

YU HANG INVESTMENT COMPANY LIMITED

BUSINESS PLAN FOR ASSEMBLING OF MOTOR CYCLES AND RELATED PRODUCTS

Presented By;
YU HANG INVESTMENT COMPANY LIMITED
Dar es Salaam.
TANZANIA
2025

1.0 Introduction

YU HANG INVESTMENT COMPANY LIMITED is a private limited liability company registered in Tanzania with Certificate of Incorporation No. 175975659 dated 3rd July,2024 planning to invest in assembling of motor cycles

1.1 Motor cycles over view in Tanzania

Tanzania motor cycles Market has valued at USD 260 Million in 2022 and is anticipated to project robust growth in the forecast period with a CAGR of 3.91%. The motor cycles market in Tanzania is experiencing significant growth, fueled by the increasing need for affordable and efficient modes of transportation.

- In 2024, the revenue in the Motorcycles market in Tanzania is projected to reach US\$268.00m.
- It is expected to show an annual growth rate (CAGR 2024-2028) of 1.28%, resulting in a projected market volume of US\$282.00m by 2028.
- The largest segment in the market is On-road Motorcycles, with a projected market volume of US\$127.30m in 2024.
- The unit sales of Motorcycles market in Tanzania are expected to reach 135.20k motor cycles by 2028.
- The volume weighted average price of Motorcycles market in the country in 2024 is expected to amount to US\$2.05k.

The Motorcycles market in Tanzania has been experiencing significant growth in recent years, driven by various factors such as changing customer preferences, market trends, local special circumstances, and underlying macroeconomic factors. Customer preferences in the Motorcycles market in Tanzania have been shifting towards more affordable and fuel-efficient models. This is primarily due to the increasing

cost of living and the need for cost-effective transportation options. Customers are also looking for motorcycles that are durable and require minimal maintenance, as well as those that offer good value for money. Additionally, there is a growing demand for motorcycles with higher engine capacities, as they are perceived to be more powerful and suitable for long-distance travel. One of the key trends in the Motorcycles market in Tanzania is the rise of India and Chinese motorcycle brands. These brands have gained popularity due to their affordability and reliability. India and Chinese motorcycles are often priced lower than their counterparts from other countries, making them more accessible to a wider range of customers. The availability of spare parts and after-sales service for India and Chinese motorcycles has also improved, further contributing to their popularity in the market. Another trend in the market is the increasing demand for motorcycles for commercial purposes. Many individuals and businesses in Tanzania rely on motorcycles for transportation and delivery services. This demand is driven by the need for efficient and cost-effective solutions in the transportation sector. Motorcycle taxis, commonly known as "boda-bodas," are a popular mode of transportation in urban areas, offering quick and convenient rides to commuters. Local special circumstances, such as the geography and road conditions in Tanzania, also influence the Motorcycles market. The country has diverse terrains, including rural areas with poor road infrastructure. This creates a demand for motorcycles that are suitable for off-road travel and can withstand challenging conditions. Additionally, the high population density in urban areas contributes to the demand for motorcycles as a means of navigating through traffic congestion. Underlying macroeconomic factors play a crucial role in the development

of the Motorcycles market in Tanzania. The country's economic growth and rising disposable incomes have increased the purchasing power of consumers, enabling them to afford motorcycles. Additionally, the government has implemented policies to promote the growth of the transportation sector, including the reduction of import duties on motorcycles. These factors have created a favorable environment for the expansion of the Motorcycles market in Tanzania. In conclusion, the Motorcycles market in Tanzania is experiencing significant growth due to changing customer preferences, market trends, local special circumstances, and underlying macroeconomic factors. The shift towards more affordable and fuel-efficient models, the rise of Chinese motorcycle brands, the increasing demand for motorcycles for commercial purposes, and the influence of local geography and road conditions are all contributing to the development of the market. The country's economic growth and government policies also play a vital role in driving the growth of the Motorcycles market in Tanzania.

1.2 Investment Concept

Before starting our investment, the board of directors are planning to obtain all the necessary permits and licensing from the relevant Government authorities.

YU HANG INVESTMENT COMPANY LIMITED is in business to offer various services to all our customers in Dar es Salaam and neighboring countries. This means that YU HANG INVESTMENT COMPANY LIMITED will be involved in assembling of motor cycles for domestic and export markets.

