

Business Plan
of
Dalin New Building Materials (Tanzania)
Company Limited
Project of Establishing and Operating a
Commercial Ready-Mixed Concrete Production
and Supply Base in Tanzania

October, 2025

I. Company Overview

Dalin New Building Materials (Tanzania) Company Limited (hereinafter referred to as “the Company” or “we”) is proposed to be established in Tanzania with a registered capital of TZS 1,500,000,000, corresponding to an initial investment of approximately USD 2,339,526. In accordance with Tanzanian law, Dalin Investment (Africa) Co., Ltd, a Mauritius-based company wholly owned by Nanjing Dalin Investment Management Co., Ltd (China), is proposed to directly hold 99% of the Company, while Nanjing Dalin Investment Management Co., Ltd is proposed to directly hold 1%. For details, please refer to the shareholding structure diagram. The Company is planned to be organized as a limited liability company.

The Company’s proposed business scope includes:

- Production, mixing, supply, and delivery of ready-mixed concrete, dry-mix concrete blends, specialty-grade concrete, admixture-modified concrete, fiber-reinforced concrete, and other concrete formulas required by industrial, commercial, or private users;
- Design, operation, and maintenance of mobile batching plants and concrete delivery systems;
- Implementation of quality control through standardized testing and mix design optimization;
- Meeting diversified customer requirements for construction and infrastructure projects.

Upon establishment, the Company intends to leverage the mature production management systems, operational experience, and standardized processes of affiliated enterprises in China. The Company will be responsible for production operations, local market development, and project implementation, aiming to ensure efficient and timely delivery of high-quality concrete to customers in Dar es Salaam and surrounding areas. Through these operations, the Company plans to build a foundation for sustainable growth, industrial synergy, and long-term expansion in Africa.

II. Project Overview

1. Project Overview and Main Contents

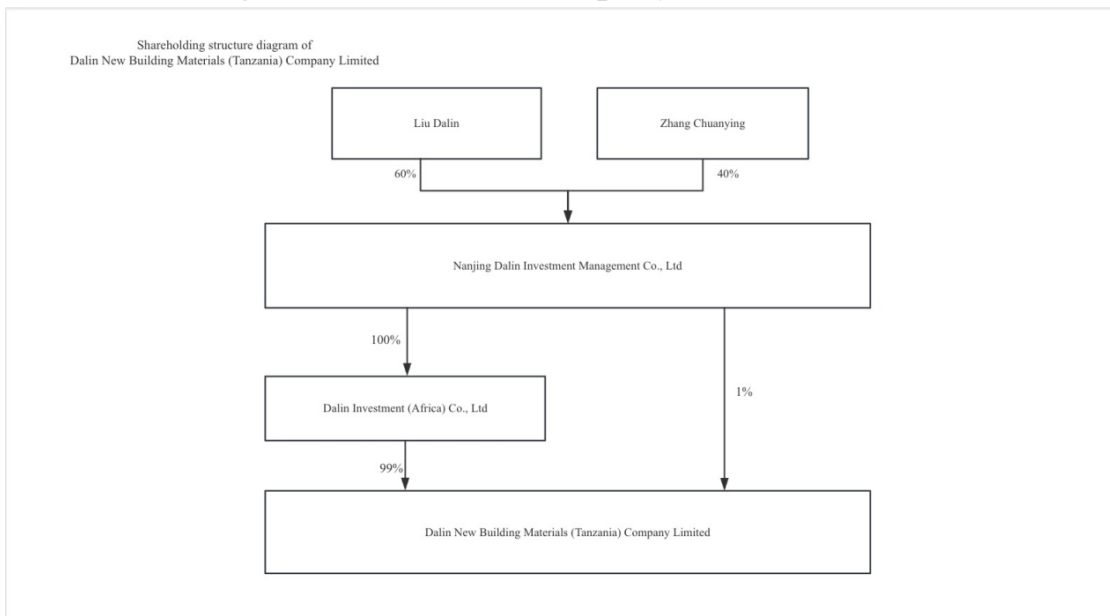
This Project is implemented by Dalin New Building Materials (Tanzania) Company Limited as the project owner and operating entity. The Project involves the establishment and operation of a commercial ready-mixed concrete production and supply base located in Dar es Salaam, Tanzania.

The Project is a greenfield investment and will be constructed, owned, and operated locally by the Company. All production activities, employment arrangements, procurement, sales, environmental management, and tax compliance will be conducted within Tanzania in accordance with applicable laws and regulations.

