

**DONGFANG STEEL GROUP LIMITED**

**BUSINESS PLAN**

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**DONGFANG STEEL GROUP LIMITED**

**Business Profile**

**A. Executive Summary**

**1. Company& Project concept**

**DONGFANG STEEL GROUP LIMITED** is a limited liability Company incorporated in Tanzania under the Company Act of 2002. The Company was incorporated on 16/11/2023 and bears a Certificate of Incorporation number 170128753. The Company intends to implement a project of Manufacturing of steel in Tanzania.

**DONGFANG STEEL GROUP LIMITED's project** will be located at Plots No. 183, Block A, Visiga, Kivulini, Kibaha Township, Coast Region. The outreach office is located at Coast Region.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable, and ethical company, building relationships with customers, suppliers, and investors. **DONGFANG STEEL GROUP LIMITED** aims to become one of the leading steel manufacturing developer prioritizing professionalism, profitability, and ethical practices. Activities include steel manufacturing development, and property management.

**2. Company Goals and Objectives:**

In Summary **DONGFANG STEEL GROUP LIMITED** aims to: -

- Manufacture basic iron and steel.
- To make our customers happy by delivering exceptional steel manufacturing solution and excellent service.
- To grow responsibly, innovate, and use eco-friendly practices in our projects.
- To foster a motivating and inclusive work environment where our employees can excel and take pride in their work.
- To build strong relationships with investors and provide satisfactory returns on their investments.

## LETTER HEAD

- To upload high ethical standards and abide by all relevant laws.
- To contribute positively to the communities, we serve and support local development.
- To us technology to improve efficiency and enhance customer experience.
- To explore new opportunities within the steel manufacturing sector for growth and value creation.

With these goals, we strive to become a respected and influential steel manufacturing company, delivering lasting value to our customers, investors, and communities.

### 3. Purpose of Business Plan

This document is prepared to the serve the purpose of application for a certificate of incentives with Tanzania investment center to enable **DONGFANG STEEL GROUP LIMITED** to proceed with the project of **Manufacturing of steel** in the United Republic of Tanzania.

### 4. The project promoter

The project will be managed and operated by **DONGFANG STEEL GROUP LIMITED**, which is owned by private individuals with the following shareholders percentages distribution is listed below.

<b>NAME OF SHAREHOLDERS</b>	<b>NATIONALITY</b>	<b>NUMBER OF SHARES</b>
WANG YONG	CHINESE	4000
WANG CHANG	CHINESE	3000
ZHU WEIJIA	CHINESE	3000
TOTAL NUMBER OF SHARES OF THE COMPANY = 10000 Ordinary Shares		

### 5. Intended investment Amount:

The investment amount is USD 500,000.

## **6. Company Legality**

The legal certificates, and documents such as Memorandum and Article of Association, Certificate of Incorporation and Tax Identification Number, justify that **DONGFANG STEEL GROUP LIMITED** is operating within the ambit of the law of Tanzania.

## **7. Project Organization Structure**

The management of **DONGFANG STEEL GROUP LIMITED** is constituted by the following organization set up, the Board of Directors who are responsible on the supervision on the entire operations of the Company and the company's operational team which implement the project goals and vision.

## **8. Investment Structure**

The project is estimated to cost a total approximation of United States Dollars USD 500,000 which will increase from time to time. The money will cover working Capital, material importation and other company expenses. However, a financial policy of the Company state that the profits generated will be re-invested.

## **B. Statement of Purpose**

This Profile is drawn for the purpose of commencement of the business and application for the certificate of Incentives from the Tanzania Investment Centre (TIC).

## **C. Purpose of Investment**

This document is prepared to the serve the purpose as a feasibility study for **DONGFANG STEEL GROUP LIMITED** on the establishment of a steel manufacturing project in the United Republic of Tanzania/Zanzibar.

## **D. Summary of the Expected Results**

The steel manufacturing project aims to achieve the following:

- Increase direct employment opportunities.
- Develop residential and commercial properties.
- Provide modern amenities and facilities for residents and businesses.
- Create job opportunities through construction and property management.

## LETTER HEAD

- Attract domestic and foreign investments.
- Contribute to the local economy through increased property taxes and business revenue.
- Direct Domestic investment of more than USD 500,000 within 2023 -2028

### **E. Mission and Vision**

The company vision is to be one of the leading companies in steel manufacturing development and property managements in Tanzania. To offer high-quality residential and commercial properties, providing modern amenities and contributing to the local steel manufacturing farming in Tanzania for local markets and export purposes while fostering growth and development in the region.

