

BUSINESS PLAN

FOR

ZHONGJI INVESTMENT COMPANY LIMITED

Project:

Manufacture of pulp,paper and paperboard

EXECUTIVE SUMMARY

Zhongji Investment Company Limited is a manufacturing company established to engage in the **production of pulp, paper, and paperboard products** in Tanzania. The company aims to contribute to the growing demand for locally manufactured paper products used in packaging, printing, tissue production, and industrial applications.

The project involves the establishment of a modern manufacturing facility equipped with appropriate machinery and technology for processing raw materials into high-quality pulp and paper products. The company intends to utilize locally available raw materials where possible and implement efficient production processes to ensure cost effectiveness and sustainability.

The primary objective of the project is to supply quality pulp and paperboard products to the domestic market while reducing dependence on imported paper materials. The company will also explore export opportunities within the East African Community (EAC) and neighboring regional markets.

Zhongji Investment Company Limited will operate in compliance with Tanzanian industrial regulations, environmental standards, and quality control requirements. The company will implement proper waste management systems and environmentally responsible production methods.

Revenue will be generated through the sale of pulp, paper, and paperboard products to packaging companies, printing industries, wholesalers, manufacturers, and distributors.

In the long term, the company aims to expand its production capacity and become a reliable supplier of paper and paperboard products within Tanzania and the wider East African region.

COMPANY BACKGROUND

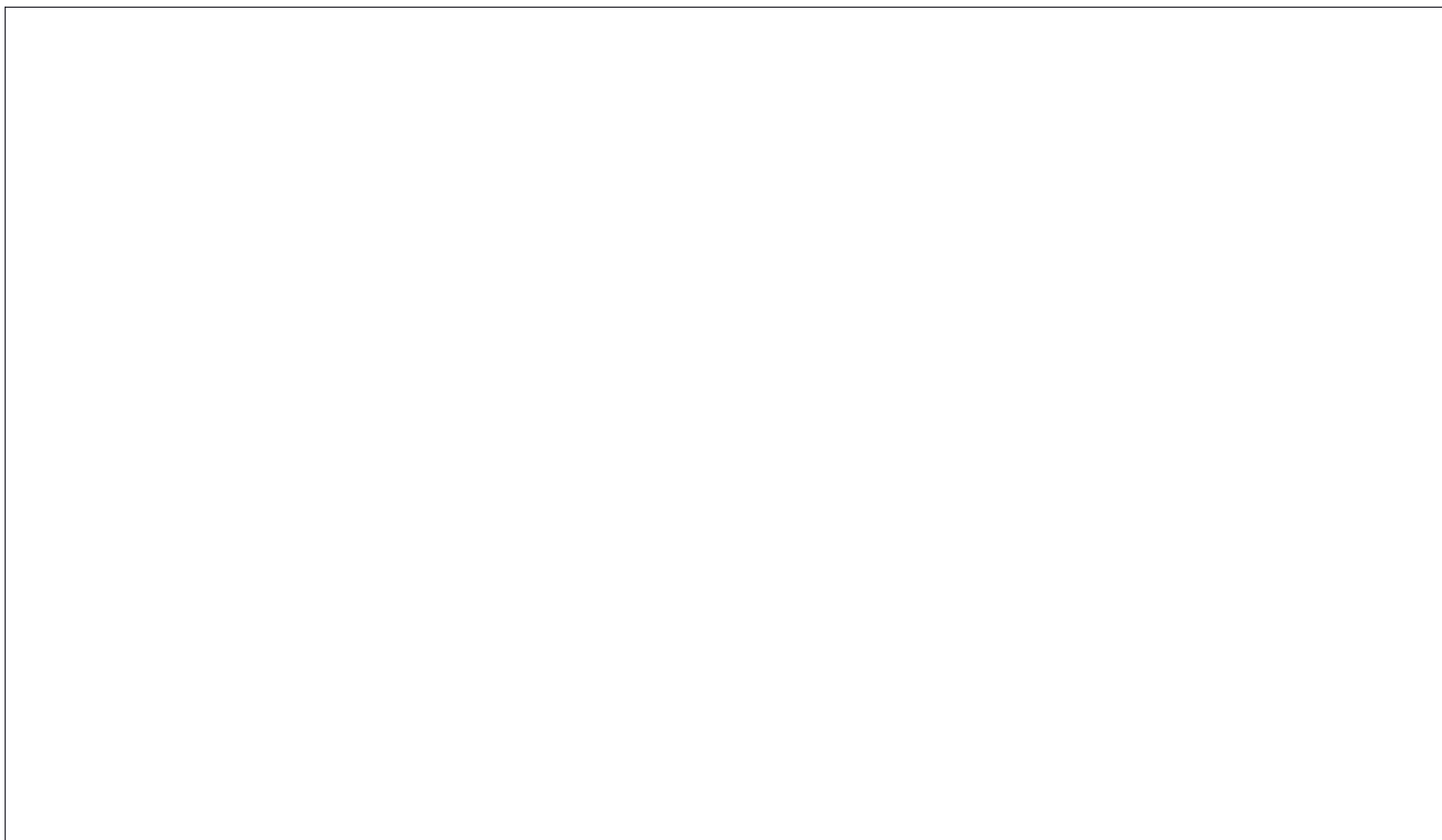
Zhongji Investment Company Limited is a private limited liability company established in Tanzania with the objective of engaging in **manufacturing activities related to pulp, paper, and paperboard production.**

