

BUSINESS PLAN

.....

OF

.....

**WANG HELUO CONSTRUCTION MACHINERY COMPANY
LIMITED**

OF

2025 TO 2030

TO

**TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES
AUTHORITY [TISEZA]**

EXECUTIVE SUMMARY

Introduction

WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED is a company duly registered under the Laws of United Republic of Tanzania on 08th day of September, 2025 and granted certificate of incorporation Number **188828310** dedicated in assembling of high-quality mining equipment, machinery, and accessories to support the fast-growing mining sector in Tanzania. With a strong presence in assembling of mining equipment and accessories, the company aims to reduce dependence on costly imports by assembling and progressively manufacturing equipment locally.

This Business Plan provides has been developed to facilitate the investment intended by **WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED**. The Plan sets out the vision and mission of **WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED**, its overall structure, objectives, main targeted areas, with their associated projections.

Mission

Our mission is to assemble and deliver mining equipment and accessories that enhances productivity, reduces downtime, and increases profitability for our clients, while adhering to the highest standards of quality and safety.

Vision

Our vision is to become the leading Mining Equipment and Accessories assembler in Tanzania and beyond, known for our expertise, innovation, and commitment to customer satisfaction.

Key objectives include:-

- ❖ Establishing a strong local assembly of mining equipment and servicing hub.
- ❖ Building long-term partnerships with mining companies, contractors, and government institutions
- ❖ Expanding regionally within five years
- ❖ Investing in R & D (Research and Development) for customized mining solutions

1.0 DEFINITIONS AND INTERPRETATION

In this Business Plan, unless the context otherwise requires, the following terms, technical words, and abbreviations shall have the meanings assigned to them:-

“The Company” – refers to **WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED**, the entity presenting this business plan.

“Mining Equipment” – refers to heavy machinery, machines, tools, and systems used in exploration, extraction, hauling, and processing of minerals, including drills, excavators, crushers, and pumps.

“**Accessories**” – refers to ancillary or supporting items such as spare parts, consumables, safety gear, and cables that are used in conjunction with mining equipment.

“**Assembly**” – refers to the process of putting together imported or locally manufactured parts and components to create functional machinery ready for use in mining operations.

“**Manufacturing**” – refers to the process of producing mining machinery, equipment, or parts through local production facilities, fabrication, and engineering.

“**After-Sales Service**” – refers to the technical support, maintenance, training, and repairs provided to clients after purchase of machinery or accessories.

“**Customized Solutions**” – refers to specially designed or tailored mining equipment, systems, or services created to meet the specific needs of a client or project.

“**Consumables**” – refers to materials and products that are regularly used up during mining operations, such as lubricants, filters, welding rods, and safety gear.

“**Spare Parts**” – refers to replacement components such as gears, seals, bearings, and filters used to repair or maintain machinery.

“**Preventive Maintenance**” – refers to scheduled servicing and inspection of equipment designed to prevent breakdowns and ensure reliability.

“IoT (Internet of Things)” – refers to technology enabling mining equipment to connect digitally, providing real-time monitoring, predictive maintenance, and data analytics.

“R & D (Research and Development)” – refers to activities undertaken by the Company to innovate, improve, or develop new machinery, accessories, and solutions.

“SWOC Analysis” – refers to an assessment tool examining Strengths, Weaknesses, Opportunities, and Challenges of the business environment.

“KPIs (Key Performance Indicators)” – refers to measurable values used by the Company to evaluate success in achieving specific objectives, such as sales growth and customer satisfaction.

“Local Content Policy” – refers to Government of Tanzania policies encouraging participation of Tanzanian-owned businesses in the mining sector through supply, assembly, and manufacturing.

“Small-Scale Mining” – refers to mining operations carried out by individuals, groups, or cooperatives using simple equipment and methods, with relatively low investment.

“Large-Scale Mining” – refers to industrial mining operations conducted by companies with substantial capital investment, advanced equipment, and large workforce.

“Turnover” – refers to the total value of sales revenue generated by the Company in a given financial year.

“Equity financing” – refers to raising capital through the sale of shares in the Company.

“Debt financing” – refers to raising capital through loans or credit facilities repayable with interest.

“CEO” - Chief Executive Officer of the Company.

“Board” - The Board of Directors of the Company

“Stakeholders” - Individuals, groups, or institutions with an interest in the activities, performance, and impact of Wang Heluo Limited

“Market Analysis” The assessment of market conditions, competition, demand, and opportunities relevant to the business operations

“CMA” Capital Markets Authority, where applicable in financing or compliance matters

“Financial Analysis” Projection and assessment of the Company’s revenues, costs, profitability, and financial sustainability

“Implementation Plan” The schedule, strategies, and stages through which the Company executes its business objectives

“Marketing Strategy” The approaches, tools, and activities used to promote and sell the Company’s products or services.

“Facilities” Physical offices, plants, equipment, and other infrastructural resources used in business operations.

