SOLIDCORE CONSTRUCTION MATERIALS GROUP (TANZANIA) LIMITED

BUSINESS PLAN

FOR

PRODUCTION OF CEMENT PREFABRICATED HOUSES, PRECAST CONCRETE PRODUCTS, AND ADVANCED CEMENT-BASED CONSTRUCTION MATERIALS

FIVE YEARS: 2026-2030

JANUARY, 2026

CORPORATE INFORMATION

Date of Incorporation : 22/08/2025

Company Registration Number **:** 188266940

TIN : 188-266-940

Project Activity : Production of Cement Prefabricated Housing & Concrete Modular Products.

Shareholders:

Name	**Address**	**Number of shares**
1. FENG HU	CHINA	10
2. ZHENGFEI XIONG	CHINA	51
3. JUNRAN ZENG	CHINA	39

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LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
EAC	-	East African Community
EIA	-	Environmental Impact Assessment
SADC	-	Southern African Development Community
SWOT/SWOC	-	Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
TIC	-	Tanzania Investment Centre
US$	-	United Stated Dollar

1.0 EXECUTIVE SUMMARY

Building and construction industries have repeatedly been engines for development, kickstarting periods of rapid job creation and economic growth across the globe. Wages in the sector across the world are rising and predicted to shed millions of labour-intensive manufacturing jobs in the coming years. This presents a huge - albeit shortterm - opportunity for countries with competitive labour costs and other conducive conditions to attract new investment, transfer in technology, and create hundreds and thousands of jobs.

SolidCore Construction Materials Group (Tanzania) Limited ("SolidCore") proposes to establish a modern, integrated manufacturing facility in Tanzania dedicated to the production of cement prefabricated houses, precast concrete products, and advanced cement-based construction materials. The project aims to introduce industrialized building systems that reduce construction costs, shorten project timelines, improve quality control, and support Tanzania's affordable housing and infrastructure development agenda.

SolidCore is a private company limited by shares registered in Tanzania with the main purpose of engaging in the manufacture of cement and construction materials for the local as well as foreign markets. The company has already acquired land at Kibaha area in Coast region, and seeks to invest in a factory for the production of construction materials that will be sold locally and in foreign markets. The Company seeks a **Certificate of Incentives** from the Tanzania Investment Centre (TIC) to benefit from investment guarantees, fiscal incentives, and facilitation services in accordance with the Tanzania Investment Act.

The company is owned and managed by experienced persons in the extractive sector. The project is expected to be financed both through owners' equity and external financing through bank loans, where the total project requirement amounts to **US$ 2,500,000 (United States Dollar Two Million, Five hundred Thousand only)**. During the first year of operations, the project intends to employ at least 140 locals and 5 foreigners, making a total of 145 direct employment at the end of project

duration. The indirect employment is expected to reach about more than 500 people who will be employed through various activities related to the project.

1.1 Company Vision, Mission and Core Values

Our Vision: Our vision is to emerge as the best practitioner in manufacturing and distribution of cement prefabricated houses, precast concrete products, and advanced cement-based construction materials for the local and foreign markets.

Our Mission: Our mission is to provide value addition to locally manufactured building materials mainly by embarking on extraction, processing and manufacture of cement and other construction materials through modern facilities and clean environment for production of high-quality products.

Our Belief: Is that, success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional and motivated organization, modernized, and experienced personnel, we are committed to the following principles:

- We ensure total continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The main objective of our project is to increase our operational capability of construction materials and by-products that can be used to manufacture other products. The project intends to invest highly in the manufacturing sector in which we

operate by providing of best practices for the production of high-quality building materials. The project shall also support various community development aspects including supporting education and health care.

Specifically, the project aims to achieve the following objectives;

- To ensure the availability and reliability of high-quality building materials and other related products.
- To utilize the available local material to meet the growing demand in the country.
- To employ at least 140 local people to improve the livelihood to the community and join hands with the government efforts in job creation.
- To improve the linkages among producers, suppliers, and consumers of various products across the country.
- Stimulate the production of building materials in various places of the country by utilizing the available raw materials.

1.3 Project Location

The project is located at Kibaha in Coast Region. The area has access to basic infrastructure, including water, electricity, and road networks. The area is also accessible by walking, cycling, taxi, automobile, and public transit, which also link other regions in Tanzania.