The company intends to establish a modern manufacturing plant that will process raw materials into different types of paper and paperboard products used in packaging, printing, and industrial applications.

The establishment of this project is driven by the increasing demand for paper-based products in Tanzania due to growth in manufacturing, retail, packaging industries, and logistics services.

Currently, a large portion of paper products used in Tanzania are imported. Zhongji Investment Company Limited aims to support **import substitution** by producing high quality paper and paperboard products locally.

The company will adopt modern manufacturing technologies, efficient resource management, and strong operational systems to ensure product quality and cost competitiveness.



VISION AND MISSION

Vision

The vision of Zhongji Investment Company Limited is to become a leading manufacturer of pulp, paper, and paperboard products in Tanzania and the East African region. The company aims to establish a strong reputation for producing high-quality, reliable, and environmentally responsible paper products that support industrial development, packaging industries, and printing sectors.

Through continuous innovation, efficient production processes, and strong market relationships, the company intends to contribute to the growth of Tanzania's manufacturing sector while reducing dependence on imported paper products.

Mission

The mission of Zhongji Investment Company Limited is to manufacture and supply high-quality pulp, paper, and paperboard products that meet the needs of local industries and regional markets. The company is committed to maintaining high production standards, operational efficiency, environmental sustainability, and customer satisfaction.

By utilizing modern technology, skilled human resources, and responsible resource management, the company aims to deliver reliable products, create employment opportunities, and contribute positively to Tanzania's economic development.

Legal Structure: A Private Limited Company been created under the certificate of incorporation number 189468423

The **shareholders** of the company and their share distribution are as follows;

- i. SUN, YANMIN - Director 60%
- ii. LI, YING - Director 40%

RODUCTS AND SERVICES

Zhongji Investment Company Limited will manufacture and supply the following products:

Primary Products

Pulp for paper manufacturing

Paperboard for packaging materials

Kraft paper

Industrial paper products

Packaging paper materials

Product Applications

The manufactured products will be supplied to:

Packaging industries

Printing companies

Carton manufacturers

Retail packaging suppliers

Industrial packaging companies

All products will be manufactured in accordance with relevant **quality and environmental standards**.

MAIN ACTIVITIES OF THE PROJECT (

The main activity of the project is the manufacturing of pulp, paper, and paperboard products through a structured industrial production process.

The production process will involve:

Procurement of raw materials such as wood pulp, recycled paper, and other paper fibers.

Processing raw materials through pulping, cleaning, and refining systems.

Manufacturing paper and paperboard using specialized paper production machinery.

Cutting, packaging, and preparing finished paper products for distribution.

The company will also focus on quality control, efficient production management, and sustainable waste handling practices.

MARKET OPPORTUNITY

The pulp, paper, and paperboard manufacturing industry presents significant opportunities for investment in Tanzania due to the increasing demand for packaging materials, printing paper, and industrial paper products. The growth of manufacturing industries, retail trade, agriculture processing, and logistics services has led to a rising need for packaging solutions that ensure safe storage, transportation, and marketing of goods.