The total planned investment of the Project amounts to approximately USD 2,339,526, fully funded by the Company’s own funds. The investment will be primarily used for construction of production facilities, procurement and installation of batching equipment, vehicles, office facilities, and working capital.

The Project aims to meet the growing demand for ready-mixed concrete arising from infrastructure development and urban construction in Dar es Salaam and surrounding areas, while contributing to local employment, tax revenue, and industrial development.

2. Shareholding Structure of the Company



Note: For investment structuring purposes, part of the Company’s shareholding is held through an overseas investment holding entity. Such holding arrangement does not affect the Company’s independent legal status, operational autonomy, or regulatory supervision in Tanzania. All Project implementation and commercial operations are carried out exclusively by the Tanzania Company.

III. Background and Necessity of Establishing a Company in Tanzania

1. Background for Establishing a Company in Tanzania

As a newly established Tanzanian company, we aim to develop a sustainable and competitive commercial ready-mixed concrete business in Tanzania.

Our decision to establish operations locally is driven by the rapid urbanization and ongoing infrastructure development in Dar es Salaam and surrounding areas, which are creating strong and growing demand for high-quality concrete products.

While we bring mature production technology, management expertise, and experience in large-scale operations, the primary motivation for establishing the Company in Tanzania is to leverage local market opportunities, cost advantages, and to build a robust industrial presence in the region.

a. Market Opportunities in Tanzania

Tanzania's construction materials market is showing strong growth potential, with increasing demand for high-quality ready-mixed concrete driven by urbanization and infrastructure development. The market is still developing, offering opportunities for companies with mature production technology, standardized processes, and efficient management to capture market share, introduce advanced operational practices, and support the growing construction industry. This provides an ideal opportunity for a professional company like ours to:

- Quickly capture market share and address supply-demand gaps.
- Introduce standardized production and quality control systems.
- Establish a strong brand and competitive advantage in the local market.

b. Investment and Operational Advantages

The Tanzanian market offers favorable financial and operational conditions:

- Local sales price for commercial ready-mixed concrete is approximately USD 112.5 per ton, while production costs are around USD 70.3 per ton, yielding a gross profit of about USD 42.2 per ton and a gross margin of 37.5%.
- Labor costs are relatively low: frontline workers earn about USD 211 per month, and technical and management staff approximately USD 633 per month.
- Payment processes are well-regulated, with cash-on-delivery practices ensuring high cash flow security and working capital efficiency.

These factors indicate that the project can achieve strong profitability and operational efficiency, while providing secure returns on investment.

c. Alignment with Industrial and Legal Advantages

Our company will transfer mature production processes, quality control

systems, and operational experience from China to Tanzania, enabling efficient and scalable operations in the local market. The Tanzanian government actively supports foreign investment in infrastructure and construction through tax incentives, streamlined land-use procedures, market access support, and foreign exchange facilitation. These measures provide clear legal and policy protections for our business operations.

d. Strategic Outlook

Through this investment, we plan to establish a fully operational concrete production and sales network in Tanzania, gradually expand market presence in East Africa, and lay the foundation for future industrial development and regional expansion. The Company will serve as a platform for both immediate market capture and long-term growth, benefiting from China-based technical expertise while remaining fully rooted in the Tanzanian business environment.

2. Necessity of Establishing a Company in Tanzania

As a Tanzanian company, we recognize the urgent need to establish local production and operational capabilities to capture the significant growth opportunities in the commercial ready-mixed concrete market. The combination of rising construction demand, gaps in local supply, and the strategic advantages of overseas investment underscores the necessity of this project. Establishing a company will allow us to meet market demand efficiently, improve production and supply chain responsiveness, and strengthen international competitiveness, while laying a foundation for long-term business growth in the region. The specific necessities are outlined below:

a. Directly Address Local Market Supply-Demand Gaps

While Tanzania's concrete market shows substantial potential, most local producers operate on a small scale with scattered production facilities, limiting their ability to meet the rapidly growing demand in Dar es Salaam and nearby areas. By establishing a local company with modern production and supply infrastructure, we can align production with demand, ensure stable supply, and secure market share effectively.

b. Ensure Timely Production and Delivery

Commercial ready-mixed concrete is highly time-sensitive, typically requiring use within four hours of production to maintain quality. Local production is therefore critical to ensure timely delivery, meet construction project schedules, and maintain product quality. A Tanzanian company enables rapid response to market needs, improving operational efficiency and competitiveness.

