

**BUSINESS PLAN FOR THE  
IMPLEMENTATION PROGRAMME**

**OF**

**M/S SURPASS INTERNATIONAL INVESTMENT CO.  
LIMITED**

**IN**

**ESTABLISHING AND OPERATING A PROJECT FOR  
CONSTRUCTING MODERN WAREHOUSES INTENDED  
FOR INDUSTRIAL PARK**

**PREPARED BY  
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**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED  
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**M/S SURPASS INTERNATIONAL INVESTMENT CO.LIMITED**  
**ESTABLISHING A PROJECT FOR CONSTRUCTING**  
**COMMERCIAL WAREHOUSES INTENDED FOR INDUSTRIAL**  
**PARK**

**1. INVESTMENT PLAN**

The investment plan has been prepared by **M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED** for the company's establishment programme in extensive construction of commercial warehouses intended for industrial park.

The investment plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the intended commercial building project and also assess its economic viability and commercial viability in order to allocate funds for the implementation programme especially in acquiring steel structures, pre-fabricated buildings, electrical, equipment, generators, transformer, utility vehicles etc.

The certificate of incentives will enable the project to enjoy Tax exemptions on CAPITAL/ DEEMED CAPITAL GOODS and TIC ONE STOP FACILITATION like processing of approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

**2. COMPANY'S BACKGROUND**

**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED** is a private owned company registered/ incorporated in Tanzania by Registrar of Companies under company's ordinance, on 7<sup>th</sup> day of October, 2010 with Certificate of Incorporation No: 79070

The company was initially incorporated with a prime objective of operating a project for footwear manufacturing. However currently the Company intends to construct modern commercial warehouses suitable for industrial park.

The company determines to construct commercial warehouses for factories which is going to be used by industries which will be rented to industries for manufacturing processes. The company besides construction of these warehouses will at same time improve the quality of company's commercial buildings.

The main purpose of the proposed commercial space project is to provide quality facility for industrial park to correspond with the growing demand especially for supporting the government emphasis in industrialization. The quality of company's warehouses will guarantee industrial park satisfaction in proposed programme.

There is an extensive market to absorb all the facilities which will be leased to various Industries. It is on the basis of the above reasons the management resolved to invest in constructing the industrial space suitable for industrial park for leasing.

In the establishment programme, the proposed commercial building project will import steel structures, pre-fabricated building, equipment, machinery, electricals and other facilities for the construction of these warehouses.

Hence the establishment programme of three years in setting up the commercial building for industries is estimated to be USD 500,000. The estimated capital investment cost of USD 500,000 will be on steel structure, pre-fabricated building, and related equipment, machinery, electricals, generators, utility vehicles and other expenses.

### **3. MARKET POTENTIAL**

There is a very big market potential for the industrial park in Dar es salaam and Coast Region. Therefore, there is high demand of the modern commercial warehouses suitable for factories so that the investors in manufacturing project would be leased. And the market is growing day by day especially by the Industries.

The Commercial buildings can be used by any investments either for godown - warehousing of goods or factory - manufacturing processes in these industrial park.

The recent market survey undertaken by the company has realized that there is high demand for industrial park in Dar es salaam and Coast Region whereby there is growth of investments especially Industries of any scale.

High quality and goodwill are the factors which will make the project to dominate the market. There are few such facilities which will suit Industries of different kinds. Manufacturers and importers can benefit this facility.

The company also expects to expand, diversify and construct such intended facility in other key areas in other Regions.

### **4. THE COMPANY'S OBJECTIVES**

**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED** is a project intended to construct modern warehouses especially for industrial Park for both Industries and importers.

The mission of proposed commercial complex project is basically aimed at construction and marketing of such

development- commercial warehouses for industries and importers in order to achieve the following objectives.