1.4 Project components and costs

The project is expected to commence its activities on 1st February 2026 after all the preliminary arrangements and permits are obtained. The project office and some office equipment have already been prepared. The project shall be implemented in two phases. Phase one shall include preliminary stages such as site preparations, construction, office installation and procurement and installation of machineries and equipment for a gypsum production. Phase two shall include activities for project expansion such as the construction of more production facilities, new equipment purchases and the installation of a new plant. The activities in phase two shall commence in January, 2028 through the rest of the project.

Table 1.1: Project Requirements (Cost in US$)

Descriptions	Quantity	Value per unit (USD)	Total value (USD)
Land and Buildings:			
Land	25 acres	20,000	500,000
Buildings	Lampsum		300,000
Site Preparations	Lampsum		50,000
Sub-total Land & Buildings			**850,000**
Plant:			
Machinery & Equipment	Full set		1,150,000
Sub-total Plant			**1,150,000**
Motor vehicles	3	60,000	180,000
Furniture & Fixtures	Lampsum		20,000
Working Capital	Lampsum		300,000
TOTAL			**2,500,000**

The project requirement amounts to **US$ 2,500,000 (United States Dollar Two Million, Five Hundred Thousand only)** which covers the cost of land, buildings, plant and equipment and working capital required at the commencement of the project.

1.5 Implementation Plan

The envisaged project is expected to be implemented from 1st February,2026 beginning with preliminary activities including site preparations, construction and acquiring relevant permits and other requirements of the project. The implementation programme is well described in the Table 1.2.

Table 1.2: Implementation Schedule

	DESCRIPTION		PHASE I			PHASE II
No.	**Activities**	**Feb-June 2026**	**July-Sept, 2026**	**Oct-Dec 2026**	**Jan-Dec,2027**	**Jan 2028-Dec 2030**
1	Company incorporation & land identification, Site preparations and mobilization of resources.					
2	EIA, TIC approvals					
3	Building Construction, Procurement of machinery and equipment and Installation.					
4	Procurement of materials, Recruitments of Staff, engagements					
5	Commencement of Production					
6	Project Expansion, setting up the New Plant					

Upon completion of site preparations, construction, and installation of the Plant, machinery and equipment, and other facilities, the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the sector. The project shall conduct a periodical assessment of its machinery and equipment and replace obsolete ones through disposal and procurement of new equipment. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.5. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable houses and building materials in the country;
- The project will support industrialization campaign by setting up a cement-based manufacturing plant and promote the sector in the country.
- The project will increase employment opportunities to the community;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

2.0 PROJECT DESCRIPTION

The proposed facility will manufacture a wide range of products, including cement prefabricated housing units, structural and architectural precast components (such as wall panels, beams, columns, slabs, culverts, and paving blocks), as well as high-performance cement-based materials tailored for residential, commercial, and infrastructure applications. By adopting modern manufacturing technologies and standardized production processes, the project will significantly reduce construction timelines, minimize material wastage, and improve quality consistency compared to conventional on-site construction methods. These industrialized building systems will enable faster project delivery, enhanced structural integrity, and improved durability of buildings and infrastructure.

The project directly supports Tanzania's national development priorities, particularly in addressing the growing demand for affordable housing, urban development, and infrastructure expansion. SolidCore's products will provide cost-effective, scalable solutions for public housing programs, private real estate developers, industrial projects, and government-led infrastructure initiatives. The SolidCore project represents a strategic investment in modern construction manufacturing, positioning the company as a leading provider of innovative, affordable, and high-quality cement-based building solutions in Tanzania and the wider East African region.

The Company's approved and proposed business activities include:

1. Manufacturing of cement prefabricated houses and modular building systems.
2. Production of precast concrete wall panels, slabs, beams, columns, roofing sheets, piles, pipes, and electric poles.
3. Operation of concrete batching and mixing plants for internal use and commercial supply.
4. Assembly, installation, and on-site construction of prefabricated and modular structures.
5. Importation of machinery, equipment, molds, spare parts, steel structures, and raw materials.
6. Marketing, sales, distribution, and export of construction materials and prefabricated products.
7. Provision of technical consultancy, design support, and after-sales services.
8. Research, development, production, and marketing of specialized materials to enhance cement and concrete performance, including high-strength silty clay and other additives.
9. Export of precast and modular construction products to East African regional markets.

