

Zhongmin Huiguan Company limited

P.O.BOX 345 MAFINGA

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THE COMPANY BUSINESS PLAN FOR 2024/2027

ZHONGMIN HUIGUAN COMPANY LIMITED

P.O.BOX 345

MAFINGA.

KINYANAMBO A

KINYANAMBO A WARD

MUFINDI DISTRICT

IRINGA REGION

TANZANIA

Phone: 255 748328888

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1.0 Introduction

ZHONGMIN HUIGUAN COMPANY LIMITED Is a limited company by shares that has been legally registered under the company Act. 2002 on 28th, day of September 2024. The company is situated at Kinyanambo A, Mafinga , Mufindi Tanzania. The company has proposed share capital amounting for the sum of Tanzanian shilling Five hundred million (500,000,000/=) of which three hundred million shillings (300,000,000/=) is issued share capital as up to the year 2028. The company is built and installed electricity, office buildings with furniture and office equipment. There are also well-built stores and small houses for workers. The company is being operated to provide lodging and meals (Food and drinks) in accordance with the Memorandum of Understanding and Article of Associations of 10th, of May 2024. The Company’s financial regulation and Human resource guide have been being adopted and adhered too.

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1.2 Objectives of which the company is being established are as follows: Products and Services

1. To provide Comfortable and well-appointed guest rooms
2. Suites with additional amenities
3. Conference and meeting facilities
4. Special dietary options (vegetarian, vegan, gluten-free)
5. Room service and catering for events
6. Airport transfers
7. Tour and activity booking
8. Wi-Fi and business center facilities

1.3 Main Activities

ZHONGMIN HUIGUAN COMPANY LIMITED was founded to offer high-quality accommodation and dining services. We are located in a prime area of Mufindi, known for its natural beauty and cultural richness. Our company is registered under the laws of Tanzania and is committed to adhering to all regulatory requirements. Our vision is to become the leading provider of lodging and meals in the region.

1.4 Targeted market

Our marketing strategy will focus on:

1. Online presence through a user-friendly website and social media platforms.
2. Partnerships with travel agencies and tour operators.
3. Participation in local and international travel exhibitions.
4. Loyalty programs and promotions to retain customers.

Sales channels will include direct bookings, online travel agencies (OTAs), and corporate partnerships.

2.0 COMPANY SERVICES

2.1 Lodging and Meal Project

ZHONGMIN HUIGUAN COMPANY LIMITED is well-positioned to capitalize on the growing demand for quality lodging and meals in Mufindi, Tanzania. With a strong strategic plan, committed team, and focus on exceptional service, we are confident in achieving our goals and becoming a leading hospitality provider in the region.

MARKET AREA	renovations	equipment	initial inventory	TOTAL COST
MAFINGA	50,000,000	950,000,000	50,000,000	1,050,000,000
OPERATION			200,000,000	200,000,000
OTHERS	20,000,000	25,000,00.00	5,000,000.00	50,000,000.00
TOTAL	50,000,000	950,000,000	250,000,000	1,300,000,000

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3.0 Financial Consideration

The project will totally depend on the initial capital injection from ZHONGMIN HUIGUAN COMPANY LIMITED. Directors have invested 500,000 in this project.

4.0 Objectives

ZHONGMIN HUIGUAN COMPANY LIMITED has the following objectives as far as the project is concerned.

- To provide Comfortable and well-appointed guest rooms
- To provide Conference and meeting facilities
- Special dietary options (vegetarian, vegan, gluten-free)
- To provide Room service and catering for events
- To provide Airport transfers
- To help Tour and activity booking
- To provide Wi-Fi and business center facilities

4.1 Target of the company

ZHONGMIN HUIGUAN COMPANY LIMITED target to produce plywood, marine board and furniture of the year 2024/2027:

- Expansion of Land at industrial area
- Infrastructures construction
- Importation of machinery and equipment
- Machinery installation

Therefore, statistically this will create 200 job opportunity for Tanzanians. This will add value to the company as well as government revenue.

4.2 Key success factors

The market for lodging and meals in Tanzania is growing, driven by increasing tourism and business travel. Our target market includes:

- Tourists and researchers visiting Mufindi for sightseeing and adventure
- Business travelers attending conferences and meetings
- Local residents seeking quality dining experiences

Competitive analysis indicates that while there are several lodging options in the area, ZHONGMIN HUIGUAN aims to differentiate itself through exceptional service, cultural authenticity, and modern facilities.

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In order to achieve a dependable position in this environment, ZHONGMIN HUIGUAN will depend on the following;

- Creating good loyalty to Locals by giving them priority in terms of supply and price.
- Maintaining quality control measures to compete with other suppliers.
- Recruitment of competent and hardworking management team to ensure timely production and supply of paper boards to buyers.
- Recruiting FIVE HUNDRED (200) laborers as beneficiary due to the existence of the company
- Developing good relationship with Government authority hence facilitating export process.

