



KAIMEX ENTERPRISES LIMITED

"Kai Logistics"



Logistics & Haulage Services

Dar es Salaam, Tanzania

Investment Teaser for US\$ 0.212 Million

22nd March, 2025



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EXECUTIVE SUMMARY

Overview

Kaimex Enterprises Limited also known as Kai Logistics envisages in embarking into cargo transportation business in Tanzania. The core business of Kai Logistics is focused on haulage and logistics. Our clientele is well defined and we clearly understand their expectations having worked in the industry for some time. Kai Logistics has secured offtake agreements for the cargo shipment in the the mining site. The contract will be renewed automatically after every two (2) working years.

The Company

The company is legally operating with a full-fledged registration under the United Republic of Tanzania Law. It is managed and directed by strong management over 5 years' transportation experience.

Our Fleet

Currently, our fleet size is 3 dump trucks each with 32 CBM. We are aiming to increase the fleet size to 100 trucks in the next two years tapping for the available fast-growing market demand.

The Market

Our market is targeting for cargo haulage between some points within mining site.

Requested Investment Capital

Kai Logistics is seeking for long term financing amounting to **2,200,000,000** from reputable funder. These funds will be utilized for capital expenditure and operational expenditure. The proposed financing structure is equity and debt financing at a ratio of 20: 80 with a minimum of 2 years repayment schedule.

Transportation business operations will yield a positive average Net Income for consecutive years. The business will register revenue of **TZS 2,433,600,000.00** in the first year of operation with a positive cash flow for the rest of five years of operation. Given the current demand, this is doable. The business will reach positive cash flow in its initial months of operation, allowing for expedited repayment of its loan obligations.

Kai Logistics is further proposing a grace period of 55 days from first tranche of funds disbursement to kick off.



Project Promoters and Business Model

The Company

Kai Logistics is a legally registered haulage and logistics company specializing in providing efficient and reliable transportation services for goods of all sizes. Our fleet has modern vehicles and advanced tracking systems to ensure safe, timely, and cost-effective deliveries. Whether it's regional, national, or international freight, we aim to meet the diverse needs of our clients across various industries. With a team of skilled professionals, we focus on delivering customized logistics solutions that streamline supply chain processes and improve operational efficiency for businesses.

The highly skilled and experienced management team (specifically the Promoter - Mr. Promoter Boniface Kaputa) has an established performance track record with the Kai Logistics which created a successful and profitable practice in the transportation industry in Tanzania.

Our Vision

- *To become the market leader in the haulage and logistics industry by focusing on reliability, customer service, and timely deliveries.*

Our Mission

- *To build a reliable fleet by developing a fleet of well-maintained vehicles to handle both short and long-haul transportation, ensuring prompt and secure deliveries.*

Shareholding structure of Kai Logistics

The company share capital is TZS 100,000,000.00 million divided into 5,000 shares of 20,000/- each, with powers thereto to increase the shares to cope with the needs of the company development. The shareholding structure of the company is as presented in [Table 1](#).

Table 1: Shareholding Structure of Kai Logistics

Name of Shareholder	No. of Shares	%
MSAFIRI B.S. MWAKIBETE	3,500	70
PETER GODWIN MWAKALINGA	500	10
UNSUBSCRIBED	1,000	20
TOTAL	5,000	100

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Profiles of Board of Directors

Mr. Boniface Kaputa: Promoter, Managing Director and Chairman

Kaputa is a Tanzanian trained and experience professional who has a strong passion for hauling and logistics with adequate experience in business management. He takes the role of the Managing Director.

Peter Mwakalinga: Director & Truck, Supervisor

Mwakalinga is a trained and experienced professional who specializes in Transport and Logistics for a couple of years with full knowledge of the transport landscape in Tanzania.

