

BUSINES PLAN 2025

HUAYUAN INVESTMENT

COMPANY

LIMITED

**PROJECT NAME: PLASTIC PRODUCTS
AND MANUFACTURERS**

DATED: 20th day of August 2025

PREPARED BY: HUAYUAN INVESTMENT COMPANY LIMITED

DAR ES SALAAM - TANZANIA

HUAYUAN INVESTMENT COMPANY LIMITED

INCORPORATION NO. 186625897

INDUSTRIAL OVERVIEW

Tanzania's construction market is expanding rapidly. Market research projects the sector to reach roughly USD 10.7 billion by 2025, growing to about USD 17.4 billion by 2030. This growth is driven by robust public infrastructure spending and rising urban housing demand

Huayuan Investment Co. Ltd together with Plastic products & manufacturers Project, a Tanga –based hardware manufacturer and building materials supplier, will capitalize on this trend by expanding its distribution network and product range. In the short term, the company will strengthen its Dar es Salaam distribution channels and city branches, targeting both individual homebuilders and small-to-medium contractors. In the long term, Huayuan Inv. co. ltd aims to become a leading supplier for large government projects (roads, railways, housing) and to establish local manufacturing facilities for key materials, aligning with Tanzania's industrialization goals As a result, the company expects strong revenue growth in line with the industry's 7–10% annual expansion.

TRENDS

Supply Expansion & Local Production Growth; Cement supply is primarily domestic, with leading manufacturers such as Twiga, Simba, Dangote, and Nyati. Tanzania remains relatively self-sufficient in cement supply also Tanzania has become a net exporter of steel, thanks to a surge in domestic production capacity (about 1.2 million tones/year vs local demand of 600,000 tones), largely driven by Chinese investments. Tanzania's steel manufacturing industry production capacity has recently bypassed local demand making Tanzania a net exporter.

Transport Infrastructure Enhancing Material Distribution; Major logistics projects are significantly boosting supply chain efficiency. The Tanzania Standard Gauge Railway (SGR) expansion (e.g., Tanga–Musoma, Kaliua–Karema, Isaka–Rusumo) will improve inland connectivity, facilitating movement of heavy materials like cement, steel and aggregates. The newly completed Kigongo–Busisi (Magufuli) Bridge enhances regional road access, slashing crossing times and easing materials transit. These developments are poised to reduce logistics costs and bottlenecks, especially in previously underserved regions.

Government Policy & Incentives; The government has put into place Value Added Tax waivers on aluminum and select building materials to reduce input costs for local manufacturers and suppliers. Moreover, the government's push toward Public–Private Partnerships (PPPs) and easing of procedural barriers has mobilized infrastructure development, indirectly supporting the materials supply corridor. These policy measures are creating a more enabling environment for suppliers.

Supply Chain Innovations & Material Trends; Prefabricated building components are witnessing rapid adoption, with the sector expected to grow from ~TZS 1.16 trillion (2024) to ~TZS 1.89 trillion by 2029. Green and sustainable materials are gaining traction, especially in hardware retail segment driven by rising consumer environmental awareness and regulatory encouragement. While not yet widespread, digital supply-chain management holds future potential for enhancing traceability and efficiency in materials supply

CHALLENGES

- Price volatility remains a concern, with fluctuations in cement and steel prices due to global disruptions and logistics constraints. Early batching and index-linked contracts are common responses.
- Skill shortages in supply chain management and logistics hinder operational efficiency, especially for smaller suppliers.
- Import dependency for equipment and some materials increases costs and risks. As infrastructure improves and local mining expands (e.g., Liganga coal/iron projects), this reliance may decrease.

Overall, the construction sector in Tanzania offers many opportunities for growth and development, but also presents challenges that need to be addressed. With careful planning and execution, the sector has the potential to make a significant contribution to the country's economic development.

COMPANY AND PROJECT DISCRPTION.

- **Company Name:** HUAYUAN INVESTMENT COMPANY LIMITED
- **Project name:** Plastic Products and Manufacturers.
- **Location:** Dar es Salaam, Kinondoni Makumbusho and Tanga City, Gofuchini Industrial Area, Plot No. 157.
- **Ownership:** Privately owned (no external investors at present)
- **Nature of Business:** Importation, distribution, and retail of building and construction materials.
- **Core Values:** Reliability, Integrity, Quality and Affordability

EXECUTIVE SUMMARY

Huayuan Investment Company Limited is owned by Mr. ZHANG JINXIANG, and Mr. ZHANG JIAHUA both are shareholders and also company directors. The company is a liability company register under the law of United Republic of Tanzania. Main activity is Supply of building Materials business based in Tanzania, intends to initiate a project namely PLASTIC PRODUCTS & MANUFACTURERS in Tanga Region.

