

HENGQU INVESTMENT GROUP LIMITED

BUSINESS PLAN

Dar Es Salaam, District Kinondoni, Ward Msasani, Postal
code 14111, China Garden near Care Plus Hospital

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BUSINESS PLAN

HENGQU INVESTMENT GROUP LIMITED

Business Profile

A. Executive Summary

1. Company & Project concept

HENGQU INVESTMENT GROUP LIMITED is a limited liability Company incorporated in Tanzania under the Company Act. The Company was incorporated on 02/07/2025 and bears a Certificate of Incorporation number **186453948**. The Company implements a project which is under the Transportation Sector in Tanzania.

HENGQU INVESTMENT GROUP LIMITED will be located at Dar es Salaam Tanzania. The outreach Office is located at Dar Es Salaam, Kinondoni, Msasani at China Garden near Care Plus Hospital. Our goals and objectives are straightforward and seek to ensure we run a professional, profitable, and ethical company, building relationships with customers, suppliers and investors. **HENGQU INVESTMENT GROUP LIMITED** aims to become one of the leading cargo transporters in Tanzania.

2. Company Goals and Objectives:

In Summary **HENGQU INVESTMENT GROUP LIMITED** aims to:-

- carry business on logistics in general includes road transportation of ports cargo, goods, materials, crops also operate and manage heavy trucks, buses.
- prepare and implement human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involvement.
- Build relationships with investors in the Transportation Sector.
- carry on activities connected with transport business with store houses, godown, warehouse and other buildings for the housing and repairs of trucks , lorries , motor cars and minibus and for storage of fuel and other oils required for the working of the said vehicles and maintaining garages.

- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- carry business on the business, ship-owner, ship brokers, ship agents, ship underwriters, ship manager, tug- owner, freight brokers, freight contractors, carriers of good and passengers by land, air, and water transport haulage and general contractors, barge owners.
- To carry on the business of general carriers and forwarding agents, warehouse men, bonded warehouse men, carriers, travel and freight agents and messages and to acquire all necessary licenses.
- To provide a one- stop solution covering the entire spectrum of Transportation.

3. Purpose of Business Plan

This document is prepared to the serve the purpose as a business plan report for **HENGQU INVESTMENT GROUP LIMITED** for investment in Freight Transportation in the United Republic of Tanzania.

4. The project promoter

The project will be managed and operated by **HENGQU INVESTMENT GROUP LIMITED** which is owned by private individuals with the following shareholders percentages distribution is listed below;

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
WU JIAOLONG	Chinese	55%
ZHOU YIFAN	Chinese	5%

5. Intended investment Amount:

The investment amount is Tanzania Shillings Five Billion only (TZS 5,000,000,000 /=).

6. Company Legality

The legal certificates, and documents such as Memorandum and Article of Association, Certificate of Incorporation and Tax Identification Number, justify that **HENGQU INVESTMENT GROUP LIMITED** is operating within the ambit of the law of the Land.

7. Project Organization Structure

The management of **HENGQU INVESTMENT GROUP LIMITED** is constituted by the following organization set up, the Board of Directors, who are responsible on the supervision on the entire operations of the Company.

8. Investment Structure

The project is estimated to cost a total approximation of Tanzania Shillings Five Billion only (TZS 5,000,000,000 /=-). which will increase from time to time. The money will cover working Capital, truck importation and other company expenses. However, the financial policy of the Company state that the profits generated will be re-invested.

B. Statement of Purpose

This Profile is drawn for the purpose of commencement of the business and application for the certificate of incentives from the Tanzania Investment and Special Economic Zones Authority (TISEZA)

C. Purpose of Investment

This document is prepared to the serve the purpose as a feasibility study for **HENGQU INVESTMENT GROUP LIMITED** on the establishment of a transportation company in the United Republic of Tanzania.

D. Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Provide freight transportation services in Tanzania, East Africa and the whole of Africa.
- Increase direct employment opportunities.
- Direct Domestic investment of more than USD 500,000 within 2025 -2029.
- Increase tax contribution to the government
- Generate foreign currency.

E. Mission and Vision

The company vision is to be one of the leading companies in Freight Transportation by road in Tanzania for local markets and export purposes.

F. Operations

The project will be managed and operated by **HENGQU INVESTMENT GROUP LIMITED**. The Company is finalizing acquisition of operation permits to start the implementation of the freight

transportation by road project. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

G. Project Location

The project shall be located at Kinondoni Area.

H. Postal Address

**HENGQU INVESTMENT GROUP LIMITED,
P.O. Box 3548,
Dar es Salaam**

I. Transportation Industry

a. Transportation Industry in Tanzania

Tanzania's transport sector contributed 8.1% to the country's real GDP in 2018 with USD 3.8 billion, compared to USD 2.8 billion in 2014, representing an increase of 33%. Main growth drivers include the increase in the number of passengers carried and freight handled through road transport.

According to Tanzania's Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority.

b. Freight Transportation in Tanzania

Freight mainly consists of transit to and from Dar es Salaam. There are believed to be about 60 private Tanzanian companies operating in this sector. They tend to use high-capacity trucks and have typical fleet sizes of between 10 to 30 vehicles.

c. Project Justification

The proposed project is under management of **HENGQU INVESTMENT GROUP LIMITED** and is in line with Tanzania Government efforts in attempt to revamp that transportation sector. This also has been complemented by the fact that the government is making a critical effort in improving the transportation sector, by implementing road construction projects with ultimate aim of improving business environment for Freight Transportation Companies.

Regarding the initiative undertaken by **HENGQU INVESTMENT GROUP LIMITED**, is justified by the following facts: -

- The Company have a special invested interest in the freight transportation industry therefore, the establishment of a freight transportation company.
- The involvement of the company in the transportation sector will boost and at the same time strengthen the freight transportation sector in Tanzania. The Company's marketing strategy and intention is to have a wide customer base both locally and internationally which focuses on solving private and public companies' logistics issues.

d. Social and Economic Impact of the Project

The proposed project will result into the following social and economic impacts:

- Improve and increase the freight transportation of cargo within and outside the United Republic of Tanzania.
- Increased competitiveness among local freight forwarding markets and export markets in Tanzania.
- The project will provide employment for people in Tanzania and training the employees to further their knowledge on the industry.
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

J. Industry Analysis

a. Sales Literature, Sourcing and Technology

i. Sales Literature

The company shall use different materials and training courses about their services to customers including but not limited to specification sheets, brochures, catalogs, and other materials.