2.1 Product & Technology Description

2.1.1 Cement Prefabricated Housing Systems

- Modular housing units
- Structural wall and floor systems
- Rapid assembly and scalable designs

2.1.2 Precast Concrete Products

- Wall panels and slabs
- Concrete piles and pipe piles
- Drainage pipes and culverts
- Electric poles and fencing products
- Roofing sheets

2.1.3 Specialized Construction Materials

- Cement performance enhancers
- High-strength silty clay additives
- Customized concrete formulations adapted to local conditions

2.2 Key Success Factors

Provision of high-quality products to meet the local and foreign markets demands is our core competency. The project is designed to have modem, decent, well-managed facilities with immaculately humanitarian services during service delivery. We will ensure we have enough materials and equipment's that are operated by highly professional persons, who are ready to produce high quality products of nearly any requirement.

2.3 Our Staff

SolidCore is well placed to implement its policy of “safety-first” that guarantees safe handling and delivery of our clients' requirements. The project shall maintain its policy to hire staff who have years of experience in the extraction sectors. The hired staff shall comprise both Tanzanians and foreigners, creating opportunity for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team building seminars so that our staff continue to be on the same page and properly trained to meet our objectives.

2.3 Machinery and Equipment

The project will ensure that appropriate machinery and equipment are installed and modern technology in place for manufacturing of cement-based construction and other building materials.

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East African Region, SADC and AfCFTA. This has called for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and continuous fall in domestic currency this would lead to increased cost of operations as the price of materials are rising.

Politically; Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61 million people. The increase in population necessitates increase in demand of goods and services.

Technological factors: Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the environment analysis. Our project considers technology as an integral part and important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

4.0 MARKETING PLAN

There is a growing population in the country, where current statistics shows that the population trend grows by 3% annually with a current population of 61 million in 2022.[1] Dar es Salaam being the largest commercial city has been one of the fastest growing cities in terms of population with more than 6 million people. The pace of regional integration within EAC and SADC blocs with recent ratification of AfCFTA paves way for more trade in the region. Our motive is to cater for this need, especially through providing high-quality construction materials and related products that will be sold locally and at international markets.

4.1. Market Analysis

4.1.1 Market Demand

- Rapid urbanization and population growth
- Housing shortages in urban and peri-urban areas
- Government-led infrastructure and housing initiatives
- Increasing preference for durable and cost-effective construction solutions

4.1.2 Competitive Advantage

[1] National Bureau of Statistics, 2022: Population and Housing Census

- Local manufacturing reducing import dependency
- Faster construction timelines compared to conventional methods
- Consistent quality through factory-controlled production
- Competitive pricing enabled by modularization and scale

4.1.3 Target Customers

- Government agencies and public housing programs
- Real estate developers and contractors
- Industrial and commercial developers
- Regional export markets within EAC and SADC

4.2 Marketing Strategies

4.2.1 SWOT Analysis

The SWOT analysis is conducted in order to assess our internal strengths and drawbacks that we need to improve. We have also analyzed external factors which may provide opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

Table 4.1: SWOT Analysis

STRENGTHS	**WEAKNESSES**
• Ability of the project implementers to solicit required funds for the project. • Modern equipment and facilities and safe environment for production of high-quality gypsum boards from local resources. • Excellence in service from highly skilled management and staff. • Affordable prices will give options for customers to prefer our products.	• Sourcing of required resources including finances may cause delay in starting operations on time. • No appropriate data on the current and projected market demand.
OPPORTUNITIES	**THREATS/CHALLENGES**
• Growing cement-based construction materials and related products due	• High expectations of customers and changing

to increase in population and regional integration. • Government commitment to support industries. • Economic growth and rising in purchasing power of individuals provides opportunities for the project.	customer preferences. • Ensuring punctuality, standards, and safety of our products. • Competition in the sector.

