

Business plan

JXSC MINING MACHINERY TRADING LIMITED
ASSEMBLING & MANUFACTURING OF MINING MACHINE

BY:

BIN ZHANG

Content

Business plan	1
1, Introduction of JXSC	3
2, Project background.	4
3, Market analysis	5
4, Marketing plan	6
5, Budgeting & Financing	7
6, Risk analysis	8
7, Human resources needed.	9
8, Summary.	10

1, Introduction of JXSC

JXSC Mining Machinery Trading Limited is registered in Kinondoni district, Dar es Salaam in April 2017. We focused on providing mining and mineral processing machinery for small and midium scale miners in Tanzania and countries around, such as DRC, Rwanda, Uganda, and Kenya. We have brought machines and new technology which is simple and easy for miners to improve their efficiency and recovery rate, create high value to our client. Also we provide free technical & engineering support to the local miners, which brings us a good reputation in Tanzania, and established a long term relationship with local companies, such as STAMICO, Busolwa, Buckreef, Mintech and etc.

In recent years we start providing full mining & processing solution to our client together with the local contractor, helps our client upgrading from traditional mining to modern mining and processing easily. We have provided all equipment for STAMICO excellent centre project, handed over 70 TPD CIL plant in Saza, Mbeya, and we have completed the 120 TPD CIL plant in Misigiri Singida and Kakola in Kahama, will handed over in recent month; we have also supplied the 300TPD CIL plant for Busolwa new project.

We have established our branch in Mwanza city which is the center of gold mining, and we are going to establish the branch in Mbeya which is the emerging gold mining centre, to help us reaching more client and providing better service to our client.

Now we make another step, to establish our own factory in Tanzania to assemble the machine, and also design and manufacturing the customized machine for our client.

2, Project background.

As the business grows, we found that the machine produced in China is not that good for the local market, we have to modified and improved the design to meet our customer's needs, but the cost is always high, and also took too much time to bring here.

At the same time, we are facing more and more competitors not only from China but also the local companies, we aware of that only trading and technology support will not be able to keep our company in the leading position in Tanzania market, we need to have some other core advantages to help us grow and win the competition.

In China now, many small factories are bankrupt in different reasons, which left many experienced workers job less, we can easily find some experienced engineer and fabricators for design and manufacturing mining machines.

With all these reasons above, we think to investing in assembling and manufacturing machine here is a good opportunity for our company, and very important and necessary for us. Which is also comply with the government industrialization strategy.

3, Market analysis

Our major client comes from gold mining activities, since 2020, the gold price jumped to the record high. The high gold price not only attracted more investors enter this business, but also make the current miners get more fund to invest in machine and equipment. Tanzania as one of the biggest gold exporting countries in Africa, there's a high demand of machine and accessories.

Also in Tanzania we have more minerals which has big potential, such as graphite, rear earth, copper and nickle, which will also increase the demand of mining and mineral processing machine.

In 2022, we have a total sales of 5 billion TZS, through our own estimation, if we can supply the machine in more efficient way, and make the lead time short, cost lower, we can increase the sales at least 30%, which is over 1.5 billion. And the new product will also contribute sales, which will be over 600 million for the first year, and achieve higher sales in the future. The total sales increase amount will be around 2.1 billion for the first year.

4, Marketing plan

We are going to put two section for different activities, one is for assembling the piston compressor and winch, the other is used for manufacturing conveyer belt machine, vibrating machine, vibrating feeder, trommel screen, dry ball mill, and other machines. Next step is manufacturing the small and middium size jaw crusher and ball mill, which requires more professional tools and equipment, also the professional workers.

The piston compressor and winch is two key products of our company, which is also very popular in the market. We would like to import the parts from factory then assembling here, at the same time we would make small modification to improve the quality.

The screen and feeder is too expensive due to the big size which makes the transportation cost almost same as the value of machine, we are planning to import the key parts such as bearing ,spring and vibrating motor, then we can fabricate here.

With lower cost and higher quality, and shorter delivery time, we are sure that we can win more market share and also attracting more client from neighboring countries.

5, Budgeting & Financing

The total budget will be 1.6 million USD, JXSC will sourcing 500,000 USD for purchasing the land and build the godown which required for this project, while the other 1.1 million USD will be financed via Hainan Chenlan Trading limited in China in terms of tools, machines, folk lift, crane truck and etc, list as bellow:

No.	Description	Quantity	Remark
1	Drill press	3	
2	Rolling machine	2	
3	Boring machine	2	
4	Cutting machine	1	
5	Bending machine	2	
6	Ion cutter	2	
7	Welding machine	10	
8	Grinding machine	18	
8	Polish machine	12	
9	Folk lift 1.5 Ton	1	
10	Folk lift 5 Ton	1	
11	Cantry crane	1	
12	Crane truck 8 Ton	1	
13	CCTV full set	1	
14	Electrical spanner	20	
15	Tool box set	40	Small tools like spanner
16	Pickup	1	

6, Risk analysis

The potential risk as bellow:

- 1, Competition, if there's other similar factory will lead the profit margin smaller.
- 2, Mineral price especially gold price drops too much, will lead the market of machine going down.
- 3, Policy, the policy especially the Mining act and tax on minerals has direct impact on mining activities, and in-direct impact on mining machine market.

7, Human resources needed.

No	Piston	People	Remark
1	Managing Director	1	Chinese
2	Chief engineer	1	Chinese
3	Administrator	1	
4	Assistant	1	
5	Accountant	1	
6	Cashier	1	Chinese
7	Engineer	2	Chinese
8	Engineer assistant	4	
9	Interpreter	1	
10	Welder	2	
11	Driver	1	
12	Folk driver	2	
13	Workers	6	
14	Security guard	5	
15	Garden	1	
Total		30	

8, Summary.

The total budget of this project is 1.6 million USD, majority is fixed asset, while the first year sales estimated to increase 2.1 billion TZS, and sales will grow rapidly once the workers are experienced and the production goes high.

This project will also help JXSC keep the leading position in providing mineral processing machinery, enhance the competitive advantage, transfer JXSC from trading to manufacturing.