Management Structure

Management Structure of Kai Logistics

1. Sponsor

- **Name:** Msafiri Boniface
- **Role:** The sponsor is the key financial backer and business visionary. He is responsible for securing funding, long-term strategy, and ensuring the company's growth and sustainability.
- **Education Level:** MSc in Finance and Investment

2. General Manager

- **Daniel Bubele**
 - Responsibilities: Oversee company day to day operation
 - The manager handles the day-to-day operations of the company. Daniel Bubele is in charge of coordinating staff, ensuring efficient logistics, maintaining fleet operations, and reporting to the directors. He will also be responsible for the general supervision of the drivers and other staff members.
- **Education Level:** Bachelor's Degree in Computer Science

3. Drivers

- **Number of Drivers:** 3 Main Drivers
- **Responsibilities:** Drive the company's vehicles, maintain vehicle safety and efficiency, ensure deliveries are made on time, and report any vehicle issues to the manager. These drivers are key to maintaining smooth operations.
- **Education Level:** Driving License Class C, Form Four Level

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4. Accountant

- **Role:** Responsible for the financial management of the company. The accountant will handle bookkeeping, budgeting, payroll, financial reporting, and tax compliance. This role will be critical for keeping the company financially healthy and transparent.
- **Education Level:** Bachelor of Accountancy

5. Assistants (Two Assistants)

- **Role:** The assistants will support both the manager and other staff. They may assist in managing logistics, coordinating driver schedules, maintaining records, and providing general administrative support to ensure the smooth running of the company.
- **Education Level:**
 - **Assistant 1:** Diploma in Office Administration

6. Fleet Inspector

- **Role:** The fleet inspector will be responsible for ensuring that all vehicles in the company's fleet are in good condition, properly maintained, and meet safety standards. This includes conducting regular inspections, overseeing repairs and servicing, keeping maintenance logs, and ensuring that vehicles comply with any relevant regulations. The fleet inspector will also work closely with the drivers and manager to schedule maintenance and prevent breakdowns or accidents.

Business Model

The core business of Kai Logistics is focused on haulage and logistics. Our clientele is well defined and we clearly understand their expectations having worked in the industry for some time. On full commencement of our business operation, (JHL) will be our primary client for the next two years after which, the company will expand her services to other organizations.

The company is built on a specialized transportation service business model, designed to meet quality, satisfaction, safety and cost efficiency in the transport sector.

The haulage industry is managed through three major business models. First, running the business as an independent contractor: This model usually involves starting a haulage company, operating the trucks, hiring drivers, and hunting for contracts from companies that may require truck services.

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The second model involves running the business as a contractor or subcontractor. In this model, the truck owner serves only one client, usually a multinational or big manufacturing company. The company will manage the trucks as well as the process of hiring and paying drivers. At the end of each month, the company will pay the truck owner an agreed amount of money. The third model is similar to running the business as contractor or sub-contractor, but the difference is that you will be sub-contracting with a haulage company. Here, the truck owner also enjoys the benefits that come with sub-contracting with a multinational or manufacturing company. This is mainly due to inadequate planning, insufficient capital, and poor vehicle maintenance, dishonest and reckless drivers who sabotage the business, high fuel costs and bad management. The haulage industry is also a highly regulated industry. Haulage entrepreneurs are expected to obtain various licenses and permits along with stringent rules and regulations which must be adhered to in order to operate freely and successfully.

We intend to procure a fleet of 3 trucks; then to 10 trucks targeting 100 fleet come 2027.

The following are the major guiding assumptions for our transport business:

- Average of 4 trips per day with 3 trucks each carrying 50Mt. This will make US\$936,000 per annum;

To form a specialized and super-specialized transport services that is able to survive on its own cash flow and make profit to pay dividends to business shareholders i.e. financial sustainability;

- Expansion through procurement of more fleet enabling the company to operate as profitable entity in the long-term basis.
- To enable the Kai Logistics, meet its set business objectives, the company has put the following strategies in place:
- Human Resources - Skilled & experienced specialized professionals, led by the Founder & Managing Director, Boniface Kaputa, who has been the brain behind the success of the transport wing in Tanzania, Peter Mwakalinga will manage -Truck, Supervisor and Faith Mwakibete Accountant and Head of Marketing. These people will be responsible for these positions for the first two years of business operations. By the third year, the business will be ready for the first stage recruitment and expansion;
- Procurement of modern top-notch trucks and tracking technology - which is covered under this business plan and;
- Investment in information technology, including Driver`s Records Management, Fleet Management System and Revenue Management.