From the SWOT analysis, we have been able to identify our strengths, weaknesses, opportunities and threats. The project will capitalize on the key strengths to provide best services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, our services reach to high demand locations (place), reasonable price is charged to our clients and appropriate promotional tools are employed to increase awareness of our products and services.

Product: The modern equipment and facilities shall be an added advantage to compete in the market through determination to provide high quality products and services. A sufficient budget shall be allocated for repair and maintenance to ensure that all machineries and equipment and facilities remain in a good quality all the time so as to maintain products of high quality. The brand name “Golden Cotton” shall be used to sell companies products throughout the project.

Pricing: The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and completions orientation concepts, a fair price will be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

Place: The project shall invest in modern and sophisticated technology and facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Branding and Media advertisements both digital and print media shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspaper, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

4.3 Revenue collection

Revenue collections will be done on cash basis and bank transfers. Where there is a written agreement, the company will also provide services on credit basis to institutional customers. For the first year of the project, the average revenue is estimated to be **USD 2,250,000.** The description of revenue projections are shown in the Table below.

Table 4.1: Description of Revenue Projections

S/N	Revenue Source	Units per month	Amount per month (USD)	Amount per year (USD)
1	Cement pre-fabricated houses	9	90,000	1,080,000
2	Precast concrete products	330	61,000	732,000
3	Advanced cement-based construction materials	152	36,500	438,000
	Total		**187,500**	**2,250,000**

Different types of gypsum boards shall be manufactured to meet the needs of different market segments. Different types of gypsum board come in a variety of shapes and sizes. This makes them suitable for most construction jobs. Knowing what type of gypsum board to use is important for contractors as it can reduce the cost of a building but also improve its quality. Gypsum board can also be called drywall, plasterboard or wallboard.

5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN

5.1 Operational Plan

The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained prior to commencement of the project.

5.2 Manufacturing Process & Facilities

The SolidCore manufacturing facility will be designed as a modern, integrated production plant incorporating advanced concrete manufacturing technologies, automation, and quality assurance systems. The facility will support high-volume, consistent, and cost-effective production of cement prefabricated houses, precast concrete products, and advanced cement-based construction materials.

5.2.1 Concrete Batching and Automated Mixing Systems

The production process begins with computerized concrete batching plants that precisely measure and combine cement, aggregates, water, and chemical admixtures in accordance with pre-defined mix designs. Automated batching ensures:

- Accurate material proportions
- Consistent product quality
- Reduced material wastage
- Improved production efficiency

Raw materials will be stored in dedicated silos and aggregate bays, with wheel loaders and conveyor systems feeding materials into the batching plant. Automated mixing systems allow for rapid adjustment of mix designs to meet varying product specifications, including high-strength, lightweight, and fiber-reinforced concrete.

5.2.2 Precision Molds and Vibration Casting

Following batching, freshly mixed concrete is transferred to precision-engineered steel molds designed for specific products such as wall panels, beams, slabs, culverts, and modular housing components. These molds are reusable and manufactured to tight tolerances, ensuring dimensional accuracy and uniformity.

Vibration casting and compaction systems are employed to:

- Eliminate air voids
- Achieve dense, high-strength concrete
- Improve surface finish quality

The use of vibration tables and automated casting lines ensures consistent structural performance and enhances durability across all manufactured components.

5.2.3 Controlled Curing Chambers

After casting, products are transferred to controlled curing chambers where temperature and humidity are carefully regulated. Controlled curing accelerates strength development while preventing cracking and shrinkage.

This process:

- Ensures predictable curing cycles
- Improves early and long-term concrete strength
- Allows faster mold turnover and higher production throughput

Steam curing and moisture-controlled environments will be utilized depending on product requirements and production schedules.

5.2.4 Quality Inspection and Testing

Quality assurance is embedded at every stage of production. A dedicated on-site quality control laboratory will conduct:

- Raw material testing (cement, aggregates, admixtures)
- In-process testing (slump tests, density checks)
- Final product testing (compressive strength, dimensional accuracy, durability)

All products will comply with Tanzania Bureau of Standards (TBS) and relevant international standards. Products failing to meet quality requirements will be rejected or recycled, ensuring only compliant products reach the market.