- ❖ To foster the growth of industrial Park (Commercial Building) in Tanzania.
- ❖ To reduce shortage of facility by setting up Industries in industrial area.
- ❖ To promote Industrialization in the Country.
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- ❖ Skill development (human resources development) through on job training and use of modern machinery and new technology application.
- ❖ Income generation, alleviation of poverty and improve their social welfare employees.
- ❖ The Company contributes to the government revenue through taxes and other levies.

## **5. PLAN/PROSPECTS**

- ❖ High production performance
- ❖ To increase development of industrial park in key areas in the Country.
- ❖ To construct more industrial park facility.

❖ To increase the volume of production capacity.

## 6. SHAREHOLDERS (PROMOTERS)

The following are the shareholders/ promoters of M/S SURPASS INTERNATIONAL INVESTMENT CO. And their shareholder's position are: -

No	Name of Shareholders	No. of Shares	Nationality	% shareholding structure
1.	Hong Weng	1500	Chinese	50%
2.	Shao Qing yao	1500	Chinese	50%
	<b>TOTAL</b>	<b>6250</b>		100%

Therefore, the authorized capital of the company is Tshs. 400,000,000/= divided into 1,000 ordinary shares of Tshs. 400,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

## 7. LOCATION

The company's business premises are located at Plot No. 1 & 2 Block, Mwanambaya, Mkuranga in Coast Region (Pwani). Postal Address P. O. Box 14836 Dar es salaam.

## **8. COMPANY'S IMPLEMENTATION SCHEDULE**

### **8.1 MARCH - 2025**

- ❖ Preparing feasibility study for the Construction of the Commercial buildings - warehouses suitable for Industrial Park.
- ❖ Registration of the proposed project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- ❖ Getting Certificate of Incentives

### **8.2 APRIL - 2025**

- ❖ Application for Tax exemption on CAPITAL/ DEEMED CAPITAL GOODS after being awarded certificate of incentives in the Establishment Programme.
- ❖ Ordering/Importing steel structures, Pre-fabricated Buildings, equipment, electricals, tools, generators, transformer, utility vehicles etc.
- ❖ Clearing the CAPITAL/DEEMED CAPITAL GOODS from customs control (at the Port and Airport).
- ❖ Development of Industrial Park

### **8.3 MAY- 2025**

- ❖ Recruiting new staffs and training them on new technology skills for construction of these modern warehouses intended for industrial park
- ❖ Fully commencement of production in its implementation programme

## 9. CAPITAL INVESTMENT COST

Land/Building	USD \$	300,000
Plant/Machinery	USD \$	100,000
Vehicles	USD \$	50,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	25,000
Working Capital	USD \$	25,000
<b>TOTAL CAPITAL</b>	<b>USD \$</b>	<b><u>500,000</u></b>

The proposed programme in extensive construction of commercial buildings - modern warehouses suitable for industrial park to be leased to industries to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended commercial buildings Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

## 10. FINANCIAL PLAN (SOURCE OF FUNDS)

**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED** has firmed up finances for the implementation programme by its own fund and loan:-

Own fund (equity)	USD \$	500,000
Local loan	USD \$	<u>-</u>
<b>TOTAL</b>	<b>USD \$</b>	<b><u>500,000</u></b>

## 11. CONSTRUCTING OF COMMERCIAL WAREHOUSES INTENDED FOR INDUSTRIAL PARK:

- Project Requirement: -
  - i. -Steel Structure buildings. ...
  - ii. - Pre-fabricated Buildings. ...
  - iii. - Equipment, electricals & Tools. ...
  - iv. - Generators & Transformer ...
  - v. - Forklift and overhead cranes

vi. etc. ...

### **13. PLANT LAYOUT**

*STEEL STRUCTURES - PRE-FAB*

*I*

*DESIGNING +ERECTION*

*I*

*CONSTRUCTION+ GLAZING*

*I*

*FINISHING WORKS*

*I*

*2 UNITS - MODERN WAREHOUSES-*

### **11. SUBMISSION**

**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED** wishes to submit its investment plan and application to the Tanzania Investment Centre (TIC) its proposal for registration and award of certificate of incentives in the establishment programme.

