

Company Name: QINGDAO INDUSTRIAL INVESTMENTS COMPANY LTD

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2023

BUSINESS PLAN

AND

PROJECTED FINANCIAL STATEMENTS



**STRATEGIC PLANNING
& BUSINESS GROWTH**

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1.1 Executive summary

Qingdao Industrial Investments Company Ltd is the registered company that has been established with the objective to run the business of manufacturing, distilled and selling of portable drinking water. The company was incorporated and obtain certificate of incorporation No. 04126 in 10th June 1998, Certificate of Incentives from Tanzania Investment Centre (TIC), Registration Certificate of Food Premises from National Food Control Commission, Industrial License and Taxpayer Identification Number (TIN) 100-995-506 in 11st day of July 2001. The company's factory location is located at Plot No. 2002 Block No. 2 Kurasini - Temeke, Dar es Salaam Tanzania.

The directors of the company laid down the good foundation of Qingdao Industrial Investments Company Ltd by plan on investing in a high quality machinery of producing and distilled drinking water as well as acquiring trucks for supplying products to the markets. Recently the company has already built the workshop and residential building of four (4) storey on plot No. 230-260 at Kurasini, and develop the market network system through investing to reach the potential markets. The company would want to develop and maintain good relationship with potential customers through quality and reliability of our products and services.

The company will also develop and maintain good relationship with the materials suppliers through timely repayment of acquired raw materials. Also, reliability, honesty and integrity of company directors provide comfort that the projected plan will be implemented within the time frame as initializing on this business plan and the company will comply with all laws and regulations of United Republic of Tanzania.

2.1 Company Description

2.2 Background and Ownership

Qingdao Industrial Investments Company Ltd is the company founded by three (3) directors Mr. Guan Hongzhong, Mrs. Suiya N. and Miss. Guan Lu who comes with an ideas to register the company that will deal with manufacturing, bottled and selling of portable drinking water after realizing that there are a lot of opportunities on that business industry. They have laid good foundation of the Qingdao Industrial Investments Company Ltd by formally register the company and obtain the certificate of incorporation from Business Registrations and Licensing Agency (BRELA) and Taxpayers Identification Number (TIN) from Tanzania Revenue Authority (TRA), Business License together with the plan to obtain License to use the TBS mark of Tanzania Bureau of Standards (TBS) in order to adhere for the laws and regulations of United Republic of Tanzania.

2.3 Share Capital Structure

The share capital structure of Qingdao Industrial Investments Company Ltd comprise Three (3) Ordinary Shareholders as outlined below:-

Addresses and Description of Subscribers	Numbers of Shares	Designation
Mr. Guan Hongzhong 35 Xinglong First Road Qingdao, China	16,200	CEO & Director
Mrs. Suiya N 17 Huiquan Road	900	Director
Miss. Guan Lu 35 Xinglong First Road Qingdao, China	900	Director

2.4 Mission

To produce and supply the high-quality pure portable drinking waters that will not only satisfy our customers but also exceed their expectation.

2.5 Vision

To be the leading company in producing and supplying portable drinking water in the coast and central regions over the next ten (10) years.

2.6 Business competitiveness

The company adapts its provided products and services to the requirements of our customers, aiming at the more efficient collaboration and in observance to the environment, the requirements and the structures of the customers:

- Dedication to the customers
- Manufacturing costs minimization and price stability
- Flexibility for the ideal satisfaction of needs
- Flexibility in the mode of supply, delivery and provision of products

2.7 Our core values

Community – We connect and contribute to the health and well-being of the environments and communities we serve.

Empowerment – We have the opportunity to make decisions that will have the best results to improve processes and efficiency.

Integrity– We are honest and holds ourselves accountable for our actions.

Passion-We care strongly about what we do and our cause.

Respect- We treat all team members and customers with the utmost respect.

Responsibility – We hold ourselves accountable to uphold our mission and service commitment.