5.2.5 Modular Assembly and Packaging

For cement prefabricated houses and modular building systems, finished components are transferred to a modular assembly area. Here, components are:

- Dry-fitted and checked for alignment
- Prepared for transportation and on-site installation
- Packaged and labeled for efficient logistics and inventory control

Packaging methods are designed to protect components during transport while minimizing handling damage.

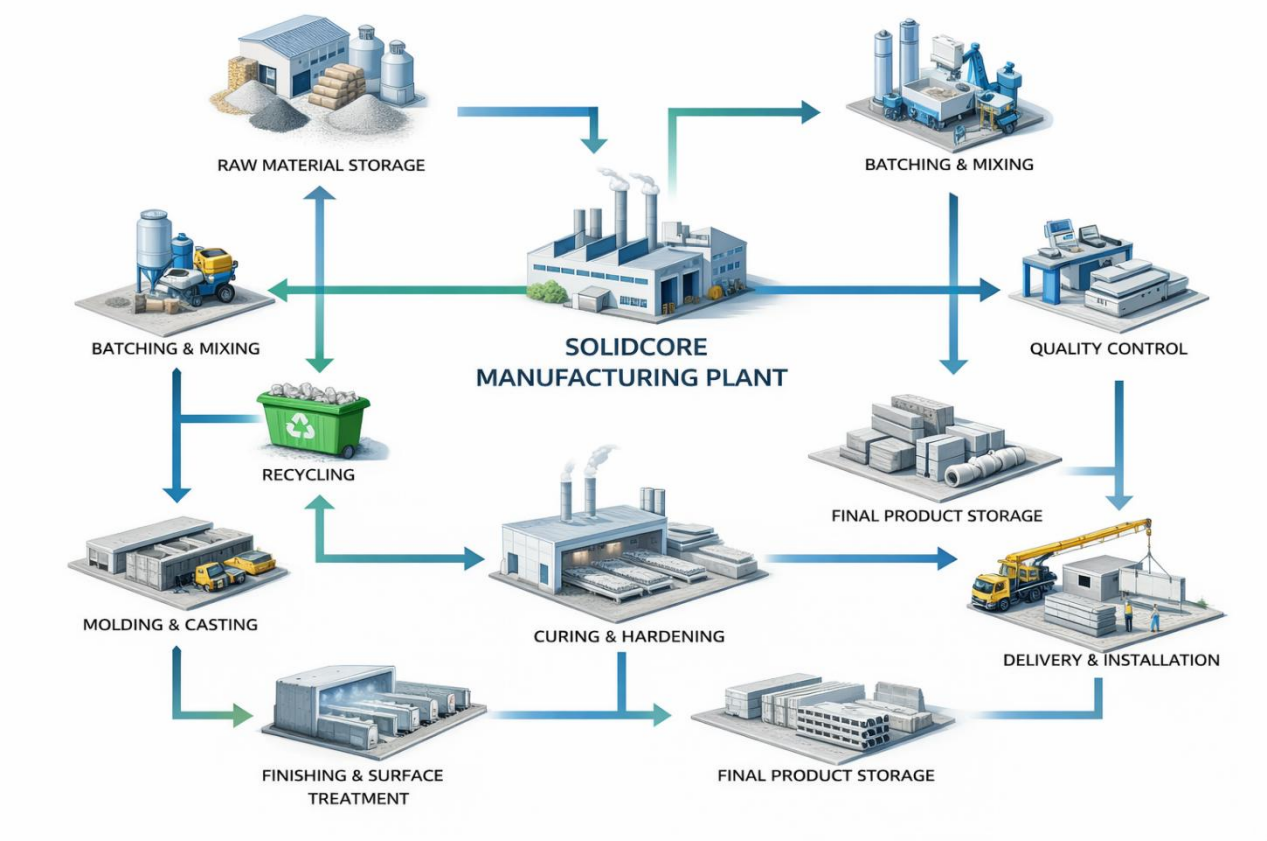
5.2.6 Facilities and Major Capital Equipment

The manufacturing facility will be supported by robust infrastructure and major capital equipment, including:

- Concrete batching plants with automated control systems
- Wheel loaders and forklifts for raw material handling
- Gantry cranes and overhead lifting systems for moving heavy precast elements
- Precision steel molds and formwork systems
- Vibration tables and casting lines
- Curing chambers and steam generators
- Maintenance workshops and spare parts stores
- Power generation and backup systems

These assets will enable efficient production flow, safe material handling, and scalable manufacturing operations.