YU HANG INVESTMENT COMPANY LIMITED vision is to ensure that we are well known in Tanzania, The East African Community (EAC) and The

YU HANG INVESTMENT COMPANY LIMITED

Southern African Development Community (SADC) for motor cycles and to be the preferred brand in the region.

YU HANG INVESTMENT COMPANY LIMITED intend to run a transparent business that is ethics inclined and that's due to the fact that we are customer centric as we place a high value on our customers and are ready to go the extra mile to ensure that our customers' expectations are not only met but exceeded.

YU HANG INVESTMENT COMPANY LIMITED intend to treat all our loyal customers well by ensuring that we offer them discounts during certain times and periods, this will allow them to remain loyal to us and also help refer others to us as well. YU HANG INVESTMENT COMPANY LIMITED intend to build a solid business structure and are willing to go the extra mile in ensuring that we get only competent and hardworking staff to work in our company.

YU HANG INVESTMENT COMPANY LIMITED have laid down procedures and structures, therefore only those who clearly align with our vision and philosophy and understand how to take our business from where we are to where we intend it to be, will be chosen to work for our company.

The management of YU HANG INVESTMENT COMPANY LIMITED will ensure that we inculcate the habit of best practices amongst our employees. Also, to keep our employees happy and also productive, YU HANG INVESTMENT COMPANY LIMITED intend to ensure that we not only create an environment that is conducive for them but that we will pay them well and also ensure that they have great welfare packages better than what their counterparts in similar startups such as ours are having.

YU HANG INVESTMENT COMPANY LIMITED facility is one that is also easily accessible for our employees and is one that will not be inconvenient for them to get to every morning.

This study will be used as a guiding tool and will be presented to TIC for obtaining a certificate of incentives to facilitate the smooth implementation of the project.

1.2 **Location**

The assembling facilities is to be located at **Plot No. 101 Block B, Misugusugu Area, Kibaha Township, Coastal Region**

1.3 **Mission Statement**

At YU HANG INVESTMENT COMPANY LIMITED, our mission is to assemble high-quality, eco-friendly motor cycles that provide a clean and efficient mode of transportation for Tanzania consumers. We are committed to sustainable production practices, excellent customer service, and promoting a healthy and active life style for our customers.

1.4 **Vision Statement**

To be a leading company in motor cycles assembling and distribution within Tanzania.

In order for us to achieve our vision, we will ensure that we get a quality accessories and also employ capable hands that will allow us not only meet the expectations of our clients but create a distinction of our business from that of our competitors

1.5 Audited Reports

YU HANG INVESTMENT COMPANY LIMITED is audited by a local reputable auditing firm based in Dar es Salaam, Tanzania.

1.6 Company Values

- Competitive
- Efficiency
- Affordable
- Customized services

1.7 Legal and Regulatory Considerations

Overview of Tanzania Laws and Regulations Related to motor cycles are governed under The Motor Vehicles (Tax on Registration and Transfer) Act, but there are specific regulations and laws that apply to their operation and use. These regulations include limits on speed, and weight and requirements for safety equipment such as helmets and lights. It is important for our company to stay up-to-date on these regulations and ensure that our products comply with all relevant safety and performance standards.

To operate our assembling and sales business in Tanzania, we will need to obtain the necessary business licenses and permits. This may include a business license, Industrial license, certificate of incentives, the occupational health and safety, bureau of standard certificate, fire certificate, and environmental permits etc. depending on our location and the specific activities of our business. We will work with legal and regulatory experts to ensure that we comply with all relevant laws and regulations and obtain the necessary licenses and permits.

1.8 The Sponsors

YU HANG INVESTMENT COMPANY LIMITED will be sponsoring this project. The Company is currently jointly owned by two shareholders who have extensive experience in the motor cycles industry. The board of directors saw a growing demand for motor cycles in Tanzania and recognized the need for a reliable and sustainable transportation option. Since then, YU HANG INVESTMENT COMPANY LIMITED. Is determined to be a leading motor cycles es assembling in Tanzania, with a strong reputation for quality and innovation.

Management Team of YU HANG INVESTMENT COMPANY LIMITED has assembled a team of experienced and passionate professionals committed to the company's mission and vision

Together, our management team has the expertise and leadership skills necessary to guide YU HANG INVESTMENT COMPANY LIMITED to success in the Tanzania motor cycles market.

