

荣誉卫浴有限公司

BRILLIANT SANITARY WARE COMPANY LIMITED

坦桑尼亚项目商业计划书

Tanzania Project Investment Business Plan

2024年8月制

Compiled in August 2024



1. Brief description of business plan

Brilliant Sanitary Ware Co., Ltd. was established in Tanzania in 2024, with the goal of focusing on the research and development, production, and sales of high-end sanitary ware, ceramic tiles, and other products in the Tanzanian market.

We have currently purchased approximately 154.38 acres of land in Mkuranga, Tanzania's Pwani Region. We plan a total investment of 100 million US dollars, divided into two phases, each phase of 50 million US dollars, to invest in the construction of a comprehensive production base in Tanzania, mainly focusing on sanitary ware and ceramic tiles. Tanzania, focusing on products such as sanitary ware and tiles.

2. Market research (taking the bathroom factory project as an example)

Prior to this, we have conducted some research on Tanzania and we are very interested in it.

·Project Background

Sanitary ware is an essential product in people's daily lives. With the development of Tanzania's economy and urbanization, people's demand for quality of life continues to increase, and the demand for bathroom products is also growing. Consumers have increasingly high demands for quality and functionality, and they hope to purchase bathroom products that provide comfort, fashion, and durability.

·Market analysis

market size

Tanzania is one of the member countries of the East African Economic Community and a large country with a population of over 60 million in East Africa. According to market research reports, the size of Tanzania's bathroom market is expanding year by year and is expected to maintain stable growth in the next 5-10 years.

market competition

The current market competition intensity is average, relying heavily on imports from countries such as China, India, and Europe. Local market brands are also gradually emerging, but currently the quality is

generally average and the advantage of price competitiveness is not significant. International brands usually focus on high quality and advanced technology as their selling points, while local brands place more emphasis on price competitiveness.

consumer demand

Consumers are not only sensitive to price, but now their demand for bathroom products is not only practicality, but also focuses on product texture, appearance design, and environmental performance.

Market opportunities

The bathroom market in Tanzania is relatively immature, so there are huge market opportunities. With the development of the economy and the increasing demand for quality of life, the demand for bathroom products will also continue to increase. Foreign companies can consider investing in building factories or collaborating with local enterprises in Tanzania to meet market demand.

Market analysis conclusion

According to our evaluation, if our product can be mass-produced in Tanzania, not only will the quality be of high quality, but the price will also have strong competitiveness, allowing more ordinary consumers to benefit from it.

3. Product positioning (taking the bathroom factory project as an example)

This project will be positioned in the mid to high end sanitary ware product market, focusing on product quality, design, and intelligence. By introducing advanced production technology and design concepts, we create differentiated and personalized bathroom products, and meet consumers' pursuit of high-quality life through competitive prices.



4. Investment planning

We plan to divide it into two phases, with each phase investing 50 million US dollars to build a comprehensive production base in Tanzania. We have currently purchased approximately 154.38 acres of land in Mkuranga, Tanzania's Pwani Region and we plan to develop the following industries:

·Production of bathroom products (including various types of sanitary ware): Our company's main product is sanitary ware represented by toilets. We plan to build a standard large-scale modern production line, covering an area of approximately 70000 square meters, with a planned production capacity of 12000 pieces per day.

·Ceramic tile production: Tanzania has raw material resources for various ceramic tile products and has good domestic market and export prospects. Various products such as floor tiles and wall tiles are also one of our company's professional fields. We plan to build a standard large-scale modern production line, covering an area of approximately 80000 square meters, with a planned production capacity of 50000 pieces per day.



5. Construction and production plan (taking the bathroom factory project as an example)

We plan to start factory construction in 2024. Taking the bathroom factory project as an example, we will introduce advanced equipment from China and Japan to create one advanced production line. By 2025, the production capacity will reach 12000 pieces per day, striving to make it the largest and most competitive new modern standard bathroom factory in Tanzania.

The comprehensive base is expected to recruit over 1400 local employees and dispatch about 200 Chinese technical and management personnel to settle in. We plan to bring technical and managerial expertise to local employees in Tanzania, effectively enhancing and improving the local industrial structure, and promoting economic prosperity.

