A BUSINESS PLAN

FOR

KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT THE ENVIRONMENTAL CONSERVATION AND PRESERVATION OF RIVER MZINGA AND KIZINGA IN THE TEMEKE MUNICIPALITY

Prepared by: Branch Construction Limited Plot No. 971/Kawe, Mbezi Beach, Kibaki Road P O Box 71482 Dar es Salaam Email: info@branch.tz

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LIST OF ABBREVIATIONS

KMRP	Kizinga and Mzinga Rivers Preservation
CIICE	Capital Investment Items Cost Estimates
TZS	Tanzania Shillings
Bn/bn	Billion
DPSand	Dredged and Processed Sand
DUS	Dredged Unprocessed Sand
RADMC	Rated Annual Dredging Machinery Capacity
PADMCU	Planned Annual Dredging Machinery Capacity Utilisation
BCL	Branch Construction Limited
TMC	Temeke Municipal Council
MOU	Memorandum of Understanding
IWCICE	Initial Working Capital Items Cost Estimates
NEMC	National Environmental Management Council
EIA	Environment Impact Assessment
EIS	Environmental Impact Statement
IRR	Internal Rate of Return
NPV	Net Present Value
EKFPIs	Expected Key Financial Performance Indicators
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EBIT	Earnings Before Interest Tax
EBT	Earnings Before Tax
EAT	Earnings After Tax
ROCE	Return on Capital Employed
ROE	Return on Equity
DSCR	Debt Service Coverage Ratio
BS	Balance
DCF	Discounted Cash Flow
CAGR	Compound Annual Growth Rate
PCBs	polychlorinated biphenyls

KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT

1. EXECUTIVE SUMMARY

1.1 Project Background

Over the last three decades, Dar es Salaam, as the Commercial city and Capital of Tanzania, has experienced a tremendous growth of its population and attendant on-ongoing human activities for both life survival and economic development of not only Dar es Salaam but of Tanzania as a whole. This continuous urban population and human activities growth of Dar es Salaam City has had a negative impact on some of Dar City's land and water ways areas. To wit within Temeke Municipal Council, Rivers Mzinga and Kizinga have become filled with waste, which causes them to have shallow depths, loose natural flow and eventually overflow resulting in significant harm to both the community and the ecological environment.

Much as the Tanzania Government has continually been devoting substantial time and financial resources - through its local government organs – in particular, the Dar es Salaam City Council and its municipal councils – the Temeke Municipal Council, being one of them, to address the cleanliness of all the overpopulated areas within their areas of jurisdiction – e.g. the lands traversed by the Rivers Kizinga and Mzinga, their efforts still require more support.

To this end, following a demonstration and presentation conducted by Branch Construction Limited (BCL) relating to management of the environment quality of Mzinga and Kizinga rivers and its surrounding ecosystem, Temeke Municipal Council has now agreed to form a framework for cooperation and collaboration between BCL and Temeke Municipal Council to clean, restore, and manage using modern technologies to remove rivers sand. This is the Kizinga and Mzinga Rivers Preservation (KMRP) project. This project will entail the use of Mechanical, Hydraulic, Bucket and Air-Lift dredging technology to remove virtually all the Kizinga and Mzinga Rivers existing sand as well as any other refuse that has so far accumulated in these rivers. This initiative supports environmental sustainability, biodiversity, public health, and community engagement.

1.2 Objectives of the KMRP Project

The Kizinga and Mzinga Rivers Preservation project has three main objectives that are listed hereunder, namely to: -

(i) preserve the overall environment of Mzinga and Kizinga Rivers;

(ii) reduce the impacts of flooding of Mzinga and Kizinga Rivers; and

(iii) increase the income of Temeke Municipal Council together with that of the Community around the Project area and Branch Construction Ltd.

1.3 Capital Investment Items Cost Estimates (CIICE) of the KMRP Project and the Financing Plan of the Project's CIICE

(1) Capital Investment Items Cost Estimates (CIICE) of the KMRP Project

The CIICE of carrying out the said KMRP project total Tanzania shillings (TZS) 7.135 billion. The breakdown/details of KMRP project's capital investment items cost estimates appear in Annex 1.3 of this Business Plan.

(2) Financing plan

The capital investment items costs of establishing the KMRP project are planned to be financed by way of both equity (TZS 1.291bn) and loan (TZS 5.844bn).

1.4 Projected Financial Results

(1) Project's profitability and Cash generation capacity

Projected financial results of the project over an eight-year's period indicate that the project is expected to be a profitable undertaking as it is expected to be profitable annually. To this end, its profit before tax is expected to rise from TZS 2.322 bn during the first year of its operations to TZS 8.382 bn during the eighth & last year of its projected operations. As for its capacity to generate cash, the KMRP project is expected to close with a positive cash position at the end of each year starting with an amount of TZS 1.373 bn at the end of its first year to an amount of TZS 27.710 bn at the end of its eighth year.

(2) Profitability's Sensitivity analysis

With respect to the project's profitability sensitivity to various operating factors within its operating platform in Tanzania, the projected financial results show that its profitability is expected to be most sensitive to changes in its operating costs followed by changes on an equal basis in three factors, namely: -

- selling prices of its dredged and processed sand;
- planned Annual Dredging Machinery Capacity Utilisation (PADMCU); and
- the RATIO OF DREDGED & PROCESSED SAND (DPSand) FOR SALE vs total DREDGED UNPROCESSED SEDIMENT (DUS).

The project is expected to be least sensitive to changes in its Compound Annual Growth Rate of is Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) as a % of RATED ANNUAL DREDGING MACHINERY CAPACITY(RADMC) during the sixth year of its operations.

1.5 Economic Impact of the KMRP Project

The economic impact of undertaking the KMRP project to Tanzania is expected to be positive in three economic aspects, namely: -

(i) expected direct employment generation of around 111 new employment opportunities;
(ii) tax payments to the government that are expected to rise from TZS 0.735 bn in the first year to TZS 2.515 bn in year 8 the last year of its projected operations, and

(iii) various multiplier effects such as technology transfer and indirect job creation in various sectors that are serviced by the dredging activity of inland rivers and finally reduced flooding to residentials neighbouring the rivers that are one of the objectives of the dredging activities of the KMRP project.

1.6 Environmental Impact

The KMRP project is considered and expected to be environmentally friendly arising from its expected impact of issues such as: -

- reduced incidences of flooding arising from the waters of both rivers Kizinga and Mzinga overflowing their banks irrespective of the level of rainfall within Temeke Municipality;
- enhancement of recreational use of the rivers by landscaping so as to provide mini-enjoyment parks within the Temeke Municipality land between the two rivers for setting up Sports recreational space;
- paving the way for the Temeke Municipal Council to control/manage non-natural sand refuse that accumulates in the two rivers; and
- the TMC undertaking sustainable and appropriate river dredging practices.

1.7 Risks likely to face the operations of the KMRP project

The risks that BCL is likely to face with respect to managing the operations of the KMRP project are technically of six types. Likewise, the types of measures to mitigate the negative impact of the said six types of risks if they occur are also of six types. The types of risks likely to face the KMRP project as well as the types of their mitigation measure are contained in table 9 of this report.

2. THE GENESIS OF THE KMRP PROJECT

Kizinga and Mzinga Rivers Preservation project – alternately abbreviated as "KMRP" – is best described in this report using three key aspects, namely: -

- Promoters of the KMRP project
- Elements of the KMRP project
- Project Objectives

Each of the above elements is further described hereunder.

1.2 Promoters of the KMRP project

Branch Construction Limited (BCL) is the promoter of the KMRP – i.e. Kizinga and Mzinga Rivers Preservation - project.

(i) Incorporation

Branch Construction Limited (BCL) is a Tanzanian private company which was incorporated in 2023 under the Companies Act (2002). Its incorporation number is 171024277.

(a) Ownership and Management

(I) Ownership – Shareholders of BCL

The current shareholders of Branch Construction Limited are as stated in table 1 below.

Table no.1: Shareholders of Branch Construction Ltd

S/N	Name	% of shares
1.	Savior Chanay	59
2.	Nancy Shuma	3

(II) Management

(a) Board of Directors

As is the practice in Tanzania, boards of directors of most companies incorporated under the country's Companies Act (2002) have three major functions with respect to the entities they manage, namely: -

A. Formulating their companies' strategic business policies and direction as well as ensuring that those policies and directions are executed;

B. Carrying out "oversight" (supervisory) role relating to the day-to-day business in line with the "objects" (types of businesses each company is legally empowered to do) clause of their companies; and

C. Appoint a Management Team to execute all directives of the Board of Directors as well as take care of the Company's day-to-day affairs of the company they are managing.

(b) Management Team of the BCL

The management team of BCL comprises a team of four people inclusive of Mr. Savior Chanay, who is the Chairman of the Company.

2.2 Objectives of the KMRP project

The major objectives of the KMRP project are as listed hereunder – i.e. to: -

(i) Preserve the overall environment of Mzinga and Kizinga Rivers. So as to achieve this objective, the KRMP will have to take actions such as those of protecting the: -
   (a) ecological environment of the two rivers – namely, Kizinga and Mzinga, and
   (b) habitats of aquatic life within the two rivers.

(ii) Reduce the impacts of flooding at Mzinga and Kizinga Rivers. To this end, various actions will be taken, the most important being: -
   (a) Cleaning river Mzinga and Kizinga by removing sand and existing waste.
   (b) Increasing the depth of the two riverbeds so as to reduce their risk of the waters of the two rivers overflowing and flooding to their neighbouring residential areas;
   (c) Strengthening their banks again for the purpose of reducing the risk of the waters of the two rivers overflowing and flooding their neighbouring residential areas;
   (d) Reducing and preventing the discharge of pollutants into the rivers as well as

(iii) increase the income of Temeke Municipal Council together with that of the Community around the Project area and Branch Construction Ltd. Actions required to be taken to attain this objective include to transform river waste into usable resources - e.g. by processing part of the rivers accumulated sediment into suitable sand for sale to building contractors as additional material for building construction.

2.3 Elements of the project

(1) Brief Introduction

The KMRP project is technically an environmental based "single-element" project, namely that of "Dredging the Rivers of Kizinga and Mzinga" whose waters flow via the lands administered by the Temeke Municipality Authorities – thus the acronym "KMRP". The technicality of renaming the KMRP project as a "single-element" project notwithstanding, the activity of dredging an inland river entails several other sub-activities that are statutorily necessary to carry out so as to comply with environmental requirements. For the purpose of this report, these so-called "sub-activities" will hereinafter be referred to as "elements".

But first, let us briefly describe the PARTIES to the KMRP before we delve into the elements of the said KMRP project itself.

(2) Parties to the KMRP project

Much as stated in point 1.2 herein above that the promoter of the KMRP project is Branch Construction Ltd, so as to assure the physical execution of the project becomes successful, its successful physical execution hinges on the project being implemented by two parties. These parties are: -

- The Promoter of the project – i.e. Branch Construction Ltd and
- The Temeke Municipal Council (TMC)

A description of the role of each of the above parties in the physical execution/implementation of the KMRP project follows hereunder.