### **F. Operations**

The project will be managed and operated by **DONGFANG STEEL GROUP LIMITED**. The Company is finalizing acquisition of operation permits to start the implementation of Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

### **G. Project Location**

- The project shall be located at **Plots No. 183, Block A, Visiga, Kivulini, Kibaha Township, Coast Region.**

### **H. Steel manufacturing sector in Tanzania**

#### **a. Steel manufacturing in Tanzania**

The steel manufacturing sector in Tanzania plays a vital role in economic growth, generating jobs and attracting investments. To ensure success, the government must focus on infrastructure development, land management, and workforce transition. Creating a Steel manufacturing Development Authority, promoting affordable housing, and investing in infrastructure are essential steps. Continuous monitoring and evaluation will be crucial for progress.

#### **b. Tanzania's Steel manufacturing sector**

## LETTER HEAD

There has been the growing sensibly in recent years accompanied by strong and sustained economic growth. Tanzania's steel manufacturing sector has been growing sensibly in recent years accompanied by strong and sustained economic growth. The value of Tanzania's properties accounted for 3.7% of the country's real GDP with USD 1.5 billion in 2019, compared to USD 1.2 billion in 2015, an increase of 25%. Housing in Tanzania is dominated by individual home-builders who account for over 70% of the total supply. Due to the said growth the steel industry has grown immensely hence the need for a manufacturing industry for steel.

### **c. Project Justification**

The proposed project is under management of **DONGFANG STEEL GROUP LIMITED** and is in line with Tanzania Government efforts in attempt to develop real manufacturing. This also has been complemented by the fact that the government is making a critical effort in improving the steel manufacturing sector.

Regarding the initiative undertaken by **DONGFANG STEEL GROUP LIMITED**, it is justified by the following facts:

- The company has a special invested interest in the steel manufacturing sector and therefore decided to seek additional steel manufacturing projects in their company.
- The involvement of the company in the steel manufacturing sector will boost and at the same time strengthen the steel manufacturing sector in Tanzania.
- The company's marketing strategy and intention is to have a wide customer base both locally and internationally which focuses on solving private and public.

### **d. Social and Economic Impact of the Project**

The proposed project will result into the following social and economic impacts:

- Improve and increase the steel manufacturing sector through the construction of different types of buildings within and outside the United Republic of Tanzania.

## LETTER HEAD

- Increased competitiveness among local steel manufacturing companies and export markets in Tanzania.
- The project will provide employment for people in Tanzania and training the employees to further improve their knowledge on the steel manufacturing activities.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

### **e. Industry Analysis**

#### a. Sales Literature, Technology and Future services

##### i. Sales Literature

The company shall utilize various marketing materials and training programs to promote its steel manufacturing to customers.

