

**BUSINESS PLAN FOR THE  
IMPLEMENTATION PROGRAMME**

**OF**

**M/S XI WANG GROUP COMPANY LIMITED**

**IN**

**ESTABLISHING AND OPERATING A PROJECT FOR  
LARGE SCALE MODERN COMMERCIAL POULTRY  
FARM**

**PREPARED BY  
M/S XI WANG GROUP COMPANY LIMITED  
P. O. BOX 42450  
DAR ES SALAAM**

---

**M/S XI WANG GROUP COMPANY LIMITED  
TABLE OF CONTENTS**

	Page
1. Investment Plan .....	2
2. Company's Background .....	2
3. Market Potential .....	4
4. The Company's Objectives .....	5
5. Plan/Prospects .....	6
6. Shareholders (Promoters) .....	6
7. Location.....	7
8. Capital Investment Cost .....	9
10. Financial Plan (Source of Funds) .....	9
11. Submission.....	9
12. Economic Growth.....	11
13. Competition/Market .....	11
14. Advertisement .....	12
15. Business Strategy .....	12
16. Environmental Issue.....	12
17. Project Management .....	13
18. Manpower and Transfer of Technology.....	14
19. Conclusion and Economic Analysis .....	14
20. Financial and Economic Analysis.....	15
21. Sensitivity Analysis.....	15
22. Appendix I – III.....	17 -21

**M/S XI WANG GROUP COMPANY LIMITED**  
**ESTABLISHING AND OPERATING A PROJECT FOR LARGE**  
**SCALE MODERN COMMERCIAL POULTRY FARMING**

**1. INVESTMENT PLAN**

The investment plan has been prepared by **M/S XI WANG GROUP COMPANY LIMITED** for the company's establishment programme in extensive Large scale modern commercial poultry farming in kiromo/ Bagamoyo.

The investment plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the intended modern large scale commercial poultry farming project and also assess its economic viability and commercial viability in order to allocate funds for the implementation programme especially in acquiring allied equipment for intended project etc.

The certificate of incentives will enable the project to enjoy import duty exemption on CAPITAL/ DEEMED CAPITAL GOODS and TISEZA ONE STOP FACILITATION like processing of approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

**2. COMPANY'S BACKGROUND**

**M/S XI WANG GROUP COMPANY LIMITED** is a private owned foreign company registered/ incorporated in Tanzania by Registrar of Companies under company's ordinance Cap 212, on 26th day of October, 2017 with Certificate of Incorporation No: 138902

The company will operate in diversified sector including; agricultural investment, agricultural supply chain, modern commercial poultry farming, import and export trade.

The company has resolved to invest in modern large scale commercial poultry farming as part of its strategy to contribute to food production and agricultural development in Tanzania.

The company determines to increase production capacity of broiler chicken meat production and layers chicken eggs increasing production and at the same time improve the quality of company's Broiler chicken meat and layers chicken eggs.

The main purpose of the proposed Poultry farming project is to increase the production capacity to correspond with the growing demand especially to increased population, homes, restaurants, hotels, catering companies, supermarkets etc. The quality of company's broilers chicken meat and layers eggs will guarantee customer satisfaction in proposed programme.

There is an extensive market to absorb all the chicken meat & eggs. It is on the basis of the above reasons the management resolved to invest in setting up such modern commercial large scale poultry farming.

In the establishment programme, the proposed Poultry project will import and install modern machinery and related equipment and use of new Chinese technology for operating the modern poultry farming project.

Hence the establishment programme of three years in setting up facilities for establishing and operating large scale modern commercial poultry farming is estimated to be USD 3,500,000. The estimated capital investment cost of USD 3,500,000 will be on new and modern machinery allied equipment, generators, utility vehicles and other expenses.

### 3. MARKET POTENTIAL

There is very big market potential for large scale modern commercial poultry farming for producing chicken meat and eggs which are needed in both market local and foreign market. Therefore there is high demand of the broilers chicken meat and layers eggs. And the market is growing day by day especially in the increased population, homes, supermarkets, catering companies, hotels, supermarkets, parties and other occasion such as parties etc.

The chicken meat and eggs can be consumed at different places in the offices, homes and occasions or events such as parties, ceremonies.