2.8 Our products bottles measurement

The company is engaged to carry out the business of manufacturing and supplying portable drinking . The bottles measurement of company's products are; -

- 18 Liters
- 12 Liters
- 1.5 Liters
- 0.5 Liters

2.9 Factory Capacity

The company is anticipating to have the capacity of producing Thirty-Two (32) Tons of portable drinking water per day.

2.10 Source of Finances and Investment Costs

The source of finances for this investment is Investment Funds from the parent company found in China. The anticipated investment costs is projected to be USD 1,200,000 and the capital expenditure is expected to be as follow; -

Description	USD
Investment Costs	1,200,000
Acquisition & Assembling of Steel Structure Plant	300,000
Acquisition of complete set of water production Equipment	450,000
Acquisition of Six (6) Transport Vehicles – 3 Tons each	400,000
Working Capital	50,000

3.1 Sales level

The company maintaining the quality of its products and formulate effective marketing strategies so that during the first year of our operation the monthly sales level will increase consistently to the increase in the level of customers base.

The company will focus on the increase production in line with using promotion and advertising as a tool to catch the markets and maintain a satisfactory sales level. Also sales commission to sales personnel will be used as a tool to improve sales level.

The summarized draft of the projected sales revenue, operating expenses and net profit is outlined below; -

Years	Projected 2025 <u>Tzs</u>	Projected 2026 <u>Tzs</u>	Projected 2027 <u>Tzs</u>	Projected 2028 <u>Tzs</u>	Projected 2029 <u>Tzs</u>
Sales Revenue	2,116,836,789	2,392,203,542	2,546,307,131	2,778,241,836	3,059,356,900
Gross Profit	698,277,022	861,120,221	967,479,181	1,110,874,023	1,285,359,259
Net Profit	211,522,738	310,661,410	407,337,754	555,910,663	734,226,985

Gross profit margin	33%	36%	38%	40%	42%
Net profit margin	10%	13%	16%	20%	24%

4.1 Organizational setup and management

4.2 Management and operations

Qingdao Industrial Investments Company Ltd will be operated and managed by appointed managers and supervisors who handle daily operations and supervision of the company. All the company decision making especially financial affairs will be approved by the company board of directors. The company managers will provide the business reports to the company directors regularly so that to ensure the business will be conducted in efficiency manner and in accordance with company business and financial plan. The Chief Executive Officer (CEO) Mr. Guan Hongzhong has a vast experience and professional skills and qualification in Electrical and Mechanical Engineering, Investment and Staff management.

The company will employ highly talented staffs with experience and basic qualification in business respective field.

4.3 Related skills of Directors

- Remarkable skills and qualification in Investment, Mechanical and Electrical Engineering.
- Remarkable skills in business and financial management
- Experienced with administrative paperwork.
- Exceptional skills to lead and train staff.
- In-depth ability to manage financial and business affairs.
- Excellent organizing, controlling and coordinating skills.
- Talent of controlling emotional and stress

4.4 Business team

The company will comprise the team of highly qualified personnel, which are expert in their respective field. Our team will have a high academic, professional, technical and ethical standard and we will be competent in offering advantageous solutions to the clients with their budget.

The company strongly believes in staff training and development and provides innovative learning opportunities to all our team members. We also maintain a strong teamwork ethic throughout the organization.

5.1 Personnel plan

5.1.1 Chief Executive Officer (CEO)

The chief executive officer (CEO) of the company has a vast experience in respective business industry. He is multitalented yet practical and strategically made possible the acquisition and development all major accounts and successful marketing drives.

He is the highest-ranking executive in the business and his primary responsibilities include making business and financial decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the company and external parties.

5.1.2 Chief Finance Officer (CFO)

The company Chief Finance Officer (CFO) has a vast experience in finance, accounting and economics. He is handling all financial affairs of the company and provides effective managerial financial suggestion and recommendation to the company. He is responsible for strategic finance and overseeing the overall financial aspects, he has over 11 years of experience and exposure in finance and accounting field.

