

BAGAMOYO EXPRESS GROUP LIMITED

BUSINESS PLAN FOR A TRANSPORTATION AND LOGISTICS PROJECT

AT LAND TITLE NO. 46660, PLOT 76

KIBAHA INDUSTRIAL AREA

KIBAHA TOWNSHIP

COAST REGION

UNITED REPUBLIC OF TANZANIA

EFFECTIVE FROM: 2026/2030

Prepared by:

Bagamoyo Express Group Limited

Company Registration No: 192735092

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1. CHAPTER I: INTRODUCTION

This feasibility study report has been prepared for the establishment of a Transportation Services Company at **Land Title No. 46660, Plot 76, Kibaha Industrial Area, Kibaha Township, Coast Region, United Republic of Tanzania.**

The proposed project aims to establish a modern transportation & logistics Hub providing professional cargo transportation services including inland freight, container haulage, industrial goods transportation, cross-border transportation, and port-to-inland logistics movement. The project will operate strictly as a transportation services business.

The purpose of this study is to assess the commercial viability and operational feasibility of the proposed project being undertaken by Bagamoyo Express Group Limited.

The promoters possess strong operational and managerial experience in logistics and transportation services, and the company is financially capable of implementing the project. The investment will involve foreign equity inflow and contribute to infrastructure support services, employment creation, technology transfer, and improved efficiency in Tanzania's transport sector.

This report also evaluates the socio-economic benefits to Tanzania, including enhancement of trade facilitation, reduction of transport bottlenecks, and support to industrial production and port connectivity.

2. CHAPTER II: BRIEF INTRODUCTION TO THE COMPANY

Bagamoyo Express Group Limited is a private limited liability company duly registered in Tanzania under **Registration No. 192735092.**

The Company's principal business activity is transportation services including cargo haulage, container transport, bulk goods transportation, cross-border transport, and port-related transport services.

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The Company has leased land under **Title No. 46660, Plot 76, Kibaha Industrial Area, Kibaha Township, Coast Region** for a period of ten (10) years to serve as its operational yard, fleet management center, dispatch base, and administrative headquarters.

Shareholding Structure:

- Chen Peng – 25%
- Wang Lixing – 25%
- Yan Jinliang – 25%
- Gong Tong – 25%

The Company will establish a structured operational system supported by professional management, experienced drivers, fleet control systems, and international-standard transport management procedures.

3. CHAPTER III. BUSINESS DEVELOPMENT PLAN

3.1 Environment Investment of Tanzania

The United Republic of Tanzania continues to position itself as a strategic logistics and transportation hub within the East African region. The country's geographical advantage, with direct access to the Indian Ocean and a well-established port infrastructure in Dar es Salaam, provides a gateway to landlocked neighboring countries including Zambia, the Democratic Republic of Congo, Rwanda, Burundi, Malawi, and Uganda. This strategic position has resulted in sustained growth in cargo volumes, container throughput, and inland freight movement.

The Government of Tanzania, through its industrialization agenda and infrastructure development programs, has invested heavily in road networks, standard gauge railway development, port expansion, and industrial zones. These investments are aimed at enhancing trade efficiency, reducing transport costs, and improving regional connectivity. The expansion of Dar es Salaam Port, improvements in trunk roads connecting the port to inland corridors, and the development of

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industrial parks in the Coast Region have significantly increased demand for professional transportation services.

The Coast Region, particularly Kibaha Industrial Area, has emerged as a strategic industrial node due to its proximity to Dar es Salaam Port, its direct connection to the Morogoro highway corridor, and its accessibility to major manufacturing and industrial establishments. The location of the project at **Land Title No. 46660, Plot 76, Kibaha Industrial Area**, provides logistical advantage for efficient dispatch and return cycles of heavy commercial vehicles, minimizing congestion and enhancing operational turnaround time.

Tanzania maintains a stable political environment, investor-friendly policies, and a legal framework that protects foreign investment. Through TISEZA, the Government encourages high-impact investments that contribute to infrastructure efficiency, employment generation, and technology transfer. The proposed transportation project directly supports Tanzania's trade facilitation and industrial productivity objectives.

3.2 Investment Program

Following a comprehensive feasibility assessment of cargo demand trends, industrial expansion patterns, port throughput statistics, and regional corridor utilization rates, Bagamoyo Express Group Limited resolved to invest in the professional transportation sector within Tanzania.

The total investment capital for the project is **USD 900,000**, fully financed through foreign equity contributions from the shareholders. The investment will be directed toward the acquisition of heavy-duty prime movers, flatbed trailers, container carriers, bulk cargo trucks, fleet monitoring technology, maintenance equipment, and operational infrastructure at the **Kibaha Industrial Area premises**.

The Company has secured a ten (10) year lease agreement over the project site under **Title No. 46660, Plot 76, Kibaha Industrial Area, Coast Region**. The premises will serve strictly as an operational transport yard, fleet dispatch center, vehicle maintenance yard, parking area, and administrative headquarters. No warehousing activities will be conducted under this project scope to ensure full

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compliance with transportation-only classification under TISEZA regulations.