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SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"> • Skilled, competent and experienced management team of transport professionals. • Substantial client base to serve. • Ability to offer diverse and specialized transport services. • Established business support partners for the business. • Strategic location of our office. 	<ul style="list-style-type: none"> • Lack of capital to gasp available transport opportunities in the market.
Opportunities	Threat
<ul style="list-style-type: none"> • Availability of offtake agreement cargo shipment. i.e Pit to pit shipment. • Tax incentives from TIC¹ 	<ul style="list-style-type: none"> • Too many government transport agencies. • Competition from other transport giants • Stability of our local currency.

Project Economic Analysis (Base Case)

Payback Period:	5.Years
ROI, Return on Investment:	27%
IRR, Internal Rate of Return:	46.0%
NPV is positive	>0

- In reaching the conclusion of Investment feasibility, we considered the Discounted Cash Flow approach.
- Kai Logistics has the ability and potential to generate adequate cash flows and achieving sustainable profitability.

¹ Tanzania Investment Center



Transaction and Security Arrangements

Transaction Objectives

The transaction provides Kai Logistics with the opportunity to increase and enhance its transport services offering within the Tanzanian landscape and.

The proposed funding will provide the company with the capacity to purchase top notch trucks i.e mixture of European and Chinese that will improve the competitiveness of the company and enable its contribution in economic growth of our country.

Transport provides the arteries for development providing the channels and linkages between areas of production and markets and facilitates the movement of inputs and outputs throughout the economy. Transport services are critical to all aspects of economic and social development and are a vital ingredient to the attainment of the MDGs².

Proposed utilization of the funds

The total cost of the project is **TZS 2,200,000,000.00**. The funding structure shall be 80% from debt financing and 20% equity contribution from the Promoter at an interest rate of 15 per cent.

The requested facility will be used to purchase dump trucks of 32 CBM carriage capacity and the remaining amount will used as operating capital.

Proposed Security for the Funding

Since the funding will be solely utilized for financing the trucks and trailers purchase, the proposed Security Arrangements between investor and Kai Logistics will include but not limited to the following:

- 50 percent shareholding to the company and
- Assignment of all revenues earned which shall include the obligation to route all revenues from Kai Logistics through the Permitted Accounts where both parties shall be signatories

² Milenium Development Goals



Market and Competition Analysis

Overview of Tanzania Transport sector

Transportation industry plays an important role in delivering goods to support other industries. It serves a wide range of industries including mining, construction, agriculture, petroleum and many others. The transportation business landscape in Tanzania is very wide and active and that is mainly due to geographical location of the country that involves a busy port and landlocked neighboring countries. Tanzania is also a naturally gifted country with abundance of industrial minerals and increasing processing industries such as cement, ceramic and other factories that all together depend on reliable transportation services to move the materials and goods. The large numbers of trucks in Tanzania serve the transit good corridors where they transport containerized cargos; loose cargos, mining chemicals/consumables and petroleum through Dar es salaam port to neighboring land locked countries while on return common cargos are minerals, agricultural and timber/wood products.

Countries that depend on Dar es Salaam port to import and export goods are as follow - put in sequence according to the size/volume of good imported and exported annually, Demographic republic of Congo (DRC), Zambia, Rwanda, Malawi, Burundi and Uganda. The rapid population growth in Tanzania and in the neighboring countries, improved road networks and trade relations in the great lake region as well as high demand of industrial minerals and agriculture products are some of the factors that assure the sustainability of logistic/transportation business in the region.

Demand and Supply

Many factors can affect goods movement demand, including number of fleets, quality of trucks, price charges per tonnage and availability of offtake agreement in place.

Target Market

Our primary target market is JHL. There are an urgent need 100 dumper trucks with capacity to carry 25-32 CBM. Kai can easily take advantage of JHL by providing the truck solution. Our secondary target market is to be a sub-contractor to a JHL transporter, GGM Mine, Lindi Jumbo, Faru Mine and Kabanga Nikel Mine.

Competitive Analysis

Kai Logistics is a Tanzanian established local company with a global vision. At the moment, our present competitors are small haulage operators who own 1 to 5 trucks in their fleet.



