

**BUSINESS PLAN FOR
INVESTMENT ON
PRODUCTION OF
CONSTRUCTION
MATERIAL PROJECTS**

ZHONG ZHUAN INTERNATIONAL
COMPANY LIMITED



EXECUTIVE SUMMARY

ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 02ND, July 2024 and bears Certificate of Incorporation No 175958584.

ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED will be located Mwanambaya village, Mipeko Ward, Mkuranga District, Coast Region.

Company Goals and Objectives:

In Summary **ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED** aims to;

- To cultivate and ensure the production of construction materials.
- Manage **ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED** by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Build relationships with investors in the sector and conducts the business of manufacture of construction materials and other retail sale of new goods in specialized stores.
- Represent persons at meetings of local, national and international organizations and bodies concerned with activities connected or associated with any of the business of the company, to provide services of all kinds to such organizations and bodies and to negotiate and enter into national and international agreements/standards relating to matter of concern or interest to the company.
- To enter into any commercial or other arrangements with authority, corporation, government, company or persons to obtain or enter into any legislation, orders, charters, contracts, decrees, rights, privileges, licenses, franchise, permits and concessions for any purpose and to carry out, exercise and comply with the same and to make prosecute and defend all steps, contacts, arrangements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to do all other acts that shall at any time appear conducive or expedient for the advantage of the company.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.

The project will be managed and operated by **ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED** is owned by Chinese citizens form China with the following share distribution;

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
JINGSHENG WENG	Chinese	50%
XIUFENG YAN	Chinese	50%

PURPOSE OF BUSINESS PLAN

The investment objective of this business plan is to establish and focus on producing building materials particularly the Red Bricks making of high-quality standard. The factory shall make sure there is sustainably, ensuring both environmental stewardship and social responsibility. Alongside bricks production, the business will also engage in complementary activities, including buying and selling construction materials, as well as the import and manufacturing construction materials. With the growing demand for locally produced red bricks in Tanzania and across the East African region, the company is well-positioned to meet market needs.

The products of the company will be sourced sustainably, targeting both domestic and international markets to drive growth and profitability while maintaining a strong commitment to environmental and social values. The company will target both domestic and international markets

INDUSTRY OVERVIEW:

The construction industry in Tanzania is a critical sector, contributing significantly to the country's economy and providing employment for a large portion of the population. ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED is positioning itself within this industry with a focus on producing construction materials in coast Region. The demand for high-quality construction materials particularly red bricks, is growing both domestically and internationally, driven by population growth and increasing demands across East Africa.

In addition to red bricks production, the company recognizes the potential in value-added construction activities, such as processing and exporting to meet the rising demand for construction materials. By adopting sustainable and modern production, ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED aims to contribute to the region's building material demand while maintaining environmental sustainability and social responsibility.

The company's operations will prioritize quality control throughout the material production process. This will involve implementing rigorous standards for soil management by ensuring high-quality construction materials production, ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED is well-positioned to capture a significant share of the domestic and international markets, contributing to the growth of Tanzania's construction sector and the broader economy

MARKET ANALYSIS:

The target market for ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED will focus on the making and production of red bricks domestic and international markets. Tanzania has a growing population of approximately 65 million people, with construction industry growing for the people demand of having stable and comfortable houses in many households. The demand for construction materials in Tanzania is expected to grow at a compound annual growth rate of 5% over the next five years, driven by population growth and increasing urbanization. The market for red bricks is projected to be worth over \$2 billion by 2028, offering substantial opportunities for growth and expansion.

Tanzania's construction sector is pivotal to its economy, with ongoing government efforts to improve infrastructure, energy, and irrigation systems. Fiscal spending on these projects has contributed to economic growth, which is anticipated to continue at a rate of 6.3% from 2021 to 2023. Tanzania's move from a low-income to a lower-middle-income country underscores the potential for construction investment, especially in key material of red bricks. The government's initiatives to enhance the construction sector and expand export opportunities create a favorable environment for construction ventures

INVESTMENT OBJECTIVE:

The primary investment objective of ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED is to establish a large-scale construction material operation in Coast Region, Tanzania. The mission is to produce high-quality construction materials through sustainable and modern practices that cater to both domestic consumption and export markets. In addition to red bricks production, the company will explore opportunities to add value through bricks processing and making, aiming to supply premium construction products to a growing market. By focusing on efficient production methods and market expansion, the company will contribute to Tanzania's construction sector development while ensuring profitability and sustainability.