c. Maintain Control over Production Quality and Management

Operating a local company allows us to directly implement standardized

production processes, quality control systems, and operational management practices adapted from our parent company. This ensures consistent product quality, minimizes operational risks, and institutionalizes best practices in the local context.

d. **Build International Operational Experience**

Through actual production and sales operations in Tanzania, we will accumulate experience in the African market, develop a replicable overseas business model, and strengthen our brand presence. This operational knowledge will support future investments, industrial expansion, and international strategy in other emerging markets.

e. **Achieve Strategic Synergy and Long-Term Goals**

This project represents a key step in the international extension of our core business. By investing in a Tanzanian production facility, we can expand business scope, enhance profitability, diversify domestic market risks, and support the long-term strategic development of our company in Africa and beyond.

IV. Overall Project Plan

1. Strategic Positioning

As a Tanzanian company, we propose to establish a commercial ready-mixed concrete production and supply base in Dar es Salaam, Tanzania. This project is a key step in advancing our company's international business strategy and expanding our presence in the African market. By leveraging our parent company's mature production technologies, standardized operational systems, and management expertise, the Company will introduce a highly efficient and quality-focused production model. The facility will provide timely, stable, and reliable concrete supply to construction projects within approximately 15–20 kilometers of Dar es Salaam, addressing the rapidly growing demand driven by local urbanization, infrastructure development, and public works initiatives. This strategic positioning ensures that our company captures early market opportunities, establishes brand recognition, and secures long-term competitiveness in Tanzania's developing construction sector.

2. Project Construction and Implementation Plan

a. **Construction Location, Scope, and Scale**

The project will be implemented in Dar es Salaam, with the selected site located approximately 15 kilometers from the city center, adjacent to major transport routes and about 10 kilometers from the coast. This location ensures efficient transport of raw materials, smooth product distribution, and convenient access for customers. The project area covers approximately

12,000 square meters, with plans to construct an office area of 1,200 square meters within three years.

The initial phase of the project will include one commercial concrete production line and a batching plant, supported by 10 concrete mixer trucks to meet initial local demand. As market demand grows, a second production line is planned for the third year, increasing the fleet to 20 mixer trucks and enhancing overall production capacity.

Production scale is projected as follows: approximately 20,000 cubic meters in the first year, 30,000 cubic meters in the second year, 50,000 cubic meters by the third year, 70,000 cubic meters by the fourth year and 100,000 cubic meters by the fifth year. Production will utilize our parent company's mature domestic technologies, standardized processes, and management systems, ensuring high-quality concrete and operational efficiency. Construction is expected to take approximately 6–8 months following the completion of the ODI filing, including one month for permits and four months for production line and office construction. The initial facilities are planned to be fully operational between May and July 2026, with an hourly production capacity of around 100 cubic meters for the first line. The second line will be commissioned in the third year to meet growing market demand while maintaining production efficiency.

From a business and profitability perspective, the project is expected to generate:

- Year 1: 20,000 cubic meters of concrete, revenue of approximately USD 2,110,170, and profit of USD 281,356;
- Year 2: 30,000 cubic meters, revenue of USD 3,165,255, profit of USD 1,055,085;
- Year 3: 50,000 cubic meters, revenue of USD 5,275,425, profit of USD 1,758,475.

- Year 4: 70,000 cubic meters, revenue of USD 7,385,595, profit of USD 2,561,865.
- Year 5: 100,000 cubic meters, revenue of USD 10,550,850, profit of USD 3,517,700.

The target market includes construction companies and infrastructure projects within a 15–20 km radius of Dar es Salaam. All raw materials, including cement, aggregates, sand, and additives, will be locally procured

to ensure that concrete is delivered and used within four hours, meeting the time-sensitive nature of commercial ready-mixed concrete.

b. Status of Supporting Conditions

We have carefully assessed and secured the supporting conditions necessary for successful project implementation, including labor, land, raw materials, and infrastructure.

Labor: Six technical and management personnel will be dispatched from China to transfer operational expertise, while approximately 30 local.

Land and Environmental Conditions: The project site is designated for industrial use and is located near existing chemical factories, allowing potential reuse of treated wastewater. Dust and noise emissions will be controlled through appropriate mitigation facilities, ensuring compliance with Tanzanian environmental standards.

