

PESSOM INVESTMENT COMPANY LIMITED

BUSINESS PLAN

FOR

PRODUCTION OF BRICKS AND OTHER CONSTRUCTION RELATED MATERIALS

Welcome to the executive summary of PESSOM INVESTMENT COMPANY LIMITED's business plan. This section provides a concise overview of the key elements of our brick making business strategy. The executive summary is designed to give readers a clear understanding of our company's vision, mission, and strategic goals.

1.2 Company Overview

PESSOM INVESTMENT COMPANY LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No.182975370 dated 7th March 2025.

PESSOM INVESTMENT COMPANY LIMITED is a brick manufacturing company committed to producing high-quality and eco-friendly bricks for the construction industry. Our state-of-the-art manufacturing facility and skilled team enable us to deliver bricks that meet the highest standards of durability and aesthetics.

1.3 Mission Statement

At PESSOM INVESTMENT COMPANY LIMITED, our mission is to revolutionize the construction industry by providing

sustainable and cost-effective brick solutions. We aim to contribute to environmental preservation while fulfilling the demands of the modern construction sector.

1.4 Product and Services

PESSOM INVESTMENT COMPANY LIMITED offers a diverse range of high-quality bricks that cater to the varying needs of the construction industry. Our product line includes traditional clay bricks, concrete bricks, fly ash bricks, and eco-friendly compressed earth bricks. Each type of brick is manufactured with precision and attention to detail, ensuring superior strength and aesthetic appeal.

2.0 Industry Overview

Tanzania in recent years has witnessed growth in the construction industry. This includes both private projects such as residential and commercial real estate as well public projects such as construction of roads, railways, bridges, water systems, telecommunications, and air transport networks to name a few.

There has been a consistent, yearly increase in government spending on infrastructure this past decade which has acted as a stimulant for continued inflows of investments in the construction industry. The infrastructure sector has been the key beneficiary of 2021-22 budget as Tanzania commences the third phase of country's Five-Year Development Plan (FYTDP III).

Projects to be financed by the government under the plan include the construction of the Standard Gauge Railway (included in the TZS 1.19 trillion allocated for railways), construction of Julius Nyerere Hydropower Project (2,115 MW) (included in TZS 2.34 trillion allocated to power projects), strengthening Air Tanzania Company Ltd, and construction of Crude Oil Pipeline Project from Hoima (Uganda) to Chongoleani, Tanga (Tanzania), and the Busisi bridge in Mwanza.

As of 2020, construction contributed 14.4 percent to the country's GDP.

2.1 Real Estate

Tanzania's real estate sector contributed 3.1 % to the country's real GDP with USD 1.5 billion in 2019, compared to USD 1.2 billion in 2015, an increase of 25%. The large residential housing market is dominated by individual homebuilders who account for over 70% of the total supply. Housing demand is increasing by about 200,000 units annually, with the current housing deficit estimated at about 3 million units, according to Tanzania Ministry of Lands, Housing and Human Settlements Development.

2.2 Commercial real estate

The rise as the country emerges as a middle-income economy. Dar es Salaam is the main area of office and retail activity with a retail stock of 153,000 sqm. The main premium malls are Mlimani City Mall in Mwenge, Aura Mall in Upanga, and Mkuki Mall in Kisutu.

The formal retail sector in Dar es Salaam remains undersupplied presenting investors with an opportunity for growth.

2.3 Transport

Tanzania transport consists of surface transport (road and railways), inland waterways (lakes and rivers), air transport and sea transport. It is estimate that the sector contributed 8.1% percent to the country's GDP in 2018 with USD 3.8 billion.

Improving the transportation infrastructure is a key priority for the Government of Tanzania. Improving the nation's roads, ports, railways and airport infrastructure is critical for the country to improve its internal and external trade and commercial activities as Tanzania strives to become a middle-income country.

Institutions such as World Bank and African Development Bank continue to support Tanzania in achieving its infrastructure development goals through provision of grants and credits.

2.4 Roads

According to Tanzania's 2025 Development Vision, the government has prioritized development of road networks which is the most widely used form of Transport carrying over 90% of passengers and 75% of cargo in the country.

The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads.

Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads.

2.5 Rail

This is another important mode of transport linking regions within and outside Tanzania. Tanzania railway is operated

by two railway systems, Tanzania Railway Corporation and Tanzania Zambia Railways (TAZARA).