(i) The Promoter of the project – i.e. Branch Construction Ltd

Branch Construction Limited (BCL) – a 100% Tanzanian owned company is the promoter of the KMRP project. BCL has legally executed a Memorandum of Understanding (MOU) with the Temeke Municipal Council (TMC) to execute the said KMRP project. The key roles of each party under the signed MOU in respect of the physical implementation/execution of the KMRP as contained in the executed MOU between BCL and TMC are as listed here below.

The role of BCL under the executed MOU between BCL and TMC are as stated hereunder.

(a) Comply with all taxes and levy obligations as required by Law.
(b) Facilitate necessary permissions and clearances for project activities.
(c) Improve existing river banks and plant trees and grasses to preserve the ecology and promote domestic tourism.
(d) Contribute to the development of the Municipality by allocating 25% of the KMRP project's profit after tax.
(e) Work efficiently and professionally in providing technical assistance for the river's preservation activities.
(f) Work in accordance with the Laws.
(g) Ensure implementation of eco-friendly technologies or infrastructure, along rivers
(h) Ensure availability of Resources and Personnel.

(ii) The Temeke Municipal Council

The role of the TMC under the executed MOU between TMC and BCL are as stated hereunder.

(i) Coordinate with relevant Government bodies and departments.

(ii) Support enforcement of environmental regulations in the Project area.

(iii) Ensure availability of Municipal Personnel when required.

(iv) Enforce the law to protect public interests and investment.

(v) To assist in Community awareness of the Project area.

While the PARTIES to the physical successful execution of the KMRP project and the ROLES of each Party under the MOU executed by each Party, as described herein above are TWO OF THE THREE

ELEMENTS of the KMRP project, the THIRD ELEMENT of the KMRP comprises four types of aspects, namely: -

- Financial – mainly, its Capital Investment Items Cost Estimates (CIICE) and outcomes;
- Operations – mainly its activities and outcomes;
- Risks - mainly the type of risks its operations are going to face and mitigation measures; and
- Conclusion - Assessment of the KMRP – is it a worthwhile project?

Each of the above four aspects of the KMRK project's Third Element are dealt with in the subsequent chapters of this report, starting with that of the financial ones.

3. CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE) OF THE KMRP PROJECT AND THE FINANCING PLAN OF THE PROJECT'S CIICE

The Capital Investment Items Cost Estimates (CIICE) of the proposed KMRP project and their plan to finance them are discussed in this chapter under two sections as under: –

- Cost of establishing the project (i.e. Capital Investment Items Cost Estimates of setting it up); and
- The plan of financing the project's Capital Investment Items Cost Estimates (CIICE).

Each of the above two phenomena are subsequently described hereunder.

3.1 Capital Investment Items Cost Estimates (CIICE) of setting up the KMRP project

The CIICE of establishing the said KMRP project total Tanzania shillings (TZS) 7.135 billion. The breakdown/summary of KMRP project's capital investment items cost estimates is as shown in table 3 below.

Table 3: Capital Investment Items Cost Estimates of setting up the KMRP project

SUMMARY OF THE CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE)	
(1)Type of Investment Capital Items Cost Estimates (ICICE)	**Total Cost: TZS '000'**
Core Project Plant and machinery	6,679,154
Office equipment	-
Furniture and fittings	-
Motor vehicles	-
Pre-Operational Expenses	-
Subtotal ICICE	**6,679,154**
(2) ADD: Initial Working Capital Items Cost Estimates (IWCICE)	456,057
TOTAL CAPITAL INVESTMENT ITEMS COST ESTIMATES CIICE)	**7,135,211**

Detailed cost estimates of the investment capital items of KMRP's project are shown in annexes 1.1 and 1.2 which are attached to this report.

- **Initial Working Capital Items Cost Estimates (IWCICE)**

Details of the initial working capital items costs estimates as well as their bases are shown in annex 3.1 which is also attached to this project Business Plan.

3.2 The Financing Plan of KMRP project's Capital Investment Items Cost Estimates

The capital investment items costs of establishing the KMRP project are planned to be financed by way of both equity and loan funds as indicated in table 4 below.

Table 4: Financing Plan of KMRP project's CIICE

FINANCING PLAN OF KMRP PROJECT'S CIICE	
EQUITY	**TOTAL FUNDS: TZS '000'**
In form of equipment	1,291,268
TOTAL EQUITY	**1,291,268**
LOAN	
Fixed Investment Capital Items Cost Estimates (FICICE)	5,543,943
Initial Working Capital Items Cost Estimates	300,000
TOTAL LOAN	**5,843,943**
TOTAL TYPE OF FUNDING - LOAN	**7,135,211**

4. OPERATIONS OF THE KMRP PROJECT

Chapter 4 of this report deals with two sections of the KMRP – i.e.

- Physical Implementation Programme of the KMRP project; and
- The projected Financial results of the operations of the KMRP project.

Starting with the physical implementation of the KMRP project, the description of each of the above aspects of the KMRK is as stated hereunder.

4.1 Physical Implementation Programme of the KMRP project

Physical implementation Programme of the KMRP project is expected to start any time during December, 2025. The main activities of this programme involve importation of the full gamut of the equipment and machinery for carrying out the dredging activities of the Kizinga and Mzinga Rivers. In addition to clearing of that plan and machinery, other activities include its transportation to the site of the dredging works and installing same for dredging work to start sometime during the first and second week of January 2026. Some of the activities prior to full blast commencement of the KMRP's project's operations will include employment of manpower to carry out the various tasks/works indicated in the objectives of the project -cf. section2.2 herein above.

All in all, full commencement of the operations of KMRP project are planned and expected to be flagged off by the beginning of the second week of January 2026.

4.2 Projected Financial Results of the operations of the KMRP project

Financial projections have been prepared to see what the expected financial results of Branch Construction Ltd's KMRP project are going to be like for an eight-years period of its dredging operations of River Kizinga and River Mzinga. Following the complete implementation of its dredging of rivers Kizinga and Mzinga project, the projections are based on various assumptions that are indicated in annexes 2 to 3. Three of the main assumptions are/ discussed hereunder.

(1) Assumptions of the financial projections

The assumptions underlying the financial projections are of three types, namely, those related to (i) market, (ii) inflation and (iii) environment.

(i) Market related assumptions:

As the main product out of the sediment dredged from both River Kizinga and River Mzinga will be the processed sand from the dredged sediment from the said two rivers, the market for this Dredged and Processed Sand ("DPSand") has played a critical role in determining the extent of the planned actual dredging capacity of the core plant and machinery that has been procured for dredging the two rivers. Data from the Temeke Municipal Council (TMC) authorities show that sand is the leading building material that is on great demand from various types contractors – both road civil contractors and real estate building ones.

To this end, the Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) as a %age of its

Rated Annual Dredging Machinery Capacity (RADMC) at which the KMRP project will be operating during its eight-year projected period if its operations will be as shown in table 5 below.

Table 5: Planned Annual Dredging Machinery Capacity Utilization (PADMCU)

Year	2026	2027	2028	2029	2030	2031	2032	2033
PADMCU as a % or RADMC	53.34%	57.87%	62.79%	68.13%	73.92%	80.57%	87.83%	95.73%

(ii) Inflation related assumption

So as to reflect the impact of inflation on the expected financial results of CBL's dredging operations after the complete implementation of the KMRP project, the annual inflation rate for Tanzania's economy has been taken to be 3.40%. This annual rate of inflation is in line with that projected by the latest Bank of Tanzania's Monthly Economic Review of October 2025.

Based on the annual inflation rate of 3.40% for the period from year 2026 to the year 2033, the annual inflationary indices factored into the financial projections are as indicated in table 6 below.

Table 6: Inflationary indices applicable for both revenues and operating costs

YEAR	2026	2027	2028	2029	2030	2031	2032	2033
Inflationary index	1.00	1.03	1.07	1.11	1.14	1.18	1.22	1.26

Furthermore, this inflation rate has been applied for both revenues and operating costs.

(iii) Environmental related assumptions

In line with current Tanzania's laws, all projects set up in the country – whether or not they are purely commercial – have to be approved by the National Environment Management Council – the country's environment watchdog. Two of the NEMC key roles are to: -

A. Environmental Impact Assessment (EIA)

NEMC oversees the mandatory EIA process for new and existing projects, as stipulated by the Environmental Management Act of 2004. This role OBLIGATES NEMC to undertake:-

(a) Screening: Determining whether a project requires a full environmental impact study;

(b) Approval of experts: Ensuring that qualified and registered environmental experts conduct the EIA studies; and

(c) Review and monitoring: Evaluating the Environmental Impact Statement (EIS) submitted by developers and monitoring project implementation to ensure compliance with environmental laws and regulations.

B. Enforcement and compliance

The council has the authority to enforce environmental legislation and ensure compliance throughout a project's lifecycle, from construction to operation and decommissioning. Recent regulations in 2024 have also introduced Environmental Performance Bonds to ensure that developers have the funds to cover rehabilitation costs if they fail to meet their obligations.

(2) Expected financial results

Detailed expected financial results of the operations of eight-year period KMRP project following its complete and successful implementation are contained in appendices 1 to 9, whose contents are as stated below.

Appendix 1 shows the projected profit & loss accounts.
Appendix 2 shows the projected cash flows.
Appendix 3 shows the projected balance sheets.
Appendix 4 shows the internal rate of return (IRR).
Appendix 5 shows the profitability sensitivity analysis.
Appendix 6 shows the net present value (NPV).
Appendix 7 shows the payback period.
Appendix 8 shows the critical break-even points.
Appendix 9 shows the Expected Key Financial Performance Indicators (EKFPIs) of the project. This appendix is reproduced here below as table 9.

Table 7: Expected Key Financial Performance Indicators of the proposed TEMEKE.SAFI Dredging of Rivers Kizinga and Mzinga project.