Figure 5.1: Manufacturing Process



5.3 Regulatory & Legal Compliance

SolidCore will comply with all applicable Tanzanian laws and regulations, including:

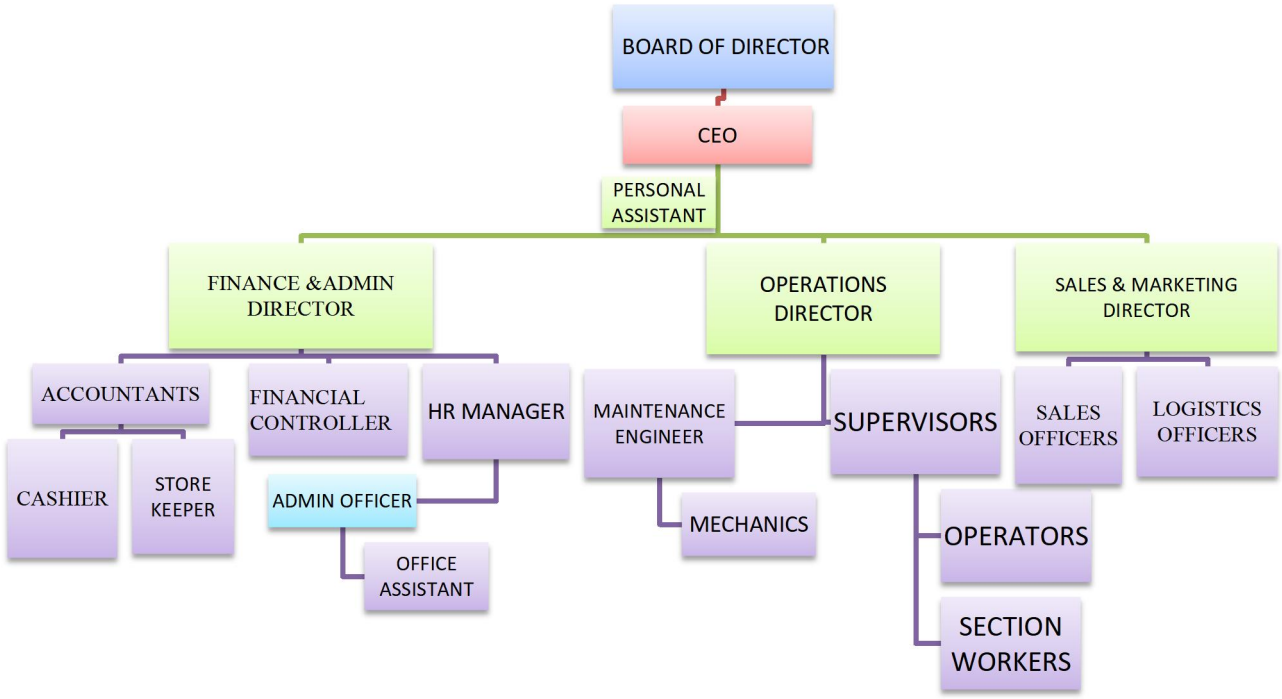
- Company incorporation with BRELA
- Tax registration with TRA (TIN & VAT)
- TIC registration and Certificate of Incentives
- Environmental Impact Assessment (EIA) approval from NEMC
- Factory registration and OSHA compliance
- Tanzania Bureau of Standards (TBS) product certification
- Contractors Registration Board (CRB) registration (where construction services are provided)
- Local government permits and utilities connections

5.4 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Director, Accountants, Cashiers, revenue collectors and store keepers; HR Officers, Administrative Officers and Office Assistants as well as watchmen/security guards and drivers. Marketing and Sales Department shall include the Director of Sales and Marketing, Marketing Manager; Sales Officers and Logistic Officers. The Operations Department shall include the Director of Operations, Technical and maintenance Manager, Mechanics, Machine Operators, Drivers and section workers; The figure 5.1 describes the organization structure and the reporting lines for each category.