Share Holders	% of Share	Nationality
PENG YUHANG	95	China
QIU CHONGXUE	5	China

1.9 Objective of the study

The purpose of this study is to work out the technical and commercial viability of the project

2.0 Our Products and Services

YU HANG INVESTMENT COMPANY LIMITED is a standard business that is fully registered in Tanzania in order to not only make profit but to close

the gap created by lack of availability of motor cycles and related products supply

YU HANG INVESTMENT COMPANY LIMITED will be assembling motor cycles and also perform after care services so as to have multiple sources of income and have a solid bottom line that will boost and sustain our business.

YU HANG INVESTMENT COMPANY LIMITED Business-plan offers a range of motor cycles models designed for urban commuting and recreational riding. Our products feature high-quality components, including Hongya from China motors, gears, and brakes, and come equipped with advanced features such as integrated lights, a rear rack, and a built-in anti-theft system. Our current products models include the following:

- A stylish and versatile motor cycles designed for urban commuting with a lightweight frame, a powerful motor, .
- A sporty and agile motor cycles and bike designed for recreational riding, with a rugged frame, wide tires, and a range of up to 80km on a single charge.

2.1 **Unique Selling Points**

YU HANG INVESTMENT COMPANY LIMITED's motor cycles are designed to provide a high-quality, eco-friendly, and efficient mode of transportation for Tanzania consumers. Our motor cycles and stand out in the market for their unique features and design, including integrated lights, anti-theft systems, and durable components. We also offer a range of customization options for customers to personalize their e-bike to their tastes and preferences.

Warranty and Customer Support: All motor cycles come with a comprehensive one-year warranty covering all components and parts. We also offer a range of customer support services, including free basic maintenance and repairs for the first year, a dedicated customer support team to assist with any issues, and an online knowledge base for troubleshooting and maintenance. Customers can also purchase extended warranties and service plans for additional peace of mind.

2.2 **Our Business Structure**

YU HANG INVESTMENT COMPANY LIMITED are set to become a leading motor cycles market and related products making business here in Dar es Salaam as well as all around its environs and to achieve this, it is vital that we build a solid business structure that will allow us start and run our business with as few hitches as possible and also allow us achieve our goals and objectives.

In building a workforce for our business, we will focus on those that understand customer excellence and also the vision that we stand for as a company. Those we will employ must have knowledge of how to work efficiently and how motor cycles businesses work so that they could help build our business from the start to the level we intend.

Because we will be running motor cycles market and related products that will not be the conventional type that others are running, we will be employing more workers to our business that will be given various positions and tasks. This means that we will not only hire salespeople to sell these motor cycles and related products, we will need those with mechanical knowledge that know how to identify genuine parts.

Therefore, YU HANG INVESTMENT COMPANY LIMITED will employ the following people to handle the different responsibilities from its various tasks;

- Chief Executive Officer
- Human Resource and Admin Manager
- Store manager
- Accountant/Cashier
- Machine repair and maintenance manager
- Front Desk Officer
- Distribution and Delivery Driver
- Marketing and Sales Team
- Cleaner
- Security Guard

2.3 Key Success Factors and Milestones

Our key success factors will include the following:

- Assembling of high-quality motor cycles that meet or exceed customer expectations and regulatory standards
- Establishing a strong distribution network that includes online sales, brick-and-mortar retail, and strategic partnerships with key distributors and retailers
- Implementing sustainable assembling practices and ethical sourcing to appeal to environmentally conscious consumers
- Building a strong brand through effective marketing and social media outreach

- Providing exceptional customer service, including warranty support and repair services, to build customer loyalty and positive word-of-mouth.

2.4 Our milestones

- Securing financing and investment to support our start-up costs and initial production runs
- Launching our initial product line and generating positive customer reviews and press coverage
- Expanding our distribution network and building relationships with key retailers and distributors
- Achieving breakeven and profitability by year three of operation
- Scaling up our production to meet growing demand and expanding our product line to appeal to new customer segments.

2.5 Monitoring and Evaluation

The Management has full commitment to ensuring products produced maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance with standards and the safety of the products and customers they serve.

2.6 Aspect of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The Government support for industrialization and rises of middle-income earners gives them assurance of a steady market.

The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

YU HANG INVESTMENT COMPANY LIMITED board of directors are confident that our **motor cycles business plan** will enable us to build a successful and sustainable business in Tanzania's growing e-motor cycles and bike market.

