

DONG CHUANG MACHINERY CO., LIMITED

BUSINESS PLAN FOR MANUFACTURE OF CONSTRUCTION MATERIALS & CONSTRUCTION MACHINERY

1.0 INTRODUCTION	3
1.1 Mission and Vision Statement	3
1.1.1 Vision.....	3
1.1.2 Mission.....	4
1.1.3 Location	4
1.2 Statement of the Investment Objectives, Sector and Products	4
1.2.1 Objectives	4
1.2.2 Activities.....	5
2.0 STATEMENT OF INVESTMENT COSTS AND SOURCES OF FINANCE	6
2.1 Investment Costs.....	6
2.2 Capital Requirements	6
2.3 Use of Funds	7
2.4 Revenue Projections	7
3.0 JOB CREATION	7
SOURCE OF SUPPLY INPUT	8
4.0 IMPLEMENTATION SCHEDULE	9
4.1 Registration of the Projects and Compliance Phase	9
4.2 Legal and Regulatory Compliance	9
4.3 Constructions	10
4.4 Project Operation.....	10
5.0 FINANCIAL PROJECTIONS (5 YEARS)	10
5.1 Key Assumptions	10
5.2 Break-even Point	11
5.3 Return on Investment (ROI):	11
6.0 ORGANIZATION STRUCTURE	11
7.0 ENVIRONMENTAL AND SOCIAL IMPACT	12
Sustainable Production Practices	12
10. CAPACITY OF THE PROJECT	12
11. CONCLUSION	13

1.0 INTRODUCTION

DONG CHUANG MACHINERY CO., LIMITED is a Tanzanian-based manufacturing company specializing in the production and supply of steel products, construction materials, and construction machinery. The Company is engaged in the processing and fabrication of steel plates, channel steels, angle irons, and related machinery, as well as the provision of essential construction materials, to deliver high-quality products tailored to meet the demands of diverse construction, industrial, and infrastructure projects.

Positioned to support the growing needs of Tanzania's construction industry and the broader East African market, the Company is dedicated to delivering high-quality, reliable, and efficient concrete solutions that enhance the structural integrity and durability of residential, commercial, and infrastructure developments.

The Company's strategic plan is backed by a robust investment of USD 700,000 comprising USD 350,000 in foreign equity and USD 350,000 in local financing. These funds will support the establishment of a fully equipped cement mixing facility with an annual production capacity of 12,000 tonnes. The target clientele includes construction companies, real estate developers, government infrastructure projects, and contractors requiring consistent and dependable cement-based products.

In line with its growth strategy, the Company will generate 186 local employment opportunities across technical operations, mechanical and plant engineering, logistics, sales and marketing, and administrative roles. Through a strong focus on innovation, sustainability, and operational excellence, DONG CHUANG MACHINERY CO., LIMITED aims to become a key player in driving industrial advancement and economic development across the region.

1.1 Mission and Vision Statement

1.1.1 Vision

To be recognized as the leading provider of innovative, high-quality, and sustainable construction material across East Africa. We aspire to set the industry standard by consistently delivering products that improve construction performance, contribute to long-lasting infrastructure, and support regional development.

1.1.2 Mission

Our mission is to manufacture and deliver high-performance, environmentally friendly, and cost-effective construction material. We are committed to enhancing the strength, efficiency, and durability of buildings and infrastructure by offering advanced solutions tailored to the needs of our clients. Through continuous innovation, customer-focused service, and responsible production practices, we aim to support the growth of the construction sector while promoting sustainability and economic development in the region.

1.1.3 Location

The Company, will be located at Plot number 2/1-2/4, Block number "B", Kwala, Kibaha, Pwani The The Company is also expecting to expand and establish other branches in different parts of Tanzania

1.2 Statement of the Investment Objectives, Sector and Products

1.2.1 Objectives

The primary objective of the Company is to establish a modern and fully operational manufacturing facility specializing in the production of steel products, construction materials and construction machinery. Through advanced processing and fabrication technologies, the Company will manufacture steel plates, channel steels, angle irons, construction materials and related machinery to supply high-quality materials and equipment for diverse building, industrial, and infrastructure projects across Tanzania.

Within the first year of operation, the Company aims to reach an annual production capacity of 12,000 tonnes, leveraging advanced equipment and adhering to rigorous standards of safety, efficiency, and product quality.

In line with its commitment to social and economic development, the Company plans to create at least 186 employment opportunities, engaging both skilled and semi-skilled workers. This effort will contribute to local job creation and promote capacity building through continuous training and development programs strengthening the technical workforce and enhancing the region's industrial capabilities.

A key strategic objective is to establish a strong presence in major urban markets across Tanzania within the first year, followed by planned expansion into regional

markets in East and Central Africa within three years. The Company will prioritize the development of efficient distribution networks, strategic partnerships, and a competitive product offering tailored to the specific needs of regional construction industries.