The Chief Finance Officer (CFO) assisted by three officers

- **Procurement Officer**
- **Accountant**
- **Inventory Manager**

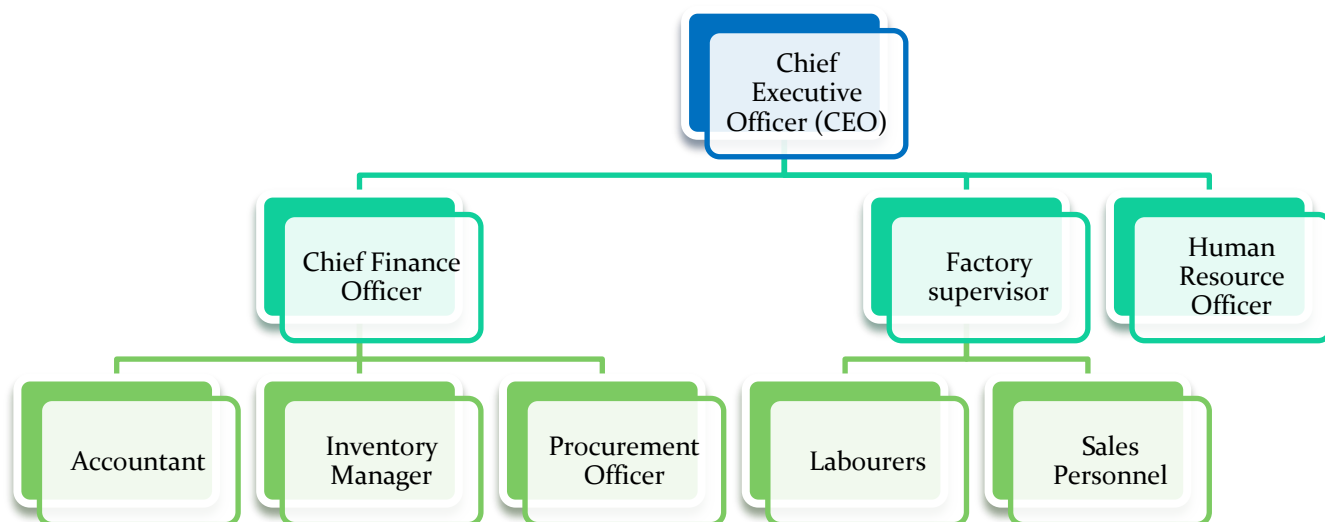
5.1.3 Factory Supervisor

The factory supervisor is responsible for developing, directing, coordinating and organizing laborers, train laborers and improve their work flows, supervising them in order to meet and exceed our customers' expectation.

5.1.4 Human Resource Officer (HRO)

The company has employed an experienced human resource officer with a vast experience with the business. He is involved with recruitment, training, career development, compensation and benefits, employee relations, employment laws, compliance, disciplinary and grievance issues, redundancies etc.

5.2 Management organization chart



5.3 Company Operating Model

The company Directors is responsible for giving strategic direction to the business; they are involved in day to day overlook of business operations, and also arrange for finance from banks or donors. They hold and maintain all key business connections with clients and organizations.

Factory Supervisor ensure that all activities are flowing as planned by setting activities and directing laborers. He solves all business challenges arising from operations. Human Resource Officer, Laborers and Day Workers all they report to the Factory supervisor.

6.1 Objectives of the company

The ,major objectives of the company are as follows;-

- To producing and supplying pure portable drinking waters, beverages and liquors
- To distribute company products to wholesalers and retailers
- To offer products and provide services that exceed customers expectation
- To increase number of customers base at an average of 10% per annum
- To maintain goodwill and sustainability of the company
- To maintain good relationship with our customers and offer after sale services

- To maintain good relationship with other stakeholders such as distributors, money lenders, government, regulators, competitors and public in general.

7.1 Code of conduct, operational, principles and procedures

The following standards of conduct apply to all employees and other persons acting on behalf of the company. In particular, the company's managerial level has a special responsibility to lead according to these standards.

7.1.1 Comply with the local laws, regulations and company standards:

We act with integrity and honesty in all circumstances and at all times and comply not just with the letter but also with the spirit of all relevant with legal and regulatory requirements.