The Proposed commercial buildings Project will soon commence after the Company is registered with Tanzania Investment Centre and being issued the Certificate of incentives. Thereafter the Company will order and import the steel structures, pre-fabricated buildings, electrical, glazing, equipment, generators, forklifts, transformers etc for developing/erecting the modern warehouses for industrial

park. The Project will enjoy tax exemptions on CAPITAL/DEEMED CAPITAL GOODS

The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of approvals, permits and licenses such as resident / work permits, Business license, protection of investment, arbitration and transfer of foreign currency etc.

## **12. ECONOMIC GROWTH**

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania like the proposed commercial building project in construction of modern warehouses suitable for industrial park. The economic growth influenced establishment of such development of industrial park to facilitate manufacturing of goods and storing of imported or manufactured goods demand is growing day by day due to increased economic activities and government emphasis on Industrialization.

## **13. COMPETITION/MARKET**

Despite there being numbers of manufacturers and importers of goods still the facility is not enough compared to the level of demand (economic activities).

However, the proposed commercial building project expects to dominate the market because the industrial park project ensures goodwill and high quality.

## **14. ADVERTISEMENT**

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

## **15. BUSINESS STRATEGY**

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ❖ Technology/product quality and design,
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced personnel,
- ❖ On job training,
- ❖ Business Discipline.

## **16. ENVIRONMENTAL ISSUE**

The construction processes and the whole commercial building project is environmental friendly. The project's activities and all processes will not cause any harm to people.

## **17. PROJECT MANAGEMENT**

The overall management of the company is vested in the Board of Directors. Hong Weng is the Managing Director of the Company; he is well versed in Commercial complex, Industries and other various Business. The other Director is Shao qing Yao.

## **18. MANPOWER AND TRANSFER OF TECHNOLOGY**

This project being Development of Commercial Comple-warehouses for factories - Industrial Park in its establishment programme will usher in the country a new construction technology (Transfer of knowledge/technology). The advantages to the country are quite significant both in construction and manufacturing, and will get the advantage of value addition from manufacturers in the park due to such incoming technology.

The commercial buildings project will solve the acute problem of having facility for setting up Industries. Furthermore, the country can reduce its dependence on importation of goods because goods will be manufactured in these Industrial Park etc. Hence Tanzanian will be able to purchase high quality goods at a reasonable price.

The Proposed commercial building programme will cause more local people to be employed about 25 in the course of construction and the project will increase their income, improve their social welfare and pay taxes; also it is poverty alleviation programme to them.

Local employees will get on job training and in a long run will improve the technical competence of the production/construction.

## **19. CONCLUSION AND RECOMMENDATION**

The financial evaluation of the proposed construction of modern warehouses intended for Industrial Park (Industries and Importers) done so far indicates that this programme will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the proposed project so that the project will import and enjoy tax exemption on CAPITAL/ DEEMED CAPITAL GOODS and increase commercial complexes and its capacity.

## **20. FINANCIAL AND ECONOMIC ANALYSIS**

### **20.1 Projected Profit and Loss Account**

The company envisages generating a profit of USD \$ 150,000 this operating year. The profit amount is expected to steadily rise to USD \$ 160,000 in year two, USD \$ 170,000 in year three and USD \$ 180,000 in year four.

### **20.2 Projected cash flows**

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

### **20.3 Proposed Balance Sheet:**

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

## **21. SENSITIVITY ANALYSIS**

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED**

21.1 Effect of cost increase on profitability (on the basis of year II INDUSTRIAL PARK INCOME in “000” USD \$)

<b>Income</b>	<b>Costs</b>	<b>Increase</b>	<b>Profit before depreciation</b>
605,000	445,000	%	160,000
605,000	467,250	5%	137,750
605,000	489,500	10%	115,500

21.2 Effect of INDUSTRIAL PARK income decrease/drop on profitability (on the basis of year II costs in “000” USD \$)

<b>Income</b>	<b>Income Decrease</b>	<b>Cost</b>	<b>Profit before depreciation</b>
605,000	%	445,000	160,000
574,750	5%	445,000	129,250
544,500	10%	445,000	99,500

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.