The new standard gauge railway is under construction to replace the old inefficient meter gauge railway system. The railway system will link Tanzania with neighboring countries of Rwanda and Uganda and through these two, to Burundi and the Democratic Republic of the Congo, as part of East African Railway Master Plan.

Up until February 2020, the government of Tanzania was using locally generated funds and short-term temporary loans to fund the construction of the first two phases of this standard gauge railway project.

In February 2020, the government received a syndicated loan worth US\$1.46 billion, towards the completion of the first two phases of the national SGR. The financing package has Standard Chartered as lead arranger and the Export Credit Agencies of Denmark and Sweden, as major funding sources. The combined contract value for the first two

phases is US\$2.35 billion with US\$950 million worth of funding to be organized by the Tanzania Ministry of Finance and the remaining US\$1.45 billion by Yapı Merkezi.

2.6 Air

The government has also made effort to develop the air transport in the country through constructing of new airports and terminals. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma. The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

2.7 Ports

Tanzania Ports Authority (TPA) is implementing several major projects as outlined in the National Ports Master Plan (PMP). The study laid out long term strategy for Tanzanian Ports to create capacity for the expected demand. One of

such projects is the Dar es Salaam Maritime Gateway Project (DMGP).

DMGP plans to improve port effectiveness and efficiency by converting the port into a world class port with optimized efficiency to accommodate the calling and reception of larger vessels.

Port modernization projects include but are not limited to strengthening and deepening of berths 1-7 and RORO terminal, dredging of entrance channel, turning circle and harbor basin, strengthening and deepening berths 8-11, and constructing a new terminal jetty.

3.0 Target Market

Our primary target market includes construction companies, contractors, and individuals involved in building and infrastructure development projects. We will also explore opportunities to expand our reach to new markets.

3.1 Unique Selling Points

One of our key differentiators is the focus on eco-friendly brick production. Our compressed earth bricks are made from sustainable materials, reducing the carbon footprint associated with conventional brick manufacturing. Furthermore, our dedication to innovation and technology allows us to offer bricks that meet modern construction standards while preserving the environment.

3.2 Customization Options

At PESSOM INVESTMENT COMPANY LIMITED, the board of Directors understand that every construction project is unique. Therefore, we provide customization options for our bricks, such as size, color, and texture. This flexibility ensures that our customers can achieve their desired architectural vision while using our durable and reliable bricks.

3.3 Quality Assurance

The Board of Directors take pride in our commitment to quality. Our manufacturing process adheres to strict quality

control measures, guaranteeing that every brick leaving our facility meets industry standards and surpasses our customers' expectations.

3.4 Additional Services

Apart from our brick products, we offer value-added services to enhance our customers' experience. This includes technical support, on-site consultations, and assistance with brick installation.

3.5 Future Product Development

PESSOM INVESTMENT COMPANY LIMITED is continuously exploring opportunities to expand and improve our product offerings. Research and development initiatives are underway to introduce innovative and sustainable brick solutions in the future.

4.0 Market Size and Growth Potential

The brick market's size is substantial, with steady growth projected in the coming years. Factors such as population growth, urbanization, and government investments in

infrastructure contribute to the increasing demand for bricks. As sustainable construction practices gain traction, there is a rising preference for eco-friendly brick solutions, which presents a significant opportunity for PESSOM INVESTMENT COMPANY LIMITED.

4.1 Target Market Segments

PESSOM INVESTMENT COMPANY LIMITED's target market comprises various segments within the construction industry. These include:

4.1.1 Residential Construction

Home builders and individuals involved in residential projects represent a substantial portion of our target market. The durability and aesthetic appeal of our bricks make them an ideal choice for residential structures.

4.1.2 Commercial Construction

Commercial developers and construction companies seeking reliable and visually appealing building materials are also part of our target market. Our customizable brick

options cater to the specific requirements of commercial projects.

4.1.3 Infrastructure Development

As governments invest in infrastructure development, there is a demand for bricks in roads, bridges, and other public projects. We aim to collaborate with infrastructure contractors to supply our bricks for such ventures.

4.2 Competitor Analysis

The brick manufacturing industry is competitive, with several established players and new entrants vying for market share. However, PESSOM INVESTMENT COMPANY LIMITED can differentiate itself through its eco-friendly focus, product customization, and commitment to quality. Understanding our competitors' strengths and weaknesses will allow us to position ourselves effectively in the market.