The investment aligns with Tanzania's National Transport Policy and Development Vision 2025, which prioritizes efficient movement of goods to enhance competitiveness and reduce trade bottlenecks. The Company's operations will support:

- Port-to-inland cargo transport
- Industrial goods transportation
- Mining equipment transport
- Cross-border freight movement
- Bulk commodity haulage

The Company intends to gradually expand its fleet based on demand growth, ensuring scalable and sustainable development while maintaining operational discipline and safety standards.

3.3 Personnel Training Program

Transportation services, particularly heavy commercial freight operations, require highly skilled and disciplined personnel. The Company recognizes that human capital development is a critical determinant of safety performance, operational efficiency, and service reliability.

Bagamoyo Express Group Limited will implement a structured, progressive training framework that ensures both local workforce development and technology transfer. The training program will be

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integrated into the Company's management system and recorded formally as part of its operational compliance documentation.

The Company's objective is to gradually localize operational expertise by equipping Tanzanian drivers, dispatch officers, mechanics, and fleet managers with professional skills that meet international transport standards.

3.4 Elementary Training

All newly recruited personnel will undergo a mandatory ten (10) day induction training program prior to operational deployment. The training will introduce employees to the Company's operational structure, reporting lines, safety culture, and compliance obligations.

The induction will include detailed instruction on road safety laws, vehicle inspection protocols, defensive driving principles, accident prevention measures, occupational health and safety requirements, and emergency response procedures. Employees will also be trained in environmental protection measures including fuel management, emission control awareness, and responsible driving behavior to minimize environmental impact.

3.5 Intermediate Training

Intermediate training will extend over a period ranging from 120 to 180 days depending on the employee's role. This phase will focus on specialized heavy vehicle operation, route optimization techniques, cargo securing standards, fuel efficiency management, GPS-based fleet tracking systems, and compliance documentation for cross-border transport.

Drivers will receive practical hands-on training on long-haul driving standards, fatigue management, mechanical awareness, and incident reporting systems. Dispatch personnel will be trained in

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transport scheduling software, fleet monitoring dashboards, delivery confirmation systems, and coordination with port authorities and industrial clients.

Mechanics will undergo preventive maintenance training to ensure that fleet downtime is minimized and vehicle lifespan is **optimized. This approach reduces operational cost and increases safety reliability.**

3.6 Advanced Training

The Company will identify high-performing Tanzanian employees for advanced technical training programs conducted externally to enhance fleet management, transport compliance, and leadership skills. Selected management personnel will receive structured managerial development training focusing on risk management, regulatory compliance, contract management, and operational performance monitoring.

The long-term objective is to build a self-sufficient Tanzanian management and technical team capable of operating the transport enterprise independently while maintaining international standards of service.

3.7 Development Trends

The transportation sector in Tanzania is transitioning from fragmented informal operations to professionally managed fleet-based enterprises. With increased industrial output, mining expansion, infrastructure development, and port modernization, cargo volumes are projected to grow steadily over the next decade.

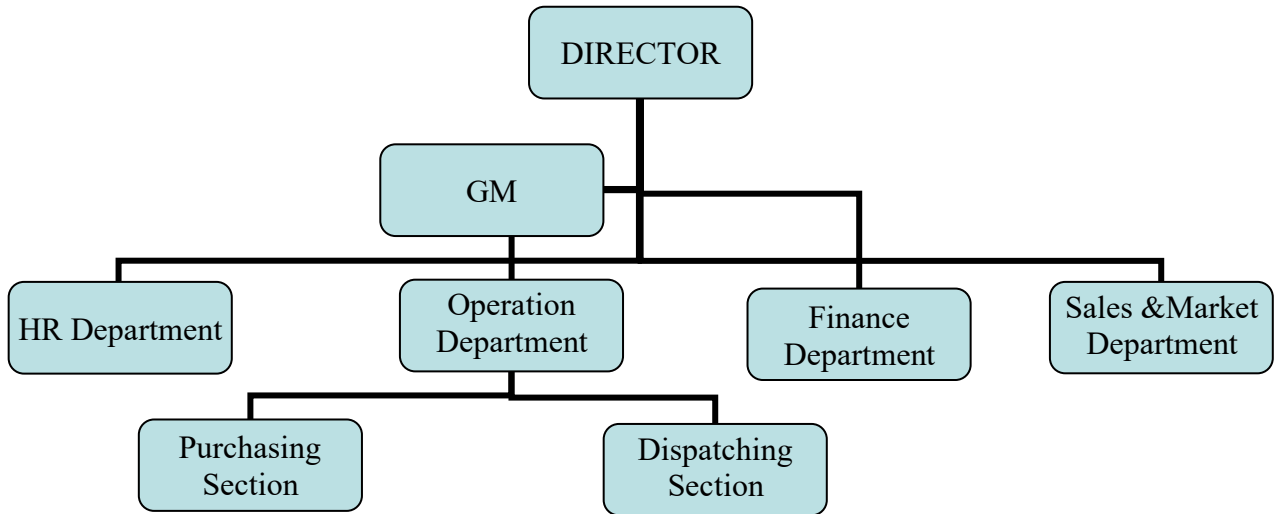
Professional fleet operators equipped with GPS systems, maintenance protocols, compliance systems, and structured management are increasingly preferred by large industrial clients. The Company's strategic direction is to position itself as a reliable industrial transportation partner supporting Tanzania's economic transformation agenda.