3.0 Job Roles and Responsibilities

3.1 Chief Executive Officer

In charge of creating the organization's vision, policies and directions and ensuring its effective implementation

- Responsible for creating the organizational budget
- Meets and negotiates with high level clients in order to secure deals on behalf of the company
- Provides counsel, coaching and also disciplining of key staffs all in a bid to achieve organizational goals

3.2 Human Resource and Admin Manager

In charge of recruiting, selecting and carrying out orientation of new employees in order to get them attuned to the organization

- Conducts staff induction or new members
- In charge of employee welfare and other incentives
- Ensures the smooth running of the company administration-wise

3.3 Store manager

In charge of interacting with customers and ensuring that they make a purchase

- Ensures that spare parts in supply is in conjunction with the requirements of the management
- Ensures that the store is always kept clean at all times and carries out light repairs on defects, when necessary, on behalf of the organization.

3.4 Accountant/Cashier

- In charge of preparing financial reports, statements and budgets for the organization
- Monitors cash inflow and outflow and ensures that they are well documented
- Develops financial policies and also administers payroll on behalf of the organization.

3.5 Machine repair and maintenance manager

- Carries out repairs and maintenance services
- Repairs machines for clients on behalf of the organization
- Handles any other duty as assigned by the human resources manager.

3.6 Front Desk Officer

- In charge of attending to enquiries and orders from clients
- Receives customers' complaints and ensures that it is promptly attended to
- Have an updated and accurate customer database on behalf of the organization.

3.7 Distribution and Delivery Driver

- Drives and maintains the company's delivery and distribution vans

- Ensures that ice blocks are delivered at the right destination
- Drives safely at all times and obeys all traffic regulations.

3.8 Marketing and Sales Team

- Conducts a market survey in order to determine new target markets for the organization
- Drafts an effective marketing strategy to bring in revenue for the organization
- Carries one-on-one marketing and achieve sales revenue on behalf of the organization.

3.9 Cleaners

- Cleans the premises and ensures that it is kept clean at all times
- Ensures that the cleaning supplies are always in stock
- Carries out other duties as might be determined by the Human Resources Manager.

3.10 Security Guard

- Ensures that the facility and outside premises is secured at all times
- Gives security tips to staffs of the organization from time to time
- Handles any other duties as might be assigned by the Human Resources Manager

Total of **20** employees to be employed by YU HANG INVESTMENT COMPANY LIMITED.

4.0 SWOT Analysis

Before starting an ice block business or any business for that matter, one has to understand the business concept in order to determine if the business is worth going into.

Because we intend to run a standard motor cycle assembling and distribution, we have hired the services of a reputable business consultant here in Dar es Salaam, who not only understands the kind of business we are going into but also the area which we intend operating from to look critically at our business and help us determine how we are likely to make it here.

The business consultant will be making use of four attributes – strengths, weaknesses, opportunities, and threats – in order to determine how likely our ice block making will succeed and compete favorably against its competitors. Below is a of the SWOT analysis that was conducted on behalf of YU HANG INVESTMENT COMPANY LIMITED.

4.1 Strengths

Our strength lies in the fact that YU HANG INVESTMENT COMPANY LIMITED is located in an area that is accessible, reliable power, water and proximate to market and labour, this will make our service a highly demandable one for traders, caterers, and domestic users.

Also, we are offering various services in addition to our core service, which makes us to stand out from our competitors who are not offering half of what we are.

YU HANG INVESTMENT COMPANY LIMITED also have in our employ dedicated and committed staffs that have the experience are attuned to our corporate goals and objectives and are willing to work hard to ensure

that we attain our corporate goals and objectives. Also, our excellent customer culture is already giving us a high ranking as we have a high retention of our clients compared to that of our competitors.

4.2 Weaknesses

YU HANG INVESTMENT COMPANY LIMITED weakness stem from the fact that we are relatively new in motor cycles assembling and distribution business and as such might not have the required finance and staff capability to be able to get as much customers as we like or be able to compete favorably against our neighbors.

4.3 Opportunities

Demand for motor cycles and related products is huge in Tanzania, EAC, SADC and so affords us enough opportunities especially as more people are yet to be aware of our products that we offer.

4.4 Threats

Like every other business, YU HANG INVESTMENT COMPANY LIMITED face certain threats to our business as well. One major threat that we will face is the arrival of a major competitor in the same location where we are operating from and offering the same products that we will be offering our customers.