5.0 COMPANY SUMMARY

5.1 Company Ownership

ZHONGMIN HUIGUAN is a limited liability company incorporated in 2025. Total shares of the company are 400,000,000/= shares and 100,000,000/= each making total capital of TZS 500,000,000/=

5.2 Management Structure

ZHONGMIN HUIGUAN is managed by a team of experienced professionals with backgrounds in hospitality, management, and finance. The organizational structure includes:

General Manager

Operations Manager

Marketing and Sales Director

Head Chef

Administrative and Support Staff

6.0 SERVICES

ZHONGMIN HUIGUAN is planning to expand its operations by engaging in community engagements in and outside Tanzania particularly in China,Uganda,Rwanda,India, Kenya ,DRC and Malawi.

7.0 MARKET ANALYSIS SUMMARY

Our marketing strategy will focus on:

Online presence through a user-friendly website and social media platforms

Partnerships with travel agencies and tour operators

Participation in local and international travel exhibitions

Loyalty programs and promotions to retain customers

Sales channels will include direct bookings, online travel agencies (OTAs), and corporate partnerships.

8.0 STRATEGY AND IMPLEMENTATION SUMMARY

The market for lodging and meals in Tanzania is growing, driven by increasing tourism and business travel. Our target market includes:

Tourists visiting Mufindi for sightseeing and adventure

Business travelers attending conferences and meetings

Local residents seeking quality dining experiences

Competitive analysis indicates that while there are several lodging options in the area, ZHONGMIN HUIGUAN aims to differentiate itself through exceptional service, cultural authenticity, and modern facilities through personal selling by visiting buyers' office, using websites for advertisements and seeking market using mass media.

9.0 Competitive edge

In this industry, the primary way to compete is through cost leadership hence offering fair price than competitors, better project management or providing services in a way that other providers are not able to provide such best quality products timely supply and building good customer relationship.

ZHONGMIN HUIGUAN has a unique competitive edge as compared to most of its competitors with a number of key comparative advantages as follows;

- Cost leadership through use of well-trained manager and other competent staffs
- Knowledge on perceived products demand through its network in and outside Tanzania, hence supplying product that meet users' perceived demand.
- Presence of good network with of consumers in Tanzania and outside the country than any other product distributors.
- Knowledge on competitors' strategies and practice hence being able to outplay them in distribution market.

10.0 Marketing strategy

ZHONGMIN HUIGUAN plan to market its best quality in various ways. Our marketing strategy will focus on:

1. Online presence through a user-friendly website and social media platforms.
2. Partnerships with travel agencies and tour operators.
3. Participation in local and international travel exhibitions.
4. Loyalty programs and promotions to retain customers.

Sales channels will include direct bookings, online travel agencies (OTAs), and corporate partnerships.

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10.1 Sales Strategy

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After attaining customers through our marketing strategy, customers will seek and be provided with detailed quotation in which on acceptance customer can place orders ,the quotation will state quantity, time of supply, price and terms of payments.

10.2 Sales forecast

Sales forecast is based on conservative estimates and we are expecting sales to be low at start up and slowly growing up with 10% annual growth rate.

11.0 MANAGEMENT SUMMARY

11.1 Personnel Plan

The management of the project will comprise of four staff as follows.

S/N	POSITION	PAYMENT TYPE	AMOUNT TZS	PERIOD
1	Managing director	Gross pay	2,000,000.00	Per Month
2	Cashier	Gross pay	1,500,000.00	Per Month
3	Finance and Administration Manager	Gross pay	1,000,000.00	Per Month
4	Human Resource Manager	Gross pay	800,000.00	Per Month
5	Translator and interpreter	Gross pay	1,000,000.00	Per month
	TOTAL STAFF COST		6,300,000.00	Per month

11.3 Distribution plan

The distribution process will rely on the following distribution channel

1. Mufindi – Customers
2. Iringa – Customers
3. Tanzania–Customers
4. International –Customers

11.4 Operations Plan

Location:
Mufindi Kinyanambo A, Tanzania

Facilities:

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Renovated buildings to ensure comfort and safety

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Modern kitchen and dining areas

Maintenance and cleaning protocols to uphold hygiene standards.

The summary of distribution channel, estimated sales is given in a table below;

MARKET AREA	LODGE	COST@PERSON	TOTAL
	MEAL		
Local	4800	50000	240000000
International	2700	150000	405000000
TOTAL	7500		645000000

12.0 FINANCIAL PLAN

The following sections set out financial projections for the project for the first three years of operation.

THE PROJECTION REPRESENTS ESTIMATES OF REVENUES, EXPENSES AND GROWTH DUE TO DIFFERENT FACTORS.

