

**PROPOSED PRODUCTION PLANT EXTENSION, WAREHOUSE AND OFFICE BLOCK ON PLOT  
NO. 131 KIPAWA INDUSTRIAL AREA ILALA MUNICIPALITY  
DAR ES SALAAM**

**INCORPORATION;**

Zenufa Laboratories Limited is a private company limited by shares registered in Tanzania through certificate of incorporation number 30621. The company was incorporated on 10 October 1996 under the Tanzania Companies Act, 2002.

**PRINCIPAL ACTIVITIES;**

The principal activities of the company are manufacture and trade in pharmaceuticals, medicines and botanical products.

**PROJECT OBJECTIVE;**

The main objective of this project is to expand the production capacity of our production plant, build new ware house for our finished products produced and construct new offices for our staffs.

**REASONS FOR THE PROJECT;**

Zenufa Laboratories Ltd has been experiencing increase in customer base and increase in need for products from our customers. For some years our company has been having Africure Pharmaceuticals Tanzania Ltd and Medical Stores Department as the major customers but now there has been potential of getting more giant customers whose orders will be massive hence need of proper planning.

We have already started exporting our product to Central Medical Stores (CMS) to Zanzibar and are expecting to export to Uganda, Comoros and Madagascar. The sales in these new markets are expected to be huge hence production capacity has to be increased to be able to serve these customers well. Further, we have been experiencing increase in orders from our Medical Stores Department, all these call us for proper planning and expansion of our facilities.

Currently our company has very small plant capacity compared to the needs. We also have financial challenges every now and then paying for rents for ware houses and offices. With the new project, we expect to have modern offices that carters for current needs of the company and ensures efficient operations of the company.

**FUNDING SOURCES;**

We currently expect to fund this project from our inhouse funds. We are expecting enough inflows from our sales revenue that will help in funding the project.

**EXPECTED MARKETS AFTER THE PROJECT;**

We highly expect to have more markets of our PRODUCTS both **locally** and **internationally**. Our market base is expected to expand to Uganda, Comoros, Kenya and Madagascar. These new markets will be adding up to the existing markets of Africure Pharmaceuticals Tanzania Ltd, Zanzibar, Medical Stores Department and other local entities.

**INVESTMENT BREAKDOWN;**

Below table shows our prospective investment breakdown costs;

Description	Currency	
	\$	TZS
Project pre- expenses already incurred to date		
Capital expenses already incurred	58,594	150,000,000
<b>OTHER CONSTRUCTION WORK (See appendix A attached)</b>		
Bill NR 1 - Preliminaries and general conditions of contract for construction	4,297	11,000,000
Bill NR 2 - Measured works	222,217	568,876,713
Bill NR 3 - Prime costs and provisional sum		
i) Electricity	1,563	4,000,000
ii) Plumbing system (Piping installation only)	1,563	4,000,000
Other expected construction works	68,295	174,835,151
		<b>762,711,864</b>
<b>Total on local expenses expected</b>	<b>356,528</b>	<b>912,711,864</b>
VAT on local expenses expected	64,175	164,288,136
<b>Total expected on local expenses (excluding insurance)</b>	<b>420,703</b>	<b>1,077,000,000</b>
<b>EXPECTED MACHINES/TOOLS TO BE IMPORTED FOR THE PROJECT</b>		
Bottle filling machine	95,938	245,600,000
Four wheel electric fork lift	19,531	50,000,000
Purified water generation stainless steel system with its accessories	30,000	76,800,000
Purified water distribution stainless steel system with its accessories	25,000	64,000,000
Air handling units with respective accessories	30,000	76,800,000
DX units with respective accessories	15,000	38,400,000
Epoxy flooring	15,000	38,400,000
Furniture and other office equipment	31,250	80,000,000
<b>Total expected on imported items</b>	<b>261,719</b>	<b>670,000,000</b>
<b>Total expected imported and local expenses</b>	<b>682,422</b>	<b>1,747,000,000</b>
Working capital related investment	39,063	100,000,000
Insurance VAT inclusive	3,906	10,000,000
Other project related expected costs	21,484	55,000,000
<b>Grand total cost for the project</b>	<b>686,328</b>	<b>1,912,000,000</b>

### PROJECT TIMING AND CAPACITY;

This project is expected to be completed within 12 months. It's expected to kick off in **February 2025**. We expect the extended plant, new warehouse and office to increase our capacity to **11M units**.

### PROJECT EXECUTION SCHEDULE;

Please see below project execution schedule;

S/N	DESCRIPTION	DURATION	FROM	TO
1	Ground preparations	40	10th Feb 2025	21st Mar 2025
2	Substructure construction	45	21st Mar 2025	3rd May 2025
3	Superstructure/frame construction	110	3rd May 2025	21st Aug 2025
4	Final finishing construction work	45	21st Aug 2025	4th Oct 2025
5	Sourcing and installation of various machines and equipment	120	4th Oct 2025	1st Feb 2026

### EXPECTED NEW JOBS CREATION;

Below is the table that shows how the new project will increase employment to Tanzanians. ***This project currently aims to employ only local people.***

Gender	During construction	After construction
Male	70	35
Female	30	15
<b>Total</b>	<b>100</b>	<b>50</b>

### FINANCIAL EXPECTATIONS;

Our project is very viable, we expect to be productive and contribute to the wellbeing of Tanzanians through the products we expect to produce. Below is the summary;

Financial Projections					
	2026	2027	2028	2029	2030
Sales revenues	18,227,727,538	18,942,472,926	19,670,963,418	20,413,199,013	21,169,179,712
Production costs	(11,073,517,847)	(11,288,537,573)	(11,503,557,298)	(11,718,577,024)	(11,933,596,750)
<b>Gross Profit</b>	<b>7,154,209,691</b>	<b>7,653,935,353</b>	<b>8,167,406,119</b>	<b>8,694,621,989</b>	<b>9,235,582,962</b>
Indirect expenses	(5,385,053,385)	(5,489,617,490)	(5,594,181,595)	(5,698,745,700)	(5,803,309,805)
<b>Earning before taxes</b>	<b>1,769,156,306</b>	<b>2,164,317,863</b>	<b>2,573,224,524</b>	<b>2,995,876,289</b>	<b>3,432,273,157</b>
Corporate tax (30%)	(530,746,891.68)	(649,295,358.92)	(771,967,357.24)	(898,762,886.64)	(1,029,681,947.12)
<b>Earning before dividends</b>	<b>1,238,409,414</b>	<b>1,515,022,504</b>	<b>1,801,257,167</b>	<b>2,097,113,402</b>	<b>2,402,591,210</b>