Economic Benefit of the business

The company will create 25 direct employments and other including improving life wellbeing for more than 100 people, the company will contribute towards an increase of tax base and levies to the local government.

Competition Analysis

NUNU Logistics

The company operates locally specialized in carrying coal to different industrial destinations. The fleet size is over 50 trucks with most of their trucks being Chinese brands. Despite the sufficient number of trucks, still are not well utilizing their potential to create synergies that could potentially put them in a more competitive edge by using their fleet to trade industrial minerals such as coal instead of only working as transportation contractor. Still they have gaps to diversify available fleet to serve transit market of which now seems to be booming.

SETH Logistics

This company is operating with a fleet of 20 trucks. Their major focus is on transportation of transit goods to Zambia, Congo and Malawi. They are well placed in the market with reliable sources of cargo including return/back haul cargos. Despite all the experience and business network they have created over years, still there are gaps to establish systems that could smoothly support their business management. Their mode of business management constrains towards efficiency and growth.

Market Leaders

Some of the top major players in the Tanzanian haulage include, ASAS, Lake Trans, and CMTL Logistics, Danta Logistic, Food Farm and many others. These companies own at least 10-200 trucks amongst their fleet. Their operational framework is impeccable thereby strengthening their business processes. Apart from these top players, a major amount of truck owners lacks the managerial competence needed to grow the business and transform it from a source of livelihood to an enterprise that can serve as a tool for human development and societal development, leaving a vacuum that will be filled by KEL.



Key Business Risk Analysis

Risk Description	Consequences	Mitigation Measures
Changes in operating environment	Risk of significant regulatory or environmental changes that will impact the company's operations.	The company will always keep in touch with the relevant regulatory especially regarding transportation of coal and transit goods procedures.
Competition	Erosion of market share as a result of new entrant or aggressive model by existing competition.	The company intends to harness technological advancement in fleet management system and operational cost saving in creating its own target market.
Management risks	Poor management can expose the company to levels of risk in processes including movement of goods and suitability of the business practitioners.	<ul style="list-style-type: none"> • Ensure operational efficiencies and productive management processes. • Attract suitable team players to the company. • Fleet Optimization for efficient recovery of fixed overheads.
Skills gap	Failure to attract and retain qualified staff and other labour issues could adversely affect DEW limited financial performance, because of low level of attraction to the clients.	<ul style="list-style-type: none"> • There will be in-house staff training for the drivers and other key personnel. Up to date equipment and machines, high level of professionalism and business conduct will attract quality employees to the company



Project Financial & Investment Analysis

Projected Investment Costs

The table below provides the Capital investment costs per main supplier's quotes.

Table 2: Detailed Capital Investment Costs:

S/N	Dump Tuck	Unit Price in USD	Total Value
1	3 Units of HOWO of 32 CBM	70,800.00	212,400.00

Proposed Capital Financing

A total of **US\$212,400.00** is needed to finance the business. The main supplier for trucks will be Scania, MAN and HOWO. The financing for these assets and working capital will be a combination of equity and debt from reputable financier.

Table 3: Capital Investment Costs & Financing Plan in TZS

PARTICULARS	Equity (Existing)	Bank Loan	Total Financing
Purchase of machinery	440,000,000	1,760,000,000	2,200,000,000
Total	440,000,000	1,760,000,000	2,200,000,000
Percentage of Contribution	20%	80%	100%

In two years', time, the company is planning to add up 10 units of dump trucks as stipulated below;

Table 3 indicates the assumed financing structure envisaged for the transportation investment.

INVESTMENT ANALYSIS

The company is prepared to invest at least 10 Billion shillings in logistics for the next five (5) years and the project will employ 100 drivers and 50 administration, and other cadres of employee who will be supporting the machinery to go ahead with its five-year plan. The company will break even from second year of operation and shall be able to clear all its liability in 5 years. From the below investment plan the project is tested viable and we are ready to carry on ahead with our plans. Already the company has obtained one off taker with a two years contract.