The Benefits of eating Chicken and eggs are good sources of Proteins for building the body. And it is healthy to eat white meat. Chicken meat and eggs have a lot of vitamins and minerals which are healthy and essential for body example; Chicken eggs have vitamin B12, D and choline and chicken meat has vitamin B6 AND B3. Eating chicken meat is good for reducing the risk of heart problems. And eating eggs its choline is important for brain healthy. Protein is good for body energy and stamina

The recent market survey undertaken by the company has realized that there is high demand for chicken meat and eggs in urban as well as rural areas because they are important to people's health.

High quality and goodwill are the factors which will make the project to dominate the market. There is few poultry farming and importers who can compete with our company's high quality large scale commercial poultry farm, most of them are small and have no good facilities.

The company also expects to increase export of the chicken meat and eggs to the neighboring countries especially in this establishment programme.

#### 4. THE COMPANY'S OBJECTIVES

**M/S XI WANG GROUP COMPANY LIMITED** is a project for setting up facilities for large scale modern commercial poultry farming for both local and foreign market.

The mission of proposed poultry project is basically aimed at production and marketing of the chicken meat and eggs for local and export market in order to achieve the following objectives.

- ❖ To foster the growth of chicken meat and eggs industry in Tanzania.
- ❖ To reduce dependence on external sources for importation of chicken meat and eggs from Zimbabwe, South Africa etc.
- ❖ To promote local markets for locally chicken meat and eggs
- ❖ To promote body health – heart and Brain because of having essential nutrients.
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)

- ❖ Skill development (human resources development) through on job training and use of modern machinery and new technology application.
- ❖ Income generation, alleviation of poverty and improve their social welfare employees.
- ❖ The Company contributes to the government revenue through taxes and other levies.

## 5. PLAN/PROSPECTS

- ❖ High production performance
- ❖ To increasing export market to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- ❖ To purchase/import new plant/machinery and allied equipment with introduction of new Chinese technology.
- ❖ To increase the volume of production capacity of chicken meat and eggs.

## 6. SHAREHOLDERS (PROMOTERS)

The following are the shareholders/ promoters of **M/S XI WANG GROUP COMPANY LIMITED** and their shareholder's position are:-

<b>No</b>	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>Nationality</b>	<b>% shareholding structure</b>
<b>1.</b>	<b>Zhu jin feng</b>	<b>3500</b>	<b>Tanzanian</b>	<b>35%</b>
<b>2.</b>	<b>Lanshuan Wang</b>	<b>4000</b>	<b>Chinese</b>	<b>40%</b>
<b>3.</b>	<b>Lanhui Liang</b>	<b>2500</b>	<b>chinese</b>	<b>25%</b>
	<b>TOTAL</b>	<b>10,000</b>		<b>100%</b>

Therefore, the authorized capital of the company is Tshs. 600,000,000/= divided into 10,000 ordinary shares of Tshs. 60,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

## **7. LOCATION**

The company's business premises are located at Plot No. 1 , Block "S" Kiromo - Bagamoyo Urban Area in Coastal Region. Postal Address P. O. Box 42450 Dar Es Salaam.

## **8. COMPANY'S IMPLEMENTATION SCHEDULE**

### **8.1 MARCH - 2026**

- ❖ Preparing feasibility study for large scale modern commercial poultry farming.
- ❖ Environmental approvals

- ❖ Registration of the proposed poultry project with Tanzania Investment and special economic zones Authority/ Tiseza i.e. Application for the Certificate of incentives.
- ❖ Getting Certificate of Incentives

## **8.2 APRIL - 2026**

- ❖ Construction of poultry houses
- ❖ Application for import duty exemption on CAPITAL/ DEEMED CAPITAL GOODS after being awarded certificate of incentives in the Establishment Programme.
- ❖ Ordering/Importing poultry feed production, hatchery equipment, poultry processing Plant and allied equipment, equipment, tools, generators, transformer, utility vehicles etc.
- ❖ Clearing the CAPITAL/DEEMED CAPITAL GOODS from customs control (at the Port and Airport).

## **8.3 MAY- 2026**

- ❖ Installing plant /machinery and allied equipment.
- ❖ Water and power systems
- ❖ Purchase of day old chicks
- ❖ Recruiting new staffs and training them on new technology skills (new machinery).
- ❖ Training
- ❖ Fully commencement of production in its implementation programme- poultry production and marketing & distribution

## 9. CAPITAL INVESTMENT COST

Land/Building	USD \$	1,700,000
Plant/Machinery	USD \$	1,200,000
Vehicles	USD \$	150,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	200,000
Working Capital	USD \$	250,000
<b>TOTAL CAPITAL</b>	<b>USD \$</b>	<b><u>3,500,000</u></b>

The proposed programme in extensive poultry farming project is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the Footwear Project with Tanzania Investment and special economic zones Authority (Tiseza) and securing the certificate of incentives.