7.1.2 Do not misrepresent the company or its products or services:

As member of staff, we must not provide services to clients that do not meet their needs without regarding to the client's interest. Provide relevant and complete information to clients to ensure they have the best choice of product and service options. Explain product/service features clearly both orally and in any marketing literature.

7.1.3 Reject bribery and corruption:

We are not condoning the offering or receiving of bribes or other such facilitating payments to any person or entity for the purpose of obtaining or retaining business influencing political decisions. We oppose all forms of bribery and corruption.

7.1.4 Speak up:

We speak up if we suspect any actual, planned or potential behavior that may breach any laws, regulations or company standards. Misconduct and malpractices undermine our reputation and the trust placed in us by our stakeholders.

7.1.5 Resolve client's complaints quickly and fairly:

Clients who have complaints deal with in swift and timely manner are often more loyal than those have encountered no problems at all. Complaints, if they are dealt with quickly and professionally, are and opportunity for us improve our products to clients. We ensure that all complaints are resolved quickly, fairly and recorded appropriately.

7.1.6 Integrity and reputation of the borrower

The company had no any previous records in criminal issues, dealings with illegal trade or any other contraventions in the country laws whether noncompliance to tax regulations or any other

country law offences. The company observes high integrity and business ethics in dealing with the business and has been able to build up strong reputation and goodwill to distributors, customers and financiers.

8.1 Guiding Principles

- **Being Mindful of our Customers and our Staffs**

Coinciding with our values, we will treat both our customers and staffs in a manner in which we ourselves would want to be treated (or better!)

- **Gratitude**

“An attitude of gratitude” shown to our customers, employees and vendors – because without their input, service, labor and time, our business would not be here without them!

- **Our Service**

Provide the warm and friendly service expected from the Qingdao Industrial Investments Company Ltd creating an informal, comfortable environment which will make the customers satisfied and want to return again and again.

9.1 Promotion Strategy and keys to success

- We ensure that, every customer who comes to us will come back and recommend us to other customers. Word-of-mouth marketing is a powerful to us.
- Hire skilled and experienced personnel and offer training to them and pay satisfactory salary and wages to ensure they stay with us.
- Strategic location is our key potential for the future success. Convenience is essential to our customers.

10.1 Competition and market strategies

There are many numbers of companies that engaged on this business industry but number of reliable companies are few, and we are among of reliable and trusted company in dealing with producing and supplying pure drinking water and liquor.

However, the company will use powerful market strategies in order to win the existing competitors such as; -

- Offering quality and satisfied products and services to all class of customers at the reasonable prices.
- Branding the business through advertising, promotion and customer care.
- Networking with our served customers and finding potential markets.

- Inquiry referrals to our served customers.
- Use social media advertisement.
- After sale service.
- Event marketing.

11.1 Potential capabilities

Our potential capabilities are; -

11.1.1 Excellent and effective production, distribution and supplying of company's products

The company has the best and most effective structures that enable to sale and Supply Company's products efficiently and effective.

11.1.2 Experience, skills and basic talent of employees

The company has a proportional mix of experience, skills, qualification and talented employees. Our employees are able to work at a minimum supervision due to the experience and skills they acquire.

11.1.3 Customer base

The company focus on potential customers that will be maintained through the quality and satisfaction of products and services offered by the company.

12.1 Key strengths

Our key strengths for the successful producing and supply of company products and services; -

12.1.1 Capabilities

The company serves customers on a wide array of issues, regardless of industry sector. Our capabilities have been developed through years reach with local experience of directors. We focus on the issues most important to our customers.

12.1.2 Team approvals

Our approach to the business focuses on working closely with the customers and the staffs using the facility to ensure the delivery effectiveness of the proposed services.

12.1.3 Health and safety

Our primary focus is to protect our business partners, our staffs and environment. We utilize specialist environmental health and safety personnel, guided by local recognized laws and legislation, and developed in our policies. Thus, are regularly communicated through training

programmes to our entire team. Random specialist audits at the work place subsequently ensure absolute compliance.