PROFORMA STATEMENT OF PROFIT AND LOSS FOR THE PROJECT					
Details		Year 1 TZS	Year 2 TZS	Year 3 TZS	
Sales		1,538,028,169	1,691,830,986	1,861,014,085	
	Less: Cost of Sales				
Opening stock		-	2,333,333	2,566,667	
Add: Purchase Cost		700,000,000	770,000,000	847,000,000	
Less: Closing stock		2,333,333	2,566,667	2,823,333	
Total cost of sales		697,666,667	769,766,667	846,743,333	
Gross Profit		838,028,169	921,830,986	1,014,014,085	
Gross Margin		54%	54%	54%	
	Operating expenses				
Fuel		21,000,000	23,100,000	25,410,000	
Salaries		38,400,000	41,088,000	43,964,160	
Repairs and Maintenance		51,000,000	54,570,000	58,389,900	

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Machinery repairs		41,517,600		31,467,288		33,868,391
Depreciation		103,794,000		78,668,220		84,670,979
Distribution cost		441,197,183		485,316,901		533,848,592
Wages		120,000,000		120,000,000		120,000,000
Total Operating expenses		816,908,783		834,210,409		900,152,022
Profit before tax (PBT)		21,119,386		87,620,577		113,862,063
Tax estimate		6,335,816		26,286,173		34,158,619
Net Profit for the year		14,783,570		61,334,404		79,703,444
Net profit margin		1%		4%		4%

PROFORMA STATEMENT OF FINANCIAL POSITION FOR THE PROJECT			
Details	Year 1 TZS	Year 2 TZS	Year 3 TZS
FIXED ASSETS			
Plant & Machinery	300,000,000	225,000,000	243,750,000
Computer Equipment	756,000	476,280	300,056
Furniture & Fittings	1,050,000	661,500	416,745
Buildings	57,000,000	54,000,000	51,000,000
Total Assets	358,806,000	280,137,780	295,466,801
CURRENT ASSETS			
Cash	164,980,053	324,699,700	396,689,902
Inventories	2,333,333	2,566,667	2,823,333
Total Current Assets	167,313,386	327,266,367	399,513,235
TOTAL ASSETS	526,119,386	607,404,147	694,980,037
EQUITY AND LIABILITIES			
EQUITY			
Accumulated capital	505,000,000	519,783,570	581,117,974
Retained Earnings	14,783,570	61,334,404	79,703,444
Total Equity	519,783,570	581,117,974	660,821,418
CURRENT LIABILITIES			
Account payable	6,335,816	26,286,173	34,158,619
Total Current Liabilities	6,335,816	26,286,173	34,158,619
TOTAL EQUITY AND LIABILITIES	526,119,386	607,404,147	694,980,037

PROJECTED CASH FLOW STATEMENT FOR THE PROJECT			
Details	Year 1	Year 2	Year 3
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	21,119,386	87,620,577	113,862,063
W/Capital Adjustments			
(Increase)/ Decrease in Inventories	(2,333,333)	(233,333)	(256,667)
Add:Non Cash items	103,794,000	78,668,220	84,670,979

Cash inflow from operating activities	122,580,053	166,055,463	198,276,375
Less tax paid		(6,335,816)	(26,286,173)
Net inflow from operating activities	122,580,053	159,719,647	171,990,202
CASH FLOW FROM FINANCING ACTIVITIES			
Capital injection	505,000,000	-	-
Net inflow from financing activities	505,000,000	-	-
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of fixed assets	(462,600,000)		(100,000,000)
Net Cash inflow from investment activities	(462,600,000)	-	(100,000,000)
Total net cash inflow for the year	164,980,053	159,719,647	71,990,202
Add: Opening balance cash & Cash equivalent	-	164,980,053	324,699,700
Total cash and cash equivalent at close	164,980,053	324,699,700	396,689,902

13.0 VIABILITY OF THE PROJECT

The project has lower average Net profit margin of 1%. However, the project is viable as it results to positive NPV as illustrated below. Therefore, **ZHONGMIN HUIGUAN Company Limited** should implement the project.

13.1 Present Value Analysis

DETAILS	NOW	YEARS		
		2022	2023	2024
CAPITAL	505,000,000	505,000,000	519,783,570	581,117,974
NET PROFIT		14,783,570	61,334,404	79,703,444
TOTAL EQUITY	505,000,000	519,783,570	581,117,974	660,821,418
DISCOUNT FACTORS	1	0.92	0.84	0.77
PV	505,000,000	476,865,661	489,115,372	510,275,382
% gain		-6%	3%	4%
NPV	5,275,382.05			

14.0 CONCLUSION

Technical analysis of this business shows that it is financially viable and justifiable economically. Through this business the creating of employment will be emerged and improve the living standard of the community. The business will enable the Government to earn taxes for the development of the country. The financial aspect revealed that the business is profitable in turn to the generation of income to meet demands including the current

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and long-term liabilities. Thought the profit and inflow of cash the business will grow and expand to the medium level.

Prepared By:

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Expert

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