

Jinquan Plastics East Africa Co., Ltd

Address: Plot No. 655, Kibaha, Coastal Region Business plan

1. Executive Summary

Jinquan Plastics East Africa Limited is a company registered in the United Republic of Tanzania. The company is owned by three shareholders, namely Zhiwei Dong, Ke Su and Feng Xu.

Intends to invest in the plastic products manufacturing industry in Tanzania. This business plan describes the investment in a plastic pipe production project that aims to generate revenue through the production and sale of plastic pipes, provide high-quality plastic pipe products for local infrastructure construction, agricultural irrigation, construction engineering and other fields, while promoting the development of Tanzania's plastic products manufacturing industry, creating jobs and promoting local economic growth.

The estimated investment cost is approximately Five hundred thousand dollars (\$500,000) and the funds will be addressed through shareholder contributions. The business is expected to break even in approximately two years, with an annual revenue target of Four million, one hundred seventy-six thousand dollars (\$4,176,000).

2. Objectives

2.1 Establish a standardized plastic pipe production base: complete plant construction, production line installation and commissioning in Tanzania to form a stable plastic pipe production capacity, covering water supply, drainage, agricultural irrigation and other types of pipeline products.

2.2 Achieve efficient market penetration: Occupy a certain share of the Tanzanian plastic pipe market within 2 years after production, become a competitive supplier in the region, and give priority to serving local infrastructure construction, agricultural projects and construction projects.

2.3 Achieve financial sustainability: Ensure that the project achieves break-even within 2 years, with a stable annual revenue of Four million, one hundred seventy-six thousand dollars (\$4,176,000), gradually forming sustained profitability and generating returns for shareholders.

3. Investment costs

3.1 The total investment cost is US\$500,000, which is allocated as follows:

3.1.1 Land lease: US\$90,000 for lease land.

3.1.2 Equipment purchase: \$210,000

3.1.3 Office equipment purchase: \$0.8

3.1.4 Labor cost: US\$112,000

3.1.5 Operating Expenses: US\$80,000

3.2 The project funds will all come from shareholders' contributions.

4. Employment

The project will create about 50 local jobs. These roles include security, warehouse management, equipment operator, office administration, and general maintenance. Local recruitment will be prioritized to contribute to the socio-economic development of the region and the whole country.

5. Procurement and materials

5.1 The procurement of project materials will be carried out in two ways:

5.1.1 Local procurement: Most of the materials required for infrastructure construction will be procured locally, including necessary building materials such as cement and bricks.

5.1.2 Imports: Some steel structures and special equipment that are not readily available locally will be imported from China.

6. Marketing plan

6.1 Focus on three core areas in Tanzania and neighboring countries in East Africa:

Infrastructure construction: municipal water supply and drainage projects, rural drinking water safety projects, urban pipe network renovation and other government and large contractor needs;
Agricultural irrigation: procurement of water-saving irrigation pipelines for small and medium-sized farms, as well as supporting supply for large-scale agricultural development projects;
Construction engineering: indoor and outdoor water supply and drainage pipelines for residential and commercial buildings, and special pipelines for industrial plants.

6.2 Customer development strategy: B-end customers are the main ones: establish long-term cooperation with large local construction companies and engineering contractors, and include them in their supplier lists; Connect with government departments and international aid agencies to participate in bidding; Develop regional distributors covering the markets of major cities in Tanzania (Dar es Salaam, Arusha, Mwanza, etc.) and neighboring countries (Kenya, Uganda, etc.).

6.3 Brand promotion: Participate in building materials exhibitions in East Africa (such as Tanzania International Building Materials Exhibition) to display product quality and specifications; Produce

multilingual promotional materials highlighting the advantages of product weathering, environmental friendliness and adaptation to the local climate; Collaborate with local industry associations, such as the Tanzania Builders Association, to host product presentations or technical exchange sessions.

6.4 Sales and service guarantee pricing strategy: Combined with cost and market conditions, adopt the positioning of "high-quality middle price", which is more competitive than European and American brands, and gradually reduce unit cost through large-scale production. After-sales support: Provide professional installation guidance, product quality warranty, and set up a local after-sales service team to quickly respond to customer maintenance or replacement needs.

6.5 Implementation timeline

The project will be executed on the following schedule:

6.5.1 Land leasing: Complete land lease and business license processing from May 2025 to early September 2025. simultaneously handle various approval documents such as business licenses and other approval documents required for the project to ensure compliance;

6.5.2 Infrastructure construction: From September 2025 to November 2025, including the installation of production workshops, warehouses, office areas, factory hardening and supporting facilities (water supply, power supply, fire protection systems);

6.5.3 Preparation for production and operation: From November 2025 to December 2025, production equipment (such as extruders, molds, etc.) will be installed and commissioned, and local employee recruitment and technical training (covering production operations, quality inspection, equipment maintenance, etc.) will be carried out simultaneously.