Currently, Tanzania relies heavily on imported paper products from international markets, including Asia, Europe, and other African countries. The dependence on imported products increases production costs for local industries and creates supply chain challenges. Establishing a local manufacturing facility will therefore provide an opportunity to supply competitively priced paper products while strengthening domestic industrial capacity.

Furthermore, the Tanzanian government continues to promote industrialization through policies that encourage investment in manufacturing sectors. Incentives for local production and support for industrial development provide favorable conditions for investors entering industries such as pulp and paper manufacturing.

In addition to the domestic market, regional trade agreements within the East African Community (EAC) create export opportunities for paper products to neighboring countries such as Kenya, Uganda, Rwanda, Burundi, and the Democratic Republic of Congo. These markets represent potential demand for packaging and printing materials that can be supplied by local manufacturer

BASIS OF THE BUSINESS PLAN

This business plan has been prepared to provide a comprehensive framework for establishing and operating a pulp, paper, and paperboard manufacturing facility under Zhongji Investment Company Limited in Tanzania.

The plan outlines the strategic direction of the project, including the company's operational structure, market positioning, production processes, financial projections, and management systems required for successful implementation.

The preparation of this business plan is based on an assessment of market demand for paper products, the availability of raw materials, investment requirements, and expected financial returns from the manufacturing operation.

The document also serves as an important reference for investors, financial institutions, and regulatory authorities by demonstrating the feasibility and sustainability of the proposed project. It provides a structured roadmap that outlines how the project will be implemented, managed, and expanded over time.

STUDY OBJECTIVES

The primary objective of this study is to assess the feasibility and viability of establishing a pulp, paper, and paperboard manufacturing plant in Tanzania.

The specific objectives of the study include:

Evaluating the demand for paper and packaging materials within Tanzania and the East African region.

Assessing the availability of raw materials required for paper manufacturing, including pulp fibers and recycled paper materials.

Determining the financial viability of the project by analyzing capital investment requirements, operational costs, and projected revenues.

Identifying potential risks associated with the manufacturing operation, including market competition, supply chain challenges, and operational risks.

Developing a structured implementation strategy for the establishment and growth of the manufacturing facility.

STUDY APPROACH

The study adopts a systematic and analytical approach to evaluate the feasibility of the proposed manufacturing project. This approach involves conducting comprehensive market research, technical assessments, and financial analysis to determine the practicality and profitability of the investment.

Market research is conducted to identify demand trends, customer needs, and supply gaps in the pulp and paper industry. Industry analysis is also carried out to evaluate existing competitors, pricing structures, and market opportunities.

Technical analysis focuses on identifying the machinery, equipment, and production technologies required for efficient pulp and paper manufacturing. The study also evaluates the availability of raw materials, energy requirements, and environmental considerations associated with the production process.

Financial analysis is performed to estimate the capital investment required to establish the manufacturing facility, as well as the operational costs and projected revenue streams expected from product sales.

Risk analysis is also included to identify potential operational, financial, and market risks and to propose appropriate mitigation strategies that will support long-term sustainability of the project.

THE PROJECT

The project involves the establishment of a modern manufacturing facility for the production of pulp, paper, and paperboard products in Tanzania.

The facility will be equipped with specialized machinery designed for pulp processing, paper sheet formation, drying, finishing, and packaging operations. The manufacturing process will convert raw materials such as wood pulp and recycled paper fibers into finished paper products suitable for various industrial and commercial applications.

The project will also include the construction of production buildings, installation of manufacturing equipment, establishment of warehouse facilities, and development of administrative and operational offices.

Additionally, the project will involve the recruitment of skilled technical personnel, engineers, and management professionals who will oversee the production process and ensure efficient operational performance.

The implementation of this project will contribute to strengthening Tanzania's manufacturing capacity while supporting the growth of industries that rely on paper-based products.

PROJECT OBJECTIVES

The main objective of the project is to establish a modern and efficient pulp, paper, and paperboard manufacturing facility that can supply high-quality paper products to the domestic and regional markets.

The project aims to reduce Tanzania's dependence on imported paper products by strengthening local production capacity. By producing paper products locally, the company will help improve supply chain efficiency and support the growth of industries that rely on packaging and printing materials.