2.0 PRODUCTS AND SERVICES

The Company offers a comprehensive portfolio of mining equipment, accessories, and support services as follows:

2.1. Core Mining Equipment

- ❖ **Drilling Systems:** Rock drill bits, diamond bits, tricone bits, hydraulic drills, jackhammers
- ❖ **Material Handling Machinery:** Loaders, haul trucks, excavators, dozers, wheel loaders.
- ❖ **Processing Equipment:** Crushers, jaw crushers, cone crushers, impact crushers, vibrating screens
- ❖ **Pumps and Fluid Systems:** Centrifugal pumps, slurry pumps, submersible pumps, positive displacement pumps.
- ❖ **Conveyor Systems:** Conveyor belts, rollers, customized material transport systems.

2.2. Accessories and Consumables

- ❖ **Spare parts:** gears, bearings, filters, seals, hydraulic hoses.
- ❖ **Safety gear:** helmets, gloves, boots, respirators, eye protection.
- ❖ **Industrial consumables:** cables, lubricants, oils, welding rods.
- ❖ **Tools:** hand tools, power tools, cutting tools, torque wrenches.

2.3. Advanced Equipment & Specialized Tools

- ❖ Geotechnical drilling rigs
- ❖ Portable crushing plants for small-scale miners
- ❖ Heavy-duty earthmoving attachments
- ❖ Electrical and electronic monitoring instruments (sensors, meters)

2.4. Value-Added Services

- ❖ Preventive maintenance packages.
- ❖ On-site training for equipment operators.
- ❖ Customized engineering solutions for mines.
- ❖ After-sales technical support and repairs.

3.0 COMPANY STRUCTURE

WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED is registered under the Companies Act of Tanzania with Incorporation Certificate No. 188828310. The Company is owned by two foreigner of Chinese origin. With its One Hundred (100) ordinary shares all taken by shareholders. The authorised share capital of the company is Tanzanian Shillings Ten Million (Tshs. 10,000,000/=).

Name	Number of shares taken	Share percent (%)
WEIMIN WEI	50	50
HAILE WANG	50	50

3.1 MANAGEMENT STRUCTURE

The Management structure of the Company shall be:-

- ❖ Board of Directors: Strategic oversight.
- ❖ Managing Director: Overall leadership.
- ❖ Operations Department: Procurement, assembly, and logistics.
- ❖ Technical Department: Engineering, maintenance, Research and Development (R & D).
- ❖ Finance & Administration Department: Budgeting, accounting, Human Resource (HR).
- ❖ Sales & Marketing Department: Business development, client relations.

4.0. COMPANY PLAN

This project focuses on the establishment of the assembling company capital planned is USD 935,978 which 50% will come from foreign equity and 25% will come from local loan and other 25% from foreign loan. At full capacity of the project will directly employ 105 people (5 foreigners and 100 local) and indirectly employ more than 105 people.

Through the analysis conducted, the shareholders of the company have realized the feasibility of this project. The market analysis conducted has revealed that the services will penetrate the market and the company can establish its niche. Financial analysis has shown that the investment will pay-off as it has been predicted to make profits.

The object of this business plan is to present the business idea so that the Tanzania Investment and Special Economic Zones Authority (TISEZA) can provide incentives and immunities to the project presented. The incentives will help this project to develop and since this is a financial, socially and fiscally rational project the management believes that it deserves the incentives.

Our phased growth strategy focuses on:

- ❖ Establishing a Dar es Salaam HQ and assembly hub.
- ❖ Building service centers in mining zones (Geita, Shinyanga, Mbeya and expanding to other places).
- ❖ Developing local assembly and light manufacturing capacity.
- ❖ Expanding to regional markets (Zambia, Kenya, Uganda, and DRC).

6.0 INTRODUCTION AND STRATEGIC OBJECTIVES

The Tanzanian mining industry contributes significantly to GDP, with growth driven by gold, coal, tanzanite, graphite, and nickel. Increased demand creates opportunities for local suppliers.

The Board of Directors and Senior Management staff of the company to establish goals and a strategy to achieve those goals for the coming five years. The purpose of this Strategic Plan is to outline the strategy by which we plan to meet our goals. The Strategic Plan is to be used:

EXECUTIVE PLAN:

Mission: To assemble and deliver mining equipment and accessories that enhances productivity, reduces downtime, and increases profitability for our clients, while adhering to the highest standards of quality and safety.

Vision: To become the leading Mining Equipment and Accessories assembler in Tanzania and beyond, known for our expertise, innovation, and commitment to customer satisfaction.

6.1. Strategic Objectives

6.1.1. Medium-Term (3–5 years):

- ❖ Increase annual assembly of products quality and quantity by 20%
- ❖ Improve operation efficiency by reducing production costs
- ❖ Establish a reputation for reliability
- ❖ Increase annual turnover by 30%

6.1.2. Long-Term (5–10 years):

- ❖ Reach more than 50% annual turnover;
- ❖ Regional expansion;
- ❖ Establish a robust R&D center.