13.1 Distributors

The company has in place a policy of identifying and evaluating the major distributors of portable drinking water by establishing the permanent list of distributors in order to create a reliable distributors base and always strive on negotiable, stable and reasonable distributing price.

14.1 SWOT Analysis

14.1.1 Strengths:

- Strategic factory location that can be easily accessible by clients.
- Experienced and high skilled staffs.
- Competence of company directors.
- Existence of potential market and reliable customers.

14.1.2 Weaknesses:

- Poor commitment for some of staffs.
- Unreliability to some of the distributors.
- Lack of working capital to compete with customer base

14.1.3 Opportunities:

- Availability of potential market for expansion.
- This type business sector is expanding with many future opportunities for success.
- Recently our government encourages local businesses.
- Possibility of obtaining financial support based on financial performance of the business.

14.1.4 Threats:

- Shortage of working capital
- Unreliability for some of credit customers.

15.1 Risks analysis and mitigation techniques

15.1.1 Market Risk

Prices for inputs and competition are manageable using sharp business strategies. We are posed to employ updated marketing strategies in order to increase our market share.

15.1.2 Government Regulation Risk

We comply with all relevant regulations to avoid penalties and losses

15.1.3 Business Risk

Price of purchase raw materials and cost of providing services may increase but we will be flexible to adjustments and employ new strategies

15.1.4 Social and Environmental Risk

The company has no material environmental impacts. We will maintain environmental cleanness and proper waste disposal; we will service our equipment to avoid massive waste gas emission.

16.1 Compliance

The company is fully complying with the terms and conditions, policies and principles of different authorities.

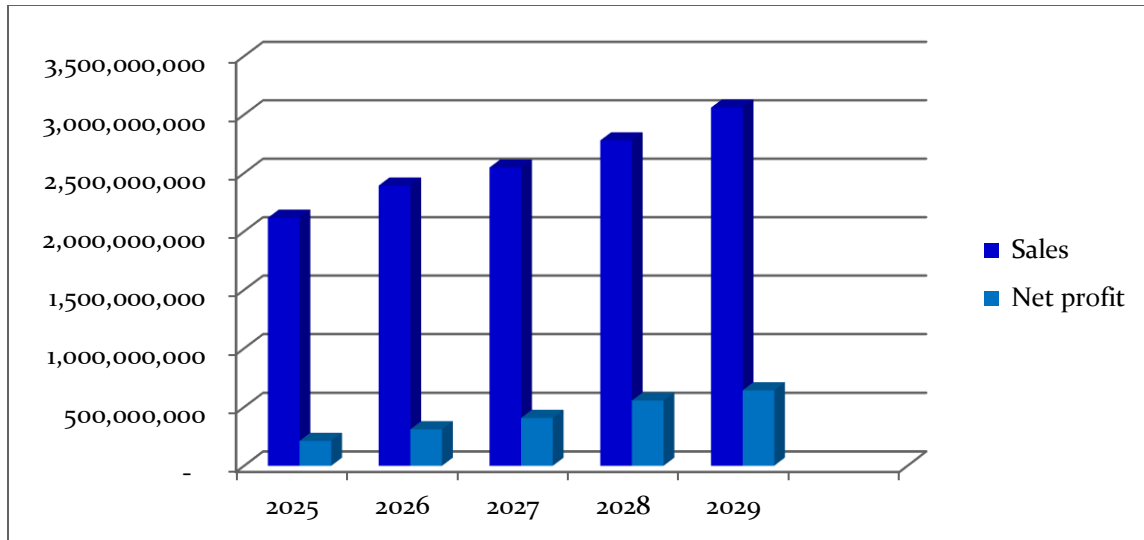
17.1 Legal Capacity to Assume the Liability

The company expected to generates sufficient revenues that can reliably pay installments and other costs timely without delays or defaults. The company has clean history records and recently does not acquire any loans from any financial institutions.

18.1 Forecasted financial plan

The company is forecasted to increase its sales revenue and profits through expanding its market base.