BRANCH CONSTRUCTION LIMITED												Appendix 9
TEMEKE MUNICIPAL COUNCIL'S DREDGING OF RIVERS KIZINGA AND MZINGA (TES-DRKM) PROJECT												
SUMMARY OF EXPECTED KEY FINANCIAL PERFORMANCE INDICATORS (EKFPIs)												
YEAR				Investment Year: 0: 2025	2026	2027	2028	2029	2030	2031	2032	2033
		Reference										
Total capital investment cost	TZS'000'	Annex 1.2		7,135,211								
Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) as a %age of RADMC					53.34%	57.87%	62.79%	68.13%	73.92%	80.57%	87.83%	95.73%
Total Capital Employed	TZS'000'	Appendix 3			6,798,317	6,909,677	8,683,047	12,172,850	16,177,020	20,779,115	26,040,816	32,036,573
Equity Funds	TZS'000'	Appendix 1			1,715,453	3,964,066	8,097,521	11,502,073	15,418,267	19,918,405	25,065,886	30,933,519
Closing cash balance	TZS'000'	Appendix 2			177,960	925,255	3,231,711	7,161,763	11,521,754	16,395,858	21,856,191	27,981,372
Revenue	TZS'000'	Appendix 1			9,601,200	10,771,490	12,084,427	13,557,398	15,209,909	17,142,480	19,320,604	21,775,480
Gross profit	TZS'000'	Appendix 1			5,760,720	6,462,894	7,250,656	8,134,439	9,125,946	10,285,488	11,592,362	13,065,288
Earnings before interest, tax, depreciation & amortizatn (EBITDA)	TZS'000'	Appendix 1			3,840,480	4,308,596	4,833,771	5,422,959	6,083,964	6,856,992	7,728,242	8,710,192
Earnings before interest and tax (EBIT)	TZS'000'	Appendix 1			3,005,586	3,578,064	4,194,555	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Earnings before tax (EBT)	TZS'000'	Appendix 1			2,450,647	3,212,304	4,060,267	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Earnings after tax (EAT)	TZS'000'	Appendix 1			1,715,453	2,248,613	2,842,187	3,404,552	3,916,195	4,500,137	5,147,481	5,867,633
Profit margins												
Gross profit margin					60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
EBITDA margin					40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
EBIT margin					31.30%	33.22%	34.71%	35.87%	36.78%	37.50%	38.06%	38.49%
EBT margin					25.52%	29.82%	33.60%	35.87%	36.78%	37.50%	38.06%	38.49%
EAT margin					17.87%	20.88%	23.52%	25.11%	25.75%	26.25%	26.64%	26.95%
Return on capital												
Return on Capital employed (ROCE)					44.21%	51.78%	48.31%	39.95%	34.58%	30.94%	28.24%	26.16%
Return on equity (shareholders funds) - ROE					100.00%	56.72%	41.76%	33.34%	27.72%	24.16%	21.65%	19.79%
Loan interest cover		Appendix 1			5.42	9.78	31.24		-	-	-	-
Debt Service Coverage Ratio		Appendix1 & 2			1.26	1.15	1.34		-	-	-	-
Gearing ratio												
Debt/equity ratio					2.96	0.74	0.07	0.06	0.05	0.04	0.04	0.04
Break-even criteria - based on year 1 of operations (i.e. Yr. 2026)												
1. Break-even Sales			TZS'000'		3,200,400							
2. Break-even capacity utilisation as a % or Rated Capacity of Dredging Plant & Machinery is					16.00%							
3 Selling price of 1 cbm of DPSand at Break-even point of production operations			TZS		12,000							
Viability criteria												
Internal rate of return (IRR)			50.35%									
Net present value (NPV)	TZS'000'			(1,882,211)								
Payback period is	Years		3									

As noted from table 6 above, on the basis of the assumptions mentioned in Chapter 5 of this Business Plan, the proposed KMRP project's operations indicate that the investment is expected to be a cash-cow. It is apparent from table 6 above, the operations of the project are expected to generate not only adequate cash to meet all its financial obligations/requirements but also surplus cash balances at the end of each financial year from the first year of its operations to the end of its tenth year of its projected operations.

(3) Sensitivity Analysis – Appendix 5

Appendix 5 contains the sensitivity analysis factors that have influence on the KMRP project's profitability.

Given that Tanzania's business operating environment, like that of virtually every other country on planet earth, is fraught with a myriad of various dynamic factors that have impact on all entities operating in such environments. Each management organ of these entities is at all times obligated to be alert on what is happening within their entities' environments so as to be in control of the fortunes of the entities they lead.

To this end, irrespective of whether or not the entities they are managing are for-profit-making ones, their leaders have to know which of the said various dynamic factors their entities encounter have greater influence on their successes that each one of these leaders is determined to achieve. Under these circumstances, without being over emphatic on any one factor, for a new project like the one now at hand - i.e. the KMRP project - there is need to establish which of the critical factors within its operating environment have a greater impact on its ability to attain and maintain its profitability. In view of this, there is a need to undertake a sensitivity analysis of the various factors within an entity's operating platform to determine the ones that need greater attention and which ones require less attention in the entity's management's quest to meet its entity's objectives.

In the context of the preceding paragraph of this section, a sensitivity analysis has been carried out on the operations of the proposed KMRP project to find out which factors within its operating environment have greater impact on its profitability. As shown in Appendix 5, the sensitivity analysis has considered changes in five factors, namely:-

(i) Selling Price of its main product is the Dredged and Processed Sand (DPSand) that is separated from of the dredged sediment – for use in the construction industry;

(ii) Operating Costs – in this case of the KMRP project, its operating costs include all costs arising out of all the activities of its Dredging process as well as any other activities such as those of ,"to wit" – name only four: - (a) watchmen guarding the site of its core dredging machinery, (b) fuel used by its core dredging machinery, (c) salaries & wages of its employees personnel and (d) repairs of its core dredging machinery;

(iii) Ratio of good quality DPSand extracted from the sediment dredged from the rivers for sale to various users of such sand;

(iv) Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) vis-à-vis Rated Annual Dredging Machinery Capacity (RADMC); and

(v) Compound Annual Growth Rates of the project's (iv) Planned Annual Dredging Machinery Capacity Utilisation.

The sensitivity analysis has been done on the assumption that a change in any one of the five factors will happen mutually exclusive of the other four.

The sensitivity analysis has shown that the profitability of the project is expected to be most sensitive to changes in the ratio of sand vis-à-vis total sediment scooped from the two rivers, followed by changes in operating costs, selling prices. Changes in the capacity utilisation rank fourth while the fifth factor is that of changes in the compound annual growth rate of its capacity utilisation.

The resultant IRR arising from a 10 % change in any of the above five factors is shown in table 8 below:

Table 8: Outcome of the sensitivity analysis

BRANCH CONSTRUCTION LIMITED		**Appendix 5**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT		
SENSITIVITY ANALYSIS		**IRR**
BASE CASE		**50.73%**
Increase in operating costs by	10.00%	39.94%
Decrease in selling prices by	10.00%	46.41%
Decrease in its Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) by	10.00%	46.41%
Decrease in the RATIO OF DREDGED & PROCESSED SAND (DPSand) FOR SALE vs total DREDGED UNPROCESSED SEDIMENT (DUS) by	10.00%	46.41%
Decrease in Compound Annual Growth Rate (CAGR) of PADMCU OF year 2 by	10.00%	50.13%
Decrease in Compound Annual Growth Rate (CAGR) of PADMCU OF year 6 by	10.00%	50.64%

As competition intensifies in the sale of sand for use in the construction industry, the possibility of such sand selling prices being reduced becomes very real. However, in urban centres, like Dar es Salaam City, the likelihood of reducing selling prices of construction materials like sand is presently low as demand for them is always increasing as the population increases, especially of newly employed personnel, one of whose objectives is to build their own residential houses so as to be free from the harassment of land lords/ladies.

Since the cost of utilities and other industrial inputs, good quality sand in this case, is somehow beyond the influence of consumers, there is also a real possibility of operating costs going up due to an increase in the cost of these inputs. Yet the reality of the Tanzanian economy is such that as the cost of raw materials and other inputs for both manufactured and non-manufactured goods rises, the selling prices of products made out of those materials and inputs also go up. Under the circumstances, it is almost a certainty that, should operating costs of the proposed project go up, the project would increase the selling prices of its products, thus substantially nullifying the negative impact of any increase in its operating costs.

5. ECONOMIC IMPACT OF THE PROPOSED PROJECT

The economic impact of establishing the KMRP project to Tanzania is expected to be positive. The KMRP project's operations are expected to impact positively in three economic aspects. These are: -

- direct employment generation;
- tax payments to the government; and
- economic multiplier effects

Each of these aspects is briefly described hereunder.

5.1 Direct Employment

The project is expected to provide direct employment for at least 111- (one hundred and eleven) people in all its various divisions as shown in table 9 hereunder.

Table 9:Type and Number of Direct Employment Opportunities

S. NO.	TYPE OF DIRECT EMPLOYMENT OPPORTUNITIES (TDEO)	NO. OF DEO
1	Commercial Manager	**1**
2	Human Resources Officer	**1**
3	Accountant	**1**
4	Records Officer	**1**
5	Security Officer	**1**
6	Engineer	**1**
7	Procurement Officer	**1**
8	Sales Officer	**4**
9	Cooks	**2**
10	Gardeners	**3**
11	Motor Vehicles and Machinery Drivers	**70**
12	Motor Vehicles and Machinery Technicians	**4**
13	Guards	**6**
14	Special and Temporary Employees	**15**
TOTAL NUMBER OF DIRECT EMPLOYMENT OPPORTUNITIES		**111**

5.2 Government revenue

As the operations of the proposed project are expected to be undertaken in a profitable manner, BCL's KMRP project is expected to generate various taxes for the Government, in particular corporation taxes which as per appendix 1 are projected to increase from TZS 0.696 billion during the first year of its operations to TZS 2.515 billion during the eighth year of its projected operational period.

5.3 Multiplier effects

In addition to the direct economic effects stated above, BCL's proposed KMRP project's operations are expected to generate various economic multiplier effects within the country's economy. These include – to mention, just a few: -

(i) Indirect job creation

In addition to the direct employment opportunities that the proposed project is expected to generate, its operations are expected to boost the incomes of their suppliers of goods/services that the project will need to sustain its operations. This means that the income and social well-being of the proposed project's suppliers will improve. For example the incomes of informal restaurant owners ("Mamantilie") who supply food to casual workers at various sites such as this one of dredging the rivers of Kizinga and Mzinga as well as other construction sites;

(ii) Transfer of Technology

In view of the above the project is expected to contribute towards the transfer of technology – "Appropriate skills in the management for profit of a dredging business entity", such as the KMRP project.

(iii) Corporate Social Responsibility

The project is also expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantage communities by way of donations.

(iv) Other indirect economic benefits of a project like the KMRP project

Excluding job creation – direct or indirect – other positive economic multiplier effects of river dredging in a suburban residential area include: -

5.4 Reduced flood damage costs due to increased river capacity;
5.5 Improved property values and resilience;
5.6 Boosts to local businesses supporting the project;
5.7 Enhanced recreational use of the river; and
5.8 Potential longer-term economic development from a more robust and safer environment.

6. ENVIRONMENTAL IMPACT

The KMRP project is considered and expected to be environmentally friendly as described below.

6.1 One of the Objectives of the KMRP project lies in its positive Environmental impact within TEMEKE's Municipality following the completion of its establishment

One of the environmental primary objectives of carrying out the KMRP project is to reduce the incidences of flooding arising from the waters of both rivers Kizinga and Mzinga overflowing their banks irrespective of the level of rainfall within Temeke Municipality. To this end, the design and planning of the implementation of the proposed KMRP project of the said rivers Kizinga and Mzinga are carried out in a manner that flooding of the two rivers becomes an event of the past, such as those of years May, 2019 and April 2024, to name only two.

(1) Enhancement of recreational use of the rivers

As part of assuring clear flow of the waters of the rivers Kizinga and Mzinga, in the course of their being dredged, their banks will be strengthened using concrete paving tiles that will be laid on the river banks in a way that provides spaces between the paving tiles for planting with trees and grass for further strengthening the tiles subsoils. The objective of this landscaping being that of providing mini-enjoyment parks within the Temeke Municipality land between the two rivers for setting up Sports recreational space similar to that of the Gymkhana Grounds located near the Aga Khan Hospital along the Sea View Road in Dar -es Salaam's Ocean Road for would-be residents neighbouring the rivers to have recreational space within the land traversed by the rivers to rest themselves within those land areas as they deem it fit.