The enterprise will focus on disciplined growth, reinvestment of profits, expansion of fleet capacity, and strengthening of safety and compliance systems to ensure long-term sustainability.

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4. CHAPTER IV MANAGEMENT OF THE COMPANY

4.1 Chart of Management Structure



4.2 Human Resources

Human resource development is a critical pillar of the Company's operational sustainability and growth strategy. **Bagamoyo Express Group Limited** will prioritize employment of Tanzanian nationals across operational, technical, and administrative roles while ensuring structured skills transfer and professional capacity building.

In the first year of operation, the Company anticipates employing approximately 60 staff members including heavy-duty truck drivers, mechanics, dispatch officers, accountants, safety officers, and administrative staff. In the second year, employment is projected to increase to 90 personnel as fleet capacity expands. By the third year, direct employment is expected to exceed 120 employees as transport contracts increase.

The Company will implement progressive training programs focusing on road safety compliance, defensive driving, fleet maintenance, fuel efficiency optimization, cargo handling standards, and

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regulatory adherence. Driver performance monitoring systems will be implemented to ensure safety, efficiency, and accountability.

Bagamoyo Express Group Limited will comply fully with Tanzanian labor laws and statutory employment obligations. All contributions including NSSF, Skills Development Levy, PAYE, and other statutory payments will be made in accordance with national regulations.

The following is the allocation table of Newly Recruited Tanzanian employees.

Table 0:1 Allocation Table of the Local Employees to set up the Factory in Tanzania

S/N	Year	Total	Expert Female	Expert Male	Tanzania Female	Tanzania Male
1	The first year	60	5	5	15	35
2	The second Year	115	5	5	45	60
3	The Third Year	175	5	10	60	100

Development and allocation of human resources are the most fundamental ingredients for the development of an enterprise. We would mainly consider human resource market of Tanzania in developing and allocating our human resource by a combined manner of recruiting and training to foster necessary personnel.

4.3 Management System

4.3.1 Program Document

This is a guiding document which presents clear and explicit regulations that are made on purpose, responsibility, scope of application, work procedure and quality recording.

Contents of this document mainly include 19 program documents as listed below:

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- a) **Management and Operational Governance Program** – Establishes management responsibilities, reporting structures, and strategic oversight of transport operations.
- b) **Document and Records Control Program** – Regulates control of contracts, dispatch notes, transport permits, vehicle logs, compliance documentation, and statutory records.
- c) **Service Quality Recording and Monitoring Program** – Governs tracking of service performance, delivery timelines, fuel usage, incident reporting, and customer feedback records.
- d) **Training and Competency Control Program** – Ensures structured training of drivers, mechanics, dispatch officers, and management personnel in safety, compliance, and operational efficiency.
- e) **Customer Relationship and Service Control Program** – Defines standards for contract management, communication protocols, complaint handling, and service performance monitoring.
- f) **Procurement and Fleet Acquisition Control Program** – Regulates procurement of vehicles, spare parts, fuel, tires, lubricants, and operational supplies.
- g) **Transport Operations and Service Delivery Control Program** – Governs dispatch procedures, route planning, cargo allocation, fleet utilization, and service execution standards.
- h) **Vehicle Inspection and Preventive Maintenance Control Program** – Establishes procedures for routine vehicle inspection, preventive maintenance schedules, and mechanical compliance checks.
- i) **Cargo Identification and Tracking Control Program** – Regulates cargo documentation, tracking systems (GPS monitoring), proof of delivery verification, and transport traceability.
- j) **Cargo Protection and Risk Management Program** – Establishes standards for cargo securing, insurance compliance, risk mitigation, and accident prevention.

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- k) **Critical Transport Process Control Program** – Governs high-risk operations including heavy-load transport, hazardous cargo handling (where applicable), and cross-border freight compliance.
- l) **Monitoring and Measurement Equipment Control Program** – Regulates calibration and maintenance of fleet tracking systems, fuel monitoring devices, communication systems, and inspection tools.
- m) **Customer Satisfaction Monitoring and Analysis Program** – Ensures continuous assessment of client service performance and implementation of corrective measures.
- n) **Internal Compliance Inspection and Audit Program** – Establishes internal audits of transport operations, safety compliance, and regulatory adherence.
- o) **Operational Performance Monitoring Program** – Governs evaluation of driver performance, delivery efficiency, fuel consumption, vehicle downtime, and route optimization.
- p) **Non-Conforming Service Control Program** – Defines procedures for handling service failures, delayed deliveries, accidents, mechanical breakdowns, and corrective actions.
- q) **Operational Data Analysis Program** – Provides structured analysis of transport efficiency metrics, financial performance, safety statistics, and operational trends.
- r) **Continuous Improvement and Corrective Action Program** – Ensures systematic improvement of operational processes, safety standards, and service quality.
- s) **Fleet Components and Critical Materials Control Program** – Regulates procurement, inspection, and quality assurance of critical vehicle components including engines, braking systems, tires, and safety equipment.