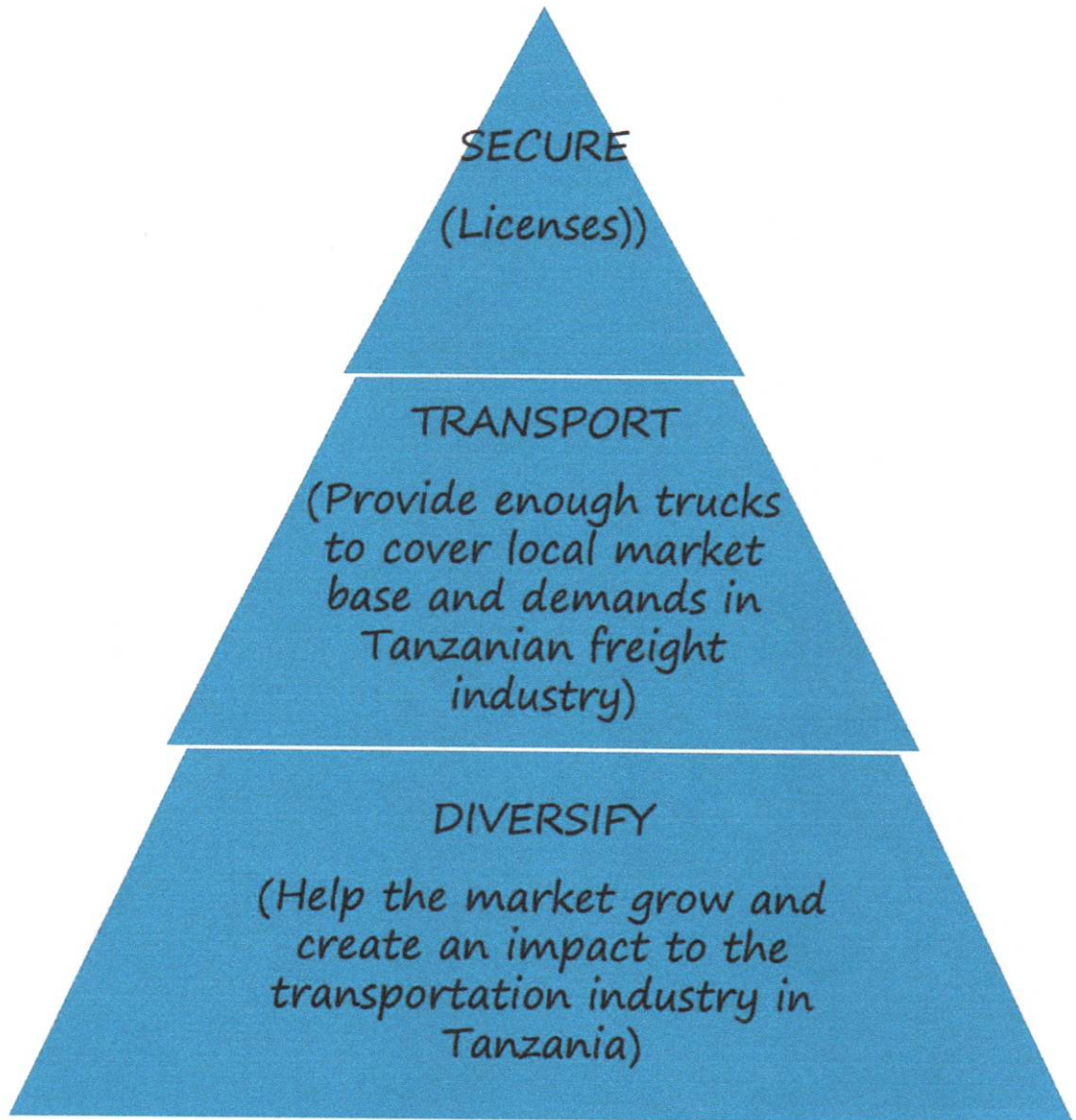
ii. Technology

The company aims to import trucks and trailers from China with various Models which have the capacity to transport large loads expeditiously and safely.

iii. Future Services

The company aims to broaden the business by engaging in other businesses in the future such as clearing and forwarding and increasing more profit. The services will be provided in Tanzania and shall target to provide the same port to customers in the neighboring countries including Kenya, Uganda and whole of Africa.

Strategy Pyramid



K. Competitive Edge

The Company will have a rather bigger advantage from their competition due to the following reasons:

- The trucks used by the company will be advanced and with higher capacity compared to the competitors.
- Most Logistics companies provide services at a very high price and whereas the company will provide services at a much affordable price.
- The opening of Tanzania for international investment will create a huge demand for freight transportation which will create a huge market for the company and ensure the return of investment in a short period of time.

L. Opportunity Drivers

a. Increased demand for transportation activities

Tanzania now is witnessing the increase in freight transportation due to increased demands and better facilities, i.e., roads and connecting lines. Despite that Tanzania has also executed several international agreements e.g., the recently established industrial park which creates more opportunities for the transportation sector.

b. Uniqueness location of the project

HENGQU INVESTMENT GROUP LIMITED project will be one of the freight transporters, located in Dar Es Salaam, Tanzania. The location of this project provides an opportunity to HENGQU INVESTMENT GROUP LIMITED to capture easily the market around Dar es Salaam Region and other parts of Tanzania.