6.2 Product Strategy

6.2.1. Innovation: The Company will invest in research and development (R&D) to design and assemble modern, smart, and energy-efficient mining equipment and accessories. This includes drilling rigs, conveyors, crushers, loaders, and monitoring devices that improve safety and efficiency in mining operations.

6.2.2. Diversification: The product line will be expanded to include complementary equipment such as industrial water pumps, ventilation systems, protective wear accessories, and other supporting machinery critical for mining activities.

6.2.3. Customization: Our mining equipment will be modular and customizable to suit different geological conditions and customer-specific requirements. Clients will be able to select from a range of designs and sizes depending on their project needs.

6.2.4. Sustainability: The Company will prioritize eco-friendly materials, energy-efficient designs, and recyclable packaging. Equipment will be developed to minimize environmental impact through reduced emissions and efficient fuel consumption.

6.3. Operations and Supply Chain Strategy

6.3.1. Manufacturing Efficiency: The Company will implement lean manufacturing and assembly processes to maximize efficiency, reduce operational costs, and improve product quality.

6.3.2. Supply Chain Optimization: We will establish strategic partnerships with global and local suppliers of steel, mechanical

components, and electronic systems to ensure reliable supply of raw materials while stabilizing costs.

6.3.3. Sustainability in Operations: Operations will transition towards renewable energy sources where possible. Waste management systems and refurbishment of old machinery parts will be emphasized to reduce industrial waste.

6.3.4. Quality Assurance: Strict international standards, including ISO certifications, will be adhered to. Every piece of equipment will undergo rigorous testing to ensure durability, safety, and compliance with mining industry requirements.

6.4. Technology and Innovation Strategy

6.4.1. Smart Technology: Advanced technology such as IoT, AI, and remote monitoring will be integrated into mining equipment. This will allow predictive maintenance, safety monitoring, and operational efficiency tracking.

6.4.2. R&D Investment: 5–7% of annual revenue will be allocated to R&D. The focus will be on developing cost-efficient machinery, automation solutions, and innovative mining technologies that can serve both small-scale and large-scale miners.

6.4.3. Collaborations: The Company will collaborate with mining research institutes, universities, and international technology firms to stay ahead of technological advancements.

6.5. Financial Strategy

6.5.1. Revenue Growth: Revenue will be driven by focusing on high-margin products and entering emerging mining markets in

Africa and beyond. Export opportunities will also be explored to maximize profitability.

6.5.2. Cost Management: Production costs will be optimized through efficient sourcing, bulk purchasing of raw materials, and minimizing wastage in the assembly process.

6.5.3. Investment in Growth: Funds will be allocated to expand assembly plants, invest in modern machinery, and pursue joint ventures with established global mining equipment manufacturers.

6.5.4. Risk Management: The Company will hedge against fluctuations in commodity prices and foreign exchange volatility. Supplier diversification and insurance mechanisms will be put in place to mitigate risks.

6.6. Sustainability and Corporate Social Responsibility (CSR)

6.6.1. Environmental Initiatives: The Company will work to reduce its carbon footprint by using renewable energy in operations, recycling metals, and promoting energy-efficient mining machinery.

6.6.2. Community Engagement: We will actively support mining communities through training programs, employment creation, and offering affordable mining equipment tailored to local needs.

6.6.3. Ethical Practices: The Company will uphold ethical labor practices, ensure safe working conditions, and promote transparency in the sourcing of raw materials.

7.0. BUSINESS OUTLOOK, STRENGTH, AND GROWTH POTENTIAL

- 7.1. Strengths:** Local presence, quality products, after-sales support.
- 7.2. Growth Potential:** Expanding mining investment, government push for local content.
- 7.3. Opportunities:** Supplying both large-scale and artisanal miners; demand for affordable and efficient machinery.
- 7.4. Market Segments:** Gold mining, coal, gemstone, industrial minerals.
- 7.5. Customers:** Mining companies, contractors, government mining projects.

8.0. OFFICES OF THE COMPANY AND FACILITIES

The Company's offices are located at Millennium Tower identified as Plot No. 14 Block No. C, Kindoroko Street, Kinondoni-Dar es Salaam and for easy operation it shall include:-

- 8.1. Headquarters:** In Dar es Salaam purposely for Administration, Sales and Finance.
- 8.2. Workshops:** In Geita and Shinyanga purposely for servicing, and parts supply).
- 8.3. Warehouses:** In Mbeya for storage and distribution hub.
- 8.4. Future Expansion:** Training academy for mining machinery operators.

9.0. INDUSTRY LOCATION AND MARKET ANALYSIS

9.1. LOCATION OF THE OFFICE AND INDUSTRY

Mining activities are concentrated in Geita, Shinyanga, Mwanza, Mbeya, Kahama, and Dodoma. Each region provides a strategic entry point for services and distribution.