Another threat is a major economic downturn that will cause low patronage from all our customers and lead to low revenue. Also.

5.0 Market Analysis

5.1 Market Trends

The largest segment in the market is On-road Motorcycles, with a projected market volume of US\$127.30m in 2024. The unit sales of Motorcycles market in Tanzania are expected to reach 135.20k motorcycles by 2028.

5.2 Key Market Drivers

5.2.1 Growing Urbanization

Urbanization in Tanzania is rapidly transforming the landscape and propelling the two-wheeler market forward. As more people migrate to urban areas seeking better opportunities and improved living conditions, the surge in urban population is leading to increased traffic congestion, making commuting a daily challenge for residents. The need for efficient and convenient transportation solutions has become paramount.

In this context, motorbikes and scooters are emerging as the preferred choice of transport due to their ability to navigate easily through heavy traffic, offering convenience and time-efficiency to commuters. The compact size and maneuverability of allow riders to weave through congested streets, reducing travel time and frustration. Additionally, the affordability and lower maintenance costs of these vehicles make them an attractive option for individuals and families.

The growing preference for motor cycles is not only solving the problem of traffic congestion but also fueling the demand in the two-wheeler industry. Manufacturers and service providers are capitalizing on this trend by introducing innovative models and expanding their product offerings.

Moreover, the rise in demand for two-wheeler-related services such as repair shops, spare parts, and accessories has created new opportunities for businesses in the sector.

5.2.2 Affordability

The affordability of motor cycles, in contrast to cars, is a significant driving factor for the market in Tanzania. As the country's economy continues to grow, the middle-class population is expanding, creating a demand for affordable and efficient modes of transportation. In this context, two-wheelers emerge as the ideal solution, offering cost-effective mobility options that cater to the needs of the consumers seeking reliable transportation within their budget. With their compact size and fuel efficiency, two-wheelers provide a practical and convenient choice for individuals navigating the bustling urban landscape of Tanzania.

5.2.3 Low Maintenance Cost

When it comes to weighing the expenses of vehicle maintenance, it becomes abundantly clear that owning a two-wheeler is significantly more budget-friendly in comparison to motor cycles. This financial advantage, coupled with their exceptional fuel efficiency, renders motorcycles and scooters an exceedingly attractive and pragmatic option for individuals from all walks of life in Tanzania. Whether it be the unparalleled convenience of effortlessly maneuvering through congested traffic or the substantial economic benefits derived from reduced fuel consumption and maintenance costs, two-wheelers emerge as a reliable and cost-effective transportation solution for the discerning individuals residing in Tanzania.

5.2.5 Government Policies and Regulations

Government policies and regulations play a crucial role in shaping the motor cycles market in Tanzania. The Tanzanian government's concerted efforts to promote local assembly of motor cycles, by providing incentives to local manufacturers and fostering partnerships for technology transfer, have significantly contributed to the industry's growth. Moreover, the government's focus on improving road infrastructure, including the construction of dedicated lanes and the implementation of safety measures, has further boosted the adoption of two-wheelers as a preferred mode of transportation. These initiatives have not only stimulated economic growth but also enhanced accessibility and mobility for the people of Tanzania.

5.2.6 Increasing Female Ridership

Traditionally, the sector of two-wheelers has been predominantly male-dominated. However, there is an emerging trend that is reshaping this landscape, as an increasing number of women are now adopting two-wheelers for their daily commuting needs. The lightweight nature and ease of control that scooters offer are particularly appealing to women riders, providing them with a convenient and efficient mode of transportation. This shift in consumer behavior is opening up a new demographic for the market, presenting exciting opportunities for manufacturers and businesses to cater specifically to the needs and preferences of women riders.

5.2.7 Rising Disposable Income and Middle-Class Expansion

The country's improving economic conditions have led to an expansion of the middle class and an increase in disposable income. This economic growth has translated into greater purchasing power among Tanzanians, enabling a larger portion of the population to afford two-wheelers. As consumers seek to upgrade from bicycles or public transportation to motorized options, the market has witnessed a surge in sales of motorcycles and scooters. This trend reflects the changing aspirations and lifestyles of Tanzanian consumers.