The projected financial plan that shows projected sales revenue and profits has summarized below though graph; -



19.1 Projected Financial Statements

The projected financial statements for five (5) years from 2025 to 2029 which shows the anticipated financial position of the company is summarized as follow.

STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER

Description	2025 Tzs	2026 Tzs	2027 Tzs	2028 Tzs	2029 Tzs
Sales	2,116,836,789	2,392,203,542	2,546,307,131	2,778,241,836	3,059,356,900
Less: Cost of Sales	<u>1,418,559,767</u>	<u>1,531,083,321</u>	<u>1,578,827,950</u>	<u>1,667,367,813</u>	<u>1,773,997,641</u>
Gross profit	698,277,022	861,120,221	967,479,181	1,110,874,023	1,285,359,259
Less: Operating Expenses					
Direct Expenses	274,661,815	313,721,733	319,882,115	315,902,147	312,769,993
Administrative Expenses	183,107,877	209,147,822	213,254,743	210,601,432	208,513,329
Total Operating Expenses	<u>457,769,692</u>	<u>522,869,555</u>	<u>533,136,858</u>	<u>526,503,579</u>	<u>521,283,322</u>
Profit before tax	240,507,330	338,250,666	434,342,323	584,370,444	764,075,937
Income tax expense	(28,984,592)	(27,589,256)	(27,004,569)	(28,459,781)	(29,848,952)
Net profit for the year	<u>211,522,738</u>	<u>310,661,410</u>	<u>407,337,754</u>	<u>555,910,663</u>	<u>734,226,985</u>

These projected financial statements were approved by the Board of Directors and were signed on its behalf by:

.....

Director,

QINGDAO INDUSTRIAL INVESTMENT COMPANY LTD

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER

Description	2025 Tzs	2026 Tzs	2027 Tzs	2028 Tzs	2029 Tzs
Assets					
Non current assets					
Property, Plant and Equipment	1,245,895,420	1,326,878,622	1,413,125,733	1,504,978,905	1,602,802,534
Current Assets					
Inventories	112,130,588	119,419,076	127,181,316	135,448,101	144,252,228
Trade and Other Receivables	57,410,861	61,142,567	65,116,834	69,349,428	73,857,141
Cash and Bank balances	43,058,146	45,856,925	48,837,625	52,012,071	55,392,856
Total current asstes	212,599,594	226,418,568	241,135,775	256,809,600	273,502,224
Total Assets	<u>1,458,495,014</u>	<u>1,553,297,190</u>	<u>1,654,261,508</u>	<u>1,761,788,506</u>	<u>1,876,304,759</u>
Equity and Liabilities					
Liabilities					
Non current liabilities					
Bank loan	-	-	-	-	-
Current liabilities					
Trade and other payables	75,782,336	80,708,188	85,954,221	91,541,245	97,491,426
Total liabilities	75,782,336	80,708,188	85,954,221	91,541,245	97,491,426
Equity					
Share capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Retained Earning	211,522,738	472,589,002	568,307,287	670,247,261	778,813,333
Revaluation Reserve	171,189,940	-	-	-	-
Total Equity	1,382,712,678	1,472,589,002	1,568,307,287	1,670,247,261	1,778,813,333

These projected financial statements were approved by the Board of Directors and were signed on its behalf by:

.....
Director, QINGDAO INDUSTRIAL INVESTMENT COMPANY LTD

20.1 Annexure on the business plan

We have submitted the business plan together with

- Certificate of Incentive
- Certificate of Incorporation
- Tax Identification Number (TIN)
- Tax clearance certificate
- Certificate of Occupation
- Certificate of Registration as a Private Health Facility
- Registration Certificate of Food Premises
- Industrial License
- Certificate of Occupancy
- Leasehold Agreement
- Memorandum and Articles of Association

Authorized signature:

Mr. Guan Hongzhong

Director & Chief Executive Officer (CEO)

Qingdao Industrial Investments Company Ltd

Kurasini, Temeke

Dar es Salaam, Tanzania