Raw Materials and Logistics: Cement, aggregates, sand, and additives will be sourced locally, approximately 140 kilometers from the site, with transportation coordinated to ensure that concrete is delivered to customers within four hours.

Utilities and Infrastructure: The site benefits from reliable access to electricity, water, and major roads, including proximity to the port. Energy supply and water systems will be upgraded as needed to support production and office operations. Construction and operations will comply with local technical, environmental, energy consumption, and safety regulations, ensuring long-term sustainable operation.

Other Supporting Conditions: Industrial land layout allows for future expansion of batching plants and production lines. Wastewater, dust, and noise control measures have been designed to meet environmental standards. A sales radius of 15–20 kilometers ensures that concrete can be delivered promptly to the market, supporting operational efficiency and profitability. By leveraging these supporting conditions, the Company will establish a reliable, high-quality, and scalable production and supply base, positioning itself as a key player in the local commercial ready-mixed concrete market.

V. Sources and Uses of Funds

1. Specific Uses of Project Funds

The total investment for this project amounts to USD 2,339,526, with funding sourced entirely from our company’s self-financing. The investment will be primarily allocated to project construction, purchase and installation of production facilities, office area construction, personnel costs, and working capital. The project’s investment structure is reasonable and will ensure the smooth construction and operation of the production line. The total investment and its composition are as follows:

Investment Category	Investment Amount	Description
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	(Unit: USD)	
Land and Office Facilities Construction Costs	735,746.01	Including initial construction of 1,200 mx office building and related infrastructure
Personnel Costs	298,294.66	Dispatch of 6 personnel from China and hiring of 38 local employees in Tanzania
Production Facilities and Equipment Procurement Costs	1,059,305.44	Planned construction of 2 concrete production lines, 2 batching plants, 20 mixer trucks, and 4 concrete pump trucks
Raw Materials Procurement Costs	157,694.43	Funds for raw materials procurement
Daily Operating Costs	88,486.47	Daily operating expenses, including utilities, transportation, and routine maintenance
Total	2,339,526	-

The specific composition and breakdown of the investment are as follows:

a. The land and office facilities construction costs for this project amount to USD 735,746.01, mainly used for land leasing and office space construction.

The specific details are as follows:

Category	Unit Price (Unit: USD)	Quantity	Total Amount (Unit: USD)
Rent	133,644.11	1 year	133,644.11
Site Hardening Works	70.34	4,000 m ²	281,356.03
Office Building	140.68	1,200 m ²	168,813.62
Perimeter	70.34	1,200 m	84,406.81

Wall			
Foundation	42,203.40	1 set	42,203.40
Well	11,254.24	1 set	11,254.24
Drainage	14,067.80	1 set	14,067.80
Total			735,746.01

b. The labor cost for this project amounts to USD 298,294.66, primarily used for the payment of salaries for production workers, drivers, translators, and administrative staff. During the initial stage of establishing the Tanzania company, the specific labor costs are as follows:

Position	Monthly Salary (Unit: USD)	Quantity	Total Amount (Unit: USD)
Janitorial Staff	112.54	4	5,402.04
Security Guard	323.56	5	19,413.57
Production Worker	323.56	5	19,413.57
Driver	281.36	23	77,654.26
Translator	633.05	1	7,596.61
Parent Company Assignees	/	6	168,813.62
Total			298,294.66

c. The procurement cost of production facilities and equipment for this project amounts to USD 1,059,305.44, primarily for the purchase, transportation, and installation of production equipment. During the initial stage, the Tanzania company is expected to establish one production line. The detailed breakdown of equipment procurement costs is as follows:

Category	Unit Price (Unit: USD)	Quantity	Total Amount (Unit: USD)
Concrete Pump Truck	70,339.01	4	281,356.03
Concrete Mixer Truck	16,881.36	20	337,627.23
Loader	35,169.50	1	35,169.50
Weighbridge	21,101.70	1	21,101.70
Generator	32,355.94	1	32,355.94
Concrete Mixing Tower 1	84,406.81	1	84,406.81
Concrete Mixing Tower 2	70,339.01	1	70,339.01
Spare Parts (for	56,271.21		56,271.21