5.2.8 Increased Investment in Local Manufacturing and Assembly

Another notable trend in the Tanzania two-wheeler market is the increased investment in local manufacturing and assembly. Some international manufacturers have established assembly plants in the country to meet the growing demand for motorcycles and scooters. This strategy not only reduces import costs but also generates employment opportunities and contributes to the local economy. Additionally, it enables manufacturers to cater to specific market preferences and customize products according to local requirements, fostering a sense of localization.

5.2.9 Digitalization and Online Sales Channels

Like many other industries, the two-wheeler market in Tanzania has embraced digitalization. Online sales channels, including e-commerce platforms and mobile applications, have gained prominence. Consumers now have the convenience of browsing and purchasing two-wheelers online, comparing prices, and accessing financing options. This trend has been accelerated by the COVID-19 pandemic, which highlighted the

importance of digital channels for business continuity. It has also allowed dealers and manufacturers to reach a wider customer base, even in remote areas where physical showrooms may be limited.

6.0 Key Market Challenges

6.1 Infrastructure Constraints

The infrastructure in Tanzania, especially in rural areas, is inadequately developed to fully support a thriving two-wheeler market. The condition of many roads is poor, with limited maintenance and inadequate navigation infrastructure, making it challenging for two-wheeler users to commute effectively. As a result, the sales of two-wheelers in these areas are significantly impacted, highlighting the need for improved infrastructure and better accessibility in order to foster growth in the market.

6.2 Lack of Local Manufacturing

Due to the absence of any significant local manufacturing capacity for two-wheelers in Tanzania, the country heavily relies on imports, which not only incurs additional costs but also makes the market susceptible to fluctuations in international trade policies. This lack of local manufacturing hampers job creation and economic growth, hindering the development of a self-sustainable two-wheeler industry.

6.3 Limited Finance Options

Limited access to affordable financing options is one of the significant challenges faced by many potential consumers. The lack of upfront cash to purchase a two-wheeler often hinders their ability to make the purchase. Furthermore, the absence of suitable financing options further restricts the

growth of the market, making it difficult for individuals to fulfill their transportation needs. This issue not only affects the consumers but also impacts the overall market dynamics and potential economic growth.

6.4 Low-Income Levels

Many Tanzanians, particularly those with low-income levels, face significant financial challenges that make it extremely difficult for them to afford essential means of transportation, such as two-wheelers. This lack of affordability directly impacts the sales volume of these vehicles, creating a substantial hurdle for both consumers and the market.

As a result, individuals who are unable to purchase two-wheelers may experience limited access to employment opportunities, education, and basic necessities. This further exacerbates the cycle of poverty and inequality, as the lack of affordable transportation options restricts their mobility and hinders their ability to improve their socioeconomic status.

Furthermore, the limited sales of two-wheelers in the Tanzanian market hinder its growth and potential. It restricts the ability of manufacturers and distributors to expand their operations, innovate, and provide affordable options to meet the needs of the population.

Addressing these financial challenges and finding sustainable solutions to improve affordability can have a transformative impact on the lives of Tanzanians. It can enhance accessibility, empower individuals to pursue opportunities, and contribute to the overall development and prosperity of the country.

6.5 Safety Concerns

Finally, safety concerns are a significant challenge when it comes to two-wheelers, especially motorcycles. The perception of a higher risk of accidents associated with motorcycles, combined with a lack of safety training and awareness, can potentially discourage potential buyers from considering them as a mode of transportation. It is essential to address these concerns by promoting safety measures, providing proper training, and raising awareness about the importance of safe riding practices to ensure a safer and more appealing riding experience.

6.6 Our Target Market

Even though we are located at a very strategic location here in Dar es Salaam, we still had to conduct market research on who our customers are likely to be and how best we would draft the strategies that will allow us gain a huge share of the target market.

The market research allowed us to understand the characteristics of our target market and also know what they would be expecting from us.

Therefore-motor cycles and bikes are used in transportation of passengers and goods, our products will be by corporate customers, traders, transporters, individual etc.

7.0 Sales and Marketing Strategy

7.1 Marketing Strategy and Sales Strategy

Marketing is very important for our business because not only will we generate the needed revenue that will grow and sustain our company, but it will also give us a chance to promote the image of our company well. It is to this effect that we have created a marketing budget to be able to

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cater to all the efforts that it will take to bring in more customers to our company.