(2) Pave the way for the Temeke Municipal Council to control/manage non-natural sand refuse that accumulates in the two rivers

The Memorandum of Understanding (MOU) entered between Branch Construction Ltd, the promoter of the KMRP project and Temeke Municipal Council (TMC) will work together to manage/control the dumping of refuse – that is not sand from accumulating into the riverbeds of both river Kizinga and Mzinga. To this end, both TMC and BCL will devise a system of not only preventing the accumulation of such refuse into these rivers but also that of removal of such refuse in the event such refuse is deposited into these rivers – whether or not deliberately or inadvertently.

(3) Sustainability of appropriate river dredging practices

Uncontrolled and unmonitored river dredging – particularly in urban and suburban circumstances/environments can and does cause challenges in maintaining sustainable river dredging, thus leading to difficulties of making such dredging environmentally compliant. So as to make river dredging - particularly in urban and suburban circumstances/environments compliant to national/local environmental laws/regulations, it is incumbent upon local government authorities to regularly supervise and monitor all entities charged with/granted permits to carry out periodical/seasonal river dredging so as to assure that such dredging conforms with the permits they have. In this way such dredging will become sustainable and environmentally friendly.

That said, the negative environmental impacts as well as challenges that may arise from uncontrolled river dredging will to a large degree be avoided. The said negative environmental impacts as well as challenges that may arise from uncontrolled river dredging include: -

A. Types Of Negative Environmental Impacts

(i) Release of Contaminants
Uncontrolled River dredging can stir up contaminated riverbed bottom sediments, releasing toxic chemicals like heavy metals and PCBs into the water.

(ii) Water Quality Degradation
Increased sediment in the water (turbidity) can lower oxygen levels, reduce light penetration, and disrupt aquatic species' metabolism and spawning activities.

(iii) Habitat Destruction
The removal of riverbed material destroys benthic habitats and can eliminate food sources and shelters for aquatic organisms.

(iv) Harm to Aquatic Life
Aquatic organisms can be harmed or killed by direct contact with contaminated sediments, reduced oxygen, habitat destruction, and changes to their environment.

(v) Sediment Disposal Issues
Disposal of dredged material can be challenging, especially if it is contaminated, potentially leading to new contamination issues in spoil sites.

B. Specific Urban/Suburban Challenges

(i) Urban Contamination
Sediments in urban and suburban rivers often contain pollutants from historical industrial activities, motor fuels, domestic waste, and runoff, posing a greater risk during dredging.

(ii) Increased Human Exposure
Urban dredging projects risk a higher degree of exposure to contaminated sediments for residents and may further pollute areas where the community interacts with the river.

C. Mitigation And Best Practices

The Negative Environmental Impacts and Urban/Suburban Challenges stated in points (4) (A) and (B) notwithstanding, here below are some of the mitigation and best practices applied to mitigate the above stated negative urban/suburban challenges as well as Environmental impacts. These are: -

(i) Sediment Analysis

Conduct thorough analysis of sediment quality and neighboring areas to identify contaminants before dredging begins.

(ii) Careful Planning

Design and monitor dredging projects to minimize negative impacts on water quality, flood risk, and river habitat.

(iii) Habitat Improvement

Where possible, dredge projects should aim to improve river habitat or, at a minimum, minimize damage.

(iv) Controlled Disposal

Implement plans for the safe transportation and dewatering of dredged material to avoid further contamination.

7. RISK FACTORS

As in the case of sensitivity analysis, within their operating environments, businesses also face various risks that are beyond their control, which if not properly dealt with may negatively impact on their profitability. With respect to the Management of the KMRP project so as to enable BCL's Management to know what risks the company is likely to face and how to deal with such risks, in the event they occur, an analysis has been carried out to find out the risks that BCL business operations face concerning the management of the KMRP project and probable mitigation measures that may be applied to either minimize or neutralize or completely avoid such negative impact.

(1) Risks BCL is likely to face in respect of Management of the KMRP project

The risks that BCL is likely to face with respect to managing the operations of the KMRP project are technically of six types, namely: -

(i)

. Likewise, the types of measures to mitigate the negative impact of the said four types of risks if they occur are also of four types. Both the types of risks and measures to mitigate their negative impact are stated in the table below.

As the probability of occurrence of the said risks and their impact on the operations of the KMRP project as well as on the operations of BCL are also not known, and to avoid repetitions of some phrases and analysis, the analysis of (a) Types of Risks Identified , (b) Description of the Identified risk, (c) Risk Occurrence Probability and (d) Mitigation Measure are all appearing in table 10 of the risk identification matrix below.

TABLE 10: RISKS MATRIX ARISING OUT OF BCL MANAGING KMRP PROJECT AS WELL AS ASSOCIATED MITIGATION MEASURES AND RISK OCCURRENCE PROBABILITY

S. No.	TYPE OF RISK	NAME OF RISK	RISK DESCRIPTION	RISK OCCURRENCE PROBABILITY IN T'NIA	MITIGATION MEASURES
1	Environmental Damage	(i) Chemical Release	Resuspension of contaminated sediments can release heavy metals, pesticides (like TBT), and other toxins into the water column.	MEDIUM	1. Use good method of river dredging -e.g. hydraulic, 2. Use of appropriate machinery and competent dredgers 3. Carry out site-specific environmental risk assessments to map out the status of riverbed sediment quality so as to know how dredging of the river should be done.
		(ii) Habitat Destruction	Destruction or damage of fish spawning grounds, other critical aquatic habitats, and overall riverine biodiversity		Using specialized equipment and methods, adhering to environmental regulations and in-water work periods
		(iii) Bank Destabilization	Dredging process can make river banks unstable, leading to erosion and potential damage to nearby infrastructure		Implementing robust sediment and spoil management plans
		(iv) Water Turbidity	Silt suspended in the water increases turbidity, which can lower oxygen levels and harm fish and other aquatic life		Developing contingency plans for unexpected events
2	Project and Operational Risks	(i) Cost Overruns	The expense of specialized equipment, skilled labour, and complex sediment disposal can lead to project cost overruns, This may lead to failure of carrying out the intended project.	MEDIUM	a. Environmental Planning & Assessment: b. Site Characterization: Conduct thorough investigations to understand sediment composition and potential contaminants before operations begin Conducting site-specific environmental risk assessments, c. Developing contingency plans for unexpected events.
		(ii) Delays	Unforeseen obstacles, such as hidden debris, equipment breakdowns, and challenges with securing permits, can cause significant project delays.	HIGH	11. Environmental Risk Assessment: Implement strategies to minimize environmental impacts on water quality, habitat, and local ecosystems. 12. Adherence to Regulations: Follow environmental regulations, including specific in-water work periods to avoid fish spawning seasons.
		(iii) Logistical Challenges	Transporting heavy equipment and managing the disposal of vast quantities of dredged material can present complex logistical issues and extend project time lines.		(i) Operational Management: (ii) Sediment Management: Develop detailed plans for managing, dewatering, and disposing of dredged spoils to prevent contamination. (iii) Specialized Equipment: Select appropriate dredging equipment and technologies, such as those designed for environmental dredging, to control sediment resuspension
		(iv) Hidden Obstacles	Encountering unforeseen debris or geological conditions can lead to delays and increased costs.	MEDIUM	(i) Contingency Plans: Develop robust contingency plans to address unforeseen challenges, such as unexpected obstructions or weather delays. (ii) Insurance: Secure adequate insurance to cover potential operational losses and environmental liabilities.

S. No.	TYPE OF RISK	NAME OF RISK	RISK DESCRIPTION	RISK OCCURRENCE PROBABILITY IN T'NIA	MITIGATION MEASURES
3	Financial	Currency exchange rate	Devaluation of Tanzania shilling vs hard foreign currency like the United States Dollar. As the KMRP project is not a foreign exchange earner and most of its equipment spare parts are imported, these would become more expensive to the project. Subject to good/sound management, BCL could start suffering operational losses.	**LOW TO MEDIUM**	Management to: (i) Devise a pricing policy of cost plus or something similar to this which enables the company to have capacity at all times to operate profitably. (ii) Put in place a practice that allows very little credit to its patrons/customers so that its liquidity is high to the extent of enabling it to reinvest part of its spare cash in short term monetary instruments to cover any exchange losses that may occur.
4	Economic	(1) Recession	A recession reduces economic activities within the country's economy thus reducing the purchasing power of the people. This lowers demand for goods and services, which in turn leads to a slump in business' profitability.	**LOW**	Management to build internal capacity to control operating costs so that BCL's products – particularly Dredged SAND IS not too badly affected by low demand for its products/services.
		(2) Hyper inflation	Severe inflation also stifles the people's purchasing power thus reducing their demand for various products and services. The economic impact of hyper inflation if it sets in a country is would be the same as that of an economic recession.		
5	Strategic	E.G. Imposition of New Taxes/Levies	Strategic risks are those arising from changes in government measures/policies that lead to negative impact on the business prospects of commercial enterprises	**LOW** TO MEDIUM	(a) With the support of industry/trade associations – e.g. the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) – the affected enterprise, say BCL, would have to engage the Government with a view of retracting such measure(s). (b) Business entities such as BCL have the obligation to behave as good corporate citizens and fulfil their responsibilities to government – e.g. paying their due taxes - and within their communities, thus dissuading the government from changing its pro-business measures/policies to anti- business ones.
6	Disturbances	Particularly of Political, Social and Religious nature	Disturbances – whether political, social or religious – harm business as they create insecurity within the populace, thus leading to people to reduce their momentum for engaging in economic activities	**LOW**	To fend off disturbances of a political, social or religious nature and so maintain peace and stability in the country, it is incumbent upon business entities to contribute positively to the sustenance of a country's peaceful and stable environment. One way of doing this is to contribute to improve the living standards of most disadvantaged communities – e.g. giving donations to such communities.

Conclusion:

In the pre-internet era, the probability of any of the above risks occurring in Tanzania during the life time of an enterprise appeared remote. However, following the world globalisation – since the internet era set in – the probability of any of the above risks occurring in the country is classified as either HIGH, or MEDIUM or LOW.

in the context of the above, the probability of, for example, risk no. 1 (a) occurring in Tanzania may be classified as **medium+**, due to the low security awareness amongst residents close to the rivers regarding human activities either within or close to the two rivers in terms of those fishing or undertaking unauthorized use of their waters for irrigation or any other activity, particularly that of either washing their clothes or motor vehicles and other wares/working tools.

Risk no. 2 could at present be classified as **high–** as currently there is unwieldy/cumbersome government bureaucracy in getting various approvals for undertaking activities like that of BCL'S KMRP project. on the other hand, the probability of risk no. 3 happening in Tanzania may currently be classified as medium to low. this is due to the currently rate of the country's economic growth, especially its non-traditional exports as well as gold.

As for the occurrence probability of risks numbers 4, 5 and 6 are concerned, the occurrence probability of risks numbers 4 and 6 is at present low DUE TO THE FACT that Tanzania's economy is growing at a satisfactory rate. The occurrence of the strategic risk is also CLASSIFIED LOW TO MEDIUM as it is not expected that the new government will impose new taxes right from the first year of its being in office.

