

BUSSINESS PLAN

FOR

**JUN GUAN CONSTRUCTION
MATERIALS LIMITED**

FOR

**MANUFACTURING OF
CONCRETE ADDITIVES**

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
CONCLUSION 13	

1.0 INTRODUCTION

JUN GUAN CONSTRUCTION MATERIALS LIMITED is a Tanzanian-based manufacturing company specializing in the production and supply of high-quality **concrete additives** for the construction industry. The Company is engaged in the formulation, processing, and distribution of a wide range of chemical and mineral admixtures designed to enhance the performance, strength, durability, and work ability of concrete in various construction applications.

Positioned to meet the growing demands of Tanzania's expanding construction sector and the broader East African market, the Company is committed to delivering reliable, innovative, and cost-effective additive solutions that improve concrete quality for residential, commercial, and large-scale infrastructure projects.

The Company's strategic investment amounts to USD 900,000, comprising USD 450,000 in foreign equity and USD 450,000 in local financing. These funds will support the establishment of a fully equipped manufacturing facility with an annual production capacity of 12,000 tonnes of concrete additives. The target market includes ready-mix concrete producers, construction companies, real estate developers, government infrastructure projects, and contractors requiring advanced concrete performance solutions. In line with its growth strategy, the Company will create 150 local employment opportunities across production, chemical engineering, quality control, mechanical maintenance, logistics, sales and marketing, and administrative departments. Through a strong commitment to innovation, sustainability, and operational excellence, the Company aims to become a leading manufacturer of concrete additives and a key contributor to industrial and economic development in the region.

1.1 Mission and Vision Statement

1.1.1 Vision

To be recognized as a leading manufacturer of innovative, high-performance, and sustainable concrete additives in East Africa, setting industry standards in quality, reliability, and technological advancement.

1.1.2 Mission

Our mission is to manufacture and supply advanced, environmentally responsible, and cost-effective concrete additives that enhance the strength, durability, and efficiency of construction projects. Through continuous research and development, strict quality control, and customer-focused service, we aim to support the growth of the construction industry while promoting sustainable industrial development in Tanzania and the wider region.

1.1.3 Location

The Company, will be located at Plot number. 33-37, Block number "A" ,Vikawe, Kibaha Township. 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 dedicated to the production of high-performance **concrete additives** and admixtures. Through advanced formulation, blending, and chemical processing systems, the Company will manufacture a wide range of additives designed to improve the strength, durability, workability, and setting time of concrete for various construction and infrastructure projects across Tanzania.

Within the first year of operation, the Company aims to achieve an annual production capacity of 12,000 tonnes by utilizing advanced manufacturing equipment and adhering to strict standards of safety, efficiency, and quality control.

In line with its commitment to social and economic development, the Company plans to create at least 150 employment opportunities for skilled and semi-skilled personnel. This initiative will contribute to local job creation while promoting technical capacity building through continuous training and professional development programs, thereby strengthening the region's industrial and chemical manufacturing capabilities.

A key strategic objective is to establish a strong market presence in major urban construction hubs across Tanzania within the first year, followed by expansion into regional markets in East and Central Africa within three years. The Company will focus on developing efficient distribution channels, building strategic partnerships with concrete producers and contractors, and offering competitively priced, high-performance additive solutions tailored to regional construction requirements.

The Company is committed to strict compliance with national and international standards relating to quality assurance, occupational safety, and environmental protection. All production processes will follow best industrial practices and sustainability principles to ensure product excellence and responsible environmental management.

Furthermore, the Company places significant emphasis on innovation and continuous product development. By investing in research and development, the business will enhance the formulation and performance of its water-reducing agents, plasticizers, superplasticizers, accelerators, retarders, and other specialty concrete additives to meet the evolving demands of the construction industry.

Ultimately, the Company seeks to generate long-term value for its stakeholders through a sustainable, ethical, and growth-oriented business model. Through transparency, community engagement, and environmentally responsible manufacturing practices, the Company is positioned to become a trusted leader in the concrete additives industry in Tanzania and the wider region.

1.2.2 Activities

To achieve its strategic objectives, the Company will focus on the manufacturing, marketing, and distribution of high-quality **concrete additives** and construction chemicals. Its core activity is the formulation and production of performance-enhancing admixtures, including water-reducing agents, plasticizers, accelerators, retarders, and

other specialty additives designed to improve concrete strength, durability, and workability.

The Company operates a modern manufacturing facility equipped with advanced processing and automated blending systems to ensure product consistency, efficiency, and scalable production capacity.

Strong emphasis is placed on research and development to promote innovation in additive formulations and environmentally friendly solutions aligned with sustainable construction practices.

Quality assurance remains central to operations, with strict control measures applied from raw material inspection to final product testing, ensuring compliance with national and international standards.

Through technical support, reliable distribution systems, and customer-focused service, the Company aims to become a trusted and leading supplier of concrete additives in Tanzania and the wider East and Central African region, contributing to the advancement of the construction industry and 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 900,000 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 900,000 will be financed through a combination of foreign equity and local borrowing, as follows:

Foreign Equity: USD 450,000 Local

Loan: USD 450,000

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 160,000

Factory Setup and Equipment: USD 300,000 Raw

Materials and Initial Inventory: USD 20,000

Working Capital: USD 300,000 Furniture

and Fittings: USD 50,000 Vehicles: USD

50,000

Licensing, Compliance, and Staff Recruitment: USD 20,000

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 concrete additiveness in the region. Projected revenues for the first three years are:

Year 1: USD 450,000

Year 2: USD 900,000

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 **150 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 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 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 reliable supply of concrete additives, the Company will establish strategic sourcing partnerships for all essential raw materials and chemical inputs. Key inputs include base chemicals, polymers, specialty compounds, and other formulation components required for the production of water-reducing agents, plasticizers, accelerators, retarders, and related admixtures.

The Company will adopt a balanced procurement strategy by sourcing materials from both local and international suppliers. Locally, it will collaborate with reputable chemical distributors and industrial raw material suppliers within Tanzania and the East African region to reduce lead times and logistics costs while supporting local industry.

For specialized chemical components not readily available in the region, the Company will engage established international manufacturers known for high quality standards and regulatory compliance. This diversified sourcing approach will minimize supply chain risks and ensure uninterrupted production.

The Company will prioritize long-term supplier relationships based on reliability, competitive pricing, and compliance with environmental and safety standards. Strict quality verification procedures will be conducted to ensure all raw materials meet required technical specifications.

Through this structured sourcing framework, the Company will maintain operational efficiency, product consistency, and the ability to meet the evolving demands of the construction industry in 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 Export Processing Zone 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 concrete additives 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	900,000	550,000	250,000	42%
Year 3	1,200,000	750,000	450,000	75%
Year 4	1,000,000	900,000	450,000	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 concrete additives, 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 concrete additives. 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 m at er i a l 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 15000 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 **150 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 900,000, supported by a combination of foreign equity and local financing, will enable The Company to establish a fully functional manufacturing facility, create 150 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.