TABLE 4: PROJECTED REVENUE BUDGET (TZS)

PARTICULARS/YEARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Average capacity level	98%	99%	99%	99%	99%
Sales of PP	7,477,984,800	7,477,984,800	7,477,984,800	7,477,984,800	7,477,984,800
TOTAL OF EXPECTED REVENUE PER YEAR	7,328,425,104	7,403,204,952	7,403,204,952	7,403,204,952	7,403,204,952

Note:

Optimistic the dollar will be exchanged at 2,700.0

Capacity level is assumed to be from 98% throughout the project period

<i>Revenue Assumptions;</i>	TZS
Sales of Ton/Trips per month is USD 6 = US\$ from cash flow	623,165,400
trip per day 4 @45tons	1,485
Working days per month 26	38,610
Number of months per year	12
Gross Annual Revenue	7,477,984,800



TABLE 5: PROJECTED OPERATING COSTS (TZS)

PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Staff welfare costs	687,420,000	687,420,000	687,420,000	687,420,000	687,420,000
Maintenance costs (0.03% of revenue)	21,985,275	22,209,615	22,209,615	22,209,615	22,209,615
Operating costs (25% of sales)	1,465,685,021	1,480,640,990	1,480,640,990	1,850,801,238	1,850,801,238
Total operating costs	2,175,090,296	2,190,270,605	2,190,270,605	2,560,430,853	2,560,430,853

Notes:

Staff welfare

	TZS
Number of staff	26.0
GM	5,000,000.0
Account Consultant	2,500,000.0
Drivers consultant	44,000,000.0
Mechanical consultant	2,500,000.0
Fleet Manager	3,000,000.0
	57,000,000.0

Monthly salary per staff	57,000,000
NSSF contribution .5%	285,000
Total staff costs	687,420,000

Other costs

Maintenance costs of machines 0.33% of total revenue	21,985,275
Operating costs 25% of revenue	1,465,685,021

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TABLE 6: PROJECTED PROFIT AND LOSS ACCOUNT (TZS)

PARTICULARS	TABLE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Revenue	4.0	7,328,425,104	7,403,204,952	7,403,204,952	7,403,204,952	7,403,204,952
Less: Operating costs	5.0	2,175,090,296	2,190,270,605	2,190,270,605	2,560,430,853	2,560,430,853
Depreciation	3.0	330,000,000	330,000,000	330,000,000	330,000,000	330,000,000
Operating Profit		4,823,334,808	4,882,934,347	4,882,934,347	4,512,774,099	4,512,774,099
Interest on loan	2.0	260,457,400	219,370,542	171,889,542	117,019,311	53,609,900
Profit before taxes		4,562,877,408	4,663,563,805	4,711,044,805	4,395,754,789	4,459,164,199
Income tax		1,368,863,222	1,399,069,141	1,413,313,442	1,318,726,437	1,337,749,260
Net Profit after tax		3,194,014,186	3,264,494,663	3,297,731,364	3,077,028,352	3,121,414,939



TABLE 7: PROJECTED CASH FLOWS (TZS)

PARTICULARS	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A: CASH INFLOWS						
Revenue (Table 4)		7,328,425,104	7,403,204,952	7,403,204,952	7,403,204,952	7,403,204,952
Total inflows		7,328,425,104	7,403,204,952	7,403,204,952	7,403,204,952	7,403,204,952
B: CASH OUTFLOWS:						
Operating costs		2,175,090,296	2,190,270,605	2,190,270,605	2,560,430,853	2,560,430,853
Income tax		1,368,863,222	1,399,069,141	1,413,313,442	1,318,726,437	1,337,749,260
Capital costs	2,200,000,000.0	0	0	0	0	0
Total outflows	2,200,000,000.0	3,543,953,519	3,589,339,747	3,603,584,047	3,879,157,289	3,898,180,113
Net cash flows	-	3,784,471,585	3,813,865,205	3,799,620,905	3,524,047,663	3,505,024,839
C: FINANCING						
Owner's equity	440,000,000.0					
Bank loan	1,760,000,000.0					
Loan repayment						
(i) Principal		(264,011,939)	(305,098,797)	(352,579,797)	(407,450,028)	(470,859,439)
(ii) Interest		260,457,400	219,370,542	171,889,542	117,019,311	53,609,900
Sub total	2,200,000,000.0	(3,554,539)	(85,728,255)	(180,690,256)	(290,430,718)	(417,249,539)
Cash balance opening	-	3,780,917,046	3,728,136,950	3,618,930,650	3,233,616,945	3,087,775,301
Cash balance ending	-	3,780,917,046	7,509,053,996	11,127,984,646	14,361,601,591	17,449,376,892