In view of the above four paragraphs, it may be concluded that risks that BCL may face once its KMRP project is flagged off to commence its operations, it is should concentrate only with risk no. one. This notwithstanding, it is also important for BCL to have in place at all times measures to counter the impact of the occurrences of any of the risks mentioned herein above. To this end BCL's management is advised to devise measures to guard itself against or mitigate any adverse effects arising from the occurrence of any of the risks stated above during its operations.

8. CONCLUSION AND RECOMMENDATIONS:

8.1 Conclusion:

It is apparent from the preceding chapters 2 to 8 above that implementation of the proposed KMRP project in the manner stated therein is expected to be a profitable undertaking. The proposed project is expected to accomplish the objectives for which it has been formulated/mooted.

The shareholders of the company have confirmed their ability to raise the funds to meet the cost of setting the project.

The economic impact of implementing and operating the project is also positive.

Lastly and most important, the operations of the KMRP project are also expected to be friendly to the environment.

8.2 Recommendations:

In view of point 9.1 above, it is recommended that the proposed KMRP project be implemented at the earliest possible opportunity in the manner detailed herein above.

BRANCH CONSTRUCTION LIMITED									Appendix 1
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT									
PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR YEARS ENDING ON 31ST DECEMBER, ……									
YEAR	**Reference**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
		TZS '000'							
REVENUE									
Revenues from sale of sand	Annex 2	**9,601,200**	**10,771,490**	**12,084,427**	**13,557,398**	**15,209,909**	**17,142,480**	**19,320,604**	**21,775,480**
LESS: Direct Operating costs	Annex 3.1	3,840,480	4,308,596	4,833,771	5,422,959	6,083,964	6,856,992	7,728,242	8,710,192
GROSS PROFIT		**5,760,720**	**6,462,894**	**7,250,656**	**8,134,439**	**9,125,946**	**10,285,488**	**11,592,362**	**13,065,288**
LESS: Overheads (Operating costs)	Annex 3.1	1,920,240	2,154,298	2,416,885	2,711,480	3,041,982	3,428,496	3,864,121	4,355,096
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTIZATION (EBITDA)		**3,840,480**	**4,308,596**	**4,833,771**	**5,422,959**	**6,083,964**	**6,856,992**	**7,728,242**	**8,710,192**
LESS: Depreciation & amortization	Annex 3.2	834,894	730,532	639,216	559,314	489,400	428,225	374,697	327,860
EARNINGS BEFORE INTEREST AND TAX (EBIT)		**3,005,586**	**3,578,064**	**4,194,555**	**4,863,645**	**5,594,564**	**6,428,767**	**7,353,545**	**8,382,332**
LESS: Loan interest	Annex 4.1-4	554,939	365,760	134,288	-	-	-	-	-
LESS: Loan interest on convertible loan principal	Annex 5.1	129,127	129,127	129,127	-	-	-	-	-
LESS: Total loan interest		684,066	494,886	263,414	-	-	-	-	-
EARNINGS (Operating profit) BEFORE TAX (EBT)		**2,321,520**	**3,083,177**	**3,931,141**	**4,863,645**	**5,594,564**	**6,428,767**	**7,353,545**	**8,382,332**
Less: Corporation tax @	30.00%	696,456	924,953	1,179,342	1,459,094	1,678,369	1,928,630	2,206,063	2,514,700
EARNINGS (Profit) AFTER TAX		**1,625,064**	**2,158,224**	**2,751,798**	**3,404,552**	**3,916,195**	**4,500,137**	**5,147,481**	**5,867,633**
Profit/(Loss) brought fwd		-	1,625,064	3,783,288	6,535,087	9,939,638	13,855,833	18,355,970	23,503,452
PROFIT / (LOSS) C/FWD		**1,625,064**	**3,783,288**	**6,535,087**	**9,939,638**	**13,855,833**	**18,355,970**	**23,503,452**	**29,371,084**

BRANCH CONSTRUCTION LIMITED									Appendix 2
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT									
PROJECTED CASH FLOW STATEMENTS FOR THE YEARS ENDING ON 31ST DECEMBER, ….									
YEAR		**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
	Reference								
CASH INFLOWS					**TZS '000'**				
Capital									
Equity	Annex 1.2	-	-	-	-	-	-	-	-
Loan		**7,135,211**	-	-	-	-	-	-	-
Subtotal		**7,135,211**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue									
Profit before tax	Appendix 1	2,321,520	3,083,177	3,931,141	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Depreciation	Annex 3.2	834,894	730,532	639,216	559,314	489,400	428,225	374,697	327,860
Subtotal		**3,156,414**	**3,813,710**	**4,570,356**	**5,422,959**	**6,083,964**	**6,856,992**	**7,728,242**	**8,710,192**
Total Cash Inflows		**10,291,625**	**3,813,710**	**4,570,356**	**5,422,959**	**6,083,964**	**6,856,992**	**7,728,242**	**8,710,192**
CASH OUTFLOWS									
Capital									
Investments	Annex 1.2	6,679,154	-						
Loan repayments	Annex 4.1-4	1,191,398	2,210,536	2,442,008		-	-	-	-
Subtotal		**7,870,552**	**2,210,536**	**2,442,008**	**-**	**-**	**-**	**-**	**-**
Revenue									
Corporation tax	Appendix 1	591,988	890,679	1,141,184	1,417,131	1,645,478	1,891,091	2,164,448	2,468,404
Change in working capital	Annex 3.1	456,057	55,589	62,365	69,966	78,494	91,797	103,461	116,607
Subtotal		**1,048,045**	**946,267**	**1,203,548**	**1,487,097**	**1,723,972**	**1,982,888**	**2,267,909**	**2,585,011**
Total Cash outflows		**8,918,596**	**3,156,804**	**3,645,557**	**1,487,097**	**1,723,972**	**1,982,888**	**2,267,909**	**2,585,011**
NET CASHFLOWS		**1,373,029**	**656,906**	**924,800**	**3,935,862**	**4,359,992**	**4,874,104**	**5,460,332**	**6,125,181**
Beginning cash balance		-	1,373,029	2,029,935	2,954,734	6,890,597	11,250,588	16,124,692	21,585,024
CLOSING CASH BALANCE		**1,373,029**	**2,029,935**	**2,954,734**	**6,890,597**	**11,250,588**	**16,124,692**	**21,585,024**	**27,710,205**

BRANCH CONSTRUCTION LIMITED									Appendix 3
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT									
PROJECTED FINANCIAL POSITION AS AT 31ST DECEMBER, …									
YEAR		2026	2027	2028	2029	2030	2031	2032	2033
	Reference	TZS '000'							
Assets									
Net Fixed assets	Annex 3.2	**5,844,260**	**5,113,727**	**4,474,511**	**3,915,197**	**3,425,798**	**2,997,573**	**2,622,876**	**2,295,017**
Current assets									
Stocks	Annex 3.1	576,072	646,289	725,066	813,444	912,595	1,028,549	1,159,236	1,306,529
Debtors	Annex 3.1	200,025	224,406	251,759	282,446	316,873	357,135	402,513	453,656
Cash	Appendix 2	1,373,029	2,029,935	2,954,734	6,890,597	11,250,588	16,124,692	21,585,024	27,710,205
Sub total		**2,149,126**	**2,900,630**	**3,931,559**	**7,986,486**	**12,480,056**	**17,510,376**	**23,146,773**	**29,470,390**
Total Assets		**7,993,385**	**8,014,357**	**8,406,070**	**11,901,684**	**15,905,853**	**20,507,949**	**25,769,649**	**31,765,407**
Financed by									
Shareholders Funds									
Equity	Annex 1.2	-	-	1,291,268	1,291,268	1,291,268	1,291,268	1,291,268	1,291,268
Revenue reserves	Appendix 1	1,625,064	3,783,288	6,535,087	9,939,638	13,855,833	18,355,970	23,503,452	29,371,084
		1,625,064	**3,783,288**	**7,826,355**	**11,230,906**	**15,147,101**	**19,647,238**	**24,794,720**	**30,662,352**
Medium Term Loan	Annex 4.1-4	**5,943,813**	**3,733,276**	-	-	-	-	-	-
Less: Current liabilities									
Creditors	Annex 3.1	320,040	359,050	402,814	451,913	506,997	571,416	644,020	725,849
Tax	Appendix 1	104,468	138,743	176,901	218,864	251,755	289,295	330,910	377,205
Sub total		**424,508**	**497,793**	**579,716**	**670,777**	**758,752**	**860,711**	**974,930**	**1,103,054**
Total Liabilities (Medium term & Current liabilities		**6,368,321**	**4,231,069**	**579,716**	**670,777**	**758,752**	**860,711**	**974,930**	**1,103,054**
Total Capital Employed		**7,993,385**	**8,014,357**	**8,406,070**	**11,901,684**	**15,905,853**	**20,507,949**	**25,769,649**	**31,765,407**

BRANCH CONSTRUCTION LIMITED										**Appendix 4**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT										
PROJECTED FINANCIAL POSITION AS AT 31ST DECEMBER, …										
DISCOUNTED CASH FLOW ANALYSII - INTERNAL RATE OF RETURN										
YEAR	**Reference**	**Investment Year: 0: 2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
						TZS '000'				
Cash inflows										
Profit before loan interest and tax (EBIT)	Appendix 1	-	3,005,586	3,578,064	4,194,555	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Depreciation	Annex 3.2	-	834,894	730,532	639,216	559,314	489,400	428,225	374,697	327,860
Residual value of fixed assets	Annex 3.2	-								2,295,017
Working capital recoupment	Annex 3.1	-								1,034,335
Total Cash Inflows		-	3,840,480	4,308,596	4,833,771	5,422,959	6,083,964	6,856,992	7,728,242	12,039,544
Cash outflows										
Investments	Annex 1.2	6,679,154								
Corporation tax	Appendix 1	-	696,456	924,953	1,179,342	1,459,094	1,678,369	1,928,630	2,206,063	2,514,700
Change in working capital	Annex 3.1	-	456,057	55,589	62,365	69,966	78,494	91,797	103,461	116,607
Total Cash Outflows		6,679,154	1,152,513	980,542	1,241,707	1,529,060	1,756,864	2,020,427	2,309,524	2,631,306
Net cashflows		**(6,679,154)**	**2,687,967**	**3,328,054**	**3,592,064**	**3,893,900**	**4,327,100**	**4,836,565**	**5,418,717**	**9,408,238**
IRR		**50.73%**								

BRANCH CONSTRUCTION LIMITED		**Appendix 5**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT		
SENSITIVITY ANALYSIS		**IRR**
BASE CASE		**50.73%**
Increase in operating costs by	10.00%	39.94%
Decrease in selling prices by	10.00%	46.41%
Decrease in its Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) by	10.00%	46.41%
Decrease in the RATIO OF DREDGED & PROCESSED SAND (DPSand) FOR SALE vs total DREDGED UNPROCESSED SEDIMENT (DUS) by	10.00%	46.41%
Decrease in Compound Annual Growth Rate (CAGR) of PADMCU OF year 2 by	10.00%	50.13%
Decrease in Compound Annual Growth Rate (CAGR) of PADMCU OF year 6 by	10.00%	50.64%