Vehicles, Mixing Plants, and Loaders)			
Packaging for Mixing Plant and Silo	140,678.01	1 set	140,678.01
Total			1,059,305.44

d. The procurement cost of raw materials for this project amounts to USD 157,694.43, primarily for the purchase of raw materials required during the initial production stage, including yellow sand, cement, crushed stone, gravel, and additives. Since raw materials are consumables for the project and the production and cash collection cycles are relatively short, it is not advisable to stockpile them in large quantities. The following data are calculated based on the raw materials required for a production volume of 1,000 cubic meters. The detailed breakdown of raw material costs is as follows:

Category	Unit Price (Unit: USD)	Quantity	Total Amount (Unit: USD)
Additives	1,125.42	0.75 t	844.07
Sand	16.88	1282 t	21,641.91
Crushed Stone	28.14	1376 t	38,714.59
Gravel	16.88	916 t	15,463.33
Cement	112.54	720 t	81,030.54
Total			157,694.43

e. The daily operating cost for this project amounts to USD 88,486.47, primarily for the payment of utility expenses (water and electricity) for the Tanzania company, fees for agency and legal services, and costs associated with participation in routine exhibitions and promotional activities.

Category	Unit Price (Unit: USD)	Quantity	Total Amount (Unit: USD)
Mauritius and Tanzania Company Registration Agency Fees and Project Legal Fees	36,576.28	/	36,576.28
Tanzania Employee Visa Fees	Director: 4,000 USD/person Ordinary Staff:	6 person (2 directors, 4 ordinary staff)	12,000

	1,000 USD/person		
Staff Villa Rent	6,000 USD	/	6,000
Vehicle Purchase	11,254.24	1 vehicle	11,254.24
Environmental Assessment, Construction Permits, and Related Documents	15,474.58	/	15,474.58
Other Expenses (Operating Funds)			7181.37
Total			88,486.47

2. Project Funding Sources and Arrangements

All project funds are sourced entirely from our company's own capital, with no external financing. The fund allocation plan is as follows:

- a. Construction and Equipment Procurement: Payments will be made in installments according to the progress of construction and equipment procurement after obtaining the construction permit.
- b. Personnel Costs: Payments will be made according to monthly salaries and benefits. Domestic personnel expenses will be paid either in a lump sum or according to the schedule stipulated in the contracts.
- c. Working Capital and Raw Materials: Funds will be allocated to ensure smooth initial production, covering the financial requirements for the production and sales cycles.

VI. Project Implementation Schedule

To ensure smooth project progress, control construction costs, and achieve production as soon as possible, the project implementation plan is divided into three phases: the Preparation Phase, the Construction Phase, and the Operation Phase. Key milestones, main tasks, and responsibilities are clearly defined for each phase. The overall construction period of the project is approximately 6 to 8 months, with the initial production line expected to be completed and operational between May and July 2026.

1. Preparation Phase (November 2025 – December 2025)

During the early stage of project implementation, our company will focus on project registration and obtaining the necessary permits. The main tasks include:

a. Overseas Investment Filing: Complete the ODI filing procedures with the National Development and Reform Commission (NDRC) and the Ministry of Commerce in China. The expected duration is 1 – 2 months.

b. Local Construction Permits: Apply simultaneously to the relevant authorities in Tanzania for construction and business permits. The expected approval period is approximately 1 month.

c. Site Selection and Land Acquisition: Complete the lease and usage agreement for industrial land in Dar es Salaam, ensuring that the land use complies with the requirements for the concrete batching plant and production facilities.

d. Design and Procurement Preparation: Organize the engineering and technical team to conduct the overall site design, select equipment, and prepare for tendering and procurement.

e. Personnel Arrangement and Training: Finalize the list of domestic management and technical staff to be dispatched abroad, and carry out pre-departure training, visa applications, accommodation arrangements, and other preparations.

2. Construction Phase (January 2026 – April 2026)

After completing the relevant approvals, procurement preparations, and personnel recruitment, the project will enter the substantive construction phase. The key tasks include:

a. Foundation Works and Civil Construction: Completion of infrastructure works for the office building and production areas, including water and power supply, internal roads, and drainage systems.

b. Equipment Installation and Commissioning: Installation and commissioning of the first concrete production line, the batching plant, and ten (10) concrete mixer trucks.

c. Environmental Protection and Safety Systems: Establishment of wastewater recycling systems, as well as dust and noise control facilities, to ensure compliance with local environmental protection standards.

d. Personnel Deployment and Production Training: Dispatch of domestic personnel to Tanzania to provide on-site installation guidance and operational training, with locally hired employees formally commencing their duties.

e. Trial Operation and Production Validation: Completion of trial production and concrete quality testing to confirm readiness for full-scale commercial operation.