## 10. FINANCIAL PLAN (SOURCE OF FUNDS)

**M/S XI WANG GROUP COMPANY LIMITED** has firmed up finances for the implementation programme by its own foreign fund and loan:-

Own fund (equity)	USD \$	2,500,000
Local loan	<u>USD \$</u>	<u>1,000,000</u>
<b>TOTAL</b>	<b>USD \$</b>	<b><u>3,500,000</u></b>

## 11. LARGE SCALE COMMERCIAL POULTRY FARMING;

- Poultry feed production, hatchery equipment, poultry processing Plant and allied equipment, incubators, cages, generators, transformer, utility vehicles

## 11. SUBMISSION

**M/S XI WANG GROUP COMPANY LIMITED** wishes to submit its investment plan and application to the Tanzania

Investment and special zones Authority (Tiseza) its proposal for registration and award of certificate of incentives in the establishment programme.

The Proposed Poultry Project will soon commence after the Company is registered by Tanzania Investment and special economic zones Authority and being issued the Certificate of incentives. Thereafter the Company will order and import the Plant & machinery and related equipment for large scale modern commercial poultry farming for both local and foreign market. The Project will enjoy tax exemption on CAPITAL/ DEEMED CAPITAL GOODS which are Plant, machinery, generators, forklifts, computers, transformer, utility vehicles etc. These are CAPITAL/ DEEMED CAPITAL GOODS for the proposed Project.

The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of approvals, permits and licenses such as resident / work permits, Business license, protection of investment, arbitration and transfer of foreign currency etc

Thereafter the Company will order and import the Poultry feed production equipment, hatchery equipment, poultry processing Plant and allied equipment, incubators, cages, generators, transformer, utility vehicles for Poultry feed production, hatchery equipment, poultry processing Plant and allied equipment, incubators, cages, generators, transformer, utility vehicles

Hence the Proposed poultry Project will enjoy import duty exemption on deemed capital goods which are Poultry feed production, hatchery equipment, poultry processing Plant and allied equipment, incubators, cages, generators, transformer, utility vehicles etc.

## 12. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania like the proposed poultry project in large scale modern commercial poultry farming for both local and foreign market. The economic growth influenced such poultry farming project as the demand for chicken meat and eggs is growing day by day for the increased population, homes, events, catering projects, supermarkets, hotels etc.

### PRODUCTION CAPACITY;

#### A/ BROILERS

- 10,000 Birds per cycle
- 6 cycles per year
- 60,000 broilers annually

#### B/ LAYERS

- 5000 Hens annual production
- 1,400,000 eggs

## 13. COMPETITION/MARKET

Despite there being numbers of poultry farming projects and importers of chicken meat and eggs still the supply is not enough compared to the level of demand.

However, the proposed poultry farming project for large scale modern commercial poultry farming for both local and foreign market expects to dominate the local and export market because the project ensures high quality chicken meat and eggs.

Most Poultry farms in Tanzania operate on small scale

- **THE PROJECT WILL COMPETE THROUGH:**
- High Production capacity
- Modern technology
- Reliable supply
- Strategic location.

#### **14. ADVERTISEMENT**

Advertisement, which forms part of the marketing strategy, will be embarked upon in social media marketing, supermarket supply contracts, restaurant supply agreements, poultry trader networks, newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

#### **15. BUSINESS STRATEGY**

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ❖ Modern poultry production Technology/product quality
- ❖ Strong biosecurity systems,
- ❖ Efficient supply chain
- ❖ Professional farm management,
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced personnel,
- ❖ On job training,
- ❖ Business Discipline.