Figure 5.2 Organization Chart



5.5 Management

The Chief Executive Officer shall be responsible for day-to-day running of the project and direct reports to the Board of Directors. Director of Operations shall be responsible for day-to-day operational activities of the project including sourcing of materials, manage the personnel under him, repair and maintenance and control the timetable for trucks. Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. The financial controller shall ensure monitoring resource allocation especially funds and making sure that the fund is used in a desired manner.

6.0 PROJECT MONITORING AND EVALUATION

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

i) Relevance: The monitoring and evaluation plan will be relevant to the objectives of the project.
ii) Accuracy: The monitoring and evaluation plan will be accurate and reliable.
iii) Timeliness: The monitoring and evaluation plan will be timely and up-to-date.
iv) Transparency: The monitoring and evaluation plan will be transparent and accessible to stakeholders.

7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport service in Dar es salaam and hence promote increase in economic activities and incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

i) **Competition:** There is a stiff competition in the sector especially from imported products. Majority of competitors have already covered a huge share in the market, the company indents to capitalize on a niche in which the company can best serve than others. The project shall utilize the existing gaps in the local market and exploit export potentials to various markets.

ii) **Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater for this price increase, the project shall review the project panning, timelines and make price adjustments from time to time.

iii) **Accidents:** Factories are prone to accidents. One of the major causes of these accidents is overworking of employees without being given enough time to rest. We intend to employ qualified staff and use modern technology to ensure labour gets enough rest. The company also intends to secure the machineries and equipment through a comprehensive insurance cover in case of any accident, theft or any other disaster.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help to improve the development of the sector and ensuring availability of high-quality products in the country and ultimately boost economic growth.

8.0 FINANCIAL PLAN

8.1 Sources of Funds

The project financing at the beginning of the project is expected to be through equity financing. The company has already registered a capital of USD 1,000,000; additional funding of USD 1,500,000 shall also come from financing through internal sources of financing. The amount of revenue shall be clearly allocated to the parties as per profit calculations of the project. The project financing shall be in the following mode;

Table 8:1 Project Financing

S/N	Type of Financing	Source	Amount ($)
1	Equity	Foreign	2,500,000
2	Loan	-	-
TOTAL			**2,500,000**

8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

(i) The focus market shall be both domestic market and foreign markets including EAC, SADC, ACFTA and beyond the African Continent.

(ii) Investment shall be progressively made throughout the project;

(iii) The annual sales are projected to grow by 10% per annum; while operating expenses will rise at the rate of 5%. The revenue is expected to double in year 3 after having installed the additional plant.

(iv) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;

(a) Buildings 5%

(b) Furniture & Fittings 10%

(c) Equipment 10%

(d) Motor vehicles 20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

8.3 Projected Financial Sstatements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

Table 8.2: Projected Income Statements for Five Years

Description	YEAR 1 (US$)	YEAR 2 (US$)	YEAR 3 (US$)	YEAR 4 (US$)	YEAR 5 (US$)
Revenue	2,250,000	2,475,000	3,970,117	4,351,418	4,601,905
Less: Cost of sales	1,457,043	1,429,895	2,009,790	2,110,280	2,215,794
Operating Profit	**792,957**	**1,045,105**	**1,960,327**	**2,241,138**	**2,386,111**
Less: Op. expenses	*642,067*	674,170	1,348,341	1,415,758	1,486,546
Earnings Before Interest and Tax	150,890	370,935	611,986	825,380	899,565
Less: Charges					
Interest	510,000	408,000	306,000	204,000	102,000
Earnings/(Loss) Before Tax	**-359,110**	**-37,065**	**305,986**	**621,380**	**797,565**
Corporate Tax (30%)	-	-	*91,796*	*186,414*	*239,270*
Earnings After Tax (Loss)	**-359,110**	**-37,065**	**214,190**	**434,966**	**558,296**
Dividends (30%)	-	-	*64,257*	*130,490*	*167,489*
Retained Earnings	**-**	**-**	**149,933**	**304,476**	**390,807**