3. Operation Phase (From May 2026 onwards)

After the commencement of formal production, the project will gradually enter a stable operation stage, with production and sales plans implemented in phases:

First Year (2026): Achieve approximately 20,000 cubic meters of concrete production and sales, with a focus on establishing a customer network and building market credibility.

Second Year (2027): Increase annual production capacity to 30,000 cubic meters by optimizing production processes and sales channels, thereby improving overall profitability.

Third Year (2028): Add a second production line and an additional batching plant, increase the number of concrete mixer trucks to 20 units, and raise annual production capacity to 50,000 cubic meters to fully meet demand in Dar es Salaam and surrounding areas.

Long-term Plan: Within five years, construct a total office area of 1,200 square meters, progressively improve plant facilities, and promote standardized and digitalized production and management practices.

4. Schedule Arrangement and Control Measures

To ensure that the project is implemented as planned, the Company will establish a comprehensive project management and monitoring mechanism:

a. Project Management Team: Overall coordination will be led by a project manager dispatched from China, with dedicated teams established for construction, procurement, finance, and safety management.

b. Schedule Control: A monthly target management system and milestone acceptance mechanism will be implemented to ensure that all phases progress without delays.

c. Quality and Safety Control: Mature domestic production process standards will be strictly followed, and equipment safety operating procedures will be rigorously enforced.

d. Fund Management: A dedicated project account management system will be adopted, with construction, procurement, and operational funds disbursed in phases to ensure transparent and efficient use of funds.

e. Risk Response Mechanism: Contingency plans and emergency response measures will be established to address potential risks, including approval delays, raw material price fluctuations, and transportation risks.

VII. Analysis of Economic Returns and Social Benefits

1. Economic Returns

The total investment of the Company amounts to USD 2,339,526. It is expected to achieve stable and sustainable returns through production and sales over a three-year period. The Company's economic returns will primarily be derived from revenue generated through the sale of ready-mixed concrete, and will be analyzed in conjunction with cost control measures, capacity expansion, and market development strategies.

a. Sales Revenue and Production Volume Forecast

In the initial stage, the Company is expected to achieve an annual output of approximately 20,000 cubic meters of concrete. In the second year, production is planned to increase to 30,000 cubic meters. In the third year, annual output will reach 50,000 cubic meters through the addition of a second production line. The production planning fully takes into account local construction market demand, construction schedules, and the specific characteristics of ready-mixed concrete, which must be used within four hours after production. This ensures that local production can effectively meet the supply requirements of construction enterprises and infrastructure projects within a radius of approximately 15–20 kilometers in Dar es Salaam and surrounding areas, while avoiding product loss caused by excessive transportation time.

Based on market research and the Company's sales strategy, the operating revenue is approximately USD 2,110,170 in the first year, USD 3,165,255 in the second year, and USD 5,275,425 in the third year. Revenue growth will primarily be driven by capacity expansion and market development, supported by a rational pricing strategy to maintain competitive advantages in the market. During the initial phase, stable sales will be achieved through the establishment of a local customer network and the execution of supply contracts. In the second and third years, market share and revenue scale will be further expanded through increased production capacity and the addition of new production lines.

With the expansion of the scale and the commissioning of the second production line, the unit value-added return per output is expected to further improve. While ensuring timely supply and consistent product quality, the Company will also create conditions for potential cross-border materials trade in the future, including the importation of raw materials or by-products with local cost advantages compared to domestic prices, thereby generating additional economic returns. Through scientific production planning, proactive market development, and effective cost control, the Company is expected to generate stable cash flows and provide a replicable operating model and long-term profitability support for the Company's expansion of ready-mixed concrete business in Africa and other emerging markets.

b. Cost Structure and Control

The production costs mainly include raw material procurement, personnel wages, energy consumption, transportation, and maintenance expenses. Raw materials such as cement, aggregates, sand, and additives will be procured locally, thereby reducing import and long-distance transportation costs. Personnel costs are structured in a reasonable manner, with six (6) staff dispatched from China and approximately thirty (30) employees hired

locally, ensuring both production efficiency and management quality. The production facilities will adopt mature domestic technologies to improve unit output efficiency. In addition, localized production combined with a four-hour delivery mechanism will effectively reduce transportation costs and time-related losses.

c. Profit and Investment Returns

The costs mainly include personnel wages, raw material procurement, transportation, energy consumption, and routine equipment maintenance. Total costs are estimated at approximately USD 1,828,814 in the first year, primarily covering the operation of the initial production line, construction of office facilities, and basic operational expenditures. In the second year, with increased production volume and expanded operational scale, total costs are expected to rise to approximately USD 2,110,170. In the third year, following the addition of a second production line, total costs are projected to increase further to approximately USD 3,516,950. However, due to improvements in production efficiency and economies of scale, the unit cost per output is expected to decline significantly.