But the location of the project shall be at **Plot No. 22169 Kigogo, Block A, Industrial Area, Kigamboni, Kisarawe II, Dar es Salaam, Tanzania, measuring approximately 18,500 square meters.**

9.2. MARKET ANALYSIS

9.2.1. Overview of the Tanzanian Mining Industry

Tanzania is one of Africa's mineral-rich economies, hosting deposits of gold, diamonds, tanzanite, coal, uranium, nickel, iron ore, graphite, and rare earth minerals. The sector contributes 7–8% of GDP, and the government targets 10% by 2025.

Mining activities are concentrated in regions such as Geita, Shinyanga, Mwanza, Mara, Mbeya, and Tanga, with both large-scale multinational mining operations and over 1 million artisanal and small-scale miners (ASM). This dual structure creates wide-ranging demand for mining machinery—from high-tech equipment for industrial mines to affordable, rugged solutions for artisanal miners.

9.2.2. Demand Analysis

9.2.2.1 Large-Scale Mining Companies

- ❖ Multinationals such as Barrick Gold, AngloGold Ashanti, Shanta Gold, and others dominate Tanzania's large-scale mining.
- ❖ Their demand centers on high-capacity drilling rigs, crushers, excavators, ventilation systems, and smart IoT-enabled equipment.
- ❖ Currently reliant on imports from China, South Africa, and Europe, they represent a key market for locally assembled high-standard machinery.

9.2.2.2. Medium & Small-Scale Miners

- ❖ Tanzania's small-scale mining community exceeds 1 million miners, spread across key mineral-rich zones.
- ❖ Their demand lies in affordable, robust, and adaptable equipment, including crushers, compressors, pumps, and safety accessories.
- ❖ Due to limited financial power, they often rely on second-hand imports, making locally assembled, competitively priced solutions highly attractive.

9.2.2.3 Government & Institutions

- ❖ The government, through STAMICO (State Mining Corporation), invests in equipment for state-led projects and community mining centers.

- ❖ With local content policies in place, preference is shifting towards locally manufactured and assembled machinery.

9.2.3. Supply and Competition

- ❖ **Imports Dominate:** Tanzania currently imports most mining equipment from China, South Africa, India, and Europe, leading to high costs from duties and logistics.
- ❖ **Local Competition:** Limited—small engineering workshops handle repairs and fabrication, but there is no major dedicated mining equipment assembly plant in Tanzania.
- ❖ **Strategic Opportunity:** Establishing a Chinese-owned assembly operation in Tanzania will cut costs, improve access, and secure a first-mover advantage.

9.2.4. Customer Segmentation

- ❖ **Multinational mining corporations** – demand technologically advanced, heavy-duty equipment.
- ❖ **Medium-scale miners** – require mid-range, cost-effective machinery.
- ❖ **Artisanal miners** – demand basic, rugged, and affordable machinery.
- ❖ **Government & Parastatals** (e.g., STAMICO) – procure equipment for state and community projects.

- ❖ **Regional Market** (EAC & SADC) – demand spillover from Kenya, Uganda, Zambia, DRC, and Mozambique, which can be supplied from Tanzania.

9.2.5 Market Drivers

- ❖ Expanding Mining Projects in gold, nickel, graphite, and rare earths.
- ❖ Local Content Regulations mandating use of local suppliers.
- ❖ Chinese Technology Advantage offering affordability and reliability.
- ❖ EAC & SADC Trade Access enabling regional exports.
- ❖ Government Incentives through EPZ/SEZ industrialization frameworks.

9.2.6. Market Challenges

- ❖ Competition from low-cost second-hand imports.
- ❖ Financing constraints among artisanal miners.
- ❖ Infrastructure bottlenecks in remote mining zones.
- ❖ Regulatory compliance costs tied to local content and safety standards.

9.2.7. Market Opportunities

- ❖ First-Mover Advantage – first dedicated Chinese-led assembly plant.
- ❖ Partnerships with multinationals to supply directly.

- ❖ Affordable small-scale mining packages targeting artisanal miners.
- ❖ After-sales service hubs in Mwanza, Kahama, and Mbeya.
- ❖ Regional Export Hub – Tanzania as the assembly center for EAC/SADC mining equipment supply.

9.2.8. Market Size & Growth Potential

- ❖ Tanzania’s mining equipment market is estimated at USD 1.5–2 billion annually, with projected growth of 8–10% per year.
- ❖ Market demand is expected to double within 5–7 years.
- ❖ With local assembly, the company can secure 15–20% of the market within five years.

10.0 ASSEMBLING AND MANUFACTURING PLAN

10.1. Overview

This business plan is dedicated exclusively to the assembly and manufacturing of mining equipment and accessories in Tanzania, under the ownership of a Chinese company with global expertise in heavy industrial machinery. The objective is to establish a state-of-the-art assembly plant in Tanzania that will integrate Chinese technological know-how with Tanzanian industrial opportunities.