The Company is committed to maintaining strict compliance with national and international standards for quality, safety, and environmental responsibility. All manufacturing processes will be guided by best practices, sustainability principles, and regulatory requirements, ensuring both product excellence and environmental stewardship.

The The Company also places high importance on innovation and continuous product development. By investing in research and development, the business will enhance the effectiveness and performance of its water reducing agents and related construction products to meet the dynamic demands of the construction industry.

Ultimately, the The Company aims to generate long-term value for its stakeholders by promoting a sustainable, ethical, and growth-driven business model. Through transparency, community engagement, and environmentally conscious practices, the The Company is poised to become a trusted leader in the construction materials industry in Tanzania and beyond.

1.2.2 Activities

To achieve its strategic objectives, the Company engages in a range of integrated activities focused on the manufacturing, marketing, and supply of high-quality construction materials, construction machinery, and steel products. The core activity of the Company is the production of steel-based products, including steel plates, channel steels, angle irons, and other fabricated steel components , which serve as essential inputs for building, infrastructure, and industrial projects.

This is complemented by the manufacture of construction materials and machinery, such as steel plates, channel steels, angle irons and specialized equipment, ensuring a comprehensive supply chain that supports diverse construction needs across Tanzania and the wider East and Central African region.

The Company operates state-of-the-art production facilities equipped with modern technology and automated systems, enabling precision in fabrication, consistency in quality, and scalability in output. These facilities are optimized to produce steel products and construction machinery that meet rigorous structural and performance standards for residential, commercial, and infrastructure

developments.

A strong emphasis is placed on research and development (R\&D) to foster continuous innovation particularly in the development of durable steel alloys, performance-enhancing construction admixtures, and environmentally friendly alternatives. These efforts are designed to deliver solutions that are technically advanced, cost-effective, and aligned with sustainable construction practices .

To support its clients and ensure successful project outcomes, the Company has established a dedicated customer service and technical support team. This team works closely with contractors, engineers, and developers to provide expert guidance, customize mix designs, and coordinate seamless order processing. Reliable logistics systems are in place to ensure that deliveries are made promptly and efficiently to construction sites, regardless of location.

Quality assurance is at the heart of the Company's operations. Strict quality control procedures are implemented throughout the production process from the inspection of raw materials to real-time monitoring during mixing and final product testing. All products are manufactured in compliance with both national and international quality and safety standards, ensuring long-lasting performance and structural integrity.

In addition to production, the Company is committed to capacity building and industry knowledge sharing. It conducts training workshops and seminars for clients and stakeholders to enhance understanding of its products particularly the use of advanced admixtures and water-reducing agents thereby promoting best practices in modern construction.

Through its commitment to excellence, innovation, and client-focused service, the Company seeks to become a leading and dependable provider of construction material and construction machinery in the region. By offering cost-effective, high-performance, and sustainable solutions, the Company plays a pivotal role in supporting the advancement of the construction industry and contributing to national economic growth.

2.0 STATEMENT OF INVESTMENT COSTS AND SOURCES OF FINANCE

2.1 Investment Costs

To successfully launch and operate The Company, a total capital investment of USD 700,000 is required. This funding will establish a modern manufacturing facility, procure essential equipment, support staffing, and enable operations to meet growing market demands for construction chemicals and concrete admixtures in Tanzania and beyond.

2.2 Capital Requirements

The total required capital of USD 700,000 will be financed through a

combination of foreign equity and local borrowing, as follows:

Foreign Equity: USD 350,000

Local Loan: USD 350,000

Provided by international partners or strategic investors, the foreign equity injection represents long-term capital participation in the business and will support infrastructure development, equipment procurement, and start-up operations.

A commercial loan from a domestic financial institution will supplement the equity capital, enabling the The Company to manage operating costs, working capital needs, and market entry expenses.

2.3 Use of Funds

The investment will be allocated as follows to ensure efficient and sustainable operations:

Land/Building: USD 100,000

Factory Setup and Equipment: USD 200,000

Raw Materials and Initial Inventory: USD 20,000

Working Capital: USD 250,000

Furniture and Fittings: USD 50,000

Vehicles: USD 50,000

Licensing, Compliance, and Staff Recruitment: USD 30,000

These allocations are designed to cover all critical aspects of business setup and initial operations, ensuring that The Company can enter the market effectively and meet its performance objectives.

2.4 Revenue Projections

The Company anticipates robust growth driven by increasing infrastructure development and demand for construction materials in the region. Projected revenues for the first three years are:

Year 1: USD 450,000

Year 2: USD 700,000

Year 3: USD 1,200,000

These forecasts are based on conservative market penetration estimates and the The Company's expected monthly production capacity of 12000 tonnes, strategic pricing, and a growing customer base across Tanzania and the

broader East African region.