PRODUCTS:

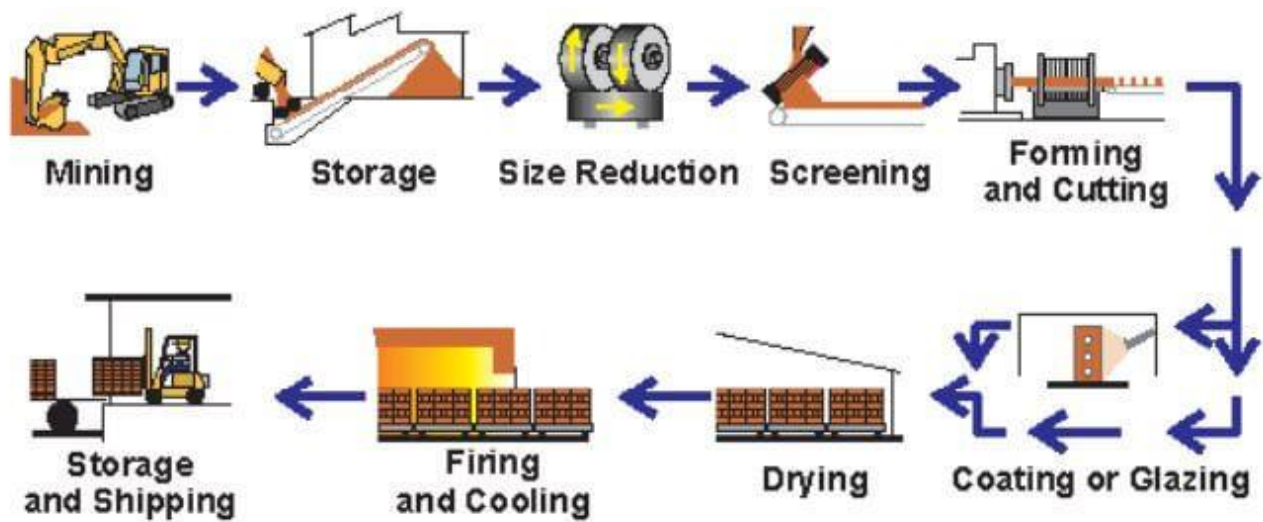
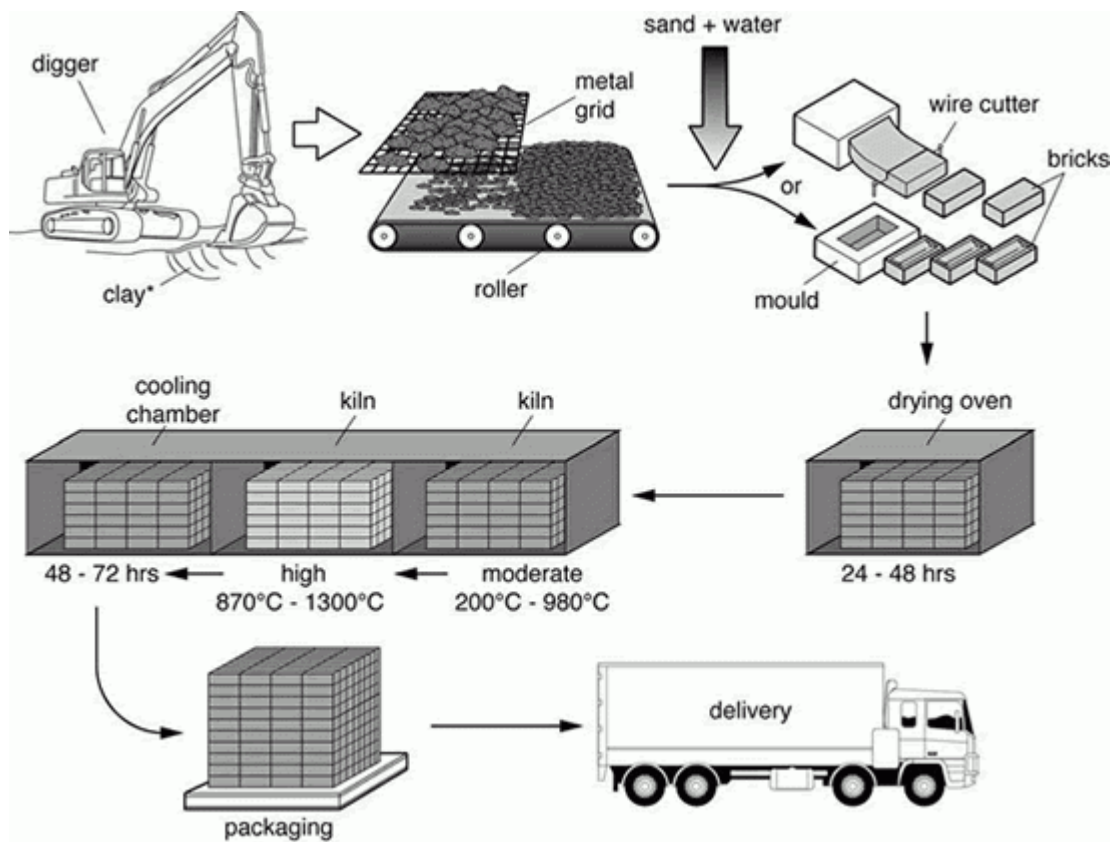
The core product of ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED will be high-quality red bricks production made using sustainable technology to meet the needs of consumers in Tanzania and across East Africa. The business will focus on producing different construction materials varieties that are in high demand, ensuring that the end product meets international standards for quality and safety.