VISION; our vision is to become a trusted and reliable one-stop supplier and producer of quality building materials in Tanzania. As a company our target is to become the preferred supplier and hardware manufacturing company here in Tanzania and also be amongst the top 10 suppliers in the United Republic of Tanzania by 2025. To ensure that we achieve this vision and, we intend to ensure that we build the best business structure by taking to consideration there following stratagies.

Place of Business; our place of business is strategically located at Dar es Salaam and Tanga. That Tanga being a place of manufacturing various Plastic hardware and Dar es Salaam being a Centre for supplying these products. These two locations are convenience for our various customers in easily locating us to make enquiries and purchase from us. Also, our online presence makes it quite easy for those who love shopping online to locate us, not only are we located on top of various search engines, we also respond promptly to any online enquiries.

Products; our products are of high quality and its durability is undeniable in the market, this is because we procure quality raw materials from our suppliers taking into account, satisfaction of our customers.

Management Structure and operation; Our management team is the best that can be found as we carefully sourced for those who not only had an understanding of the industry, but who also believe in our core values and are willing to work to ensure we reached our attained height.

MISSION; our mission is to provide affordable, high-quality building materials and excellent customer service, while supporting Tanzania's construction and infrastructure growth."

OBJECTIVES AND GOALS;

- Achieve monthly sales of Two hundred million (TZS 200,000,000) within the first year.
- Secure long-term supply contracts with at least 20 retailers, contractors and developers.
- Expand operations to two additional regions within 5 years
- Long-term goal is to become a leading supplier to government construction projects and develop local manufacturing facilities for key building materials.

With Tanzania's construction industry projected to grow 7–10% annually, driven by infrastructure projects and housing demand, the company is well positioned for growth.

PRODUCTS AND SERVICES

Core Products that are to be manufactured and imported.

- Cement & aggregates (sand, gravel, concrete blocks)
- Steel bar & roofing materials (rebar, beams, roofing sheets, metal products)
- Plumbing & electrical supplies (pipes, fittings, cables, switches)
- Wood & timber products
- Finishing products (paint, tiles, adhesives, sealants)
- Tools & hardware (hand tools, power tools, fasteners)
- Pvc pipes and fittings
- Plastic roofing sheets
- Plastic tiles and panel
- Window frames
- Water storage tanks

- Plastic switch boxes, sockets and casing
- Cable management systems.

However, instead of just producing and providing core products to our customers, we intend to add other services in order to gain more customers while also creating multiple sources of income. Our aim is to make profit as we legally can and as is permissible under the laws of the United Republic of Tanzania. Therefore, some of the services and products we intend to offer are;

- Transportation/delivery services for bulk buyers
- Custom manufacturing (branding, size and specification)
- Plastic recycling collection points.
- Bulk discounts for contractors
- Technical guidance for customers on material selection
- Short –term credit facilities for trusted clients

Our Business Structure

Having the right business structure is very important to us as a business, because we know that getting the business structure right will set us on the right path towards attaining success as an organization. It is for this reason that we would source for and hire only the best employees that will help take our vision from where we are to where we intend to be.

We know how important it is to have the right management team that not only understands the core values of the company but also have the right knowledge and expertise to enable the company achieve its goals and objectives.

We are willing to pay all our employees well and also ensure that they are adequately trained so that they are able to handle the various responsibilities that would be assigned to them through our different sales and products offering. The training would also give them enhanced skills as well as increase their productivity for the overall benefit of the company. Therefore, below is the business structure we intend to build at Plastic Products and Manufacturers Project.

- Chief Executive Officer
- Project Manager
- Human Resource and Administration Manager
- Operational Manager
- Finance manager
- Procurement officer
- Marketing executive
- Support staff

SWOT ANALYSIS

The **SWOT** (*Strength, Weakness, Opportunities and Threats*) analysis is usually a method that is used to evaluate the chances of a business' survival. It is a necessary tool used to help the business understand and also carry out the best decisions on behalf of the organization.

In conducting a thorough analysis on our chances in manufacturing and supply of plastic hardware business, we hired a reputable business consultant who understands the business thoroughly and would evaluate our strengths and opportunities and use it to determine if they were worth more than our threats and weaknesses.