3.0 JOB CREATION

One of the core objectives of The Company is to contribute significantly to local economic development through the creation of sustainable employment opportunities. The The Company plans to employ a total of **186 individuals** across various operational, technical, and administrative roles. These employment opportunities will be distributed across the production, quality

control, logistics, marketing, sales, and finance departments, providing a balanced workforce that supports both skilled and semi-skilled labor.

Out of the total workforce, **85 positions** will be dedicated to production and warehouse operations, forming the backbone of the manufacturing process. These roles will primarily be filled by local workers, offering on-the-job training to equip them with specialized skills in handling chemicals, operating machinery, and maintaining safety and quality standards. The The Company will also hire **20 technical and engineering professionals**, responsible for overseeing product development, production optimization, and ensuring adherence to regulatory and quality requirements.

In addition, **30 sales and marketing executives** will be recruited to promote the The Company's products, build client relationships, and expand market reach across Tanzania and the broader East and Central African region. Administrative efficiency will be ensured by **15 finance and support staff**, handling human resources, procurement, accounting, and regulatory compliance. The Company is committed to implementing regular training programs and performance-based incentives, with a focus on capacity building and employee development, ultimately aiming to foster long-term careers and promote inclusive economic growth.

SOURCE OF SUPPLY INPUT

To ensure consistent product quality and timely delivery of ready-mix concrete and related cement-based materials, the Company will establish reliable and strategic sourcing partnerships for all essential raw materials and input supplies. The core inputs required for the manufacturing process include cement, aggregates (sand, gravel, crushed stone), and chemical additives such as water-reducing agents (WRAs), concrete admixtures, and performance-enhancing cement additives.

The Company will adopt a balanced sourcing strategy by procuring materials from both local and international suppliers. Locally, the Company will

collaborate with trusted cement producers, aggregate suppliers, and chemical distributors within Tanzania and the broader East African region. This approach will help reduce transportation lead times, lower logistics and import costs, and promote the growth of local industries.

For specialized construction chemicals and admixtures that are not readily available within the region, the Company will engage with reputable international suppliers recognized for maintaining high standards in quality and regulatory compliance. This diversified procurement model will help mitigate supply chain disruptions and support continuous production.

Furthermore, the Company will prioritize building long-term relationships with suppliers who can guarantee consistent supply schedules, competitive pricing, and adherence to environmental and safety standards. Regular evaluations and quality assurance checks will be implemented to verify that all raw materials meet the Company's technical and performance specifications.

Through this proactive and well-structured sourcing framework, the Company will maintain operational efficiency, ensure the durability and reliability of its construction materials, and meet the dynamic needs of construction projects across Tanzania and beyond.

4.0 IMPLEMENTATION SCHEDULE

The The Company intended to implement the project in the following schedule and phrase

4.1 Registration of the Projects and Compliance Phase

The The Company intends at the beginning to register the Project with Tanzania Investment Centre and to apply for certificate of Incentives. The Company shall also comply with other requisites laws, local and international standard and requirements.

4.2 Legal and Regulatory Compliance

The company will comply with all local and international regulations, including NEMC (environmental), OSHA (safety), and TMDA or TBS (standards for chemical manufacturing). All operational licenses and permits will be secured prior to production commencement.

4.3 Constructions

The The Company at initial phases intended to lease land for factory, warehouse, offices and staff houses and later later the The Company intend to buy land for construction of of factory, warehouse offices and staff houses.

4.4 Project Operation

That after obtaining all necessary licence and installation of plants and machinery the The Company intend to start operations.

5.0 FINANCIAL PROJECTIONS (5 YEARS)

The Company projects strong financial performance from its venture in the production and distribution of high-performance water-reducing agents for concrete. This forecast is based on rising demand driven by increased infrastructure development and the growing need for construction chemicals in Tanzania and the surrounding region.

The company expects production to reach 12,000 tonnes per year, with steady market growth and expanding client base. Revenue projections are based on conservative market penetration, stable pricing, and efficient operations.

Year	Revenue (USD)	Operating Costs (USD)	Net Profit (USD)	ROI (%)
Year 1	450,000	430,000	20,000	3%
Year 2	700,000	550,000	250,000	42%
Year 3	1,200,000	750,000	450,000	75%
Year 4	1,000,000	700,000	350,000	67%
Year 5	900,000	580,000	320,000	53%
Total	4,350,000	2,910,000	1,440,000	240% (5 yrs)

5.1 Key Assumptions:

Production stabilizes at full capacity by mid-Year 2.

Operating costs include raw materials, labor, utilities, and maintenance.

Marketing and distribution scale up progressively with sales.