The process of construction materials production involves several critical stages, from raw material preparation to the production. The company will adopt modern techniques to maximize production to the best quality of the produces construction materials to maintain its quality and extend its shelf life. Quality control will be integral to every step of the production process to ensure the production meets both domestic and international standards

The basic process and production steps of red bricks production and processing typically involves the different steps: Red brick manufacturing follows a series of steps to transform raw materials into finished bricks. Here's an overview of the main stages:

1. **Mining and Gathering Raw Materials:** Clay is the primary raw material used, which is typically mined and transported to the factory.
2. **Preparation and Mixing:** The clay is cleaned of impurities and mixed with water. In some cases, sand or other materials may be added to improve the brick's properties. The clay mixture is then kneaded to a consistent texture.
3. **Molding:** The prepared clay is shaped into bricks. There are two common methods:
 - *Hand Molding:* Traditional, labor-intensive method using wooden molds.
 - *Machine Molding:* Modern factories use machines to mold bricks faster and with more uniformity. This includes extrusion, where clay is pushed through a die, cut to size, and shaped.
4. **Drying:** Wet bricks need to be dried to remove excess moisture, usually for 24-48 hours. This step is crucial to prevent cracks during firing. Drying can be done in open air or in a drying chamber with controlled temperatures.
5. **Firing (Baking):** The dried bricks are fired in a kiln at high temperatures (900-1100°C) for 24-48 hours. This is the stage that gives bricks their strength and red color. Kiln types include:
 - *Clamp Kiln:* Traditional method, takes longer but is cheaper.
 - *Hoffmann Kiln:* More efficient and widely used in large factories.
 - *Tunnel Kiln:* Continuous kiln that increases efficiency and production rate.
6. **Cooling:** Once firing is complete, bricks need to cool gradually to avoid cracking. Cooling usually takes place inside the kiln itself.
7. **Sorting and Quality Check:** Cooled bricks are inspected, and those that meet quality standards are sorted for packing. Defective bricks are either discarded or reprocessed.
8. **Packing and Storage:** Finished bricks are stacked, packaged, and stored for distribution.

By focusing on these key stages, the company aims to produce red bricks that not only meets market demand but also contributes to the sustainable growth of Tanzania's construction sector.



Investment Costs and Sources of Finances:

The total investment required for the project is estimated around \$1 million. The funding will be an equity financing from shareholders.

JOB CREATION:

The proposed business in building material production and processing of red bricks is anticipated to generate over 100 direct jobs and an additional 250 indirect jobs within the supply chain and related industries. We will employ a diverse range of skilled and experienced personnel, including engineers, technicians, production staff, and local workers to ensure efficient operations and adherence to high-quality standards. Furthermore, indirect employment opportunities will arise in areas such as transportation, raw material suppliers, and other support services, contributing to overall economic growth in the region.

OPERATIONS PLAN:

Location: ZHONG ZHUAN INTERNATIONAL COMPANY LIMITED will be headquartered in a strategic location that offers easy access to roads and urban areas.

Premises: Our office space will be designed with sustainability in mind, incorporating energy-efficient features and eco-friendly materials.

Equipment: We will invest in state-of-the-art construction equipment to ensure efficient production, processing and maintain high standards of quality construction material products.

Staffing: Our team will consist of experienced engineers , machine operators, project managers and skilled laborers who share our passion for innovation and sustainability.

