

## **Tanzania New Metal Materials Industrial Park and Green Power Supporting Project Business Plan**

### **I. Company Profile**

Hongwang Holding Group (HWHG) is a leading enterprise specializing in the production of **cold-rolled stainless steel, electrical steel, titanium alloys, and related finishing products.** As a comprehensive new materials group integrating **R&D, design, production, and sales,** we operate 11 subsidiaries across China and overseas. With an **annual production capacity exceeding 6 million tons** and an annual output value of **US\$8 billion,** HWHG ranks **313th among Fortune China's Top 500 Enterprises** and **228th among China's Top 500 Manufacturing Enterprises** (2024). Our product brand has been awarded the prestigious "China Famous Trademark" designation. HWHG plans to develop this project in Tanzania.

HWTZ INVESTMENT LIMITED (HWTZ) is the company registered in Tanzania, which is the operator of this project and will be supported for the equity, equipment and technology by the parent company of HWHG.

### **II. Project Overview**

This project aims to harness Tanzania's abundant vanadium-titanium magnetite resources, coal reserves, and photovoltaic energy potential to establish a **Metal Industrial Park.** The park will integrate **mining, ore beneficiation, smelting and processing, complemented by green and energy-efficient power supply and distribution grids,** as well as **industrial and trade markets.**

The initiative will significantly **boost Tanzania's titanium alloy and steel smelting capabilities,** drive local economic growth, and

position the country as a regional hub for advanced metal production.

### **Project Phases and Investment**

- **Total Investment: US\$1.5 billion**
- **Phase I: US\$500 million**
- **Phase II: US\$1 billion**

The project will be executed in **two phases**, covering industrial park construction, energy supply, and infrastructure development, with the goal of building an **internationally competitive metal materials industry base**.

## **III. Phase I Construction Details**

### **1. Vanadium-Titanium Smelting & Building Materials Production**

#### **a) Mining & Beneficiation Plant:**

- Annual capacity: **1.5 million tons** of vanadium-titanium magnetite
- Output: **100,000 tons of 46% grade titanium concentrate and 900,000 tons of 62% grade vanadium iron concentrate**

#### **b) Vanadium-iron Concentrate Production:**

- Two pre-reduction rotary kilns (500,000T capacity each)
- Two ore furnaces (45,000 KVA each)
- Annual production: **60,000 tons of vanadium slag (15% Vanadium) and 600,000 tons of pig iron**

#### **c) Steel Building Materials Production:**

- Pig iron is produce into bar and wire rods through 2 electric arc refining furnaces (100T capacity each)
- Annual output: **600,000 tons**

#### **d) Cement Plant:**

- Annual output: **1.8 million tons** by utilizing tailings

## 2. Energy & Infrastructure Development

### a) Power Supply:

- **100MW photovoltaic energy storage grid**
- **100MW thermal power unit** (excess power contracted to Tenesco for TPP power supply.)

### b) Infrastructure:

- Standard factory buildings, living facilities, environmental protection systems, and roads

### c) Markets & Logistics:

- **2 integrated industrial and trade markets** for hardware and building materials in Kibaha and Mbeya, with logistics, storage, inspection and bonded warehousing
- **Photovoltaic-powered trade hubs** in Makambaco, Iringa, Mikumi, Morogoro, supported by **6×10 MW microgrid** for environmental protection and low-carbon logistics

## 3. Phase I Investment and Outcomes

- **Investment: US\$500 million**, covers infrastructure construction, equipment purchasing, photovoltaic power construction, new energy logistics, etc.
- **Expected Annual Output Value: US\$600 million**

## IV. Phase II Construction Details

### 1. Titanium Industry Chain Expansion

#### a) Mining & Processing:

- Additional **3 million tons/year** vanadium-titanium magnetite capacity.
- Output: **1.8 million tons vanadium iron concentrate (62% grade)** and **200,000 tons titanium concentrate (46% grade)**

**b) Vanadium-iron Concentrate Production:**

- Four pre-reduction rotary kilns (500,000T capacity each)
- Four ore furnaces (45,000 KVA each)
- Annual production: **120,000 tons vanadium slag and 1.2 million tons pig iron**

**c) Titanium Iron Concentrate Production:**

- Two titanium-iron ore furnaces (36,000 KVA each).
- Annual output: **12,000 tons high-titanium slag and 100,000 tons pig iron.**

**d) Steel Building Materials Production,:**

- Two electric arc furnaces (150T each), annual slab production: **1.5 million tons.**
- One 1450 hot-rolling facility to produce **industrial steel plates** for the construction needs of Tanzania and neighboring countries.
- Cold rolling, hot-dip galvanizing and color coating production lines, annual capacity: **1 million tons**

**e) Sponge Titanium Production**

- Extend the high-titanium slag industrial chain to produce sponge titanium by using advanced magnesium reduction tech.
- Annual output: **60,000 tons/year**

**2. Energy Upgrades**

- **Build two 300 MW thermal power units** to ensure stable supply (excess power contracted to Tenesco for TPP power supply).

**3. Phase II Investment & Outcomes**

- **Investment: US\$1 billion**, covers the construction of power generation and industrial chain extension projects, etc.
- **Expected Annual Output Value: US\$1.2 billion**

## V. Project Significance

### 1. Economic Growth & Investment:

- Total investment: **US\$1.5 billion**
  - Directly stimulate the development of related industries such as trade, machinery processing, logistics, and after-sales services.
  - Indirectly attracting **US\$3 billion+ investments** in related industries.
- Annual output value: **US\$1.8 billion.**
- Export potential: **US\$1 billion/year** to markets in Central Africa, Europe, and Asia

### 2. Job Creation & Skills Development:

- Directly create **10,000 jobs**
- train a large number of engineers, technicians and industrial workers.

### 3. Technology & Sustainability:

- **Energy-efficient equipment and low-carbon production.**

The project will adopt **energy-efficient equipment and advanced production technologies** in mining, smelting, and transportation, significantly reducing carbon emissions and resource waste while improving resource utilization. The use of new technologies and equipment will **enhance Tanzania's industrial technical level.**

- **Digital factory benchmark** (automation, IoT, big data).

The project will **build an internationally leading digital factory**, integrating intelligent production systems, automated logistics, and big data analytics. It will serve as a model for digital transformation in Tanzania's manufacturing sector, guiding the industry toward **high-end and intelligent manufacturing.**

#### 4. ESG Compliance:

Adherence to **international green park standards**, ensuring smooth implementation and operation, and making a positive contribution to Tanzania's economic development and social progress.

#### VI. Project Requirements

To ensure successful implementation, HWHG seeks the following support from the Tanzanian government:

1. **Expedited Approvals:** Dedicated task force for streamlined permits.
2. **Investment Incentives:** Provide the most favorable investment policies available in Tanzania.
3. **Work Permits: 2,000 permits** for skilled labor during construction period.
4. **Mineral Access:** Reserve and approve high-quality mineral resources such as **ilmenite, coal, and limestone** for the project.
5. **Energy Infrastructure:** Approval for power generation units and grid construction.
6. Approval for **construction of industrial and trade markets, and photovoltaic storage and charging service stations.**
7. Approval for the construction of an **aircraft runway** within the industrial park.
8. Permit for the construction of a **logistics terminal** at Lake Tanganyika in Rukwa Province and support shipping license.