YU HANG INVESTMENT COMPANY LIMITED intend also to ensure that we draft marketing and sales strategy that will allow us to penetrate the target market and gain a huge share of customers to our business.

Building a loyal database of customers takes time and we are fully prepared to do so in less time that it will normally take as we intend to deploy conventional and unconventional means in getting the customers we would need for our business.

Asides our core service, we would be offering complimentary services as well which are after care.

We have therefore adopted the following strategies that will ensure that we do not only attract customers but make sure that they become loyal and that a huge percentage of them are retained. Therefore, parts of the marketing and sales strategies that we intend to adopt for YU HANG INVESTMENT COMPANY LIMITED are;

- Ensure that we introduce our motor cycles to boda boda associations, individuals etc.
- Throw a party to launch our motor cycles business in order to gain the attention of our target market and increase awareness for our business.
- Ensure that we place adverts in local newspapers and on most popular radio and television stations listened to by our target market
- Use our social media platforms such as Facebook and Twitter as well as our official website to market our business

- Distribute attractive handbills and fliers in target locations and paste some at bus stops
- Place flexi banners around strategic points here in Dar es Salaam and its environs

7.2 Publicity and Advertising Strategy

Even though we intend offering several services that is far better than that of our competitors, we would still need to ensure that we improve on our publicity so that we could not only increase awareness for our business and also compete favorably against our competitors but we would also generate revenue that will boost our business and allow us to grow.

YU HANG INVESTMENT COMPANY LIMITED management might need to engage the services of a brand consultant who thoroughly understands the market to help us draft publicity strategies that would be beneficial to our business. Also, the publicity strategies will help communicate our brand positively to our target market. Some of the platforms which we intend to use to promote and advertise our products business are;

- Position flexi banners at strategic locations so as to increase awareness for our brand and the services we offer
- Distribute our fliers and handbills in target areas here at Egbeda
- Use social media platforms such as Facebook and Twitter to promote and advertise our business
- Create an official website and use this to advertise our ice block making business
- Place adverts on local newspapers and on certain radio and television stations
- Ensure that our staff wear customized official tee-shirts when at the office or out at the field.

7.3 Our Pricing Strategy

Deciding on what prices we would offer our products is very vital as we do not want to offer our customers prices that are too high and might cause them to patronize our competitors or prices that are too low that we would be running at a loss and therefore kill off our company completely.

There are several factors that we would consider when determining the prices for our products and they are; what our operating costs are, what our overheads are, what our competitors are offering and what the demand rate is.

In order to however attract more customers into patronizing our business, we intend to offer all our clients a discount on purchases for the first three months of operation. Even though this might cause us to run at a low margin, we are quite assured that we would not be running at a loss.

The average price of US\$ 800

7.3 Production Capacity

YU HANG INVESTMENT COMPANY LIMITED board of directors has set a plan to start with 5,000 units per year

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8.0 Project Investment Cost

The estimated capital investment cost of the project is US \$ 1,130,000 to be invested in phases within 5 years of project operation

YU HANG INVESTMENT COMPANY LIMITED COST STRUCTURE US\$

Land and Buildings	300,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	70,000.00
Furniture & Fixtures	2,500.00
Pre exp	4,000.00
Others	3,500.00
Working Capital	350,000.00
TOTAL	1,130,000.00

For the project to be a reality a total investment amounting to US \$1,130,000 is needed for the production of Capacity 5000 units per year

9.1 Financing pattern

The project will be financed by following investment pattern where equity will be 20% and loan 80%

Local Equity	Foreign Equity	Local Loan	Foreign Loan
NIL	1,130,000	NIL	NIL

9.2 Financial Analysis

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on the experience of the promoters and trends in the ice blocks industry in general.

9.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the period of 5 years. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$407,925 in first year to US\$2,260,390 in 5th year, **Appendix I**

9.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow, the accumulated cash flows grow from US\$425,175 in the 1st year to US\$ 2,346,640 in 5th year of project operation, **Appendix II**

9.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. Equity of the project increases from US\$2,260,390 in the first year of operation to US \$ 8,946,823 in the 5th year, **Appendix III**

9.7 Projected Project investment value

Total project investment value within 5years is estimated to be is US \$1,130,000.00 , **Appendix IV**

9.8 Projected payback period

Total investment is US \$1,130,000.00 cash accumulation 4th year is US \$ 1,564,537 which is more than the initial investment, the project payback Period is within 4 years, **Appendix VI**