MARKETING PLAN:

The marketing plan for red bricks production and processing will focus on the following strategies:

1. **Word of Mouth Marketing:** This strategy remains a powerful tool in the construction sector and consumers alike rely on recommendations and hear-say when deciding where to purchase their construction material. To ensure positive word of mouth, the company will maintain strong relationships with customers, delivering high-quality construction material that exceeds expectations. Regular follow-ups and excellent customer service will be key to controlling the narrative and ensuring repeat business.
2. **Engaging Key Stakeholders:** Influential stakeholders such as construction cooperatives, distributors, and food retailers play a crucial role in the construction material supply chain. The company will build strong partnerships with these stakeholders, showcasing the quality and sustainability of our products. This approach will position our products as a top choice in both local and regional markets.

3. **Building a Reputable Brand:** Establishing a trusted brand is vital in the construction industry. The company will focus on building a strong reputation for producing high-quality construction material that is both sustainably products and affordably priced. Our brand will become synonymous with reliability and excellence, making it the preferred choice for consumers and distributors alike.
4. **Utilizing Online Marketing:** In today's digital world, online marketing is essential even in construction. The company will leverage social media platforms such as Facebook, Instagram, and LinkedIn to reach potential customers, distributors, and partners. Additionally, the company will use targeted email marketing campaigns and online ads to promote the products to both local and international markets.

By implementing these strategies, the company aims to capture a significant share of the products market, both domestically and abroad.

IMPLEMENTATION SCHEDULE:

The implementation schedule for the production and processing project is estimated broken down. For a bricks production and processing project, here's a suggested 15-month implementation schedule:

1. Months 1-3: Project Planning and Approvals
 - Conduct feasibility studies, finalize site selection, and secure land.
 - Complete architectural and engineering designs.
 - Obtain necessary permits, environmental clearances, and regulatory approvals.
 - Develop a procurement plan for equipment and materials, and finalize contracts with suppliers.
2. Months 4-6: Site Preparation and Initial Infrastructure
 - Clear the site, level the land, and set up access roads.
 - Begin foundational work for buildings and production areas.
 - Lay the groundwork for utilities such as water, electricity, and waste management systems.
 - Construct initial structures for storage and basic facilities (e.g., for raw materials and employee areas).
3. Months 7-9: Construction and Setup of Processing Units
 - Complete the construction of key structures (production sheds, drying areas, kilns).
 - Install basic machinery for clay preparation, mixing, and molding.
 - Set up essential infrastructure such as drying chambers and kiln bases.

- Procure and assemble kiln components (e.g., Hoffmann or tunnel kiln).
4. Months 10-12: Equipment Installation and Initial Testing
- Install molding machines, mixing equipment, and conveyors.
 - Install kilns and set up temperature control and monitoring systems.
 - Test all equipment to ensure operational safety and compatibility.
 - Conduct initial safety inspections and set up employee training for equipment use.
5. Months 13-15: Trial Production and Optimization
- Begin trial production runs, testing the clay preparation, molding, drying, and firing processes.
 - Adjust and optimize each stage based on trial run results.
 - Conduct quality control checks to meet standards for final products.
 - Transition to full-scale production with continuous quality monitoring and adjustments.

By following this timeline, the company will establish and fully operationalize its bricks production and processing facility within 15 months, ensuring a steady supply of construction materials to meet market demands.

FINANCIAL PROJECTION:

The financial projections for the red bricks production are as follows:

**TABLE 1
FINANCING**

<i>Financing</i>	\$
Long-term liabilities	
Long-term loan	200,000
Owner's equity	
Cash	200,000
Contributed asset value	100,000
Total	500,000

**TABLE 2
INVESTMENT COST PLAN**

<i>COST INVESTMENT STRUCTURE</i>	\$
Current assets	
Working capital	30,000
Opening inventory	20,000
Other	50,000
Property and equipment	
Land	3,500
Building	5,000
Equipment	25,000
Furniture and fixtures	2,000
Leasehold improvements	2,500
Plant	4,000
Motor Vehicles	200,000
Other_____	5,000
Total assets	347,000.00

As shown in the cash flow statement, we expect to have a steady inflow of cash from sales in the next three years. Our outflow will mainly consist of inventory costs, employee salaries, rent and utilities and marketing and advertising expenses. The net cash flow and cumulative net cash flow are expected to increase annually due to the growth in sales and efficient operation of the business. We aim to achieve profitability within the first five years of operations and this projected cash flow statement shows that we are on track to achieving

These projections assume that the company will gradually increase production capacity and expand its customer base over the years. It also assumes that the cost of raw materials and operating expenses might have slightly variation.

It is important to note that these projections are only estimates and are subject to change based on market conditions, operating costs, and other factors.

CAPACITY OF THE PROJECT:

The proposed construction material production and processing of red bricks products will have a production capacity of 50000000 tons per annul. This will be achieved through the installation of modern machinery and equipment, utilizing the latest technology in the construction industry. The plant will operate 24 hours a day, seven days a week, ensuring efficient production processes and meeting the growing demand for construction products in Tanzania and the East African region.