Based on cost and revenue projections, the estimated profit for the first year is approximately USD 281,356, with a profit margin of around 13%. In the second year, profit is expected to reach approximately USD 1,055,085, with the profit margin increasing to 33%. In the third year, profit is projected at approximately RMB USD 1,758,475, maintaining a profit margin of 33%. Profit growth will primarily be driven by capacity expansion, improved production efficiency, and reduced operating costs through localized production and logistics systems, ensuring stable profitability for the Company within three years.

From the perspective of investment returns, the cumulative profit over three years is expected to reach approximately USD 3,094,916, ensuring full recovery of the initial investment of USD 2,339,526. With the commissioning of the second production line and market expansion, the Company's cash flow stability and profitability will be significantly enhanced, providing the Company with a replicable operational model and long-term financial support for its ready-mixed concrete business in Africa and other emerging markets.

In addition, once the Company reaches stable operations, certain raw materials or by-products with local supply prices lower than domestic market prices can be imported into China through trade, generating additional value-added returns and providing further support for overall investment profitability.

2. Social Benefits

The Company not only generates economic returns but also delivers multiple

social benefits. By establishing a commercial ready-mixed concrete production and supply base in Dar es Salaam, Tanzania, the Company will contribute to the development of the local construction industry, create employment opportunities, enhance the industrial chain and infrastructure, and accumulate operational and investment experience, providing a demonstrative effect for future industrial and business development in Tanzania. The social benefits are detailed in four aspects: industry development, employment, regional economic impact, and investment experience.

a. Promoting the Development of the Local Construction Industry

By investing in and establishing a commercial ready-mixed concrete production and supply base in Dar es Salaam, the Company will promote the growth of the local construction sector. With continued urban infrastructure development and expansion of real estate projects, demand for high-quality ready-mixed concrete is rising. The Company's operations will provide local construction companies with stable and timely concrete supply, improving project efficiency and quality, supporting the on-schedule completion of urban development projects, and contributing to the modernization of regional infrastructure.

b. Job Creation and Skill Development

The construction and operation of the Company will directly generate local employment, creating approximately 40 positions, including concrete mixer truck drivers, general workers, security personnel, cleaners, and translators. Additionally, six technical and management staff will be temporarily dispatched to provide on-site guidance and training. By offering standardized vocational training and competitive compensation, the project will improve employees' professional skills and income levels, enhance the overall quality of the local workforce, and support the healthy development

of the local labor market.

c. Promoting Regional Economic Development and Industrial Chain Enhancement

All raw materials for the Company, including cement, aggregates, sand, and additives, will be sourced locally, supporting the growth of suppliers and related industries and strengthening the regional industrial chain. The Company will operate in full compliance with local technical, environmental, energy consumption, and safety standards, with effective measures in place for wastewater, dust, and noise management. Through ongoing operations, the Company will generate continuous tax contributions, supporting local government revenue and public services, thereby enhancing regional economic vitality and social welfare.

d. Enhancing International Investment Experience and Demonstrative Effect

As a Tanzanian enterprise engaged in international-standard operations, the Company will accumulate valuable operational and investment experience, strengthen collaboration with local and foreign partners, and provide a replicable model for future industrial investment and technology transfer in Africa and other emerging markets. Successful operations will generate economic value and promote positive social outcomes, including employment, environmental protection, and responsible business practices, creating a sustainable development cycle within the local community.

VIII. Risk Assessment and Mitigation Measures

1. Policy and Legal Risks

As a Tanzanian company, the Company's investment and production operations may be affected by local laws, regulations, taxation, and environmental policies, including procedures for company registration, land use rights, environmental permits, and safety standards. To mitigate these risks, the Company will engage professional local legal advisors to monitor regulatory and policy changes and ensure timely adjustments to operational

plans. All activities, including company registration, approvals, and construction of production facilities, will strictly comply with Tanzanian laws and regulatory requirements. Through adherence to local legal procedures and proactive risk management, the Company aims to ensure smooth and compliant operations while minimizing potential legal and policy-related disruptions.