(i) Government Policy

The Government of Tanzania has made the policy that intends to improve and promote the freight transportation industry locally and across borders.

(ii) Government Incentives package

The Government has enacted laws that offer reasonable incentives, for example removal of taxes on some importations and deferment.

c. Analysis of Strengths, Weaknesses, Opportunity and Threats

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<p>Strengths</p> <ul style="list-style-type: none"> • Availability of Markets • Connection to stakeholders • Access to reliable high technology such as GPS tracking 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Capital Injection
<p>Opportunities</p> <ul style="list-style-type: none"> • Good government suitable facilitative policy. • Government development of the Sectors and huge demand of services. 	<p>Threats</p> <ul style="list-style-type: none"> • Unawareness of the new entrants in the industry in the same location • Increment of inflation • Presence of untrustworthy freight

The company has prepared for the action plans by doing the following:

- The company will employ qualified people to conduct the marketing of the product.

M. Marketing Information

a. Marketing Strategy

i. Overview

The success of **HENGQU INVESTMENT GROUP LIMITED** will be achieved by providing high quality services, providing friendly service, and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just freight transportation services to make **HENGQU INVESTMENT GROUP LIMITED** successful. **HENGQU INVESTMENT GROUP LIMITED** will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts. Management will endeavor to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels

and sales promotions. The following exemplifies some of the tactics we will use to drive more sales and distribution.

ii. **Customer Database**

HENGQU INVESTMENT GROUP LIMITED will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; discounts; etc. The database will be gathered and maintained in the system. **HENGQU INVESTMENT GROUP LIMITED** will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' signup book with promotional signage; promotion; etc.

iii. **Advertising**

HENGQU INVESTMENT GROUP LIMITED will adopt an aggressive advertising strategy. **HENGQU INVESTMENT GROUP LIMITED** will process outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure. **HENGQU INVESTMENT GROUP LIMITED** will utilize both traditional non-traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy **HENGQU INVESTMENT GROUP LIMITED** will adopt towards the use of traditional advertising such as radio, newspaper, billboards, or television.

iv. **Costing and Pricing**

The cost and pricing are done by the management of **HENGQU INVESTMENT GROUP LIMITED**. The cost takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time, i.e., they are business-oriented personnel and thus they are competent to ensure the project is implemented with maintainable costs and attractive profits.

v. **Customers**

HENGQU INVESTMENT GROUP LIMITED is targeting to all regions in Tanzania and whole of East Africa specifically targeting the companies, businesses and individual customers.

As has been explained in preamble chapters, **HENGQU INVESTMENT GROUP LIMITED** will set project which will be indulging in Freight Transportation business.

vi. **Marketing Plan**

The company has both short-term and long-term marketing plan:

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The short-term marketing plan includes:

- Building sustainable long-term relationship relationships with customers, suppliers, and investors.
- Training of sales staff sales, and Marketing.

Long Term Plans includes:

- Join the network of transportation companies to market to exploit more business opportunities.
- Investing in Market Research and Development

N. Management & Administration

a. Management

The management team of **HENGQU INVESTMENT GROUP LIMITED** planned to be constituted by the following management team: -

i. Board of Directors

HENGQU INVESTMENT GROUP LIMITED will be managed by the board of Directors which is the apex body for strategic decision making of the project in line with the resolutions from the shareholders.

ii. Accountant

An internal accountant will be employed to work with the existing external accountant who is expected to have good experience in accounting system as well as he will be responsible in managing cash of **HENGQU INVESTMENT GROUP LIMITED** but also keeping books of accounts properly.