4.3.2 Quality Manual

This document serves as the legal and operational framework for the Company's transportation service quality management system. It outlines detailed regulations governing the guiding principles of service quality assurance, operational objectives, fleet management processes, management

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responsibilities, resource allocation, service delivery implementation, performance monitoring, data analysis, and continuous improvement.

The system is designed to comply with applicable Tanzanian transport regulations and international transport management standards, including **LATRA requirements, road safety regulations, occupational health and safety standards (OSHA), and recognized quality management frameworks such as ISO 9001**. It ensures that all stages of transportation operations—from cargo booking, dispatch planning, route allocation, vehicle inspection, cargo loading, transit monitoring, delivery confirmation, and post-delivery reporting—meet strict standards of safety, reliability, and efficiency.

This framework establishes clear standards and measurable performance criteria for maintaining an effective transportation service management system. It guarantees safe cargo movement, timely delivery, proper vehicle maintenance, and full regulatory compliance. The system also provides structured mechanisms for performance monitoring, internal audits, corrective actions, risk mitigation, and continuous service improvement. Through this structured quality control system, the Company ensures customer satisfaction, operational discipline, safety performance, and sustainable business growth.

4.3.3 Management Standard

The Management Standard governs all aspects of the Company's transportation management and operational activities. It serves as the overarching regulatory framework and performance benchmark for the conduct, discipline, and responsibilities of all employees within the organization. This standard establishes structured governance across fifteen (15) key operational areas, including fleet management discipline, driver conduct and road safety compliance, compensation and performance-based incentive systems, vehicle utilization efficiency, fuel management control, preventive maintenance protocols, regulatory compliance, staff training and development, risk management, environmental responsibility, and operational reporting procedures.

By defining clear performance expectations, accountability mechanisms, and structured reward and disciplinary systems, the Management Standard ensures that transportation operations are

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conducted safely, efficiently, and in full compliance with applicable laws and industry standards. It reinforces operational consistency, enhances service reliability, strengthens internal control systems, and supports sustainable long-term growth of the enterprise.

4.3.4 Work Standard

The Work Standard governs the quality and execution of transportation services across the Company, with particular emphasis on personnel responsibilities, operational discipline, and service reliability. It clearly defines the roles, duties, and performance expectations for every position within the organization, specifying task volume requirements, service quality standards, delivery timelines, operational procedures, and execution methods to ensure efficiency, accountability, and regulatory compliance.

This document is structured into four key components:

- a) **Scope of Responsibilities** – Defines the duties and authority of management personnel at all levels, including oversight of fleet operations, compliance supervision, financial control, safety management, and strategic planning.
- b) **Work Standards for Departments** – Establishes execution standards for the Operations Department, Fleet Control Unit, Dispatch Section, Maintenance Unit, Finance Department, Human Resources Department, and Marketing Department. It outlines required processes for vehicle allocation, route planning, cargo dispatch, preventive maintenance, fuel monitoring, customer communication, and reporting procedures, including the expected operational outcomes and service benchmarks for each function.
- c) **Service Quality Responsibilities** – Specifies the service delivery obligations of management staff, drivers, mechanics, dispatch officers, and administrative personnel. It ensures that every employee is accountable for maintaining safety standards, timely cargo delivery, vehicle condition, compliance documentation, and customer satisfaction.
- d) **Performance Assessment Standards** – Establishes structured evaluation criteria for measuring employee and departmental performance. These criteria include on-time delivery rates, fuel

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efficiency performance, vehicle downtime management, accident records, compliance adherence, customer satisfaction indicators, and financial efficiency metrics. The framework incorporates continuous improvement mechanisms, preventive risk management measures, and corrective action procedures to enhance overall operational effectiveness.

This document is not merely a compilation of internal rules; it is a practical operational management tool designed to strengthen fleet performance, enhance service reliability, reduce operational risks, and improve profitability. Through structured planning, disciplined supervision, and application of standardized transport management systems, the Company ensures measurable improvements in efficiency, service quality, safety performance, and sustainable business growth.

5. CHAPTER V. MARKET ANALYSIS

The transportation and freight sector in Tanzania is experiencing sustained growth driven by expanding industrial production, port modernization, mining development, agricultural commercialization, and increasing regional trade. The Port of Dar es Salaam continues to record rising cargo throughput, serving both domestic industries and landlocked neighboring countries including Zambia, Rwanda, Burundi, Malawi, Uganda, and the Democratic Republic of Congo. This growth has significantly increased demand for reliable inland and cross-border cargo transportation services.