The project will focus primarily on assembling imported semi-knocked-down (SKD) and completely knocked-down (CKD) mining equipment

components, while gradually transitioning into partial local manufacturing. This dual model will ensure cost efficiency, compliance with Tanzanian local content regulations, and long-term sustainability.

10.2 Objectives of the Assembly and Manufacturing Plan

- ❖ Establish a world-class assembly facility in Tanzania to serve local and regional mining industries.
- ❖ Leverage Chinese technology and expertise in machinery assembly and manufacturing.
- ❖ Build local capacity through training, employment, and gradual integration of Tanzanian-made components.
- ❖ Ensure quality and safety standards consistent with ISO and international mining equipment regulations.
- ❖ Position Tanzania as an assembly hub for mining equipment in East and Central Africa.

10.3 Facility and Plant Design

The assembly plant will be located in Dar es Salaam, taking advantage of the seaport for direct import of components from China. Future expansion plants will be considered near Mwanza/Shinyanga to serve large-scale mining zones.

Plant Layout:

- ❖ **Receiving and Storage Area** – For imported SKD/CKD kits and locally sourced inputs.
- ❖ **Pre-Assembly & Sorting Unit** – Initial inspection, testing, and preparation of components.

- ❖ **Assembly Line 1** – Heavy mining equipment (crushers, drilling machines, loaders).
- ❖ **Assembly Line 2** – Medium equipment (pumps, conveyor systems, ventilation units).
- ❖ **Assembly Line 3** – Accessories and auxiliary parts (safety equipment, monitoring systems).
- ❖ **Quality Control Laboratory** – Testing durability, efficiency, and compliance with Chinese and international standards.
- ❖ **Finishing Section** – Painting, branding, surface treatment, and packaging.
- ❖ **Refurbishment & Recycling Unit** – Refurbishing old machinery and recycling metal parts for sustainability.

10.4 Assembly and Manufacturing Process

- ❖ **Component Importation from China** – SKD/CKD kits and specialized components arrive via Dar es Salaam port.
- ❖ **Inspection & Quality Check** – Joint team of Chinese engineers and Tanzanian technicians verify parts before use.
- ❖ **Pre-Assembly** – Creation of sub-assemblies (engine systems, gearboxes, hydraulic modules).
- ❖ **Main Assembly** – Integration of sub-assemblies into complete mining equipment.
- ❖ **Electronic Integration** – Installation of IoT sensors, GPS, monitoring systems, and control units.
- ❖ **Testing & Calibration** – Functional tests, load tests, safety compliance, and field trials under Tanzanian mining conditions.

- ❖ **Finishing & Branding** – Equipment painted, branded, and prepared for delivery with “Assembled in Tanzania – Chinese Technology” certification.
- ❖ **Distribution** – Products delivered to Tanzanian mines and exported to neighboring markets.

10.5. Technology and Innovation

- ❖ **Chinese Robotics & Automation:** Robotics for welding, cutting, and assembly precision.
- ❖ **Smart Manufacturing:** IoT-enabled systems for predictive maintenance and production monitoring.
- ❖ **CAD/CAM Engineering:** For design, modifications, and prototyping of equipment.
- ❖ **ERP System:** Full integration of supply chain, production scheduling, and inventory.

10.6 Workforce and Technology Transfer

- ❖ **Chinese Experts:** Provide oversight, specialized engineering, and training.
- ❖ **Tanzanian Workforce:** Majority of the staff will be recruited locally, trained in advanced assembly processes.
- ❖ **Technology Transfer Program:** Structured knowledge-sharing to build Tanzanian technical expertise.

Workforce Composition:

- ❖ 9.52% Chinese experts (initially, reducing over time).

- ❖ 90.47% Tanzanian staff across engineering, assembly, logistics, and operations. [Explained further under item 11.6]

10.7 Supply Chain and Inputs

- ❖ **From China:** Advanced engines, control systems, specialized metals, and robotics equipment.
- ❖ **From Tanzania:** Locally produced steel, lubricants, welding inputs, and packaging materials.
- ❖ **Logistics:** Sea freight from China, followed by inland distribution via rail and road to plant facilities.
- ❖ **Inventory Control:** Just-In-Time (JIT) model to reduce storage costs and increase efficiency.

10.8 Quality Assurance and Standards

- ❖ **ISO Certification:** Compliance with ISO 9001 (quality) and ISO 14001 (environment).
- ❖ **Dual Quality Checks:** Inspections by both Chinese and Tanzanian quality control teams.
- ❖ **Stress and Durability Tests:** Conducted under real Tanzanian mining conditions.
- ❖ **Continuous Feedback Loop:** Client feedback integrated into product improvements.

10.9 Environmental and Safety Measures

- ❖ Adoption of renewable energy solutions (solar hybrid systems) to power sections of the plant.

- ❖ Recycling systems to reuse metals and parts from refurbished machines.
- ❖ Safe disposal of oils and industrial waste in line with Tanzanian EMA standards.
- ❖ **Worker Protection:** PPE, safety drills, and adherence to both Chinese and Tanzanian OSHA laws.
- ❖ **CSR Engagement:** Training, scholarships, and partnerships with Tanzanian mining communities.