Below is the result from the SWOT analysis that was conducted on behalf of Yuayuan Investment Company limited and Plastic Product & Manufacturers;

- **Strengths**

We have several strengths in our advantage and one of such is that we have competent employees that know how to handle market demand and also how to anticipate customer's needs, which is what our customers love most about us. Also, the fact that we can be found online and are actually responsive to enquiries and requests is one of our strengths.

- **Weaknesses**

The fact that many businesses are into importation hardware products is a huge weakness for us as this would mean we would need to intensify efforts to get a good share of the target market that is already saturated. We however have strategies in place that would enable us make a huge impression on the public.

- **Opportunities**

The opportunities that abound to us in this industry stem from wholesaler and retailers who will be looking toward purchasing our equipments, thereby causing an increase in our revenue. There are also loads of people looking for advices on what equipment is best for use and whether they should purchase the one manufactured by us locally or use imported ones from us; these are opportunities we intend to use to our full advantage.

- **Threats**

The threats we are likely to experience in this industry are from the arrival of new competitors who might be looking to grab a share of our target market by offering cheaper prices than what we were offering. Also, another threat we are likely to face is in having an economic downturn which will affect the rate customers purchasing from us.

However, every business knows that it is likely to encounter threats during the start and running of the business and as a serious business we are fully prepared to handle every threat.

TARGET MARKET

- **Retail customers:** Individual home builders and walk-in buyers.
- **Wholesale customers:** Contractors, hardware stores, real estate developers.
- **Government projects:** Long-term target for major supply contracts.

HUAYUAN's Plastic Products& Manufacturers competitive advantage will be:

- Reliable raw material supply chain (large inventory)
- Competitive pricing (bulk manufacturing + efficient logistics)
- Customer-focused service (delivery, technical support)

- Recycling integration

MARKETING & SALES STRATEGY

- **Brand Positioning:** Affordable, reliable, and high-quality supplier.
- **Sales Channels:**
 - Retail outlets in Dar es Salaam and later other cities
 - Wholesale distribution to contractors and dealers
 - Online marketing (website, WhatsApp Business, social media)
- **Promotions:** Discounts for bulk buyers, seasonal offers, loyalty programs.
- **Customer Relationships:** Dedicated account managers for contractors, after-sales support, and guaranteed delivery timelines.
- **Publicity and Advertising Strategy; use digital platforms (website, social media and WhatsApp Ordering system).**

OPERATIONS PLAN

- **Factor setup:** medium-scale plant with extrusion and injection molding machines..
- **Distribution:** dealers, wholesalers, hardware outlet and direct institutional contracts.
- **Suppliers:** importers of virgin plastic resin, and local recycling firms
- **Staffing Needs:**
 - Project Manager
 - Procurement & Logistics Officer
 - Sales & Marketing Team
 - factory staff & drivers
 - Finance & Administration Officer

PROJECT REVENUE & PROFIT (5 YEARS)

Initial Capital: 500,000,000 TZS (100% Equity)

Currency: Tanzania Shillings (TZS)

1. INVESTMENT BREAKDOWN

The initial capital of 500,000,000 TZS is allocated as follows:

Category	Amount (TZS)	Percentage
Machinery & Equipment	250,000,000	50%
Facility Construction	100,000,000	20%
Working Capital (Inventory, Receivables)	80,000,000	16%
Technology & Software	40,000,000	8%
Licensing & Permits	20,000,000	4%
Contingency Reserve	10,000,000	2%
Total	500,000,000	100%

Notes:

- Machinery includes injection molding machines, extruders, and assembly tools.
- Working capital covers 3 months of raw materials and finished goods inventory.
- Contingency reserve accounts for unforeseen expenses (e.g., inflation, supply chain delays).

2. FINANCIAL PLAN

Key Assumptions:

- Revenue Growth: 25% annually (driven by demand for plastic hardware in construction and agriculture).
- COGS (Cost of Goods Sold): 55% of revenue (raw materials, labor, utilities).
- Operating Expenses:
 - Fixed: 30,000,000 TZS/year (salaries, rent, maintenance).
 - Variable: 10% of revenue (marketing, distribution).
- Depreciation: Straight-line over 10 years (Machinery: 25M/year; Facility: 10M/year).
- Tax Rate: 30% (Tanzania corporate tax).
- No Debt: 100% equity financing.