CONCLUSION:

Sustainable construction material production and processing of red bricks involve practices that emphasize environmental responsibility and resource efficiency. By utilizing methods that minimize water usage, reduce chemical inputs, and promote soil health, red bricks making can achieve lower environmental impact and enhance productivity. Implementing efficient processing techniques, such as energy-saving machinery and waste recycling, further contributes to sustainability by reducing energy consumption and environmental footprint.

The selection of sustainable practices and technologies in construction material and processing is crucial for advancing construction development and ensuring long-term food security. Integrating sustainability into every stage of the bricks production process, from field management to final processing, not only supports environmental conservation but also boosts economic viability by reducing operational costs and increasing market competitiveness.

As the business grows, we intend to hire knowledgeable and experienced staff that can provide exceptional customer service and technical advice. We will offer competitive hourly wages and benefits that include health and dental insurance, paid time off and retirement plans. Our employees will be an integral part of our business operations, working together to provide a seamless shopping experience for our customers.

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CASH FLOWS PROJECTION FOR FIVE YEARS FROM 2023 TO 2028

	Pre-Startup EST	,2024	2025	2026	2027	2028	Total
Cash on Hand (beginning of month)	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,400,000	\$ 3,840,000	\$ 5,424,000	\$ 13,664,000
CASH RECEIPTS							
Cash Sales			\$ 1,000,000	\$ 1,000,000	\$ 1,100,000	\$ 1,210,000	\$ 4,310,000
Collections from CR accounts		\$ -	\$ 400,000	\$ 440,000	\$ 484,000	\$ 532,400	\$ 1,856,400
Estimated Capital for startup	\$ 500,000		\$ -	\$ -	\$ -	\$ -	\$ 500,000
Loan	\$ 500,000						\$ 500,000
TOTAL CASH RECEIPTS	\$ 1,000,000	\$ -	\$ 1,400,000	\$ 1,440,000	\$ 1,584,000	\$ 1,742,400	\$ 7,166,400
Total Cash Available (before cash out)	\$ 1,000,000	\$ 1,000,000	\$ 2,400,000	\$ 3,840,000	\$ 5,424,000	\$ 7,166,400	\$ 20,830,400

CASH PAID OUT							
Purchases other fixed		\$ -	\$ 7,200	\$ 7,920	\$ 8,712	\$ 9,583	\$ 33,415
Purchases vehicles		\$ 80,000	\$ -	\$ 41,000	\$ -	\$ -	\$ 121,000
Gross wages (exact withdrawal)		\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 255,000
Payroll expenses (taxes,)		\$ 4,500	\$ 20,400	\$ 20,400	\$ 20,400	\$ 20,400	\$ 86,100
Supplies (office & operation.)		\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464	\$ 6,105
Repairs & maintenance		\$ 1,250	\$ M1,375	\$ 1,513	\$ 1,664	\$ 1,830	\$ 7,631
Advertising		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Car, delivery & travel		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,635	\$ 10,989
Accounting & legal		\$ 4,500	\$ 4,950	\$ 5,445	\$ 5,990	\$ 6,588	\$ 27,473
Rent		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Telephone & internet		\$ 120	\$ 132	\$ 145	\$ 160	\$ 176	\$ 733
Utilities		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Insurance		\$ 21,200	\$ 21,412	\$ 21,626	\$ 21,842	\$ 22,061	\$ 108,141
Taxes (real estate, etc.)		\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 1,200
Interest		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Miscellaneous		\$ 200	\$ 220	\$ 242	\$ 266	\$ 293	\$ 1,221
SUBTOTAL	\$ -	\$ 241,110	\$ 230,339	\$ 273,282	\$ 234,400	\$ 236,710	\$ 1,215,840
Loan principal payment		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,431,681
Capital purchase (land)		\$ 100,000					\$ 4,829,946
Capital purchase (excavators)		\$ -	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ 9,538,892
Owners' Withdrawal			\$ -	\$ -	\$ 10,000,000	\$ 12,500,000	\$ 18,736,684
TOTAL CASH PAID OUT	\$ -	\$ 1,091,110	\$ 1,980,339	\$ 1,123,282	\$ 10,984,400	\$ 13,486,710	\$ 36,753,042
Cash Position (end of month)	\$ 1,000,000	\$ (91,110)	\$ 419,661	\$ 2,716,718	\$ (5,560,400)	\$ (6,320,310)	\$ (15,922,642)