10.10. Production Capacity and Expansion

- ❖ **Year 1 Output:** 200 heavy units, 500 medium units, 2,000 accessories.
- ❖ **Year 3 Output:** 500 heavy units, 1,200 medium units, 5,000 accessories annually.
- ❖ **Year 5 Output:** Begin localized production of non-complex parts (steel frames, pumps, and simple accessories).
- ❖ **Long-Term Goal:** Tanzania as a regional hub for mining equipment assembly in East & Central Africa.

10.11 Capital Investment

- ❖ **Chinese Investors' Equity:** Major capital injection from the investors themselves.
- ❖ **Tanzanian Facilities Setup:** Land, utilities, infrastructure.
- ❖ **Assembly Lines & Equipment:** Robotics, conveyors, testing systems imported from China.
- ❖ **Working Capital:** Operations, logistics, labor, and local compliance.

10.12 Implementation Roadmap

- ❖ **Phase 1 (0–12 months):** Plant setup in Dar es Salaam, import of machinery, recruitment of core staff.
- ❖ **Phase 2 (12–24 months):** Pilot assembly with SKD/CKD kits, establish quality control systems.
- ❖ **Phase 3 (24–36 months):** Full-scale operations, expansion to Mwanza/Shinyanga.
- ❖ **Phase 4 (36–60 months):** Integration of local manufacturing, regional exports, and establishment of R&D facility in Tanzania.

11.0 MARKETING STRATEGIES

11.1. Market Research: Identify client needs through surveys and sector studies.

11.2. Brand Positioning: Reliable supplier with strong local support.

11.3. SWOC Analysis:

- ❖ **Strengths:** Wide product range, local assembly.
- ❖ **Weaknesses:** Initial dependence on imports.
- ❖ **Opportunities:** Increasing demand, government local content policy.
- ❖ **Challenges:** Competition, currency fluctuation, logistics.

11.4. Mitigation Strategies: Bulk importation to reduce costs, partnerships with transport firms, price competitiveness.

11.5. SUMMARY OF PROJECT DESCRIPTION

Project Summary: Wang Heluo Construction Machinery Company Limited

(Assembling of Mining Equipment and Accessories)

Project Name:-

Assembling of Mining Equipment and Accessories

Annual Investment Plan

The company plans to **assemble mining equipment and accessories** with a focus on producing **high-quality and efficient products**.

The goal is to **scale production annually** to meet growing market demand and expand the product portfolio.

11.6 EMPLOYMENT CREATION

The project aims to create **over 105 jobs**, with the following distribution:

11.6.1. Skilled Labor: 45 employees (e.g., technicians, engineers, quality control specialists).

11.6.2. Unskilled Labor: 60 employees (e.g., assembly line workers, general laborers).

11.6.3. Local Employees: 95 (50 Males & 45 Female) employees (to promote local employment and economic growth).

11.6.4. Foreign Employees: 10 employees (5 Males & 5 Females) (to bring in specialized skills and expertise).

The number of employees will **increase as the project expands** to meet production and market demands.

12.0. FINANCIAL ANALYSIS

This section covers project financing and financial projections. Project financing includes source of funding and financing items in the project. Financial projections on other hand, cover Assembly projections, income projections, projected retained earnings and projected cash flow.

12.1 PROJECT FINANCING

12.1.1 Sources of funding.

Project Financing

The project will be financed through a combination of **foreign equity (50%)** amounting to **USD 467,990**, a **Local loan (25%)** amounting to **USD 233,994** and a **foreign loan (25%)** amounting to **USD 233,994**.

Table: Project Financing

Details	Amount in USD	Percentage
Total Loan	467,988	50%

Summary of Financing:

- ❖ **Foreign Equity:** USD 467,990 (50% of total capital).
- ❖ **Local loans:** USD 233,994 (25% of total capital).
- ❖ **Foreign loan:** USD 233,994 (25% of total capital).
- ❖ **Total Equity:** USD 467,990 (50% of total capital).
- ❖ **Total loan:** USD 467,988 (50% of total capital).

12.2 Financial of project items

The invested capital of USD 935,978 will cover various items in the project including land and building, vehicles and other items as shown in the table below:

Table: Financing Items

Category	Estimated Cost (USD)
Land & Building	700,000
Plant	-
Vehicles	80,000
Furniture and Fittings	40,000
Pre-expenses	30,000
Others	15,000
Working Capital	70,978
TOTAL	935,978
FIXED CAPITAL	850,000

Breakdown of Financing:-

12.2.1 Land & Buildings: USD 700,000 (for acquiring land and constructing facilities for manufacturing and assembling operations).