4.3 Market Entry and Expansion Strategies

To enter the market successfully and expand our presence, PESSOM INVESTMENT COMPANY LIMITED will adopt a multi-faceted approach.

4.3.1 Marketing Campaigns

PESSOM INVESTMENT COMPANY LIMITED will launch targeted marketing campaigns to create brand awareness and showcase our unique selling points to potential customers.

4.3.2 Partnerships and Alliances

Collaborating with construction companies, contractors, and architects will provide us with opportunities to supply our bricks for various projects.

4.3.3 Online Presence

Establishing a strong online presence through a website and social media platforms will enable us to reach a broader audience and facilitate online inquiries.

4.3.4 Geographical Expansion

As we gain traction in the market, we will explore opportunities to expand our operations to serve new regions and markets.

4.3.5 Regulatory and Environmental Factors

PESSOM INVESTMENT COMPANY LIMITED acknowledge the importance of complying with industry regulations and environmental standards. PESSOM INVESTMENT COMPANY LIMITED is committed to sustainable practices and will ensure that our manufacturing processes align with the relevant regulations to minimize our environmental impact

4.3.6 Brand Identity

Establishing a strong brand identity is crucial for PESSOM INVESTMENT COMPANY LIMITED to differentiate itself in the competitive brick manufacturing market. We will develop a compelling brand image that reflects our commitment to quality, sustainability, and innovation. Our brand identity will be consistently portrayed across all marketing materials and communication channels.

4.3.7 Digital Marketing

In today's digital age, a robust online presence is essential for reaching a wider audience and generating leads. Our digital marketing strategy will encompass the following elements:

i. Website

PESSOM INVESTMENT COMPANY LIMITED Management will create an informative and user-friendly website that showcases our product range, customization options, and company values. The website will also include contact forms for inquiries and quotes.

ii. Search Engine Optimization (SEO)

By optimizing our website with relevant keywords and high-quality content, we aim to improve our organic search engine rankings, driving more traffic to our site.

iii. Social Media

Engaging with our audience on popular social media platforms will help us build brand awareness and foster a community of satisfied customers.

iv. Email Marketing

PESSOM INVESTMENT COMPANY LIMITED will implement email marketing campaigns to keep customers informed about new products, promotions, and industry updates.

v. Trade Shows and Events

Participating in construction and building industry trade shows and events will allow PESSOM INVESTMENT COMPANY LIMITED to showcase our products directly to potential customers and industry professionals. These events provide an excellent platform to network, generate leads, and gain valuable insights into market trends and customer preferences.

vi. Sales Team and Distribution

A well-trained and motivated sales team is crucial for driving sales and expanding our customer base. Our sales representatives will focus on building strong relationships with construction companies, contractors, and other potential buyers. Additionally, we will establish a reliable distribution network to ensure our bricks are readily available to customers across different regions.

vii. Pricing Strategy

Our pricing strategy will consider market demand, production costs, and competitor pricing. While offering competitive prices, we will emphasize the value of our eco-friendly and customizable brick options, which will justify a premium pricing for certain products.

viii. Customer Relationship Management (CRM)

Maintaining strong customer relationships is vital for long-term success. We will implement a CRM system to track customer interactions, feedback, and preferences. This data

will enable us to tailor our products and services to meet customer needs effectively.

ix. Promotions and Incentives

To attract new customers and encourage repeat business, PESSOM INVESTMENT COMPANY LIMITED will run promotional campaigns and offer incentives such as discounts on bulk orders or referral rewards. These promotions will be strategically timed to align with industry trends and construction project cycles

5.0 Management Structure

PESSOM INVESTMENT COMPANY LIMITED is proud to have a skilled and experienced management team dedicated to steering the company towards success. The management structure comprises key individuals who bring their expertise and knowledge to different aspects of the business.

5.1 The Sponsors

PESSOM INVESTMENT COMPANY LIMITED will be sponsoring this project. The Company is currently jointly owned by two shareholders

Shareholders Name	% of shares	Nationality
LINGDI HU	80	China
JAMILA ABDUL IBRAHIM	20	Tanzania

As the visionary behind PESSOM INVESTMENT COMPANY LIMITED Directors plays a pivotal role in setting the company's strategic direction and overseeing its overall operations. With a background in construction and a passion for sustainable practices, the Directors are committed to realizing the company's mission and driving growth.