BRANCH CONSTRUCTION LIMITED										**Appendix 6**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT										
NET PRESENT VALUE ANALYSIS										
(A discount rate of 10% has been used to compute the NPV because the highest interest rate on commercial bank USD loans is currently at around 10% p.a.)										
YEAR	**Reference**	**Investment Year: 0: 2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Cash inflows						**TZS '000'**				
Profit before tax	Appendix 1	-	2,321,520	3,083,177	3,931,141	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Depreciation	Appendix 1	-	834,894	730,532	639,216	559,314	489,400	428,225	374,697	327,860
Residual value of fixed assets	Annex 3.2	-	-	-	-	-	-	-	-	2,295,017
Residual value of working capital	Annex 3.1	-	-	-	-	-	-	-	-	1,034,335
TOTAL		-	3,156,414	3,813,710	4,570,356	5,422,959	6,083,964	6,856,992	7,728,242	12,039,544
Cash outflows										
New investments	Annex 1.2	6,679,154								
Corporation tax	Appendix 1	-	696,456	924,953	1,179,342	1,459,094	1,678,369	1,928,630	2,206,063	2,514,700
Change in working capital	Annex 3.1	-	456,057	55,589	62,365	69,966	78,494	91,797	103,461	116,607
TOTAL		**6,679,154**	**1,152,513**	**980,542**	**1,241,707**	**1,529,060**	**1,756,864**	**2,020,427**	**2,309,524**	**2,631,306**
Net cashflows		**(6,679,154)**	**2,003,901**	**2,833,168**	**3,328,650**	**3,893,900**	**4,327,100**	**4,836,565**	**5,418,717**	**9,408,238**
NPV		**(1,927,364)**								

BRANCH CONSTRUCTION LIMITED							**Appendix 7**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT							
PAYBACK PERIOD							**TZS '000'**
INVESTMENT CAPITAL ITEMS COST ESTIMATES (ICICE) ARE :							6,679,154
YEAR	**PROFIT AFTER TAX**		**DEPRECIATION**		**TOTAL**		**CUMULATIVE**
2026	1,625,064		834,894		2,459,958		2,459,958
2027	2,158,224		730,532		2,888,756		5,348,715
2028	2,751,798		639,216		3,391,014		8,739,729
2029	3,404,552		559,314		3,963,866		12,703,595
Total investment cost							**6,679,154**
Cumulative benefit at end of year					2		5,348,715
Difference to be recouped in part of year					3		1,330,439
Full initial investment is recovered in TWO (2) years and FIVE months. (Technically 3 yrs- i.e. Yr. 2028)							4.71

BRANCH CONSTRUCTION LIMITED									**Appendix 8**
TEMEKE MUNICIPAL COUNCIL'S DREDGING OF RIVERS KIZINGA AND MZINGA (TES-DRKM) PROJECT									
BREAKEVEN POINTS ANALYSES									
1. Breakeven sales - Year 1									
Formula is:									
Break-even Sales = Total Fixed Costs / (Contribution Margin)									
	Contribution Margin = 1 - (Variable Costs / Revenues)								
Year 1 Contribution margin is									
	Total Variable cost							TZS'000'	3,840,480
	Total Revenues							TZS'000'	9,601,200
	Contribution margin is:								**60.00%**
Breakeven Sales is:									
	Total fixed costs							TZS'000'	1,920,240
	Breakeven Sales is							TZS'000'	**3,200,400**
2. Breakeven units - Year 1									
Formula is:									
Break-Even Units = Total Fixed Costs / (Price per Unit - Variable Cost per Unit)									
1 Unit is		1	Cubic metre (CBM)						
	Total fixed costs							TZS'000'	1,920,240
	Total Number of units produced					CBM	480,060		
	Price per unit							TZS	20,000
	Variable cost per unit							TZS	8,000
	Breakeven units is:					**CBM**	**160,020**		
	Breakeven capacity utilization % is as under:-								
	(Break-even units/# of units of Rated Production Capacity per day)								**16.00%**
3. Break-Even Selling Price									
Formula									
(Total Fixed Costs / Number of units produced)+Variable Cost per unit									
(1)	(a) Total fixed costs							TZS'000'	1,920,240
	(b) Total number of units								480,060
	(c) Total fixed cost per unit is							TZS	4,000
(2)	(a) Total variable costs							TZS'000'	3,840,480
	(b) Variable cost per unit							TZS	8,000
	Break-even selling price is:							**TZS**	**12,000**

BRANCH CONSTRUCTION LIMITED													**Appendix 9**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT													
SUMMARY OF EXPECTED KEY FINANCIAL PERFORMANCE INDICATORS (EKFPIs)													
YEAR						**Investment Year: 0: 2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
			Reference										
Total capital investment cost		TZS'000'	Annex 1.2			7,135,211							
Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) as a %age of RADMC							53.34%	57.87%	62.79%	68.13%	73.92%	80.57%	87.83%	95.73%
Total Capital Employed		TZS'000'	Appendix 3				7,993,385	8,014,357	8,406,070	11,901,684	15,905,853	20,507,949	25,769,649	31,765,407
Equity Funds		TZS'000'	Appendix 1				1,625,064	3,783,288	7,826,355	11,230,906	15,147,101	19,647,238	24,794,720	30,662,352
Closing cash balance		TZS'000'	Appendix 2				1,373,029	2,029,935	2,954,734	6,890,597	11,250,588	16,124,692	21,585,024	27,710,205
Revenue		TZS'000'	Appendix 1				9,601,200	10,771,490	12,084,427	13,557,398	15,209,909	17,142,480	19,320,604	21,775,480
Gross profit		TZS'000'	Appendix 1				5,760,720	6,462,894	7,250,656	8,134,439	9,125,946	10,285,488	11,592,362	13,065,288
Earnings before interest, tax, depreciation & amortizatn (EBITDA)		TZS'000'	Appendix 1				3,840,480	4,308,596	4,833,771	5,422,959	6,083,964	6,856,992	7,728,242	8,710,192
Earnings before interest and tax (EBIT)		TZS'000'	Appendix 1				3,005,586	3,578,064	4,194,555	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Earnings before tax (EBT)		TZS'000'	Appendix 1				2,321,520	3,083,177	3,931,141	4,863,645	5,594,564	6,428,767	7,353,545	8,382,332
Earnings after tax (EAT)		TZS'000'	Appendix 1				1,625,064	2,158,224	2,751,798	3,404,552	3,916,195	4,500,137	5,147,481	5,867,633
Profit margins														
Gross profit margin							60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
EBITDA margin							40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
EBIT margin							31.30%	33.22%	34.71%	35.87%	36.78%	37.50%	38.06%	38.49%
EBT margin							24.18%	28.62%	32.53%	35.87%	36.78%	37.50%	38.06%	38.49%
EAT margin							16.93%	20.04%	22.77%	25.11%	25.75%	26.25%	26.64%	26.95%
Return on capital														
Return on Capital employed (ROCE)							37.60%	44.65%	49.90%	40.87%	35.17%	31.35%	28.54%	26.39%
Return on equity (shareholders funds) - ROE							100.00%	57.05%	42.11%	34.25%	28.26%	24.52%	21.90%	19.98%
Loan interest cover			Appendix 1				5.42	9.78	31.24		-	-	-	-
Debt Service Coverage Ratio			Appendix1 & 2				1.21	1.11	1.31		-	-	-	-
Gearing ratio														
Debt/equity ratio							3.92	1.12	0.07	0.06	0.05	0.04	0.04	0.04
Break-even criteria - based on year 1 of operations (i.e. Yr. 2026)														
1. Break-even Sales					TZS'000'		3,200,400							
2. Break-even capacity utilisation as a % or Rated Capacity of Dredging Plant & Machinery is							16.00%							
3 Selling price of 1 cbm of DPSand at Break-even point of production operations					TZS		12,000							
Viability criteria														
Internal rate of return (IRR)					50.73%									
Net present value (NPV)		TZS'000'				(1,927,364)								
Payback period is		Years			3									