12.2.2 Vehicles: USD 80,000 (for transportation and logistics purposes).

12.2.3 Furniture & Fittings: USD 40,000 (for office and operational setup).

12.2.4. Pre-Expenses: USD 30,000 (for initial setup costs, permits, and licenses).

12.2.5. Others: USD 15,000 (miscellaneous expenses).

12.2.6. Working Capital: USD 70,978 (for day-to-day operational expenses, raw materials, and labour costs).

Summary;-

- **Fixed Capital:** USD 850,000 (covering land, buildings, vehicles, furniture, and pre- expenses).

- **Working Capital:** USD 70,978 (for operational expenses).

- **Total Capital:** USD 935,978.

12.3 Revenue Streams

The company will generate income from:-

- ❖ Assembly of Assembled Mining Equipment – Drilling rigs, crushers, loaders, pumps, compressors, ventilation systems, etc.
- ❖ Assembly of Accessories & Spare Parts – Filters, gears, conveyor belts, safety accessories.
- ❖ After-Assembly Service & Maintenance Contracts – Repair, maintenance, and upgrades.
- ❖ Training Services – Capacity building for miners and equipment operators.
- ❖ Export Assembly – Supplying to regional markets (Kenya, Uganda, Zambia, DRC, Mozambique).

12.4 FINANCIAL PROJECTIONS (5-YEAR FORECAST)

SALES PROJECTIONS

The company projects steady sales growth over the first five years of operations. From Year 1 to Year 5, the company expects to achieve sales amounting to **USD 3,270,000**, **USD 3,852,288**, **USD 4,656,808**, **USD 5,186,078**, and **USD 5,849,557**, respectively. The cost of sales is projected to be **USD 156,000**, **USD 198,016**, **USD 360,145**, **USD 502,393**, and **USD 644,767** for the same period.

The table below provides a detailed breakdown of the sales, cost of sales, and gross profit projections for the first five years:

Table: Gross Profit Projection

Years	Y1	Y2	Y3	Y4	Y5
Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Costs of sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790

The project is expected to yield a consistent gross profit throughout the first five years of operation. In Year 1, the profit is anticipated to be the lowest due to significant investment in promotional campaigns. As assembly gradually pick up, the gross profit is expected to increase steadily over the subsequent years.

12.6 Income Projection

The project is expected to generate profits throughout the first five years. The projected profits, operating expenses, EBIT (Earnings Before Interest and Taxes), loan interest, and taxes are detailed in the table below:

Table: Income Projection

Years	Y1	Y2	Y3	Y4	Y5
Total Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Less: Costs of Sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790
Less: Operating Expenses	170,300	155,046	186,176	197,762	226,051
EBIT	2,943,700	3,499,226	4,110,487	4,485,924	4,978,739
Less: Loan Interest	2,859,600	3,414,126	4,026,387	4,401,824	4,894,639
Less: Taxes (30%)	857,880	1,024,538	1,207,916	1,320,547	1,468,392

Key Highlights:

12.6.1. Year 1: The Company expects a gross profit of **USD 3,114,000**, with operating expenses of **USD 170,300** and EBIT of **USD 2,943,700**. After accounting for loan interest and taxes, the net profit will be calculated accordingly.

12.6.2. Year 5: By the fifth year, the gross profit is projected to grow to **USD 5,204,790** with EBIT reaching **USD 4,978,739**.

Table: Projected Cash Flow

Years	Y1	Y2	Y3	Y4	Y5
Cash from Operations					
Profit before Tax	2,859,600	3,415,126	4,026,387	4,401,824	4,894,639
Adjustment for Non-Cash Items	-	-	-	-	-

Change in working Capital					
Receivables (-ve)	-450,000	-450,000	-465,000	-380,000	-395,000
Trade Payables and Accruals	5,000	3,500	3,600	5,800	2,500
Capital Additions	585,000	435,000	250,000	-	-
Total	140,000	-11,500	-211,400	-374,200	-392,500
Tax Payments	857,880	1,024,538	1,207,916	1,320,547	1,468,392
Total Cash flow from operating Activities	997,880	1,013,038	996,516	946,347	1,075,892
Cash flow Investing activities					
Land rent and Development	-	-	-	-	-
Net Cash flow from Investing Activities	355,600	355,600	355,600	355,600	355,600
Cash Flow from Financing Activities					
Dividends	400,344	478,118	563,694	616,255	685,249
Change in Cash and Cash Equivalent	241,936	179,320	77,222	-25,508	35,042
Opening Cash Balance	12,000	8,000	10,500	6,500	7,500
Closing Cash Balance	8,000	10,500	6,500	7,500	6,800

Key Highlights:

20.6.3 The Company expects a positive cash flow from operating activities, ranging from **USD 997,880** in Year 1 to **USD 1,075,892** in Year 5.

20.6.4 Cash flow from investing activities remains consistent at **USD 355,600** annually.

20.6.5 Dividends paid to shareholders increase steadily over the five years, reflecting the company's growing profitability

20.6.6 The closing cash balance remains stable, indicating effective cash management.

NPV Analysis

The project has a **positive Net Present Value (NPV)**, indicating its potential for success.