TABLE 8: PROJECTED BALANCE SHEET (TSHS)

PARTICULARS	TABLE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS:						
<u>Current Assets:</u>						
Total current assets		3,780,917,046	7,509,053,996	11,127,984,646	14,361,601,591	17,449,376,892
<u>Fixed assets (Less Depreciation):</u>						
Motor vehicles		1,870,000,000	1,540,000,000	1,210,000,000	880,000,000	550,000,000
Furniture		2,000	1,900	1,800	1,700	1,600
Land and Buildings		0	0	0	0	0
Net fixed assets		1,870,002,000	1,540,001,900	1,210,001,800	880,001,700	550,001,600
Total assets		5,650,919,046	9,049,055,896	12,337,986,446	15,241,603,291	17,999,378,492
LIABILITIES:						
Medium term loan	2.0	(1,800,000,000)	(1,535,988,061)	(1,230,889,264)	(878,309,467)	(470,859,439)
OWNER'S EQUITY:						
Share capital		4,256,904,861	7,320,549,294	10,271,144,346	13,042,884,406	15,348,822,991
Retained profit for the year	6.0	3,194,014,186	3,264,494,663	3,297,731,364	3,077,028,352	3,121,414,939
Total Owner's Equity		7,450,919,046	10,585,043,958	13,568,875,710	16,119,912,758	18,470,237,930
LIABILITIES+EQUITIES		5,650,919,046	9,049,055,896	12,337,986,446	15,241,603,291	17,999,378,492
Note:						



TABLE 9: NPV CALCULATIONS (TSHS)

'YEAR	NET CASH FLOW	DF@10% (P/F, 12%, 5)	PV OF CASHFLOW	CUMULATIVE PV OF CASH FLOWS
0	(2,200,000,000)		1.00	(2,200,000,000)
1	3,784,471,585		0.893	3,378,992,487
2	3,813,865,205		0.797	3,040,389,991
3	3,799,620,905		0.712	2,704,495,109
4	3,524,047,663		0.636	2,239,595,999
5	3,505,024,839		0.567	1,988,845,224
NPV	16,227,030,198			11,152,318,811

TABLE 10: INTERNAL RATE OF RETURN (IRR) CALCULATIONS (TSHS)

'YEAR	NET CASH FLOW	DISCOUNT			
		(DF 12%,5)	12% PV	20% PV	FACTOR
0	(2,200,000,000)	1.0	(2,200,000,000)	1.00	(2,200,000,000)
1	3,784,471,585	0.9	3,378,992,487	0.833	3,153,726,321
2	3,813,865,205	0.8	3,040,389,991	(0.800)	(3,051,092,164)
3	3,799,620,905	0.7	2,704,495,109	0.579	2,198,854,690
4	3,524,047,663	0.6	2,239,595,999	0.482	1,699,482,862
5	3,505,024,839	0.6	1,988,845,224	0.402	1,408,590,872
NPV	16,227,030,198		11,152,318,811		3,209,562,582

NB: IRR is the discount rate that makes the net present value (NPV) equal to zero.

IRR = (Lower discount rate + ((NPV1 * (Higher discount rate - Lower discount rate)) / ((NPV at lower Discount rate - NPV at Higher rate)))
divide by Absolute difference of the two NPVs

IRR ≈ R1 + ((NPV1 * (R2 - R1)) / (NPV1 - NPV2))

IRR = 46.0%
The project is viable

Summary of the Financial Results

Key financial figures summarized in the tables above demonstrate a robust business case for the Investment. Projected financial shows that the project will generate sufficient revenues and cash flows from operations throughout the projected period.



Conclusion

- The business will generate adequate cash to pay its business and operational expenses.
- The projected cash flows are very strong and the business, as a result are very attractive in terms of positive cash flow and repayment plan.
- Remarkable economics and the team of professionals that is put in place to manage Kai Logistics assures proposed business case is viable for medium and long-term investors to consider.