BRANCH CONSTRUCTION LIMITED								**Annex 1.1**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT								
CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE)								
1.0 FOREIGN EXCHANGE RATE							**Buying**	**Selling**
1.00 USD/TZS - (CRDB Bank Plc on17th November, 2025)						TZS	2,385	2,465
1.00 CNY/TZS - (CRDB Bank Plc on 17th November, 2025)						TZS	326.06	371.06
2.0 INVESTMENT CAPITAL ITEMS COST ESTIMATES (ICICE)								
YEAR								**Investment Year 0 is: 2025**
2.1 CORE PROJECT PLANT & MACHINERY (CPPM)						**No. of sets/units**	**Cost/Unit: TZS**	**Total Cost: TZS '000'**
(I) FOB TO DAR ES SALAAM PORT								
Dredger - Boat with dredging equipment						2	405,000,000	810,000
Excavator						3	324,000,000	972,000
Loader						6	162,000,000	972,000
Piping						2	135,000,000	270,000
Sand Filteration/processing machinery						2	81,000,000	162,000
Generator						2	81,000,000	162,000
Dump Trucks						6	162,000,000	972,000
Motor vehicles						2	120,000,000	240,000
Subtotal - FoB - i.e.Cost of CPPM - to Dar es Salaam port, Tanzania(A)								**4,560,000**
Add: Contingencies @ 2.00% of Subtotal (A)								91,200
Add: Sea Freight charges to Dar es Salaam port Tanzania - as a % of Subtotal (A)					0.25%			11,400
Add: Insurance while on high seas on way to D'Salaam - as a % of C&F					0.50%		-	23,313
Total CPPM - CIF - Dar es Salaam port							-	**4,685,913**
(II) TRA Charges								
(a) Import duty - on CIF Value					10%			468,591
(b) Excise duty - on CIF Value					10%			468,591
(c) Rail Development Levy - on CIF Value					2%			93,718
(d) VAT - on CIF Value					18%			843,464
(e) Customs Processing fees - on FOB Value -i.e. as a % of CIF				76.00%	0.40%			14,245
Subtotal - TRA charges								**1,888,610**
(III) Port charges								
Number of containers - all 40' containers					4			
(a) Wharfage - on CIF Value					1.60%			74,975
(b) Shore - handling - per container								-
40' Container @	TZS	1,600,000						6,400
VAT on above charges ((a)+(b)) @					18.00%			14,647
(c) Port storage - per container								
40' Container @	TZS	288,000						1,152
VAT on above charges (c) @					18.00%			207
Subtotal Port charges ((a)+(b)+(c)							-	**97,381**
(IV) Shipping line charges								
(a) Bill of lading/Delivery order	USD	2.52						6
(b) TASAC - per container @	USD	7.3						72
VAT on above charges ((a)+(b)) @					18.00%			14
Subtotal - Shipping line charges							-	**92**
(V) Container deposit - per container (Refundable on return of container)								
40' Container @	USD						-	-
Subtotal								-
(VI) Other charges on plant and machinery at its TMC base								
(a) Cost of installation of plant and machinery @ USD		1,000.00						2,465
(b) Clearing fees - per container			TZS		100,000			400
(c) Transport by road (D'Salaam Port to Base in TMC) per container			TZS		800,000			3,200
(d) VAT - on total (a)+(b)+(c) @					18.00%			1,092
Subtotal -other charges at Project's base in TMC								**7,157**
TOTAL COST OF CORE PROJECT'S PLANT AND MACHINERY (CPPM) INSTALLED AT ITS TMC BASE								**6,679,154**
BRANCH CONSTRUCTION LIMITED								**Annex 1.2**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT								
YEAR								**Investment Year 0 is: 2025**
ADDITIONAL INVESTMENT CAPITAL ITEMS COST ESTIMATES (ICICE)						**No. of sets/units**	**Cost/Unit: TZS**	**Total Cost: TZS '000'**
2.2 OFFICE EQUIPMENT								
(a) Computers & associated peripherals						Lumpsum	-	-
(b) Others - such as office cabinets & CCTV - etc						Lumpsum	-	-
Subtotal								-
Add: Contingencies @	5%							-
TOTAL Cost of office equipment								-
2.3 FURNITURE AND FITTINGS								
(a) Office furniture & fittings						Lumpsum	-	-
Subtotal								-
Add: Contingencies @	5%							-
TOTAL Cost of furniture and fittings								-
2.4 MOTOR VEHICLES								
(a) Office motor vehicles						0	-	-
Subtotal								-
Add: Contingencies @	5%							-
TOTAL Cost of furniture and fittings								-
TOTAL FIXED INVESTMENT CAPITAL ITEMS COST ESTIMATES (FICICE)								**6,679,154**
2.5 PRE-OPERATING EXPENSES								
(i) Tentative physical implementation timetable is as under:								
(a) The Core Project Plant and Machinery (CPPM) -which is 100% by loan is expected to arrive in the country in early November, 2025								
(b) River dredging operations are expected to commence in early January 2026. Accordingly, there is going to be a liability of loan interest payable for the months of November and December of year 2025 on the								
(c) The loan interest payable at end of November, 2025 and December, 2025 is as under:								
								Total Cost: TZS '000'
(A) The cost of Core Project's Plant and Machinery (CPPM) -which is 100% by loan is expected to arrive in the country in early November, 2025								-
(B) Loan interest due on cost of CPPM for the period of November and December, 2025 is as under								
(1) November, 2025 loan interest payable: Period is 1 month								
Annual rate of interest on loan is: 10.00% Per month is: 0.83% So Loan interest payable for November 2025 is:								-
As the November 2025 loan interest payable is not paid, it is at end Nov 2025 capitalised on the principal loan:								
So new principal loan as at 01st Dec , 2025 is:								-
(2) December, 2025 loan interest payable is as under:								
Principal loan as at 31st December, 2025 is:								-
Loan interest due for payment on 31st December, 2025 is of 1 month - which is:								-
This December, 2025 is also not paid. So it is capitalised at end December, 2025								
So new principal loan as at 01st January 2026 is:								-
(3) Pre-operating expenses for the period November, 2025 and December, 2025 is:								-
(4) The new principal loan, excluding Initial Working Capital, of the company from the day the TES-DRKM project becomes operational on 01st January, 2026 is:								-
SUMMARY OF THE INVESTMENT CAPITAL ITEMS COST ESTIMATES (ICICE)								
Type of ICICE								**Total Cost: TZS '000'**
Core Project's Plant and Machinery (CPPM)								6,679,154
Office equipment								-
Furniture and fittings								-
Motor vehicles								-
Pre-Operational Expenses								-
Subtotal ICICE								6,679,154
ADD: Initial Working Capital Items Cost Estimates (IWCICE)								456,057
TOTAL CAPITAL INVESTMENT ITEMS COST ESTIMATES (CIICE)								**7,135,211**
BRANCH CONSTRUCTION LIMITED								**Annex 1.3**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT								
PROPOSED FINANCING PLAN								
YEAR								**Investment Year 0 is: 2025**
EQUITY		**DEBT/EQUITY RATIO**						**Total: TZS '000'**
Fixed Investment Capital Items Cost Estimates (FICICE)								1,135,211
Initial Working Capital Items Cost Estimates								156,057
TOTAL EQUITY		**18.10%**						**1,291,268**
LOAN								
Fixed Investment Capital Items Cost Estimates (FICICE)								5,543,943
Initial Working Capital Items Cost Estimates								300,000
TOTAL LOAN		81.90%						**5,843,943**
TOTAL TYPE OF FUNDING - LOAN*		100.00%						**7,135,211**

NB*.
*The proposed project will initially be fully financed by a 100% loan - totaling an amount of TZS 7.14 billion. From the beginning of January 2026 - i.e. when commercial operations of the project are expected to commence, the full loan amount of TZS 7.135 billion will be serviced in the normal manner. By 31st December, 2028, an amount of TZS 5.844 billion (81.90% of the above TZS 7.14 billionn loan) will have been fully repaid. At the same time an amount of TZS 1.291 billion - i.e. 18.90% of the initital loan amount of TZS7.135 billion - will be converted into EQUITY ON 31ST DECEMBER, 2028.

BRANCH CONSTRUCTION LIMITED														**Annex 2**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT														
REVENUE OPERATING ASSUMPTIONS														
1. Dredging days annually	All days of the year less Sundays and Public Holidays							300						
2. Quantity of total sediments dredged is measured in:						**Cubic Metres**								
3. Rated Annual Dredging Machinery Capacity (RADMC) @ 100% is:						1,000,000								
So Rated Dredging Macinery Capacity per day is						3,333								
4. Planned Annual Dredging Machinery Capacity Utilisation (PADMCU) as a % of RADMC is as under:														
(i) Year 1's PADMCU as a % of RADMC						53.34%								
(ii) CAGR of PADMCU from Year 2 is as under:														
(a) CAGR from Yr 2 - Yr 5 as a % of previous year's PADMCU is		8.50%												
(b) CAGR from Yr 6 - Yr 8 as a % of previous year's PADMCU is		9.00%												
YEAR								**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
So, Yearly PADMCU is:								**53.34%**	**57.87%**	**62.79%**	**68.13%**	**73.92%**	**80.57%**	**87.83%**	**95.73%**
Quantity of Dredged Unprocessed Sediment (DUS) from Rivers Kizinga & Mzinga is:				CBMs				533,400	578,739	627,932	681,306	739,217	805,747	878,264	957,307
5. Ratio of Dredged & Processed Sand (DPSand) vs total DUS is:		**90.00%**												
Accordingly, annual quantity of Dredged and Processed Sand (DPSand) is as under:								**Cubic metres (CBMs)**						
Annual Quantity of Dredged and Processed Sand (DPSand) for sale is:								480,060	520,865	565,139	613,175	665,295	725,172	790,437	861,577
6. Revenues from sale of Dredged n Processed Sand (DPSand)														
6.1 Inflationary index														
(i) Rate of Annual inflation - (Bank of Tanzania's MER October, 2025)		3.40%												
Inflationary index is								1.00	1.03	1.07	1.11	1.14	1.18	1.22	1.26
(ii) Revenues from sale of Dredged n Processed Sand (DPS)														
Selling Price per CBM of Dredged n Processed Sand (DPS)	**TZS**	20,000												
Total Revenue from Dredged n Processed Sand (DPS)		**TZS '000'**						**9,601,200**	**10,771,490**	**12,084,427**	**13,557,398**	**15,209,909**	**17,142,480**	**19,320,604**	**21,775,480**

BRANCH CONSTRUCTION LIMITED											**Annex 3.1**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT											
OPERATING COSTS ASSUMPTIONS											
YEAR					**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
1. Inflation index**											
(i) Rate of Annual inflation - (Bank of Tanzania's MER October, 2025)			3.40%								
Inflationary index is					1.00	1.03	1.07	1.11	1.14	1.18	1.22	1.26
****NB. AS ALL (BOTH DIRECT AND INDIRECT) OPERATING COSTS ARE BASED ON REVENUES, NO ADDITIONAL INFLATION HAS BEEN FACTORED INTO THEM SINCE ALL REVENUES HAVE ALREADY BEEN FACTORED WITH INFLATION.**											
2. DIRECT DREDGING COSTS			**As a % of total revenue**					**TZS '000'**				
Fuel for core project equipment and trucks/motor vehicles			12.00%		1,152,144	1,292,579	1,450,131	1,626,888	1,825,189	2,057,098	2,318,472	2,613,058
Repair and maintenance of various operating equipment			5.00%		480,060	538,575	604,221	677,870	760,495	857,124	966,030	1,088,774
Salaries and wages of various personnel			7.00%		672,084	754,004	845,910	949,018	1,064,694	1,199,974	1,352,442	1,524,284
Dredging of rivers,i.e. actual cost of scooping sediment & other refuse from the rive			6.50%		624,078	700,147	785,488	881,231	988,644	1,114,261	1,255,839	1,415,406
Reinforcing river banks - via either stones or concrete tiles or planting trees & grass			3.25%		312,039	350,073	392,744	440,615	494,322	557,131	627,920	707,703
River banks concrete tiles			0.50%		48,006	53,857	60,422	67,787	76,050	85,712	96,603	108,877
Grass and trees seedlings			0.05%		4,801	5,386	6,042	6,779	7,605	8,571	9,660	10,888
Unprocessed Sediment and other refuse disposal costs			2.20%		211,226	236,973	265,857	298,263	334,618	377,135	425,053	479,061
Compliance costs of environmental & economic conditions			2.00%		192,024	215,430	241,689	271,148	304,198	342,850	386,412	435,510
Various other site-specific costs - e.g. turpidity of river waters			1.50%		144,018	161,572	181,266	203,361	228,149	257,137	289,809	326,632
Total Direct Operating costs			40.00%		**3,840,480**	**4,308,596**	**4,833,771**	**5,422,959**	**6,083,964**	**6,856,992**	**7,728,242**	**8,710,192**
4. INDIRECT OPERATING COSTS -i.e. COMPANY OPERATING OVERHEADS											
Type of Company Operating Overheads			**As a % of total revenue**					**TZS: '000'**				
Administration			15.00%		1,440,180	1,615,724	1,812,664	2,033,610	2,281,486	2,571,372	2,898,091	3,266,322
Marketing - Promotion			2.25%		216,027	242,359	271,900	305,041	342,223	385,706	434,714	489,948
Utilities - other than core dredging machinery			1.50%		144,018	161,572	181,266	203,361	228,149	257,137	289,809	326,632
Repair and maintenance - other than core draging machinery			1.00%		96,012	107,715	120,844	135,574	152,099	171,425	193,206	217,755
Normal bank charges			0.25%		24,003	26,929	30,211	33,893	38,025	42,856	48,302	54,439
Total indirect operating costs			**20.00%**		**1,920,240**	**2,154,298**	**2,416,885**	**2,711,480**	**3,041,982**	**3,428,496**	**3,864,121**	**4,355,096**
5. WORKING CAPITAL SCHEDULE			**PERIOD**	**DURATION**								
ITEM								**TZS '000'**				
STOCKS **BASIS**												
Dredged & Processed Sand (DPS) for sale - cost of sand as a % of total direct operating costs		90%	Month	2	576,072	646,289	725,066	813,444	912,595	1,028,549	1,159,236	1,306,529
DEBTORS												
Sales revenue	Total revenue		Month	0.25	200,025	224,406	251,759	282,446	316,873	357,135	402,513	453,656
TOTAL STOCKS AND DEBTORS					**776,097**	**870,695**	**976,825**	**1,095,890**	**1,229,468**	**1,385,684**	**1,561,749**	**1,760,185**
Less: CREDITORS												
Direct Operating costs	Total Direct Optg Costs		Month	0.5	160,020	179,525	201,407	225,957	253,498	285,708	322,010	362,925
Operating overhead costs	Indirect overheads		Month	1	160,020	179,525	201,407	225,957	253,498	285,708	322,010	362,925
	TOTAL				**320,040**	**359,050**	**402,814**	**451,913**	**506,997**	**571,416**	**644,020**	**725,849**
NET WORKING CAPITAL					**456,057**	**511,646**	**574,010**	**643,976**	**722,471**	**814,268**	**917,729**	**1,034,335**
CHANGE IN WORKING CAPITAL					**456,057**	**55,589**	**62,365**	**69,966**	**78,494**	**91,797**	**103,461**	**116,607**
BRANCH CONSTRUCTION LIMITED												**Annex 3.2**
KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT												
YEAR					**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
6. FIXED ASSETS DEPRECIATION								**TZS: '000'**				
Gross Fixed assets												
Core Project's Plant and Machinery (CPPM)					6,679,154	6,679,154	6,679,154	6,679,154	6,679,154	6,679,154	6,679,154	6,679,154
Office equipment					-	-	-	-	-	-	-	-
Furniture and fittings					-	-	-	-	-	-	-	-
Motor vehicles					-	-	-	-	-	-	-	-
Pre-Operational Expenses					-	-	-	-	-	-	-	-
TOTAL					**6,679,154**	**6,679,154**	**6,679,154**	**6,679,154**	**6,679,154**	**6,679,154**	**6,679,154**	**6,679,154**
Annual depreciation		**Method**	**Rate p.a.**									
Core Project's Plant and Machinery (CPPM)		WDV	12.50%		834,894	730,532	639,216	559,314	489,400	428,225	374,697	327,860
Office equipment		WDV	12.50%		-	-	-	-	-	-	-	-
Furniture and fittings		WDV	12.50%		-	-	-	-	-	-	-	-
Motor vehicles		WDV	25.00%		-	-	-	-	-	-	-	-
Pre-Operational Expenses		Straight line	20.00%		-	-	-	-	-	-	-	-
TOTAL					**834,894**	**730,532**	**639,216**	**559,314**	**489,400**	**428,225**	**374,697**	**327,860**
Accumulated depreciation												
Core Project's Plant and Machinery (CPPM)					834,894	1,565,427	2,204,643	2,763,956	3,253,356	3,681,581	4,056,277	4,384,137
Office equipment					-	-	-	-	-	-	-	-
Furniture and fittings					-	-	-	-	-	-	-	-
Motor vehicles					-	-	-	-	-	-	-	-
Pre-Operational Expenses					-	-	-	-	-	-	-	-
TOTAL					**834,894**	**1,565,427**	**2,204,643**	**2,763,956**	**3,253,356**	**3,681,581**	**4,056,277**	**4,384,137**
Net fixed assets												
Core Project's Plant and Machinery (CPPM)					5,844,260	5,113,727	4,474,511	3,915,197	3,425,798	2,997,573	2,622,876	2,295,017
Office equipment					-	-	-	-	-	-	-	-
Furniture and fittings					-	-	-	-	-	-	-	-
Motor vehicles					-	-	-	-	-	-	-	-
Pre-Operational Expenses					-	-	-	-	-	-	-	-
TOTAL					**5,844,260**	**5,113,727**	**4,474,511**	**3,915,197**	**3,425,798**	**2,997,573**	**2,622,876**	**2,295,017**