Efficient transport services are critical to ensuring timely movement of goods from ports to industrial facilities, mining sites, distribution centers, and export corridors. Delays in cargo movement increase production costs, reduce competitiveness, and create supply chain inefficiencies. As Tanzania continues to expand its industrial base under its development agenda, demand for professional fleet-based transport operators capable of handling containerized cargo, bulk commodities, industrial equipment, construction materials, and mining outputs continues to grow steadily.

The increasing scale of infrastructure projects, cement and steel manufacturing, mining exports, agricultural commodity movement, and import-driven industrial inputs has created a need for structured, technology-enabled transportation systems. Modern transport enterprises equipped with

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GPS fleet monitoring, preventive maintenance programs, safety compliance systems, and structured dispatch operations are increasingly preferred by large corporate clients and multinational contractors.

By adopting professional, scalable, and technology-driven transportation systems, Bagamoyo Express Group Limited will contribute to strengthening Tanzania's freight mobility, reducing transit times, minimizing cargo loss, improving cost efficiency, and enhancing regional trade connectivity. The Company's operations will directly support industrial productivity, mining sector logistics, agricultural distribution networks, and export facilitation. This approach contributes to national economic growth, improved supply chain efficiency, and the broader development of Tanzania's transport and trade infrastructure.

CHAPTER VI: PROCESS OF PRODUCTION

6.0 Project Operations and Environmental Management

6.1 Transportation Operations and Fleet Management

The proposed Transportation Services Project will operate as a professionally managed fleet-based transport enterprise engaged in inland freight movement, container haulage, bulk cargo transportation, industrial goods transport, mining logistics support, and cross-border freight services for domestic and regional markets.

The project will be based at **Land Title No. 46660, Plot 76, Kibaha Industrial Area**, which will function strictly as a transport operations yard. The premises will include designated vehicle parking areas, dispatch and fleet control offices, maintenance bays for preventive servicing, fueling coordination areas (where applicable), administrative offices, and controlled entry and exit points for vehicle movement.

Operations will include cargo booking, route allocation, dispatch scheduling, GPS-based vehicle monitoring, delivery confirmation, and preventive maintenance management. All transportation

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activities will comply fully with applicable environmental regulations, road transport laws, occupational health and safety requirements (OSHA), and standards issued by relevant regulatory authorities including LATRA and environmental management authorities.

The facility will be designed and managed to minimize environmental impact through efficient land use planning, proper surface drainage systems to prevent oil and fuel runoff contamination, designated maintenance areas to control mechanical waste, and regulated vehicle circulation within the premises to reduce congestion and emissions. Preventive vehicle maintenance programs will be implemented to ensure engine efficiency and reduce excessive exhaust emissions.

Environmentally responsible operational practices will include proper disposal of used oils and lubricants, controlled handling of spare parts and tires, fuel management monitoring to prevent leakage, noise control measures, and structured vehicle inspection protocols to ensure compliance with emission standards. Energy conservation practices, disciplined fuel usage management, and continuous monitoring of fleet efficiency will be integrated into daily operations to support sustainable and environmentally responsible transport services.

Through structured operational planning, disciplined fleet management, and compliance with national environmental standards, the Company will ensure that transportation activities are conducted safely, efficiently, and in a manner that minimizes environmental impact while supporting Tanzania's economic development objectives.

6.2 Transport Fleet and Operational Equipment

The Company's transportation operations will be supported by modern fleet assets and operational equipment designed to ensure safe cargo movement, operational efficiency, regulatory compliance, and professional service delivery. The core operational assets consist of heavy-duty commercial

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vehicles, trailers, fleet monitoring systems, and maintenance equipment necessary to support inland and cross-border freight transport.

The main equipment and transport assets include the following:

Table 6.1: List of Major Transportation Fleet and Operational Equipment

S/N	Description	HS Code
1	Heavy Duty Prime Movers (Truck Heads)	8701200000
2	Flatbed Trailers	8716390000
3	Container Carriers (Skeletal Trailers)	8716390000
4	Bulk Cargo Trailers	8716390000
5	Fleet GPS Tracking Systems	8526910000
6	Vehicle Diagnostic and Maintenance Equipment	9031800000
7	Workshop Tools and Lifting Equipment	8428900000
8	Fuel Monitoring and Control Systems	9026100000
9	Communication and Dispatch Systems	8517620000
10	Digital Fleet Management and Monitoring Software	8537100000

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These transport assets and systems will enable the Company to operate a large-scale, professional, and standardized transportation enterprise. The fleet will be maintained under structured preventive maintenance programs to ensure roadworthiness, operational safety, and fuel efficiency.

