

## **PROGRESS REPORT.**

**COMPANY NAME: JIN YUAN INVESTMENT (T) LIMITED.**

**LOCATION: ILEMELA, MWANZA.**

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### **Background:**

**Jin Yuan Investment (T) Ltd** is a registered under the companies **Act, 2002** as a limited company with registration number **136025** operating in the field of Manufacturing whereby we produce different categories of packaging materials including alternative packaging and plastic materials to trade them in the local market. As to date, we have not yet acquire land but we hope to do so in the forthcoming days.

**Jin Yuan Investment Limited** is situated in in **Igoma, Ilemela, Mwanza** in The United Republic of Tanzania, Mainland. With ambition to direct employ more than 500 Tanzanians in various project under the name of **Jin Yuan Investment (T) Ltd**, we have currently managed to provide direct employment for 45 Local Tanzanians living in Mwanza Region.

### **What we planned to do.**

Just to mention few, and with initial capital of **565000 USD** our primary objectives and plans were as follows:

- To carry on the business of manufacturers, producers, principals or manufacturers' representatives, importers, exporters, buyers and sellers of all types of authorized plastic bags and plastic products of all types.
- To carry on business as civil engineers and road contractors, building agencies, mining support service providers, drilling and blasting construct, maintain, alter, repair cool down and restore and reconstruct and similar works.
- To distribute, buy sell, import, produce, process, manufacture, pack or otherwise deal with processed food product, drink, meat, groceries, fruits, spices, poultry, fish, snacks and to carry on the business of the distributors dealers.

- To carry on the business of fishing and marketing of all sea and fresh water fishes of both local and international market including interior Africa fishing operation.
- To carry on the business of designers, manufacturers, producers, principals or manufacturers' representative importers, exporters, buyers and sellers of all types of building materials, construction materials, decorative materials and all kinds of furniture.
- To carry on any such other thing provided that it is legal permitted by the laws of the United Republic of Tanzania.

### **What we have achieved.**

The above planned activities being so, we are glad to say that we have gone beyond what we planned as now total of **716,520.45 USD** have been investment to be witnessed in all of our active projects. The following developments have been realized and successively operating under the name **Jin Yuan Investment Ltd.**

- **Manufacturing Unit Project.**

This is our first project which we invested 60% capital in 2017 to 100% of the capital to date. The unit is predominantly producing packaging material which utilize local available raw materials and some imported from China and inception of sophisticated machines to produce recyclable and environmental friendly packaging material to fulfill local market.

We have managed to shift from producing "harmful plastic packaging" material even before the inception of the new regulation which banned the use of plastic material in the country with effect from 01<sup>st</sup> June,2020.

- **Construction and Civil works project**

This is our second established largest project mainly to undertake various construction tenders including roads, building and similar construction works. We started by allocating 70% of the capital in 2017 to 100% capital to date.

## Updated information

Sn	Information	Description			Current Project status
1.	Shareholder's information	<b>Name</b>	<b>Nationality</b>	<b>Share</b>	Active
		LIN FULONG	CHINESE	40%	
		CHEN LIKUI	CHINESE	05%	
		LIN ZHONGXIN	CHINESE	25%	
		LIN SAIYUN	CHINESE	05%	
		ZENG PENG	CHINESE	25%	
2	Company Communication	<b>Mob:</b> <b>Email:</b> 159600309191@163.com <b>Address: Kisesa Rd, Magu, Mwanza</b>			
3	Contact person	<b>Name:</b> Erick Kassian <b>Position:</b> Translator <b>Mob:</b> 0767669935			
4	Incorporation	136025			
5	TIN	133-966-447			
6	Project objectives	To carry out manufacturing activities and Civil works			
7	Capacity				
8	Direct employment	<b>Foreign men</b>	8		
		<b>Foreign women</b>	1		
		<b>Local men</b>	35		
		<b>Local women</b>	10		
9	Indirect employment	<b>Estimated No.</b>	150		
		<b>Types</b>	Indirect jobs		
		<b>Area</b>	Sales		

## Projects financial expenditure

	Foreign	Local	Total
Land and Building	-	\$ 212,124.88	\$ 212,124.88
Plant and machinery	\$ 276,819.68	-	\$ 276,819.68
Vehicle	\$ 113,329.06	-	\$ 113,329.06
Furniture	-	\$ 6,437.00	\$ 6,437.00
Office equipment	-	\$ 8,258.12	\$ 8,258.12
Insurance cover	\$ 18,705.00	-	\$ 18,705.00
Pre-operational expenses	\$ 80,846.71	-	\$ 80,846.71
Working sub-total capital	<b>\$489,700.45</b>	<b>\$226,820.00</b>	<b>\$716,520.45</b>

## Project financing.

	Amount (USD)	Source Country
<b>LOCAL EQUITY</b>	50000	Tanzania
<b>LOCAL LOANS</b>	NIL	-
<b>FOREIGN EQUITY</b>	666,520.45	China
<b>FOREIGN LOANS</b>	NIL	-
<b>Total investment</b>	<b>716,520.45</b>	-

## Problem facing us and solution

- **Power Cut**
  - Our factory is sometimes running 24/7 and we have experienced several power outages which add cost to our operation. As the result we as company have installed a generator which utilize more fuel prior to power outage and this merely affect the productivity.
- **Shortage of skilled staff**
  - Young people have a misunderstanding of the industry, and the older workers are retiring. We as management have invested on empowering young men to become manufacturer and where necessary we bring expatriate to induct special skills to young graduates.

- **Tax burden**

- We as manufacturing sector, we engage into paying too much tariff which we think are repetitive and in one way or another were to be either reduced or abolished. We have been hearing that our noble government will consider to reduce the same to happen in future.

- **Permit issue**

As stated earlier that we have shortage of skilled personnel, we fail to remain competitive in the market using staff with little or no skills in manufacturing area, therefore we as sensible business people opt to use expatriate who are very expensive. The same being so, obtaining work/residence permit is not a simple matter in Tanzania since the authorized offices rely on 'certificates' other than skills to reject or issue the permit.

## **6. Our future plan and 2020 goals to achieve.**

With intention to invest more in Tanzania, we are glad that the two of our major projects above are running and we still remain focused to exploit whatever profitable venture as mentioned but our crucial area of the new launch will be to advance in the following areas; -

- To invest in Fishing marketing business including Food processing and food packaging as we have observed that our factory is situated in Mwanza Region where delicious SATO fish is abundant.
- To distribute, buy sell, import, produce, process, manufacture, pack or otherwise deal with processed food product, drink, meat, groceries, fruits, spices, poultry, fish, snacks and to carry on the business of the distributors dealers.
- To carry on the business of designers, manufacturers, producers, principals or manufacturers' representative importers, exporters, buyers and sellers of all types of building materials, construction materials, decorative materials and all kinds of furniture.

## **7. Our recommendations**

- ❖ We request the government to ensure reliable supply of electricity to support the dream of industrialization and lessen production cost as the result the company will boost its sales which will be reflected in the tax revenue collected by the government.
- ❖ We also recommend that local citizen have to be inducted with special skills that will favor manufacturing sector into their school curriculum.
- ❖ We also recommend that the issuance of work/residence permit should be improved because delaying of issuance of permit also add up cost of operation to the investor as we have to pay extra payment of prolonging stay while permits are in pipeline even before expiring.

Report Date: 15-10-2020