5.2 Chief Operating Officer (COO)

The COO leads the day-to-day operations of the company, ensuring that manufacturing processes run efficiently, and products are delivered on time. With a strong focus on

quality control and process optimization, the COO strives to maintain the highest standards in brick production.

5.3 Chief Marketing Officer (CMO)

The CMO is responsible for crafting and executing PESSOM INVESTMENT COMPANY LIMITED's marketing and sales strategies. With a deep understanding of the construction industry and consumer behavior, the CMO's aims to position the company as a leader in eco-friendly brick solutions.

5.4 Financial Controller

The Financial Controller oversees the financial aspects of the company, including budgeting, forecasting, and financial analysis. With a keen eye for financial details, The Financial Controller ensures the company's financial stability and sound decision-making.

5.5 Production Manager

The Production Manager leads the manufacturing team, ensuring that the production process adheres to quality

standards and meets customer demands. With years of experience in brick manufacturing, the Production Manager fosters a culture of innovation and excellence in the production facility.

5.6 Sales Team

Our dedicated sales team, works closely with customers, offering personalized solutions and outstanding customer service. They actively seek new business opportunities and maintain strong relationships with existing clients.

5.7 Human Resources Manager

The HR Manager oversees all aspects of human resources, including recruitment, training, and employee development. By fostering a positive and inclusive work environment, the HR Manager ensures that the company attracts and retains top talent.

6.0 Project Investment Cost

The estimated capital investment cost of the project is US\$5

PESSOM INVESTMENT COMPANY LIMITED COST STRUCTURE US\$

PARTICULAR	
Land and Buildings	1,000,000.00
Machinery & Equipment	2,000,000.00
Motor Vehicles	630,000.00
Furniture & Fixtures	10,000.00
Pre exp	10,000.00
Others	350,000.00
Working Capital	1,000,000.00
TOTAL	5,000,000.00

For the project to be a reality a total investment amounting to US\$ 5m is needed.

6.1 Financing pattern

The project will be financed by foreign loan and equity US\$ 5m

6.1 Considerations and Assumptions

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

6.2 Projected income and Expenditure

The Income and Expenditure Statement shows the projected income for the 8 years' period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 784,840 in first year to US \$ 5,087,408 in the 8th year

6.4 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 accumulated Cash US\$770,360 rise up to US \$7,909,639 in 8th year

6.5 Projected Balance Sheet

This is shown in the financial statements. The project has a positive end of year owners' equity; in the first year the equity was NIL however after 8 years of operation the owners' equity rise up to US \$5,087,408 in the 8th year

6.6 Projected Payback Period

The projected payback period is 5years where the accumulated cash flow is US\$ 6,387,257 which is greater than the total initial investment by US \$ 1,387,257.

6.7 Projected Loan repayment schedule

The projected payback period is 5years where the accumulated cash flow is US\$ 6,387,257 which is greater than the total initial investment by US \$ 1,387,257

7.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project will create employment for **40** people on permanent contract basis as well as on temporary basis.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge to construction industry production

8.0 Implementation

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction and operations will be commenced within one year: -

ACTIVITY	PERIOD
Processing TIC Certificate of Incentive	March 2025
Resources mobilization	April –December 2027
Ordering plant and machine	July -October 2025
Machine installation	December- June 2026
Testing business and in house training	June-Dec 20126
Commercial operations	January 2027

9.0 Conclusion and recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and

benefits as provided for under the Tanzania Investment Act,
2022.