Projected Income Statement (TZS):

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	300,000,000	375,000,000	468,750,000	585,937,500	732,421,875
COGS (55%)	(165,000,000)	(206,250,000)	(257,812,500)	(322,265,625)	(402,832,031)
Gross Profit	135,000,000	168,750,000	210,937,500	263,671,875	329,589,844
Operating Expenses:					
- Fixed (30M)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
-Variable (10% of Revenue)	(30,000,000)	(37,500,000)	(46,875,000)	(58,593,750)	(73,242,188)
Total Operating Expenses	(60,000,000)	(67,500,000)	(76,875,000)	(88,593,750)	(103,242,188)
EBITDA	75,000,000	101,250,000	134,062,500	175,078,125	226,347,656
Depreciation	(35,000,000)	(35,000,000)	(35,000,000)	(35,000,000)	(35,000,000)
EBIT	40,000,000	66,250,000	99,062,500	140,078,125	191,347,656
Taxes (30%)	(12,000,000)	(19,875,000)	(29,718,750)	(42,023,438)	(57,404,297)
Net Income	28,000,000	46,375,000	69,343,750	98,054,688	133,943,359

PROJECTED CASH FLOW STATEMENT (TZS):

Item	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Activities:						
Net Income	-	28,000,000	46,375,000	69,343,750	98,054,688	133,943,359
+ Depreciation	-	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000

Net Cash from Ops	-	63,000,000	81,375,000	104,343,750	133,054,688	168,943,359
Investing Activities:	-	-	-	-	-	-
Initial Investment	(500,000,000)	-	-	-	-	-
Net Cash from Inv	(500,000,000)	-	-	-	-	-
Financing Activities:						
Equity Injection	500,000,000	-	-	-	-	-
Net Cash from Fin	500,000,000	-	-	-	-	-
Net Cash Flow	0	63,000,000	81,375,000	104,343,750	133,054,688	168,943,359
Cumulative Cash Flow	0	63,000,000	144,375,000	248,718,750	381,773,438	550,716,797

3. FINANCIAL BREAK-EVEN ANALYSIS

Accounting Break-Even (Annual):

- **Fixed Costs:**
 - Operating Fixed Costs: 30,000,000 TZS
 - Depreciation: 35,000,000 TZS
 - Total Fixed Costs: 65,000,000 TZS/year
- Contribution Margin Ratio:
 - Revenue: 100%
 - Variable Costs (COGS + Variable OpEx): 55% + 10% = 65%
 - Contribution Margin: 35%
- Break-Even Revenue:

Break Even Revenue=Contribution Margin RatioTotal Fixed Costs=0.3565,000,000
=185,714,286 TZS

Cash Break-Even (Annual):

- Cash Fixed Costs: Operating Fixed Costs (30,000,000 TZS)
- Cash Break-Even Revenue:Cash Break-Even Revenue=0.3530,000,000
=85,714,286 TZS

Payback Period:

- Initial Investment: 500,000,000 TZS
- Cumulative Cash Flow:
 - Year 1: 63,000,000 TZS
 - Year 2: 144,375,000 TZS
 - Year 3: 248,718,750 TZS
 - Year 4: 381,773,438 TZS (exceeds 500M)
- Payback
Calculation:Payback Period=3+381,773,438-248,718,750500,000,000-248,718,750
=3+133,054,688251,281,250=3.9 years

Break-Even Summary Table:

Metric	Value	Interpretation
Accounting Break-Even	185,714,286 TZS	Minimum annual revenue to cover all costs.
Cash Break-Even	85,714,286 TZS	Minimum revenue to avoid cash loss.

Payback Period	3.9 years	Time to recover initial investment.
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SUMMARY

- Profitability: Net income grows from 28M TZS (Year 1) to 134M TZS (Year 5) due to economies of scale and revenue growth.
- Liquidity: Positive operating cash flows from Year 1 ensure solvency.
- Break-Even: Project exceeds accounting break-even in Year 1 (300M TZS revenue > 185.7M TZS) and recovers investment by Year 4.
- Risks: Inflation, raw material price volatility, and competition may impact margins. Mitigation: Long-term supplier contracts and product diversification.

LEGAL AND ADMINISTRATIVE

This category will include the following activities:

1. Register business name with BRELA
2. Obtain liability and equipment insurance
3. Comply with OSHA and local safety standards
4. Acquire appropriate business and equipment permits

CONCLUSION.

HUAYUAN INVESTMENT COMPANY LIMITED is strategically positioned in Dar es Salaam and Tanga to take advantage of Tanzania's booming construction sector. With a clear short-term focus on distribution and retail and a long-term plan to manufacture locally and supply government projects, the business offers strong growth potential and financial sustainability.