All vehicles and operational systems will comply with applicable Tanzanian road transport regulations, LATRA licensing requirements, vehicle inspection standards, and environmental emission guidelines. Fleet operations will also integrate internationally recognized transport management practices to ensure service reliability, safety performance, and regulatory compliance.

The integration of GPS-based fleet monitoring systems and digital dispatch platforms will enhance route optimization, real-time tracking, fuel efficiency control, cargo security, and operational transparency. Through these systems, the Company will ensure high levels of service quality, timely delivery performance, and customer satisfaction while maintaining strict compliance with national transport laws and occupational safety standards.

CHAPTER VII: FINANCIAL PROGRAM

7.1 Financial Management

Bagamoyo Express Group Limited maintains a structured and professional financial management system designed to ensure transparency, accountability, and regulatory compliance in all transportation operations. The Company operates a segregated accounting and cash management system that clearly distinguishes between capital expenditure, operational costs, fleet maintenance expenses, fuel management, payroll obligations, and contract revenues.

All financial records and accounting practices will be maintained in accordance with International Financial Reporting Standards (IFRS) and applicable Tanzanian financial and tax regulations. The Company will implement strict internal controls covering asset supervision, fleet valuation, contract billing procedures, revenue tracking, cost monitoring, and fund management to ensure disciplined financial governance.

As part of the establishment of the transportation enterprise in Tanzania, the Company will

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standardize its financial operations to comply fully with national legal and administrative requirements. This includes the proper registration of tax obligations with the Tanzania Revenue Authority (TRA), maintenance of statutory accounting records, preparation of annual financial statements, and submission of accounts to certified public auditors for independent review and issuance of an audit report in accordance with Tanzanian law.

The Company will implement structured financial monitoring systems to track fuel consumption efficiency, vehicle maintenance expenditure, route profitability, contract performance, and overall operational margins. These controls will support cost discipline, risk mitigation, and long-term financial sustainability.

Through this structured financial management framework, the Company ensures financial transparency, operational accountability, investor protection, and compliance with all statutory obligations. This approach strengthens stakeholder confidence and supports the sustainable growth and expansion of the transportation business in Tanzania.

7.2 Source of Fund, Estimation of Use and Pay off period

All investment for the proposed Transportation Services Project will be financed directly by the shareholders and investors of Bagamoyo Express Group Limited through foreign equity contributions. The planned total investment amounts to **USD 900,000**, which will be allocated toward securing and developing the leased premises, procuring heavy-duty commercial transport vehicles, acquiring trailers and container carriers, installing fleet monitoring and dispatch systems, establishing maintenance infrastructure, and initiating full-scale transportation operations.

As the Company will operate on leased premises at **Land Title No. 46660, Plot 76, Kibaha Industrial Area for a period of ten (10) years**, funds that would otherwise have been allocated toward land acquisition have been strategically redirected toward fleet procurement, yard preparation, operational infrastructure, vehicle maintenance equipment, and transport management systems. This allocation ensures full operational readiness, compliance with road transport regulations, and sustainable service delivery from the commencement of operations.

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Out of the total investment, USD 30,000 will be reserved as working capital and contingency funds to support initial operational requirements, including fuel procurement, driver and staff salaries, insurance coverage, vehicle licensing and registration fees, preventive maintenance costs, compliance documentation, and other early-stage operational expenditures during the stabilization phase of the business.

Based on projected transport contract volumes, fleet utilization rates, route optimization strategies, and disciplined cost management, the project's estimated payback period is five (5) years. The projected financial performance demonstrates sustainable revenue growth, operational scalability, and commercially viable returns supported by increasing demand for professional cargo transportation services within Tanzania and across regional trade corridors.

Financial Distribution/Breakdown

Description	USD
Leasehold Improvements / Yard Development	90,000
Heavy Duty Trucks (Prime Movers)	480,000
Trailers & Container Carriers	120,000
Fleet Monitoring & Dispatch Systems	40,000
Vehicles (Support & Service Units)	40,000
Furniture and Office Equipment	35,000
Pre-operating Expenses	45,000
Other Operational Setup Costs	20,000
Working Capital	30,000
Total Investment	900,000

7.3 Financial Projection

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According to our market strategy, market investigation and comprehensive analysis on prices, through accounting of several items, we made the following forecast on financial results as shown in the tables:

Table 7.1 Estimated Sales, Costs, and Profit – Transportation Services (USD ‘000)

SN	Item	2026	2027	2028	2029	2030
1	Number of Operating Trucks	8	10	12	14	16
2	Average Trips per Truck per Month	18	20	22	24	25
3	Average Revenue per Trip (USD)	800	820	850	880	900
4	Total Annual Trips	1,728	2,400	3,168	4,032	4,800
5	Annual Transport Revenue	1,382	1,968	2,693	3,548	4,320
6	Total Operating Cost	1,120	1,540	2,050	2,680	3,250
7	Profit Before Tax	262	428	643	868	1,070
8	Income Tax (30%)	79	128	193	260	321
9	Net Profit	183	300	450	608	749