2. Market Demand and Sales Risks

The Company primarily targets the construction market within Dar es Salaam and its surrounding areas, approximately 15–20 kilometers. The demand for commercial concrete is affected by fluctuations in the macroeconomy, real estate, and infrastructure construction. A decline in market demand may impact production volume and revenue. Mitigation measures include entering into long-term supply contracts to secure customer resources and establish a stable client network; implementing flexible production scheduling to adjust output according to demand; and, in combination with market research and dynamic pricing strategies, maintaining the competitiveness of our products in the local market.

3. Operational and Production Risks

Commercial concrete must be used within a short period after production (approximately 4 hours); any production delays or logistical issues may result in product loss. To mitigate operational risks, the Company will establish a localized production and logistics system to ensure efficient coordination between production, delivery, and on-site construction; equip backup mixers and transportation vehicles to enhance emergency response capabilities; and implement standardized operating procedures with reinforced staff training to ensure production efficiency and product quality.

4. Supply Chain and Raw Material Risks

All raw materials (cement, aggregates, sand, and additives) are sourced

locally, but may still be affected by transportation issues, price fluctuations, or supply shortages. To mitigate supply risks, the Company will establish a multi-channel supply system, enter into long-term procurement contracts, maintain safety stock, and optimize transportation routes; in addition, suppliers' qualifications and reliability will be regularly evaluated to ensure a stable supply of raw materials and maintain production continuity.

5. Financial and Exchange Rate Risks

The Company is fully funded by the parent company's own capital, but cross-border investment may face exchange rate fluctuations, fund transfer issues, and taxation risks. Mitigation measures include establishing a sound financial management system and reasonably planning overseas investment and remittance schedules; using financial instruments to hedge against exchange rate risks when necessary; and conducting regular financial analysis and cost control to ensure efficient and transparent use of funds, thereby reducing financial risks.

6. Environmental and Safety Risks

The Company's production process may generate environmental impacts such as wastewater, dust, and noise, while also requiring the protection of employee safety. To mitigate these risks, the Company will establish a wastewater recycling system on the industrial site, equip dust and noise control facilities, and strictly comply with local environmental standards; in addition, safety production procedures will be implemented, regular safety training and drills conducted, and equipment maintenance and emergency management enforced to ensure the safety of both employees and production operations.

7. Risk Monitoring and Emergency Management

To comprehensively address various risks, the Company will establish a risk monitoring system and emergency response plan, including: regularly

assessing changes in policies, market conditions, and operations, and adjusting strategies in a timely manner; setting up a dedicated management team responsible for risk tracking and early warning; and establishing internal reporting and communication mechanisms to ensure that critical risk information is promptly conveyed and effective measures are taken. Through these measures, the Company can minimize investment, operational, and market risks, achieving stable and sustainable development.

IX. Conclusion

Establishing the Company in Tanzania marks a key milestone in our strategic development and long-term growth. As a Tanzanian commercial ready-mixed concrete company, we are positioned to meet the rapidly growing local construction market demand, serve as a regional operational platform, and strengthen our presence and influence in Africa and other emerging markets. By conducting our operations locally, the Company can fully leverage resources, implement standardized production and management practices, and enhance competitiveness in the industry.

To ensure smooth establishment and ongoing operations, the Company will engage a professional legal and compliance team to manage registration, regulatory approvals, and compliance matters. A dedicated project manager will oversee the setup of production facilities, operational management, and business development. Through rigorous management systems and operational expertise, the Company will maintain full control over core production technologies, efficiently manage key resources, and secure contracts from local construction and infrastructure projects.

Local operations also provide a foundation for long-term sustainable growth. By ensuring high-quality production, timely supply, and efficient management, the Company will achieve operational stability, profitability, and market responsiveness. Additionally, these operations will allow the Company to accumulate valuable experience for potential future expansion within Tanzania and across Africa.

In summary, establishing and operating the Company in Tanzania is a crucial step in executing our strategic vision, expanding market share, and achieving sustainable economic and strategic objectives. The Company will serve as a stable, scalable, and strategically important platform for local operations, enabling both immediate business benefits and long-term development in the region.