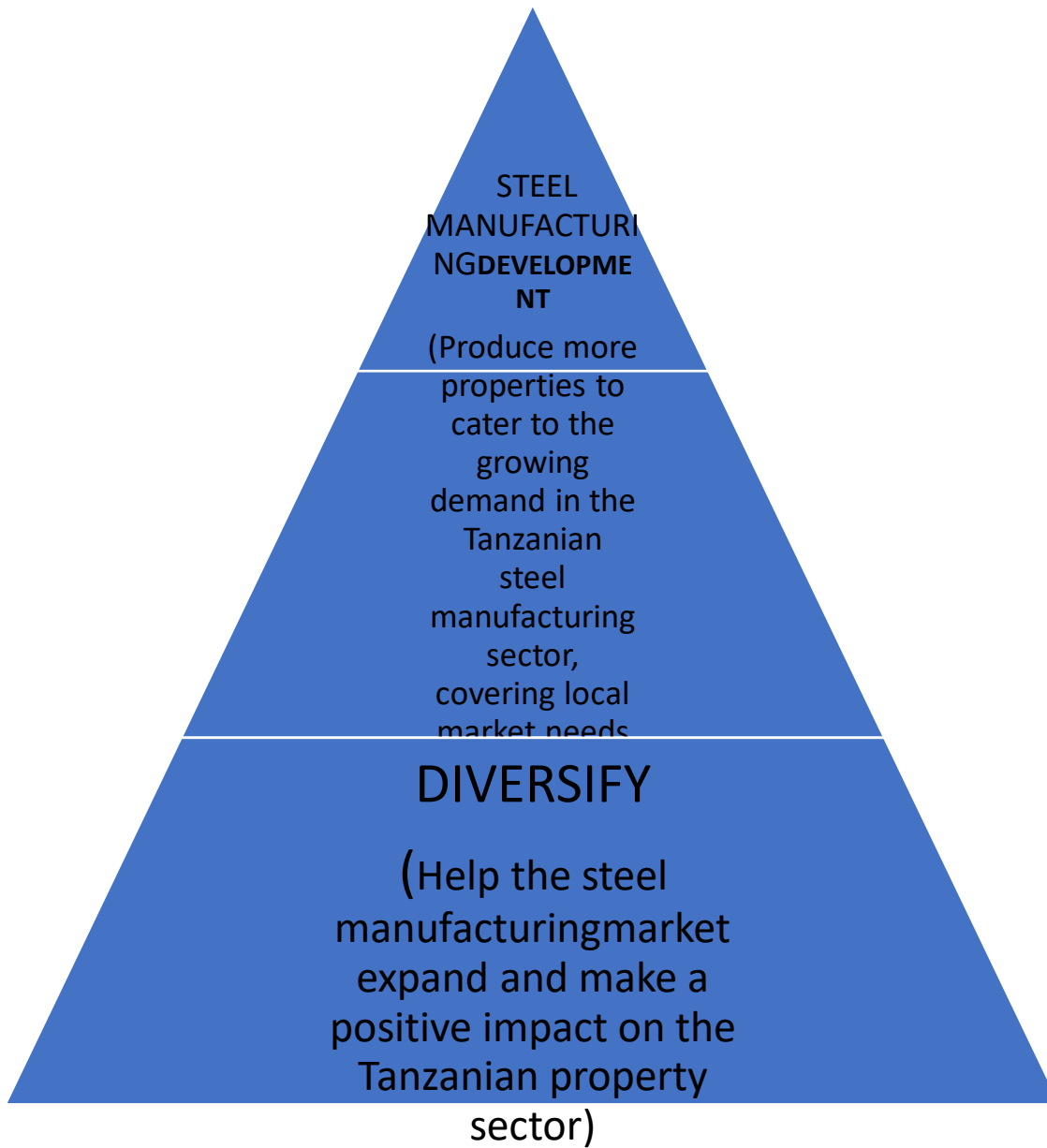
##### ii. Technology

The company aims to the company aims to develop and manage steel manufacturing properties, which will involve acquiring both imported and locally sourced construction materials. Advanced construction machinery and technologies will be employed to enhance efficiency and quality in steel manufacturing development.

##### iii. Future Services

The company's future plans involve diversifying its steel manufacturing business by venturing into other related activities. This includes developing farm plantations and constructing all accommodations to support agricultural activities.

Strategy Pyramid



## LETTER HEAD

### b. Competitive Edge

Competitive Edge the Company will have a significant advantage over its competitors in the steel manufacturing industry due to the following reasons: -

- The steel manufacturing development projects undertaken by the company will be advanced and of higher capacity compared to competitors.
- Many steel manufacturing companies often price their properties at a premium, whereas our company will offer products at more affordable and competitive prices.
- The opening of Tanzania for international investment has created a huge demand for steel manufacturing projects, resulting in a thriving market and ensuring a quick return on investment for the company.

### f. Opportunities

#### a. Increased demand for steel manufacturing activities

Tanzania is experiencing a surge in demand for steel manufacturing properties as the country's economy continues to grow backbone of the economy.

#### b. Uniqueness location of the project

**DONGFANG STEEL GROUP LIMITED** project will be one of the steel companies, which is located at Coast Region, Tanzania. The location presents an opportunity for be strategically located in Tanzania to serve people in all locations. This project provides an opportunity to **DONGFANG STEEL GROUP LIMITED** to easily capture the market around Coast Region Which is growing together with Dar es Salaam Region and even extending its borders to the new road that connects to Morogoro and other central regions of other parts of Tanzania.

Unique location of the project **DONGFANG STEEL GROUP LIMITED's** steel manufacturing project will be strategically located in Coast Region, Tanzania. The location presents an opportunity for **DONGFANG STEEL GROUP LIMITED** to capture the market in all areas in Coast Region and Dar es salaam, and even extend its reach to the new road that connects to Morogoro and other central regions of Tanzania.

## LETTER HEAD

### c. Government Policy

The Government of Tanzania has made the policy that intends to improve and promote the Manufacturing sector locally and across borders.

### d. Government Incentives package

The Government has enacted laws that offer reasonable incentives example removal of taxes on some importations and deferment.