(All figures in USD ‘000 except were stated otherwise)

Table 7.2: Cash Flow Projection – Transportation Services (USD ‘000)

SN	Item	2026	2027	2028	2029	2030
1	Cash Inflows (Transport Revenue)	1,382	1,968	2,693	3,548	4,320
2	Fuel & Maintenance Costs	620	850	1,150	1,520	1,880
3	Salaries & Wages	240	300	370	450	520
4	Administrative & Operating Expenses	210	290	380	500	650
5	Income Tax (30%)	94	158	238	323	381
6	Capital Expenditure (Fleet Expansion)	120	150	180	200	220
7	Net Cash Surplus	98	220	375	555	669

(All figures in USD ‘000)

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Table 7.3: Projected Statement of Financial Position – Transportation Services (USD ‘000)

Item	2026	2027	2028	2029	2030
Current Assets	420	590	820	1,080	1,350
Fleet & Equipment (Gross)	900	1,050	1,230	1,430	1,650
Less: Accumulated Depreciation	(120)	(210)	(320)	(460)	(630)
Net Fleet & Equipment	780	840	910	970	1,020
Total Assets	1,200	1,430	1,730	2,050	2,370

Item	2026	2027	2028	2029	2030
Equity (Initial Capital)	900	900	900	900	900
Liabilities	50	60	80	100	120
Retained Earnings	250	470	750	1,050	1,350
Total Equity & Liabilities	1,200	1,430	1,730	2,050	2,370

(All figures in USD ‘000)

Table 7.4: Profit & Loss Statement – Transportation Services (USD ‘000)

Item	2026	2027	2028	2029	2030
Total Transport Revenue	1,382	1,968	2,693	3,548	4,320
Direct Operating Costs					
Fuel Expenses	480	650	880	1,150	1,420
Vehicle Maintenance & Repairs	140	200	270	370	460
Driver Salaries & Allowances	180	230	300	380	450
Insurance & Licensing	90	120	150	180	220
Total Direct Costs	890	1,200	1,600	2,080	2,550
Gross Profit	492	768	1,093	1,468	1,770

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Item	2026	2027	2028	2029	2030
Operating Expenses					
Management & Administrative Salaries	60	80	110	140	170
Office & Administrative Expenses	70	90	120	160	200
Yard Operations & Security	45	60	80	100	130
Depreciation (Fleet & Equipment)	120	150	180	220	260
Total Operating Expenses	295	380	490	620	760
Operating Income	197	388	603	848	1,010
Income Tax (30%)	59	116	181	254	303
Net Profit	138	272	422	594	707

(All figures in USD '000)

CHAPTER VIII: SOCIAL & DEVELOPMEN BENEFITS

8.1 Employment creation

As previously indicated, the proposed transportation project will create significant direct employment opportunities for Tanzanian nationals across operational, technical, and administrative roles. During the initial phase of operations, the Company expects to employ more than 60 staff members, including heavy-duty truck drivers, mechanics, dispatch officers, safety supervisors, administrative personnel, and support staff. As fleet capacity expands and transport contracts increase, direct employment is projected to exceed 100 employees within three years of operation.

The majority of these positions will be filled by Tanzanian citizens, encompassing skilled, semi-skilled, and unskilled categories. A limited number of expatriates may be engaged during the early operational phase for purposes of technical supervision and skills transfer, in accordance with Tanzanian investment and labor regulations.

In addition to direct employment, the project will generate substantial indirect employment

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opportunities estimated to benefit more than 500 individuals. These include fuel suppliers, vehicle maintenance workshops, spare parts dealers, insurance providers, clearing and forwarding agents, subcontracted drivers, and other service providers within the transport ecosystem.

Through both direct and indirect employment generation, the project will contribute meaningfully to income generation, skills development, and strengthening of Tanzania's professional transportation sector.

8.2 Transfer of technology

This project, being a transportation and logistics services investment, will introduce modern fleet management technology and structured transport operations systems into Tanzania's freight sector. Although the core transportation technology is well established globally, the integration of advanced GPS tracking systems, digital dispatch platforms, fuel monitoring controls, preventive maintenance programs, and structured safety compliance frameworks will significantly enhance operational efficiency within the country's transport industry.

The project will contribute to improved cargo movement reliability, reduced transit times, enhanced route optimization, and strengthened safety standards. By introducing disciplined fleet management systems and technology-enabled monitoring tools, the Company will support modernization of Tanzania's transportation sector and promote higher service standards across industrial and cross-border freight corridors.

Furthermore, the project will strengthen the country's capacity to efficiently handle increasing cargo volumes associated with port expansion, mining activities, industrial growth, and regional trade. By improving transport efficiency, the Company will indirectly reduce logistics costs for manufacturers, exporters, and importers, thereby enhancing national competitiveness.