Given the scale of the base, we need to work together with the Tanzanian government to ensure the early implementation of basic infrastructure such as water, electricity, and natural gas.



6. Marketing Strategy

brand building

Establish brand image and enhance brand awareness through high-quality products and services.

·Online and offline sales

Combining online e-commerce platforms with offline physical stores, expanding sales channels and improving sales efficiency.

·Promotion activities

Regularly carry out promotional activities to attract consumer attention and improve sales performance.

·After sales service

Establish a comprehensive after-sales service system, provide timely and professional services, and enhance consumers' purchasing confidence and loyalty.

·Other advantages

We can leverage the existing planning, marketing, and other resources and channels of teams in China and other countries such as Nigeria and Ghana.

7. Financial analysis (taking the sanitary ware factory project as an example)

·Fundraising

The total planned investment of 100 million US dollars is mainly sourced from the mobilization of the group company and paid in by the shareholders of Huani Industrial according to their shareholding ratio.

·Revenue forecast and model

If the initial production capacity can reach the expected level of 12000 pieces per day by 2025, and the second phase is put into operation within 2027 and reaches the same production capacity as the first phase, according to our analysis of market demand, our revenue will be at the top tier level of the domestic industry in Tanzania. And we strive to further target our sales towards exporting to neighboring countries, even to the European and American markets.

·Cost Structure and Analysis

Direct material cost: Tanzania has abundant resources and has already established many upstream Chinese ceramic enterprises. It is expected that the costs of raw materials, auxiliary materials, packaging materials, etc. directly used for product manufacturing during the production process will be controlled at a reasonable level in the industry within two years after production.

Direct labor costs: The wages and welfare expenses of workers

involved in product manufacturing comply with domestic laws and market conditions. We plan to transfer technical and management expertise to our domestic employees through training, effectively reducing long-term average labor costs by continuously improving employee quality.

Manufacturing costs: We plan to simultaneously introduce equipment from production lines already in operation in other countries, along with our existing technology and patent reserves, which have been included in the initial investment budget. We can control the costs of indirect materials, indirect labor, depreciation, rent, repair and maintenance, utilities, insurance, etc. at a reasonable level in the industry by referring to the experience of other projects.

Profit and loss forecast

Based on revenue forecasting and cost structure analysis, we can conclude that a company can achieve profitability when its initial production capacity meets expectations and inventory rate is below 15%. This will accelerate the company's progress towards the second phase project and benefit from economies of scale and brand, as well as the growth of various sales channels both domestically and internationally, resulting in excellent performance in cash flow forecasting, debt paying ability, operational ability, profitability, and other aspects.

8. Risk assessment

·Market risk

Market competition will become increasingly fierce, and there may be a risk of market share erosion.

·Technical risk

The introduction and application of new technologies may face risks of technological bottlenecks and R&D cost overruns.

·Policy risk

The business environment may change due to adjustments in various domestic regulations and the stability of basic supporting facilities;

·Financial risk

The project investment is relatively large, and if there are additional expenses in the early stage and operation, or if the production plan is delayed for too long, it may face insufficient funds and financial risks.

To address the above risks, we will strengthen market research, continuously optimize products, and improve quality and service levels; At the same time, strengthen financial management, reasonably control costs, and reduce financial risks.

In summary, this business plan aims to illustrate that Brilliant Sanitary Ware Co., Ltd. hopes to build a comprehensive production base in Tanzania, which is expected to cover various products such as sanitary ware and tiles. And we will also establish supporting enterprises in Tanzania that integrate design, production, and sales. We win market recognition and achieve sustainable development through high-quality products and services.

We are willing to work together with the people of Tanzania to build Brilliant Sanitary Ware into a leading new modern large-scale enterprise in Tanzania!

Thank you for your time and attention. We look forward to working with you!

 Certified True Copy of the Original
Peter Wenceslaus Seni
Advocate, Notary Public, Commissioner
for Oath
Sign:
Date:
Brilliant Sanitary Ware Co., Ltd
August 2024