### d. Analysis of Strengths, Weaknesses, Opportunity, and Threats

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<b>Strengths</b> <ul style="list-style-type: none"><li>• Availability of Markets</li><li>• Connection to stakeholders</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Capital Injection</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Supportive government policies</li><li>• Government initiatives to develop the steel manufacturing sector, leading to increased demand for steel manufacturing services.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Increment of inflation</li><li>• Climate changes, such as floods, droughts, and extreme weather, which may affect steel manufacturing operations.</li></ul>

The company has prepared for the action plans by doing the following: -

### e. Marketing Information

The company will employ qualified professionals to conduct marketing activities for its steel manufacturing project.

**g. Marketing Strategy**

i. Overview

The success of **DONGFANG STEEL GROUP LIMITED** in the steel manufacturing market will be achieved by providing high-quality services, a customer-centric approach, and an aggressive marketing plan to attract potential buyers and investors. The steel manufacturing market requires a different set of strategies compared to agriculture. We will focus on offering attractive properties, providing exceptional customer service, and maintaining a positive brand image throughout all marketing efforts amplifies some of the tactics we will use to drive more sales and distribution.

ii. Customer Database

**DONGFANG STEEL GROUP LIMITED** will aggressively build a database of potential buyers, investors, and other key stakeholders in the steel manufacturing market. We will encourage interested individuals to sign up for our database to receive updates on property listings, exclusive offers, and relevant market insights. The database will be maintained and updated regularly to ensure effective communication with our target audience.

iii. Advertising

**DONGFANG STEEL GROUP LIMITED** will adopt an aggressive advertising strategy. **DONGFANG STEEL GROUP LIMITED** will process outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure. **DONGFANG STEEL GROUP LIMITED** will utilize both traditional non-- traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy **DONGFANG STEEL GROUP LIMITED** will adopt towards the use of traditional advertising such as radio, newspaper, billboards, or television.

iv. Costing and Pricing

The pricing strategy in the steel manufacturing market will be based on thorough market research and analysis of the property's value and market demand. We will offer competitive pricing to attract potential buyers and investors. Additionally, we will design promotional

## LETTER HEAD

campaigns for specific properties or projects, offering incentives or discounts to drive sales and create a sense of urgency among potential buyers.

### v. Customers

**DONGFANG STEEL GROUP LIMITED** is targeting to all regions in Tanzania and whole of East Africa specifically targeting the companies, businesses, and individual customers.

As it has been explained in preamble chapters, **DONGFANG STEEL GROUP LIMITED** will set project which will be indulging in agricultural business.

### vi. Marketing Plan

The company has both short term and long-term marketing plan:

The short-term marketing plan will focus on establishing a strong online presence through social media marketing, and email campaigns. We will also participate in local steel manufacturing events and collaborate with steel manufacturing agents to expand our network.

Long Term Plans includes:

The long-term marketing plan will involve strategic partnerships with developers, steel manufacturing agents, and property management firms to increase our property listings. We will invest in market research and development to identify emerging trends and opportunities in the steel manufacturing market.

## **g. Management & Administration**

### a. Management

The management team of **DONGFANG STEEL GROUP LIMITED** will consist of the Board of Directors, who will make strategic decisions in line with the steel manufacturing market dynamics and investor expectations.

#### i. Board of Directors

**DONGFANG STEEL GROUP LIMITED** will be managed by the board of Directors which is the apex body for strategic decision making of the project in line with the resolutions from the shareholders.

#### ii. Accountant

## LETTER HEAD

An internal accountant will be employed to work with the existing external accountant who is expected to have good experience in accounting system as well as he will be responsible in managing cash of **DONGFANG STEEL GROUP LIMITED** but also keeping books of accounts properly.

### iii. Management Agreements

Management Agreements will be executed between **DONGFANG STEEL GROUP LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

### iv. Confidentiality Agreements

**DONGFANG STEEL GROUP LIMITED** will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our agricultural business, operating systems, policies, and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets and show our employees that we take our business seriously.

### v. Organization Structure

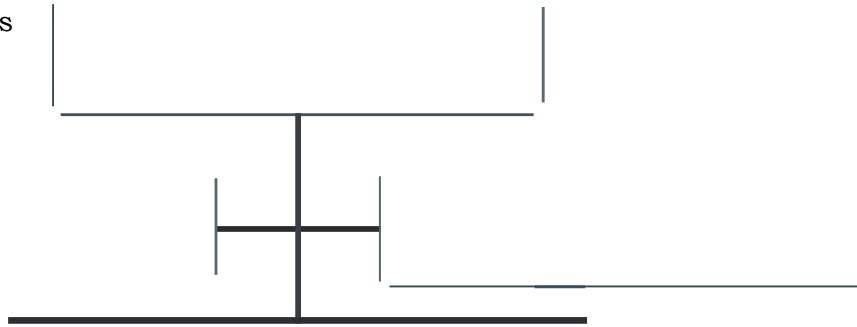
The management of **DONGFANG STEEL GROUP LIMITED** is planning to have the following organization structure.