Local employees will receive structured on-the-job training in modern fleet management practices, safety compliance procedures, digital transport monitoring systems, and preventive maintenance techniques. Over time, this knowledge transfer will significantly improve the technical and managerial competence of the local workforce, contributing to sustainable development of

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professional transport expertise within Tanzania.

8.3 Inflow of foreign currency

The proposed transportation project will contribute positively to Tanzania's foreign exchange position by strengthening regional trade connectivity and supporting cross-border freight movement. As Tanzania serves as a gateway to several landlocked countries within the East and Central African region, efficient transportation services are essential for facilitating transit cargo, export movement, and international trade flows.

By providing reliable inland and cross-border cargo transportation services, the Company will support the movement of export commodities such as minerals, agricultural produce, industrial goods, and manufactured products to regional and international markets through the Port of Dar es Salaam. Improved transport efficiency enhances export competitiveness, reduces transit delays, and lowers overall logistics costs, thereby strengthening Tanzania's position as a regional trade hub.

In addition, the project is financed through foreign equity investment amounting to USD 900,000, representing a direct inflow of foreign capital into the Tanzanian economy. The introduction of modern fleet management technology and structured transport systems further enhances service standards and promotes confidence among regional and international clients utilizing Tanzanian trade corridors.

Through support of export logistics, facilitation of transit cargo, and enhancement of trade corridor efficiency, the project will contribute to increased foreign currency circulation within the economy, improved trade balance performance, and sustainable economic growth in alignment with Tanzania's infrastructure development and trade facilitation objectives.

8.4 Positive cascading impact on the nation's economy

The long-term strategy of Bagamoyo Express Group Limited is to establish a leading professional transportation enterprise serving Tanzania and the wider East and Central African region. The

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Company will develop a modern, technology-driven fleet operation supported by structured dispatch systems, GPS-based monitoring, preventive maintenance programs, and disciplined operational management. Through sustainable operations, strict safety compliance, and a skilled workforce, the Company will ensure reliable cargo movement and contribute to strengthening Tanzania's position as a regional logistics hub.

The project will create direct employment opportunities for more than 100 Tanzanians across operational, technical, and administrative roles, including drivers, mechanics, dispatch officers, safety supervisors, finance personnel, and management staff. In addition, it is expected to generate indirect economic opportunities for more than 1,000 individuals involved in fuel supply chains, vehicle maintenance services, spare parts distribution, insurance services, roadside services, clearing and forwarding operations, and subcontracted transport activities.

The broader cascading social and economic benefits are significant. By improving cargo transit efficiency, reducing delivery delays, and lowering transportation costs, the project will enhance the competitiveness of Tanzanian industries including mining, manufacturing, agriculture, and construction. Efficient transportation directly supports industrial productivity, export facilitation, regional trade integration, and infrastructure utilization. The project will also contribute to the professionalization of Tanzania's transport sector through introduction of modern fleet management systems, structured compliance mechanisms, and safety performance standards.

Furthermore, the Company will contribute meaningfully to the national exchequer through payment of PAYE, VAT, corporate income tax, NSSF contributions, skills development levies, vehicle licensing fees, and other statutory obligations. By facilitating increased cargo movement, strengthening trade corridors, and supporting domestic and regional commerce, the transportation project will play a critical role in national wealth creation, trade competitiveness, and sustainable economic development aligned with Tanzania's infrastructure and industrial growth agenda.

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6. CHAPTER IX: CONCLUSION

The foregoing analysis demonstrates that the proposed transportation services project offers substantial economic, social, and strategic benefits to the United Republic of Tanzania. The project is commercially viable, operationally sustainable, and fully aligned with the country's infrastructure development and trade facilitation objectives.

The establishment of a professionally managed transportation enterprise will strengthen Tanzania's freight mobility capacity and enhance the efficiency of cargo movement along key trade corridors. As Tanzania continues to position itself as a regional logistics gateway for landlocked neighboring countries, reliable inland and cross-border transport services are essential to support port operations, industrial growth, mining expansion, agricultural commercialization, and export development.

Through the introduction of modern fleet management systems, structured dispatch operations, and technology-enabled monitoring tools, the project will contribute to the modernization and professionalization of the national transport sector. The investment will promote skills development and structured training for Tanzanian workers, improving technical competence in heavy vehicle operation, fleet management, safety compliance, and transport coordination. By improving cargo transit efficiency and reducing logistics bottlenecks, the project will indirectly lower transportation costs for manufacturers, exporters, importers, and construction projects. This enhanced efficiency will strengthen the competitiveness of Tanzanian industries and support broader economic growth.

Furthermore, the project represents a direct inflow of foreign investment capital and will contribute to government revenue through payment of corporate income tax, PAYE, VAT, NSSF contributions, vehicle licensing fees, and other statutory obligations. The cumulative impact of these contributions will support public revenue generation and national development priorities.

In view of its financial viability, strategic importance, employment generation potential, technology transfer contribution, and alignment with Tanzania's development vision, the proposed

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transportation project stands as a feasible and high-impact investment worthy of support and approval.