6.5.4 Full Business Operation: Begin full operation, expected in early 2026.

7. Financial projections

7.1 Revenue forecast: Based on the annual production capacity of plastic pipes (assuming a design capacity of 5,000 tons, calculated at 80% operating rate, the actual annual output is about 4,000 tons) and the average selling price (referring to the Tanzanian market, assuming an average price of 1,044 US dollars / ton), the annual revenue is calculated: Annual revenue target: 4,000 tons × \$1,044 / ton = \$4,176,000 (consistent with the target), the specific phases are as follows: 2026 (the first year of production): the first half of the year is the market expansion period, and the expected revenue is \$1.5 million; Capacity was released in the second half of the year, and revenue increased to \$2 million, for a total of \$3.5 million for the full year. 2027 (2nd year of full operation): 100% capacity utilization and stable annual revenue of \$4.176 million.

7.2 Cash flow: Positive cash flow is expected to begin immediately after production operations, with continued revenue generation through pipeline sales.

8. Risk assessment and mitigation measures

8.1 Despite the project's promising prospects, there are certain risks to consider, including:

8.1.1 Human resource risks: The project requires skilled workers with experience in PVC pipe production and sales personnel familiar with the local market, but Tanzania's reserve of relevant professionals is limited, and if recruitment is delayed or employee skills are not up to standard, it may lead to low production efficiency, unstable product quality, and even affect the progress of market expansion.

Mitigation measures: Start recruitment 3 months in advance, cooperate with local industry associations for targeted training, and send 1-2 senior technicians from China for on-site guidance for 6 months;

Establish a complete training system, covering production operations, quality inspection, sales skills, etc., and link training and assessment with salary to ensure that employees are quickly competent for their positions.

Formulate competitive compensation and benefits (such as providing accommodation and performance bonuses) to reduce the turnover rate of core employees and stabilize the team.

- 8.1.2 Market acceptance and competition risk: Tanzania already has mature plastic pipe brands, and new entrants to the market may face customer distrust of product quality; In addition, if competitors compete for customers by reducing prices and extending account periods, it may lead to insufficient orders in the initial stage of the project and affect the achievement of revenue targets.

Carry out small-scale trial sales before production, provide free samples to key customers (such as large construction companies, agricultural cooperatives) for testing, collect feedback and optimize products; Highlight differentiated advantages, such as emphasizing the characteristics of products adapting to local water quality and strong weather resistance, and enhancing credibility through certification by third-party testing organizations (such as Tanzania Bureau of Standards TBS).

9. Conclusion

This investment project focused on plastic pipes production and manufacturing have strong growth and profit potential. With a clear and detailed plan in terms of technical prowess, marketing, and financial projections, the project is expected to provide stable sales revenue and create local jobs. The expected break-even period of 3.5 years and planned infrastructure construction makes this investment a valuable opportunity in the manufacturing sector.

JINQUAN PLASTICS EAST AFRICA CO.LTD

CASH FLOWS PROJECTIONS FOR FIVE YEARS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cash Inflows:	2025	2026	2027	2028	2029
Authorized Shared Capital	1,350,000,000	-			
Sales Revenue	158,000,000	166,000,000	182,600,000	259,800,000	31,500,000
Total Cash Inflows	1,508,000,000	166,000,000	182,600,000	259,800,000	31,500,000
Cash Outflows:					
Plant, Propert and Equipments	550,000,000	-	-	250,000,000	-
Raw Materials	256,000,000	25,680,000	27,576,000	29,533,330	31,959,000
Salaries and Wages	14,400,000	15,408,000	16,485,000	17,633,900	18,894,000
Utilities and Maintanance	23,650,000	38,520,000	41,200,000	54,409,000	68,717,000
Rent & Office Expenses	18,000,000	19,260,000	20,600,000	22,040,000	23,580,000
Marketing and Advertsement	12,000,000	12,840,000	137,300,000	14,710,000	15,780,000
Insurance and Licenses	10,000,000	10,700,000	11,458,000	12,225,000	13,110,000
Professional Fees	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Total Cash outflows	892,550,000	130,908,000	263,119,000	409,051,230	180,540,000
Net cash inflow/(outflow)	615,450,000	35,092,000	(80,519,000)	(149,251,230)	(149,040,000)
Balance b/f	-	615,450,000	650,542,000	570,023,000	420,771,770
Balance C/f	615,450,000	650,542,000	570,023,000	420,771,770	271,731,770