higher side. However for demotic sales on month credit has been considered. Creditors will be outstanding for a period of 15 days and suppliers of services will be paid at the expiry of one month.

11.04 Projected Five Years Funds Flow Statements:-

As can be seen from the appended projected funds flow statement the company will be financed by the promoter's own funds. In the initial year (2005) the investment will be of US \$ 1,000,000/=.

Operating profits will be ploughed in to the business. Once the operations are steadied from the year 2006, the annual contribution of operational profits shall be the tune of US \$ 900,000/=

Depending on the surplus available, promoters loan will be re- paid. As can be seen the company shall be in a position to commence repayment or promoters' loan by the year 2006.

As the operations will grow, the net working capital requirement will also grow. As can be seen the increase in net current assets will be from US \$ 90,000/= (year 2005) to US \$ 680,000/= (year 2008). The company assumes to maintain a positive cash balance of US \$ 25,000/= to US \$ 50,000/=.

11.05 Projected Five Years Taxation Schedule:-

The company will enjoy tax incentives as per the governing laws of the country. It will have taxable profits only from the year 2008 and will then onwards contribute to the exchequer in excess of US \$ 150,000/= in the first year and then onwards in excess of US \$ 340,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. Social & Development Benefits:-

◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 400 locals inclusive of skilled, semi- skilled and un-skilled class. Few expatriates will also be employed as per the requirement of the project.

This direct employment of more than 400 individuals will generate indirect employment for more than 2,000 individuals. it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

◆ **Transfer of technology**

The construction of new ports and logistics fleets will introduce advanced logistics management and transportation technologies, including automated loading and unloading equipment, intelligent logistics systems and tracking technologies, to improve the efficiency and reliability of the entire logistics chain.

Port and logistics construction requires a lot of engineering technology and information technology, which will promote local technological innovation and talent training, and promote the improvement of technological levels.

Modern port and logistics management systems usually rely on information technology and digital platforms. The construction process will promote the digital transformation of African countries and improve the level of informatization.

Promote technology transfer: Port and logistics construction usually requires the introduction of advanced international technology and management experience, which will promote technology transfer and help African countries catch up in the field of logistics.

◆ **Contribution to the exchequer.**

The port and logistics industry is an important part of the economy. Its development will bring more business activities and transactions, thereby increasing the government's tax revenue, including tariffs, value-added tax and corporate income tax.

Ports and logistics facilities usually require payment of usage fees, such as port throughput fees, parking fees, etc. These charges will become an important source of government revenue and help increase fiscal revenue.

Port and logistics construction will create a large number of jobs, increase the employed population, thereby reducing social welfare expenditures and indirectly increasing government fiscal revenue.

Advanced port and logistics facilities will attract more investment and business activities, promote economic growth, and thus increase the government's non-tax revenue, such as franchise fees and equity returns.

Having an efficient port and logistics system can enhance the country's overall competitiveness, attract more foreign investment and trade activities, and thus increase government fiscal revenue.

Positive cascading impact on the nation's economy.

Promoting trade development: Advanced port facilities and logistics fleets can improve the efficiency of cargo transportation, reduce transportation costs, promote the development of domestic and foreign trade, and increase trade volume and value.

Attracting foreign investment: Advanced ports and logistics systems will improve the country's business environment and logistics infrastructure level, attract more foreign investors to enter the country, and promote economic development.

Creating employment opportunities: Port and logistics construction will create a large number of employment opportunities involving construction, management, operation and other fields, thereby reducing unemployment and improving people's living standards.

Promoting industrialization and productivity improvement: Advanced logistics systems can improve productivity, reduce production costs, and are conducive to the advancement of the country's industrialization process, promoting the upgrading of economic structure and industrial transformation.

Increasing economic growth: Port and logistics construction can improve the speed and efficiency of commodity circulation, promote commercial activities and investment, thereby promoting the country's economic growth and increasing the gross national product (GDP).

Strengthening regional economic integration: Advanced ports and logistics systems help to strengthen trade ties and economic cooperation with neighboring countries, promote the process of regional economic integration, and promote common development.

13 . Conclusion & Recommendation:-

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- ◆ Promoting trade and economic growth: Advanced ports and logistics systems can improve the efficiency of cargo transportation, reduce costs, promote trade activities and drive economic growth.
- ◆ Creating employment opportunities: Port and logistics construction will create a large number of employment opportunities, including construction, management and operation, which will help reduce unemployment and improve people's lives.
- ◆ Attracting foreign investment: Advanced logistics infrastructure and services can improve the business environment, attract more foreign investment, and promote the country's development and modernization process.
- ◆ Strengthening regional cooperation and integration: Advanced ports and logistics systems will help strengthen trade ties and cooperation with neighboring countries, promote regional economic integration and promote common development.