iii. Management Agreements

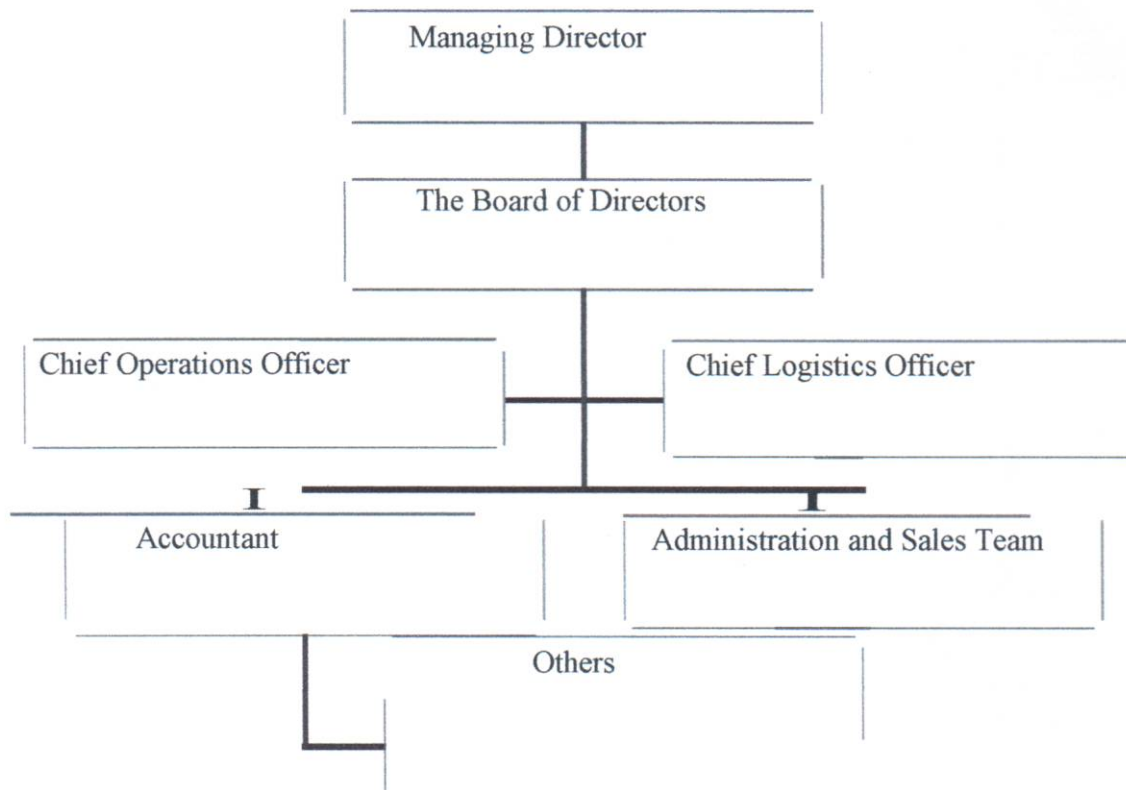
Management Agreements will be executed between **HENGQU INVESTMENT GROUP LIMITED** and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

iv. Confidentiality Agreements

HENGQU INVESTMENT GROUP LIMITED will ensure that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our Freight Transportation, operating systems, policies, and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets and show our employees that we take our business seriously.

v. Organization Structure

The management of **HENGQU INVESTMENT GROUP LIMITED** is planning to have the following organization structure.



O. Job creation

The following table illustrates the forecasted job creation throughout the coming five years

Job Title /Year	2025	2026	2027	2028	2029	Total
Country Manager	1	0	0	0	0	1
Finance Manager	1	0	0	0	0	1
Office Manager	1	0	0	0	0	1
Sales Manager	1	0	0	0	0	1
Operations Manager	1	0	0	0	0	1
Drivers	17	2	2	2	2	25
Mechanical Technician	2	0	1	1	1	5
Grand Total	24	2	3	3	3	35