PESSOM INVESTMENT COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6	7	8
Revenue	2,592,000	2,851,200	3,136,320	3,449,952	3,794,947	4,174,442	4,591,886	5,051,075
Cost of raw materials	1,036,800	1,140,480	1,254,528	1,379,981	1,517,979	1,669,777	1,836,754	2,020,430
Profit before Depreciation &Interest	1,555,200	1,710,720	1,881,792	2,069,971	2,276,968	2,504,665	2,755,132	3,030,645
Interest	250,000	171,429	142,857	114,286	85,714	57,143	28,572	-
Depreciation	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Net Profit before Tax	1,121,200	1,355,291	1,554,935	1,771,685	2,007,254	2,263,522	2,542,560	2,846,645
Tax (30%)	336,360	406,587	466,481	531,506	602,176	679,057	762,768	853,993
Profit After Tax	784,840	948,704	1,088,455	1,240,180	1,405,078	1,584,466	1,779,792	1,992,651
Accumulated Profit	784,840	1,191,427	1,657,908	2,189,413	2,791,590	3,470,646	4,233,414	5,087,408

PESSOM INVESTMENT COMPANY LIMITED PROJECTED CASH FLOW (US\$)

	-	1	2	3	4	5	6	7	8
SOURCES:									
Profit before interest and depreciation	-	1,555,200	1,710,720	1,881,792	2,069,971	2,276,968	2,504,665	2,755,132	3,030,645
Loan	5,000,000								
Total Sources	5,000,000	1,555,200	1,710,720	1,881,792	2,069,971	2,276,968	2,504,665	2,755,132	3,030,645
Applications:									
Capital expenditure	3,640,000	-	-	-	-	-			
working Capital & Others	1,360,000								
Cash	-	770,360	762,016	793,337	829,791	871,898	920,199	975,340	1,037,994
Tax	-	784,840	948,704	1,088,455	1,240,180	1,405,078	1,584,466	1,779,792	1,992,651
Sub total	5,000,000	1,555,200	1,710,720	1,881,792	2,069,971	2,276,976	2,504,665	2,755,132	3,030,645
Total applications	5,000,000	1,555,200	1,710,720	1,881,792	2,069,971	2,276,976	2,504,665	2,755,132	3,030,645
Accumulated cash		770,360	2,481,080	3,274,417	4,104,208	4,976,106	5,896,305	6,871,645	7,909,639
Necessary working capital	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000

PESSOM INVESTMENT COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	-	1	2	3	4	5	6	7	8
Fixed Assets	-								
Opening balance	-	3,640,000	3,456,000	3,272,000	3,088,000	2,904,000	2,720,000	2,536,000	2,352,000
Total Long-term Assets	-	3,640,000	3,456,000	3,272,000	3,088,000	2,904,000	2,720,000	2,536,000	2,352,000
Less depreciation	-	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Closing balance	-	3,456,000	3,272,000	3,088,000	2,904,000	2,720,000	2,536,000	2,352,000	2,168,000
Working capital	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000	1,360,000
Accumulated cash	-	770,360	2,481,080	3,274,417	4,104,208	4,976,106	5,896,305	6,871,645	7,909,639
Total assets	1,360,000								
Financed by									
Loan	5,000,000	4,285,715	3,571,430	2,857,145	2,142,860	1,428,575	714,290	5	-
Accumulated Profit	-	784,840	1,191,427	1,657,908	2,189,413	2,791,590	3,470,646	4,233,414	5,087,408
Total equity	-	784,840	1,191,427	1,657,908	2,189,413	2,791,590	3,470,646	4,233,414	5,087,408
Total equity and debts	-	784,840	1,191,427	1,657,908	2,189,413	2,791,590	3,470,646	4,233,414	5,087,408

PESSOM INVESTMENT COMPANY LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	784,840	184,000.00	968,840.00	968,840.00
2	948,704	184,000.00	1,132,704.00	2,101,544.00
3	1,088,455	184,000.00	1,272,455.00	3,373,999.00
4	1,240,180	184,000.00	1,424,180.00	4,798,179.00
5	1,405,078	184,000.00	1,589,078.00	6,387,257.00
6	1,584,466	184,000.00	1,768,466.00	8,155,723.00
7	1,779,792	184,000.00	1,963,792.00	10,119,515.00

RPESOM INVESTMENT COMPANY LIMITED PROJECTED LOAN REPAYMENT SCHEDULE

Year	Principle	Loan Interest (5%)	Total Amount Paid	Loan Balance
0				5,000,000
1	714,285	250,000	964,285	4,285,715
2	714,285	171,429	885,714	3,571,430
3	714,285	142,857	857,142	2,857,145
4	714,285	114,286	828,571	2,142,860
5	714,285	85,714	799,999	1,428,575
6	714,285	57,143	771,428	714,290
7	714,285	28,572	742,857	5
8	714,285			
TOTAL	5,714,280	850,001	5,849,996	