10.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of Government support for industrialization and environment conservation by using clean energy in transportation sector
- The project will create employment for **20 people** on permanent contract basis as well as on temporary basis.
- It will create more business opportunities for local suppliers which will also have a trickledown effect on environmental issues.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.
- The project will have the transfer of knowledge and skills to manufacturing sector
- The project will generate foreign earnings

11.0 Implementation

Project implementation is expected to be relatively very short once the project has been approved it is estimated that implementation of the project will take hardly 9months to be completed within one year:

YU HANG INVESTMENT COMPANY LIMITED IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	January 2025
2	Construction	June- September 2026
3	Placing order of machines	October– December 2026
4	Installing machines	December 2026
4	Recruitment	January 2027
5	In house training	June -September 2027
4	Testing production	September –November 2027
6	Commercial operations	November 2027

12.0 Conclusion & Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2022.

Appendix I

YU HANG INVESTMENT COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5
Revenue	4,000,000	4,200,000	4,410,000	4,630,500	4,862,025
Operating Expenses:	3,400,000	3,570,000	3,748,500	3,935,925	4,132,721
Profit before Depreciation &Interest	600,000	630,000	661,500	694,575	729,304
Interest	-	-	-	-	-
Depreciation	17,250	17,250	17,250	17,250	17,250
Gross Profit	582,750	612,750	644,250	677,325	712,054
Tax (30%)	174,825	183,825	193,275	203,198	213,616
Profit After Tax	407,925	428,925	450,975	474,128	498,438
Accumulated Profit	407,925	836,850	1,287,825	1,761,953	2,260,390

YU HANG INVESTMENT COMPANY LIMITED

Appendix II

YU HANG INVESTMENT COMPANY LIMITED PROJECTED CASH FLOW " US\$ "

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	600,000	630,000	661,500	694,575	729,304
Equity	1,130,000					
Total Sources	1,130,000	600,000	630,000	661,500	694,575	729,304
Applications:						
Capital expenditure	772,500	-	-	-	-	-
working Capital & Others	357,500					
Cash	-	425,175	446,175	468,225	491,378	515,688
Tax	-	174,825	183,825	193,275	203,198	213,616
Sub total	1,130,000	600,000	630,000	661,500	694,575	729,304
Total applications	1,130,000	600,000	630,000	661,500	694,575	729,304
Accumulated cash		425,175	871,350	1,339,575	1,830,953	2,346,640

YU HANG INVESTMENT COMPANY LIMITED

Appendix III

YU HANG INVESTMENT COMPANY LIMITED PROJECTED BALANCE SHEET " US \$"

Fixed Assets	-	1	2	3	4	6
Opening balance	-	772,500	755,250	738,000	720,750	703,500
Total Long-term Assets	-	772,500	755,250	738,000	720,750	703,500
Less depreciation	-	17,250	17,250	17,250	17,250	17,250
Closing balance	-	755,250	738,000	720,750	703,500	686,250
Working capital	357,500	357,500	357,500	357,500	357,500	357,500
Accumulated cash	-	425,175	871,350	1,339,575	1,830,953	2,346,640
Total assets	357,500	1,537,925	1,966,850	2,417,825	2,891,953	3,390,390
Financed by						
Equity	1,130,000		1,130,000		1,130,000	
Accumulated profit	-	407,925	836,850	1,287,825	1,761,953	2,260,390
Total equity	1,130,000	407,925	1,966,850	1,287,825	2,891,953	2,260,390
Total equity and debts	1,130,000	407,925	1,966,850	1,287,825	2,891,953	2,260,390

YU HANG INVESTMENT COMPANY LIMITED

Appendix IV

YU HANG INVESTMENT COMPANY LIMITED PROJECTED PROJECT INVESTMENT VALUE

Land and Buildings	300,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	70,000.00
Furniture & Fixtures	2,500.00
Pre exp	4,000.00
Others	3,500.00
Working Capital	350,000.00
TOTAL	1,130,000.00

YU HANG INVESTMENT COMPANY LIMITED

Appendix V

YU HANG INVESTMENT COMPANY LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	407,925	17,250	425,175	158,760
2	428,925	17,250	446,175	604,935
3	450,975	17,250	468,225	1,073,160
4	474,127	17,250	491,377	1,564,537
5	498,437	17,250	515,687	2,080,224