Appendix I

**M/S SURPASS INTERNATIONAL INVESTMENT CO.  
LIMITED**

**PROJECTED INCOME STATEMENT (ESTIMATED)**

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	570.0	605.0	640.0	675.0	710.0
<b>Total Income</b>	<b>570.0</b>	<b>605.0</b>	<b>640.0</b>	<b>675.0</b>	<b>710.0</b>
Utilities	200.0	200.0	200.0	200.0	200.0
Salaries and wages	50.0	50.0	50.0	50.0	50.0
Transportation/fuel	20.0	25.0	30.0	35.0	40.0
Administrative					
Expenses	110.0	120.0	130.0	140.0	150.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
<b>Total Expenditure</b>	<b>420.0</b>	<b>445.0</b>	<b>470.0</b>	<b>495.0</b>	<b>520.0</b>
Net Profit (pre tax and depreciation)	150.0	160.0	170.0	180.0	190.0

**Appendix II**

**M/S SURPASS INTERNATIONAL INVESTMENT CO.  
LIMITED**

**PROJECTED CASHFLOW STATEMENT (ESTIMATED)**

**(Fig. USD \$ '000')**

Year	I	II	III	IV	V	
<b>Cash inflow</b>						
Income from operation	150.0	160.0	170.0	180.0	190.0	
	<b>150.0</b>	<b>160.0</b>	<b>170.0</b>	<b>180.0</b>	<b>190.0</b>	
<b>Cash outflow</b>						
Wear & tear	10.0	12.0	14.0	16.0	18.0	
Taxes	10.0	10.0	10.0	10.0	10.0	
	<b>20.0</b>	<b>22.0</b>	<b>24.0</b>	<b>26.0</b>	<b>28.0</b>	
<b>Surplus cash generated</b>	<b>130.0</b>	<b>138.0</b>	<b>146.0</b>	<b>154.0</b>	<b>162.0</b>	

(Fig. USD \$ '000')

<b>Year</b>	<b>VI</b>	<b>VII</b>	<b>VIII</b>	<b>IX</b>	<b>X</b>	<b>Total</b>
<b>Cash inflow</b>						
Income from operation	200.0	210.0	220.0	230.0	240.0	1950.0
	<b>200.0</b>	<b>210.0</b>	<b>220.0</b>	<b>230.0</b>	<b>240.0</b>	<b>1950.0</b>
<b>Cash outflow</b>						
Wear & tear	20.0	22.0	24.0	26.0	28.0	<b>190.0</b>
Taxes	10.0	10.0	10.0	10.0	10.0	<b>100.0</b>
	<b>30.0</b>	<b>32.0</b>	<b>34.0</b>	<b>36.0</b>	<b>38.0</b>	<b>290.0</b>
<b>Surplus cash generated</b>	<b>170.0</b>	<b>178.0</b>	<b>186.0</b>	<b>194.0</b>	<b>202.0</b>	<b>1660.0</b>

**Appendix 1V**

**M/S SURPASS INTERNATIONAL INVESTMENT CO. LIMITED**

**PROJECTED BALANCE SHEET (ESTIMATED)**

**(Fig. in USD \$ '000')**

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	<b>Source of funds</b>					
1.	Shareholders funds	150.0	200.0	250.0	300.0	350.0
2.	Long term Loan	100.0	95.0	90.0	85.0	80.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		<b>550.0</b>	<b>645.0</b>	<b>650.0</b>	<b>835.0</b>	<b>930.0</b>
	<b>Application of funds</b>					
1.	Fixed Assets	400.0	400.0	400.0	400.0	400.0
2.	Current Assets	155.0	245.0	250.0	435.0	530.0
		<b>550.0</b>	<b>645.0</b>	<b>650.0</b>	<b>835.0</b>	<b>930.0</b>