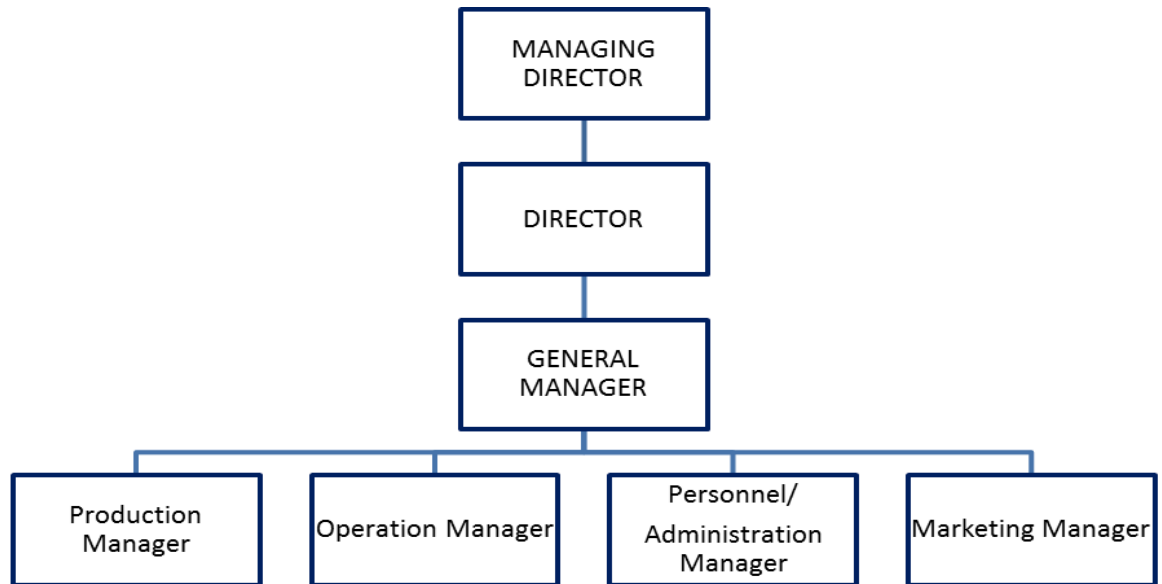
#### **16. ENVIRONMENTAL ISSUE**

The large scale modern commercial poultry farming operations and the whole production activities is environmental friendly. The poultry farming project will not cause any harm to people. Chicken feed and veterinary supplies and related materials are not harmful to people.

## 17. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr.Lanshuan Wang is the Managing Director of the Company; he is well versed in Poultry farming Project. The other Director are Lanhui Liang and Zhu Jin Feng.

### THE COMPANY'S ORGANIZATION CHART



### THE MANAGEMENT STRUCTURE:

- Managing Director
- Farm Manager
- Veterinary Officer
- Poultry Technicians
- Sales Manager
- Accountant

## **18. MANPOWER AND TRANSFER OF TECHNOLOGY**

This project being a large scale modern commercial poultry farming for both local and foreign market in its establishment programme will usher in the country a Chinese technology (Transfer of knowledge/technology). The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on importation of chicken meat and eggs. Hence Tanzanian will be able to purchase high quality chicken meat and eggs at a reasonable price.

The Proposed poultry farming project programme will cause more people to be employed in the factory about 50 to 70 workers local people and local people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on job training and in a long run will improve the technical competence of the production.

## **19. CONCLUSION AND RECOMMENDATION**

The financial evaluation of the proposed poultry farming project done so far indicates that this programme will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the proposed project so that the project will

import and enjoy tax exemption on CAPITAL/ DEEMED CAPITAL GOODS and increase its production capacity.

## **20. FINANCIAL AND ECONOMIC ANALYSIS**

### **20.1 Projected Profit and Loss Account**

The company envisages generating a profit of USD \$320,000 this operating year. The profit amount is expected to steadily rise to USD \$ 340,000 in year two, USD \$ 360,000 in year three and USD \$ 380,000 in year four.\$400,000 in the five year.

### **20.2 Projected cash flows**

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

### **20.3 Proposed Balance Sheet:**

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

## **21. SENSITIVITY ANALYSIS**

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S XI WANG GROUP COMPANY LIMITED**

21.1 Effect of cost increase on profitability (on the basis of year II POULTRY - MEAT AND EGGS INCOME in “000” USD \$)

<b>Income</b>	<b>Costs</b>	<b>Increase</b>	<b>Profit before depreciation</b>
1,085,000	745,000	%	340,000
1,085,000	782,250	5%	302,750
1,085,000	819,500	10%	265,500

21.2 Effect of POULTRY - EAT AND EGGS income decrease/drop on profitability (on the basis of year II costs in "000" USD \$)

<b>Income</b>	<b>Income Decrease</b>	<b>Cost</b>	<b>Profit before depreciation</b>
1,085,000	%	745,000	340,000
1,030,750	5%	745,000	285,750
976,500	10%	745,000	231,500