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Managing Director



The Board of Directors



General manager

Chief Operation Manager

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Finance, sales, and Marketing Team

Others

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vi. Job creation

The following table illustrates the forecasted job creation throughout the coming five years.

Job Title /Year	2024	2025	2026	2027	2028	Total
Country Manager	1	0	0	0	0	1
Finance Manager	1	0	0	0	0	1
Office Manager	1	1	0	0	0	2
Sales Manager	1	0	0	0	0	1
Operations Manager	1	1	1	0	0	3
Office staff	5	5	5	0	0	15
Equipment Operators	10	5	5	5	5	30
Technician	10	10	10	10	10	50
General worker	50	40	30	20	20	160
Grand Total	80	62	51	35	35	263

## LETTER HEAD

**Appendix I****DONGFANG STEEL GROUP LIMITED PROJECTED INCOME & EXPENDITURE  
STATEMENT (US\$)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Revenue	1,415,232.00	1,429,384.32	1,443,678.16	1,458,114.94	1,472,696.09	1,487,423.06
<b>Operating Expenses:</b>	1,202,947.20	1,214,976.67	1,227,126.44	1,239,397.70	1,251,791.68	1,264,309.60
<b>Profit before Depreciation &amp;Interest</b>	<b>212,284.80</b>	<b>214,407.65</b>	<b>216,551.72</b>	<b>218,717.24</b>	<b>220,904.41</b>	<b>223,113.46</b>
<b>Interest</b>	18,000	14,400	10,800	7,200	3,600	-
<b>Depreciation</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>	<b>14,025.00</b>
<b>Net Profit</b>	<b>180,259.80</b>	<b>185,982.65</b>	<b>191,726.72</b>	<b>197,492.24</b>	<b>203,279.41</b>	<b>209,088.46</b>
Tax (30%)	54,077.94	55,794.79	57,518.02	59,247.67	60,983.82	62,726.54
<b>Profit After Tax</b>	<b>126,181.86</b>	<b>130,187.85</b>	<b>134,208.71</b>	<b>138,244.57</b>	<b>142,295.59</b>	<b>146,361.92</b>
Accumulated Profit	126,181.00	256,368.85	390,577.56	528,822.13	671,117.72	817,479.64

**DONGFANG STEEL GROUP LIMITED PROJECTED CASH FLOW US\$**

	0	1	2	3	4	5	6
<b>SOURCES:</b>							
<b>Profit before interest and depreciation</b>	0	212,284.80	214,407.65	216,551.72	218,717.24	220,904.41	223,113.46
<b>Equity</b>	200,000.00						
<b>Ban</b>	300,000.00	-	-	-	-	-	
<b>Total Sources</b>	500,000.00	212,284.80	214,407.65	216,551.72	218,717.24	220,904.41	223,113.46
<b>Applications:</b>							
<b>Capital expenditure</b>	375,000.00	-	-	-	-	-	
<b>Working Capital Others</b>	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
<b>Cash</b>	0	87284	89,407.00	91,551.00	93,717.00	95,904.00	98,114.00
<b>Tax</b>	-	54,077.94	55,794.79	57,518.02	59,247.67	60,983.82	62,726.54
<b>Sub total</b>	500,000.00	212,284.00	214,407.00	216,551.00	218,717.00	220,904.00	223,114.00

<b>Total Applications</b>	<b>500,000.00</b>	<b>212,284.00</b>	<b>214,407.00</b>	<b>216,551.00</b>	<b>218,717.00</b>	<b>220,904.00</b>	<b>223,114.00</b>
<b>Accumulated Cash</b>		<b>87,284.00</b>	<b>176,691.00</b>	<b>268,242.00</b>	<b>361,959.00</b>	<b>457,863.00</b>	<b>555,977.00</b>

### Appendix III

#### FINANCING PLAN FOR DONGFANG STEEL GROUP LIMITED FOR NEXT 5 YEAR TERM

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTAL</b>
<b>N</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>30</b>
<b>Number of Trucks</b>						
<b>Revenue (USD)</b>	<b>500,000</b>	<b>700,000</b>	<b>900,000</b>	<b>1,100,000</b>	<b>1,300,000</b>	<b>4,500,000</b>
<b>Debt (USD)</b>	<b>400,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,200,000</b>
<b>Self-Financing (USD)</b>	<b>600,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,800,000</b>