BRANCH CONSTRUCTION LIMITED **Annex 4.1**

KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT

OPERATING COSTS ASSUMPTIONS

LOAN TERMS

Amount of loan-1	**TZS '000'**	5,843,943
Expected Arrival date of Core Project Plant and Machinery (CPPM) - latest End	**December -Yr**	2025
Loan duration from first arrival date of core river dredging equipment is	Years	4.5
Grace period from first arrival date of Core Project Plant and Machinery (CPPM): January, 2026 to end June 2026	Months	6
Loan is repayable at end of each month on an annuity basis over a period of 31 months w.e.f.end of June, 2026.	# of instalments	31
Loan interest p.a.		10.00%
Loan interest per month		0.83%

Loan repayment schedule is as shown hereunder **TShs: '000'**

Year	Loan Instalment payment dates	Loan Pr'pal o/s @ beg of month	Loan Instalment payable	Loan principal amt o/sg during the month	Loan interest payable	Loan principal payable	Loan principal o/s at month end	Annual loan interest payable	Annual loan principal payable
2026	January	5,843,943	-	5,843,943	48,700	-	5,843,943		
	February	5,843,943	-	5,843,943	48,700	-	5,843,943		
	March	5,843,943	-	5,843,943	48,700	-	5,843,943		
	April	5,843,943	-	5,843,943	48,700	-	5,843,943		
	May	5,843,943	-	5,843,943	48,700	-	5,843,943		
	June	5,843,943	214,691	5,843,943	48,700	165,992	5,677,951		
	July	5,677,951	214,691	5,677,951	47,316	167,375	5,510,576		
	August	5,510,576	214,691	5,510,576	45,921	168,770	5,341,806		
	September	5,341,806	214,691	5,341,806	44,515	170,176	5,171,630		
	October	5,171,630	214,691	5,171,630	43,097	171,594	5,000,035		
	November	5,000,035	214,691	5,000,035	41,667	173,024	4,827,011		
2026	December	4,827,011	214,691	4,827,011	40,225	174,466	4,652,545	554,939	1,191,398
2027	January	4,652,545	214,691	4,652,545	38,771	175,920	4,476,625		
	February	4,476,625	214,691	4,476,625	37,305	177,386	4,299,238		
	March	4,299,238	214,691	4,299,238	35,827	178,864	4,120,374		
	April	4,120,374	214,691	4,120,374	34,336	180,355	3,940,019		
	May	3,940,019	214,691	3,940,019	32,833	181,858	3,758,161		
	June	3,758,161	214,691	3,758,161	31,318	183,373	3,574,788		
	July	3,574,788	214,691	3,574,788	29,790	184,901	3,389,887		
	August	3,389,887	214,691	3,389,887	28,249	186,442	3,203,444		
	September	3,203,444	214,691	3,203,444	26,695	187,996	3,015,448		
	October	3,015,448	214,691	3,015,448	25,129	189,563	2,825,886		
	November	2,825,886	214,691	2,825,886	23,549	191,142	2,634,743		
2027	December	2,634,743	214,691	2,634,743	21,956	192,735	2,442,008	365,760	2,210,536
2028	January	2,442,008	214,691	2,442,008	20,350	194,341	2,247,667		
	February	2,247,667	214,691	2,247,667	18,731	195,961	2,051,706		
	March	2,051,706	214,691	2,051,706	17,098	197,594	1,854,113		
	April	1,854,113	214,691	1,854,113	15,451	199,240	1,654,872		
	May	1,654,872	214,691	1,654,872	13,791	200,901	1,453,971		
	June	1,453,971	214,691	1,453,971	12,116	202,575	1,251,397		
	July	1,251,397	214,691	1,251,397	10,428	204,263	1,047,133		
	August	1,047,133	214,691	1,047,133	8,726	205,965	841,168		
	September	841,168	214,691	841,168	7,010	207,682	633,487		
	October	633,487	214,691	633,487	5,279	209,412	424,074		
	November	424,074	214,691	424,074	3,534	211,157	212,917		
2028	December	212,917	214,691	212,917	1,774	212,917	(0)	134,288	2,442,008

NB*

See explanatory note at the end of Annex 1.3 in the sheet named "CIICE". So, Loan repayment ends in year 2028.

BRANCH CONSTRUCTION LIMITED **Annex 5.1**

KIZINGA AND MZINGA RIVERS PRESERVATION (KMRP) PROJECT

OPERATING COSTS ASSUMPTIONS

TERMS OF THE CONVERTIBLE LOAN

(i) Amount of Loan to be converted	**TZS '000'**	**1,291,268**
(ii) Date of loan conversion	31st Dec 2029	
(iii) Loan interest rate per annum		10.00%
(iv) Loan interest rate per month		0.83%
(iv) Loan interest is payable monthly in arrears		

Loan interest payable schedule is as under **TShs: '000'**

YEAR	Monthly Loan interest payment date	Convertible loan principal amt o/sg @ beg of the month	Convertible loan principal amt o/sg during the month	Monthly Loan interest amount payable	Convertible Loan principal amt payable monthly	Convertible Loan principal amt o/s @ month end	Annual convertible loan interest amount payable	Annual Convertible loan principal amount payable
2026	January	1,291,268	1,291,268	10,761	-	1,291,268		
	February	1,291,268	1,291,268	10,761	-	1,291,268		
	March	1,291,268	1,291,268	10,761	-	1,291,268		
	April	1,291,268	1,291,268	10,761	-	1,291,268		
	May	1,291,268	1,291,268	10,761	-	1,291,268		
	June	1,291,268	1,291,268	10,761	-	1,291,268		
	July	1,291,268	1,291,268	10,761	-	1,291,268		
	August	1,291,268	1,291,268	10,761	-	1,291,268		
	September	1,291,268	1,291,268	10,761	-	1,291,268		
	October	1,291,268	1,291,268	10,761	-	1,291,268		
	November	1,291,268	1,291,268	10,761	-	1,291,268		
2026	December	1,291,268	1,291,268	10,761	-	1,291,268	129,127	-
2027	January	1,291,268	1,291,268	10,761	-	1,291,268		
	February	1,291,268	1,291,268	10,761	-	1,291,268		
	March	1,291,268	1,291,268	10,761	-	1,291,268		
	April	1,291,268	1,291,268	10,761	-	1,291,268		
	May	1,291,268	1,291,268	10,761	-	1,291,268		
	June	1,291,268	1,291,268	10,761	-	1,291,268		
	July	1,291,268	1,291,268	10,761	-	1,291,268		
	August	1,291,268	1,291,268	10,761	-	1,291,268		
	September	1,291,268	1,291,268	10,761	-	1,291,268		
	October	1,291,268	1,291,268	10,761	-	1,291,268		
	November	1,291,268	1,291,268	10,761	-	1,291,268		
2027	December	1,291,268	1,291,268	10,761	-	1,291,268	129,127	-
2028	January	1,291,268	1,291,268	10,761	-	1,291,268		
	February	1,291,268	1,291,268	10,761	-	1,291,268		
	March	1,291,268	1,291,268	10,761	-	1,291,268		
	April	1,291,268	1,291,268	10,761	-	1,291,268		
	May	1,291,268	1,291,268	10,761	-	1,291,268		
	June	1,291,268	1,291,268	10,761	-	1,291,268		
	July	1,291,268	1,291,268	10,761	-	1,291,268		
	August	1,291,268	1,291,268	10,761	-	1,291,268		
	September	1,291,268	1,291,268	10,761	-	1,291,268		
	October	1,291,268	1,291,268	10,761	-	1,291,268		
	November	1,291,268	1,291,268	10,761	-	1,291,268		
2028	December	1,291,268	1,291,268	10,761	-	1,291,268	129,127	-

31.12.2028 **THE OUTSTANDING LOAN PRINCIPAL AMOUNT IS CONVERTED INTO EQUITY.**