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

## Appendix I

### M/S XI WANG GROUP COMPANY LIMITED

#### PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	1,040.0	1,085.0	1,130.0	1,175.0	1,220.0
<b>Total Income</b>	<b>1,040.0</b>	<b>1,085.0</b>	<b>1,130.0</b>	<b>1,175.0</b>	<b>1,220.0</b>
Utilities	500.0	500.0	500.0	500.0	500.0
Salaries and wages	50.0	50.0	50.0	50.0	50.0
Transportation/fuel	20.0	25.0	30.0	35.0	40.0
Administrative Expenses	110.0	120.0	130.0	140.0	150.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
<b>Total Expenditure</b>	<b>720.0</b>	<b>745.0</b>	<b>770.0</b>	<b>795.0</b>	<b>820.0</b>
Net Profit (pre tax and depreciation)	320.0	340.0	360.0	380.0	400.0

Appendix II

M/S XI WANG GROUP COMPANY LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V
<b>Cash inflow</b>					
Income from operation	320.0	340.0	360.0	380.0	400.0
	<b>320.0</b>	<b>340.0</b>	<b>360.0</b>	<b>380.0</b>	<b>400.0</b>
<b>Cash outflow</b>					
Interest payments	100.0	90.0	80.0	70.0	60.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0
Wear & tear	10.0	12.0	14.0	16.0	18.0
Taxes	10.0	20.0	30.0	40.0	50.0
	<b>220.0</b>	<b>222.0</b>	<b>224.0</b>	<b>226.0</b>	<b>228.0</b>
<b>Surplus cash generated</b>	<b>100.0</b>	<b>118.0</b>	<b>136.0</b>	<b>154.0</b>	<b>174.0</b>

(Fig. USD \$ '000')

<b>Year</b>	<b>VI</b>	<b>VII</b>	<b>VIII</b>	<b>IX</b>	<b>X</b>	<b>Total</b>
<b>Cash inflow</b>						
Income from operation	600.0	800.0	1000.0	1200.0	1400.0	6,800.0
	<b>600.0</b>	<b>800.0</b>	<b>1000.0</b>	<b>1200.0</b>	<b>1400.0</b>	<b>6,800.0</b>
<b>Cash outflow</b>						
Interest payments	50.0	40.0	30.0	20.0	10.0	<b>550.0</b>
Loan re-payment	100.0	100.0	100.0	100.0	100.0	<b>1000.0</b>
Wear & tear	20.0	22.0	24.0	26.0	28.0	<b>190.0</b>
Taxes	60.0	70.0	80.0	90.0	100.0	<b>550.0</b>
	<b>230.0</b>	<b>232.0</b>	<b>234.0</b>	<b>236.0</b>	<b>238.0</b>	<b>2,290.0</b>
<b>Surplus cash generated</b>	<b>370.0</b>	<b>568.0</b>	<b>766.0</b>	<b>964.0</b>	<b>1162.0</b>	<b>4510.0</b>

Appendix III

M/S XI WANG GROUP COMPANY LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

Year	Repayment			
	Principal	Interest	Total	Amount
O				1000.0
I	100.0	100.0	200.0	900.0
II	100.0	90.0	190.0	800.0
III	100.0	80.0	180.0	700.0
IV	100.0	70.0	170.0	600.0
V	100.0	60.0	160.0	500.0
VI	100	50.0	150.0	400.0
VII	100	40.0	140.0	300.0
VIII	100	30.0	130.0	200.0
IX	100	20.0	120.0	100.0
X	100	10.0	110.0	0.0

**Appendix 1V**

**M/S XI WANG GROUP COMPANY LIMITED**

**PROJECTED BALANCE SHEET**

**(Fig. in USD \$ '000')**

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	<b>Source of funds</b>					
1.	Shareholders funds	100.0	150.0	200.0	250.0	350.0
2.	Long term Loan	200.0	190.0	180.0	170.0	160.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		<b>600.0</b>	<b>690.0</b>	<b>780.0</b>	<b>870.0</b>	<b>1010.0</b>
	<b>Application of funds</b>					
1.	Fixed Assets	500.0	500.0	500.0	500.0	500.0
2.	Current Assets	100.0	190.0	280.0	370.0	510.0
		<b>600.0</b>	<b>690.0</b>	<b>780.0</b>	<b>870.0</b>	<b>1010.0</b>