Table 8.3 Projected Balance Sheet for Five Years

DESCRIPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US$	US$	US$	US$	US$
NON-CURRENT ASSETS					
Land & Buildings	807,500	767,125	728,769	692,330	657,714
Machinery & Equipment	949,697	854,727	769,255	1,049,283	1,297,174
Motor vehicles	135,000	200,000	175,000	250,000	200,000
Total Non-Current Assets	**1,892,197**	**1,821,852**	**1,673,024**	**1,991,613**	**2,154,888**
Stocks	467,714	467,514	919,284	922,500	953,100
Debtors & Prepayments	55,693	56,825	611,500	615,400	616,700
Cash and Bank balance	*139,288*	*266,379*	*86,343*	*217,495*	*347,886*
Total Current Assets	**662,695**	**790,718**	**1,617,127**	**1,755,395**	**1,917,686**
TOTAL ASSETS	**2,554,892**	**2,612,570**	**3,290,151**	**3,747,008**	**4,072,574**
Equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Additional capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Retained Earnings	-	-	630,076	840,331	1,070,728
Total Equity	**2,500,000**	**2,500,000**	**3,130,076**	**3,340,331**	**3,570,728**
Bank loan	-	-	-	-	-
Total Non-Current Liability	-	-	-	-	-
Trade Creditors and Accruals	36,017	90,364	49,336	308,177	383,746
Taxation	18,875	22,206	110,739	98,500	118,100
Total Current Liabilities	**54,892**	**112,570**	**160,075**	**406,677**	**501,846**
TOTAL EQUITY & LIABILITIES	**2,554,892**	**2,612,570**	**3,290,151**	**3,747,008**	**4,072,574**

Table 8:4 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	US$	US$	US$	US$	US$
Cash from operations:					
Profits before tax	150,890	370,935	611,986	825,380	899,565
Adjustments for non-cash items:					
Depreciations	560,750	448,600	436,600	748,500	648,100
Change in Working Capital:					
Receivables	-55,693	-56,825	-11,500	-15,400	-16,700
Trade payables & Accruals	36,017	90,364	49,336	235,293	383,746
Total	**691,964**	**853,074**	**1,086,422**	**1,793,773**	**1,914,711**
Tax payments	-	-	-91,796	-186,414	-239,270
Total Cash Inflow from Operating Activities	**691,964**	**853,074**	**994,626**	**1,607,359**	**1,675,442**
Cash from investing activities:					
Purchase of assets	-831,252	-518,750	-479,868	-850,000	-829,163
Other purchases	-	-322,127	-68,343	-802,168	-759,175
Net Cash Outflow from Investing Activities	**-831,252**	**-840,877**	**-548,211**	**-1,652,168**	**-1,588,338**
Cash from financing activities:					
Dividends	-	-	-64,257	-130,490	-167,489
Loan Repayments	-735,000	-672,000	-609,000	-546,000	-483,000
Net Cash Outflow from Financing Activities	**-735,000**	**127,091**	**-180,036**	**131,152**	**130,391**
Beginning Cash Balance	*874,288*	*139,288*	*266,379*	*86,343*	*217,495*
Ending Cash Balance	***139,288***	***266,379***	***86,343***	***217,495***	***347,886***

9.0 ECONOMIC ASPECTS

9.1 National economic and social Benefits

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

a) Direct economic impact

Direct positive economic impact is expected to come from the following factors, namely,

1) Tax payments to the government increased,
2) Access to quality, reliable and affordable products increased,
3) Employment opportunities generation; more than 145 direct jobs expected to be created.
4) Technology and skills transfer from expertise hired from different parts of the globe.

In addition to economic benefits, the project will contribute to local industrial development by creating skilled and semi-skilled employment, promoting technology transfer, and strengthening domestic manufacturing capacity within the construction materials value chain. Environmentally, the use of prefabrication and controlled manufacturing processes will reduce construction-related waste, lower carbon intensity per unit of construction, and encourage more sustainable building practices.

b) Indirect economic impact

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project and participation in economic development activities of the country.

10.0 CONCLUSION

The fact that owners are willing to raise investment capital to finance the project, it shows a strong commitment in making sure that the project is successfully implemented. The project lays in areas that are very rich in construction raw materials and easily accessible with key infrastructure, hence project activities will help to revamp the building and construction sector at large. Owners are willing to comply with all government requirements. The fact that there is a huge demand for cement-based building materials in the country despite the presence of several other players in the market, makes this project a viable idea.