Another key objective is to create employment opportunities for local communities while promoting technology transfer and industrial skill development within the manufacturing sector.

The project also seeks to expand production capacity over time in order to serve regional markets and establish the company as a competitive supplier within the East African region.

MAIN ACTIVITIES OF THE PROJECT

The main activities of the project will focus on the manufacturing and distribution of pulp, paper, and paperboard products.

The first activity will involve the procurement of raw materials required for paper production, including pulp fibers and recycled paper inputs. These materials will be sourced from reliable suppliers to ensure consistent production quality.

The second activity will involve operating specialized machinery used for pulping, refining, and paper sheet formation. The manufacturing process will convert raw materials into finished paper products suitable for packaging and industrial applications.

The company will also implement strict quality control procedures to ensure that all products meet required industry standards. This will involve product testing, inspection, and monitoring of production processes.

Additional activities will include cutting, finishing, and packaging of paper products before distribution to customers. The company will also establish a distribution network that ensures timely delivery of products to wholesalers, manufacturers, and industrial clients.

REVENUE ASSUMPTIONS

The revenue projections for the project are based on anticipated sales of pulp, paper, and paperboard products produced by the manufacturing facility.

Revenue will primarily be generated through the sale of finished paper products to packaging manufacturers, printing companies, wholesalers, and industrial users.

The financial projections assume that the company will gradually penetrate the market during the initial years of operation. As production capacity increases and customer relationships are established, sales volumes are expected to grow steadily.

Pricing strategies will be designed to remain competitive with imported paper products while ensuring that the company maintains sustainable profit margins. The company will also benefit from reduced transportation costs and faster delivery times compared to imported products.

MARKET ANALYSIS

The pulp and paper industry plays an important role in supporting manufacturing, retail trade, and logistics activities. As economic development continues to expand across Tanzania, the demand for packaging materials and printing paper continues to grow.

The growth of industries such as food processing, agriculture, retail distribution, and consumer goods manufacturing has increased the need for reliable packaging materials that protect products during storage and transportation.

Despite the increasing demand, local production of paper products remains limited. This creates a supply gap that is currently filled by imported products.

Local manufacturing therefore presents a strategic opportunity to supply competitively priced products to domestic industries while reducing reliance on imports.

TARGET MARKET:

The target market for Zhongji Investment Company Limited includes several key industrial sectors that require paper and packaging materials.

Packaging manufacturers represent a major segment of the target market because they require paperboard and kraft paper for the production of cartons, boxes, and packaging materials used across many industries.

Printing companies also represent an important market segment as they require paper materials for printing books, newspapers, advertising materials, and office documents.

Wholesale distributors and retail suppliers will also form part of the company's customer base as they distribute paper products to businesses and consumers.

In addition, manufacturing industries that require packaging materials for product protection and transportation will also form a key market segment.

COMPETITION:

The pulp and paper market in Tanzania includes both local producers and imported paper products from international markets.

Imported paper products currently dominate a large portion of the market due to limited domestic manufacturing capacity.

However, Zhongji Investment Company Limited will maintain competitiveness through several strategic advantages. These include producing high-quality products, maintaining competitive pricing, ensuring reliable product supply, and building strong relationships with customers.

Local production will also allow the company to reduce transportation costs and provide faster delivery times compared to imported products.

MANAGEMENT PROCESS

The management process of Zhongji Investment Company Limited is designed to ensure effective leadership, sound decision making, regulatory compliance, and sustainable financial performance in the establishment and operation of trusts, funds, and similar financial activities in Tanzania.

The overall governance structure begins with the Board of Directors, which is responsible for strategic direction, policy approval, oversight of management, and protection of shareholder and investor interests. The Board sets the long term vision, approves major investment strategies, monitors financial performance, and ensures that the company operates in compliance with applicable laws and regulations.

The day to day management of the company is delegated to the Executive Management Team led by the Managing Director or Chief Executive Officer. The executive team is responsible for implementing the strategic objectives approved by the Board, managing operational activities, supervising departmental functions, and ensuring that performance targets are achieved.