Conservative revenue growth based on demand trends in infrastructure and construction.

Prices are benchmarked against competitive regional suppliers.

5.2 Break-even Point:

The company is expected to reach break-even by the end of Year 1, recovering initial working capital and operational expenses by leveraging high-margin sales and controlled costs.

5.3 Return on Investment (ROI):

With an average annual ROI of 40%–50%, the project projects a total return of 240% over five years, demonstrating significant financial viability and investment appeal for both equity partners and lenders.

6.0 ORGANIZATION STRUCTURE

The Company will adopt a functional organizational structure that promotes efficiency, accountability, and strategic alignment across its operations. The Company will be led by a **Managing Director**, who will oversee the overall strategic direction, governance, stakeholder engagement, and long-term growth of the Company. The Managing Director will coordinate closely with departmental heads to ensure smooth execution of the Company's mission and objectives.

The **Production Manager** will be responsible for overseeing all plant operations, including manufacturing processes, equipment maintenance, workforce supervision, and ensuring that production meets the required quality and safety standards. The **Sales and Marketing Team** will handle market penetration, customer relationship management, brand promotion, and expansion into regional markets. This team will play a key role in achieving revenue targets and growing the Company's market share.

The **Finance and Administration Team** will manage budgeting, financial reporting, procurement, human resources, and regulatory compliance. This unit ensures efficient resource use and transparent financial practices. Supporting product development and continuous improvement, the **Research & Development and Quality Unit** will focus on the formulation and testing of construction material, maintaining high-quality standards and ensuring compliance with national and international specifications.

This structure is designed to facilitate coordination, ensure accountability, and enable the Company to scale efficiently as operations expand.

7.0 ENVIRONMENTAL AND SOCIAL IMPACT

The Company is committed to carrying out its manufacturing and distribution operations for high-performance construction material. The company acknowledges that industrial activities can impact both the natural environment and the surrounding community, and has adopted proactive measures to ensure positive outcomes across all aspects of its operations.

Sustainable Production Practices

The company will prioritize the use of environmentally friendly raw materials and promote resource-efficient production techniques to minimize emissions and waste. Preference will be given to suppliers who follow green manufacturing standards.

Energy and Water Efficiency

Factory operations will integrate energy-saving equipment and systems,

including high-efficiency motors, lighting, and production machinery. Water usage will be minimized through recycling systems and controlled consumption technologies.

Waste Management

An industrial waste management plan will be implemented to ensure safe disposal and treatment of chemical and packaging waste, in line with Tanzania's National Environmental Management Council (NEMC) regulations and global best practices.

Emissions and Pollution Control

Emission control systems and dust suppression measures will be put in place to mitigate air and environmental pollution. Routine monitoring will be conducted to ensure compliance with environmental standards.

Green Landscaping

The company premises will include green spaces and tree planting to improve air quality and contribute to carbon offset efforts.

08. CAPACITY OF THE PROJECT

The The Company project is designed with a strong operational capacity to meet both current market demand and future growth in the construction material sector. The core production facility will have an initial installed capacity to manufacture **12000 tonnes of water reducing agents (WRAs) per month**, translating to **1,200 tonnes annually**. This initial capacity will adequately serve a broad client base across Tanzania's

construction industry, including infrastructure contractors, real estate developers, and cement manufacturers. The facility is designed for scalability, with **plans to increase production to 18600 tonnes per month in Year 2** and **20000 tonnes per month in Year 3** to meet rising market demand.

In addition to WRAs, The Company will manufacture a wide range of concrete admixtures, cement additives, and precast concrete products such as blocks, tiles, and slabs. The production site will be equipped with modern blending, packaging, and quality control systems to ensure efficiency, consistency, and compliance with both national and international standards. With a dedicated workforce of

186 employees, including engineers, production workers, and sales professionals, the The Company is well-prepared to operate at full capacity and scale progressively in line with its strategic growth objectives.

09. CONCLUSION

The Company is strategically positioned to become a key player in the construction chemicals industry in Tanzania and the broader East and Central African region. With a clear vision, strong operational framework, and a scalable production capacity, the The Company is equipped to meet the growing demand for high-performance, cost-effective, and environmentally friendly construction solutions. The initial investment of USD 700,000 supported by a combination of foreign equity and local financing, will enable The Company to establish a fully functional manufacturing facility, create 186 employment opportunities, and introduce a diverse range of innovative products to the market.

Through a focused marketing strategy, robust distribution network, and commitment to quality and compliance, The Company aims to build long-term partnerships with clients and contribute meaningfully to infrastructure development in the region. Backed by a dedicated management team and skilled workforce, the The Company is confident in achieving its financial and operational goals while promoting sustainable industrial growth and job creation. The Company is not just a business venture it is a catalyst for progress in the construction sector.