The NPV analysis is based on the projected cash flows and a discount rate of **2.1%**.

Table: NPV Analysis

Years	Y1	Y2	Y3	Y4	Y5
Change in Cash and Cash Equivalent	241,936	176,320	777,222	-25,508	35,042
Discount Rate (2.1%)	0.021	0.021	0.021	0.021	0.021
Overall NPV	236,960	-	-	-	489,644

Key Highlights:

- The positive NPV confirms the project's viability and potential to generate value for the company.
- The overall NPV of **USD 489,644** by Year 5 reflects the project's profitability and strong financial performance.

12.7 PROJECT IMPLEMENTATION SCHEDULE (2025-2027)

S/N	Task Name	Assigned To	Start Date	End Date	Status
01.	Registrations	Directors	08.09.2025	30.10.2025	Not Completed
02.	Market Analysis	Directors & Managers	January, 2025	September 2025	Completed
03.	Land Acquisition	Directors & Team	September 2025	TBD	Completed
04.	Site Development	Directors &	October	January	Not started

	Phase 1	Contractors	2025	2026	
05.	Site Development	Directors &	January	July	Not started
	Phase 2	Contractors	2026	2026	

FUTURE EVENTS AND MILESTONES (2025-2027)

12.8. Marketing Analysis Completion

12.8.1 **Date:** September, 2025

12.8.1.2 **Dependency:** Required for finalizing product offerings, target markets, and budget allocation.

12.8.2 Registrations Completion

12.8.2.2.1. **Date:** September, 2025

12.8.2.2.2. **Dependency:** Necessary for legal compliance, stakeholder engagement, and resource allocation.

12.8.8.3. Land Acquisition Completion

12.8.8.3.1. **Date:** TBD (Dependent on legal processes)

12.8.8.3.2. **Dependency:** Critical for starting Site Development Phase 1.

12.8.8.4. Site Development Phase 1 Completion

12.8.8.4.1. **Date:** December, 2025

12.8.8.4.2. **Dependency:** Must be completed before Phase 2 begins. Includes factory setup, infrastructure, and utilities.

12.8.8.5 Site Development Phase 2 Completion

12.8.8.5.1. **Date:** July, 2026

12.8.8.5.2. **Dependency:** Marks the completion of the manufacturing facility, including installation of machinery and equipment.

12.8.8.6. Production Launch

12.8.8.6.1. **Date:** August, 2026

12.8.8.6.2. **Dependency:** Facility must be fully operational, and staff trained for assembling of Mining equipment and accessories.

12.8.8.7. Market Entry and Distribution.

12.8.8.7.1. **Date:** October, 2026

12.8.8.7.2.. **Dependency:** Production must meet quality standards, and distribution channels must be established.

12.8.8.8 First-Year Review and Expansion Planning

12.8.8.8.1 **Date:** December, 2027

12.8.8.8.2 **Dependency:** Evaluate production efficiency, market

performance, and plan for scaling operations.

13.0. PROJECT RATIONALE.

This project rationale can be viewed from **monetary, fiscal, and social perspectives**. Based on the financial analysis conducted, this project holds significant promise for success within the Tanzanian economy.

13.1. Monetary Benefits:

13.1.1. The project will generate income for **supplier SMEs** (Small and Medium Enterprises) by creating demand for raw materials, components, and services required for manufacturing and assembling of Mining equipment and accessories.

13.1.2 It will also stimulate economic activity by creating employment opportunities across various stages of the value chain, from production/assembly to distribution.

13.2 Fiscal Benefits:

13.2.1. The project will contribute to government revenue through the payment of taxes, including **Income Tax** and **Value Added Tax (VAT)** on sales.

13.2.2 It will also support the government's industrialization agenda by promoting local assembling and reducing reliance on imported mining equipment and accessories.

13.3. Social Benefits:

13.3.1. The project will contribute to **social development** by providing affordable, high- quality Mining equipment and accessories to Tanzanian miners.

13.3.2. It will also foster **skills development** by creating training and employment opportunities for local workers, particularly in technical and assembling roles.

13.3.3. By promoting local production, the project will reduce the country's trade deficit and enhance self-sufficiency in the mining sector.

14.0. CONCLUSION

WANG HELUO CONSTRUCTION MACHINERY COMPANY LIMITED is strategically positioned to serve Tanzania's mining sector with durable, cost-efficient, and innovative solutions. With strong partnerships, phased expansion, and a customer-centered approach, the company will drive mining productivity while contributing to Tanzania's industrial growth.

With a dedicated team, robust financial projections, and a commitment to quality and innovation, we are confident in our ability to achieve our business objectives. This project will not only establish a strong presence in the Tanzanian market but also contribute to the country's economic growth, and social development.

We look forward to the opportunities that lie ahead and are excited to embark on this journey towards sustainable growth, profitability, and positive societal impact in the manufacturing sector.