The investment decision making process follows a structured and disciplined approach. All proposed investments undergo preliminary screening, detailed financial analysis, risk assessment, legal review, and due diligence before submission to the Investment Committee. The Investment Committee evaluates each proposal based on risk return profile, strategic alignment, regulatory compliance, and portfolio diversification objectives. Only approved investments proceed to execution.

Risk management is integrated into all management processes. The company will maintain a dedicated Risk and Compliance function responsible for identifying, assessing, monitoring, and mitigating financial, operational, market, and regulatory risks. Regular internal reviews

and compliance checks will ensure adherence to guidelines issued by the Capital Markets and Securities Authority and, where applicable, supervisory standards of the Bank of Tanzania.

Financial management processes will include budgeting, financial planning, cost control, revenue monitoring, and preparation of periodic financial reports. Transparent accounting systems will be maintained to ensure accurate reporting and accountability to investors and regulators.

Performance management will involve continuous monitoring of investment portfolios against predefined benchmarks and targets. Regular performance reports will be prepared for the Board and investors, outlining returns achieved, risk exposure levels, and strategic adjustments where necessary.

Internal control systems will be established to ensure separation of duties, authorization limits, documentation standards, and audit trails. An internal audit mechanism will periodically review operational efficiency, compliance levels, and financial accuracy to strengthen governance and operational integrity.

Communication and reporting processes will ensure that management decisions are properly documented and that stakeholders receive timely and accurate information. Investor relations will be handled professionally to maintain trust, transparency, and long term partnerships.

Through structured leadership, disciplined decision making, integrated risk management, and strong governance practices, the management process of Zhongji Investment Company Limited will support operational efficiency, regulatory compliance, and sustainable financial growth.

MANAGEMENT STRUCTURE

The management structure of Zhongji Investment Company Limited is designed to ensure effective leadership, accountability, regulatory compliance, and efficient operational performance in the establishment and management of trusts, funds, and similar financial activities in Tanzania.

Board of Directors

The Board of Directors is the highest governing body of Zhongji Investment Company Limited. It is responsible for setting the overall strategic direction of the company, approving major policies, overseeing financial performance, and ensuring compliance with applicable laws and regulations. The Board provides oversight to management and protects the interests of shareholders and investors. It also ensures that the company maintains strong corporate governance standards, ethical conduct, and long term sustainability.

Managing Director or Chief Executive Officer

The Managing Director or Chief Executive Officer is responsible for the overall management and daily operations of the company. This role involves implementing the strategic plans approved by the Board, supervising departmental heads, managing company resources, and ensuring that operational and financial targets are achieved. The Managing Director also represents the company in dealings with regulators, investors, financial institutions, and strategic partners.

Investment and Portfolio Management Department

This department is responsible for identifying, analyzing, and executing investment opportunities. It conducts market research, financial modeling, risk analysis, and due diligence before any investment decision is made. The department structures trusts and funds, allocates capital across sectors, and continuously monitors portfolio performance. It ensures that investments align with the company's strategic objectives and risk tolerance. Regular performance reviews are conducted to optimize returns while managing risk exposure.

Finance and Accounting Department

The Finance and Accounting Department manages all financial transactions and reporting functions of the company. It prepares budgets, monitors cash flow, manages operating expenses, and ensures accurate recording of income and expenditures. The department is responsible for preparing financial statements, tax filings, and compliance reports. It ensures that financial reporting meets recognized accounting standards and regulatory requirements. This department also supports financial planning and analysis for investment decisions.

Risk and Compliance Department

The Risk and Compliance Department is responsible for identifying, assessing, and managing risks associated with the company's operations and investments. It develops internal control systems and ensures adherence to regulatory guidelines issued by the Capital Markets and Securities Authority and where applicable the Bank of Tanzania. The department monitors compliance with anti money laundering regulations, investor protection rules, and corporate governance standards. It also conducts periodic risk assessments and internal reviews to minimize exposure to financial, operational, and regulatory risks.

Legal and Corporate Affairs Department

The Legal and Corporate Affairs Department manages all legal documentation and corporate governance matters. It prepares and reviews contracts, trust deeds, fund agreements, and investment documentation. The department ensures that all trust and fund structures are legally sound and enforceable. It also handles regulatory filings, licensing requirements, and communication with regulatory authorities. This department plays a critical role in protecting the company's legal interests and ensuring compliance with statutory obligations.

Administration and Client Relations Department

The Administration and Client Relations Department supports the operational efficiency of the company. It manages office administration, documentation control, record keeping, and coordination between departments. The client relations function handles investor onboarding,

communication, reporting, and service support. It ensures that investors receive timely updates on performance, financial reports, and investment activities. Strong client relationship management helps build trust, transparency, and long term partnerships.

Internal Audit Function

The Internal Audit Function operates independently to evaluate the effectiveness of internal controls, governance systems, and risk management processes. It conducts periodic reviews of financial records, operational procedures, and compliance systems. The purpose of this function is to identify weaknesses, recommend improvements, and ensure accountability throughout the organization.

PARTICULAR	USD
Land and Buildings	300,000.00
Machinery & Equipment	500,000.00
Motor Vehicles	200,000.00
Furniture & Fixtures	100,000.00
Pre-Operational Expenses	200,000.00
Others (e.g. Licenses, Insurance)	200,000.00
Working Capital	500,000.00
TOTAL INVESTMENT	2,000,000.00

FINANCIAL POSITIN PROJECTION SUMMARY FROM 2026 TO 2030

DETAILS	2026	2027	2028	2029	2030
Property, Plant & Equipment (PPE)	1,300,000.00	1,250,000.00	1,200,000.00	1,150,000.00	1,100,000.00
Total Non-Current Assets	1,300,000.00	1,250,000.00	1,200,000.00	1,150,000.00	1,100,000.00
Inventory	330,000.00	350,000.00	370,000.00	390,000.00	420,000.00
Trade Receivables	200,000.00	220,000.00	240,000.00	260,000.00	280,000.00
Working Capital	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Cash & Cash Equivalentents	70,000.00	80,000.00	100,000.00	120,000.00	150,000.00
Total Current Assets	1,100,000.00	1,150,000.00	1,210,000.00	1,270,000.00	1,350,000.00
TOTAL ASSETS	2,400,000.00	2,400,000.00	2,410,000.00	2,420,000.00	2,450,000.00
Share Capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained Earnings	181,600.00	158,600.00	220,600.00	367,600.00	619,600.00
Total Equity	1,181,600.00	1,158,600.00	1,220,600.00	1,367,600.00	1,619,600.00
Trade Payables	600,000.00	620,000.00	630,000.00	640,000.00	650,000.00
Other Payables	618,400.00	621,400.00	559,400.00	412,400.00	180,400.00
Total Liabilities	1,218,400.00	1,241,400.00	1,189,400.00	1,052,400.00	830,400.00
TOTAL EQUITY AND LIABILITIES	2,400,000.00	2,400,000.00	2,410,000.00	2,420,000.00	2,450,000.00

FINANCIAL PROJECTION SUMMARY FROM 2026 TO 2030
 PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS

DETAILS	2026	2027	2028	2029	2030
Sales Revenue	780,000.00	920,000.00	1,080,000.00	1,250,000.00	1,450,000.00
Total Inflow	780,000.00	920,000.00	1,080,000.00	1,250,000.00	1,450,000.00
Opening Inventory	0.00	330,000.00	350,000.00	370,000.00	390,000.00
Add: Production Cost	620,000.00	650,000.00	720,000.00	800,000.00	900,000.00
Less: Closing Inventory	-330,000.00	-350,000.00	-370,000.00	-390,000.00	-420,000.00
Total Cost of Sales	290,000.00	630,000.00	700,000.00	780,000.00	870,000.00
Gross Profit	490,000.00	290,000.00	380,000.00	470,000.00	580,000.00
Administration Expenses	100,200.00	105,000.00	110,000.00	115,000.00	120,000.00
Sales & Distribution Expenses	100,100.00	105,000.00	110,000.00	115,000.00	120,000.00
Finance Cost	100,100.00	95,000.00	90,000.00	85,000.00	80,000.00
Depreciation Expense	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Total Operating Expenses	308,400.00	313,000.00	318,000.00	323,000.00	328,000.00
Net Profit for the Year	181,600.00	-23,000.00	62,000.00	147,000.00	252,000.00