

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM**

PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned Activities for the period
 - (1) Production line for pilling veneers
 - (2) Production line for sawn timbers
 - (3) Production line for plywood

2. Achievements made on the project implementation to date:
 - We have built a workshop, purchased, imported and installed six veneer pilling-cutting machines, and employed 20 to 30 operators.
 - We have started to produce pine veneers with a current output of 2000 cubic meters per month.
 - At present, a stable raw material supply agreement has been reached with Sao Hill Forest Plantation.
 - At present, TIN, NSSF certificate and business license for wood processing has been obtained.

3. Provide updated information on the following aspects;

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Yu Hongxing China 50% Liao Weiqing China 25% Cao Yuansheng China 25%
2.	Company Communication Information	Email address	wubing@jinfengyu.com
		Mobile Number	0626889999
		Land Line Telephone Number	
		Physical Address (Plot No., Block No, Street, District and Region)	P.O.box 597 Mafinga Plot No.2-5, Block B, Mkanzaule Street/Area, Sao Hill Mafinga Town Council
3.	Contact Person	Name	Shu Shengwei
		Position	Manager
		Communication Details (Email, Mobile and telephone)	0742947643
4.	Incorporation	Certificate of Incorporation No.	No. 139723368
5.	TIN	TIN Certificate No.	2091768

	information		
6.	Project Objective	Project Core Activity	To establish and operate a project for manufacturing wooden products
7.	Capacity	Project Capacity per Year	1000 containers of products per year
8.	Direct Employment	Foreign-Men	5
		Foreign-Women	0
		Local-Men	20
		Local-Women	10
9.	Indirect employment	Estimated Total No.	100
		Type/areas of Indirect Employment	Mafinga Town

4. Project Financial Expenditure to date (USD):

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	100,000	0	100,000
Plant and machinery	400,000	0	400,000
Vehicles/Aircrafts	70,000	0	70,000
Furniture	10,000	0	10,000
Office equipment	10,000	0	10,000
Insurance Cover	10,000	0	10,000
Pre-operational expenses	20,000	0	20,000
Working sub-total capital	10,000	0	10,000
GRAND TOTAL	630,000	0	630,000

5. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc. See table below.

	Amount (USD)	Source Country
Local Equity	0	Tanzania
Local Loans	0	Tanzania
Foreign Equity	630,000	China
Foreign Loans	0	China
Total Investment	630,000	

6. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

- Some local residents are unable to provide personal identification, and companies are unable to sign employment contracts, apply for bank cards and pay social security with them.
- Due to the requirements of local labor and social security departments, the company should sign employment contracts with all workers and pay social security for them. However, some nearby residents are used to doing temporary work, and their working hours are not fixed. They may only come a few days a month. Due to the requirements of the labor and social security departments, the company can only refuse to employ these people, which brings some losses to the local people.
- As the construction of the factory going on, more and more Chinese engineers, technicians and logistics support personnel come to work in Mafinga Town. However, the current work visa policy in Tanzania is very strict, so it is difficult for them to obtain work visa in time, which hinders our work.
- We will import a large number of equipment for veneer, timber and plywood production. It is estimated that 500000 cubic meters of raw materials (mainly pine and Eucalyptus) will be needed every year when the design capacity reaches the production capacity. The local supply capacity of raw materials may be the factor hindering our expansion of production capacity.

7. Future Plans

Explain future plans for the next coming six months and planned financial Commitments

- Complete the construction of four to five factories;
- Construction and commissioning of sawmills and plywood plants;
- Increase direct employment by 100 people;
- Improve the construction of the plant, build modern, standardized office, living area and other facilities;
- Bring 10 million shillings a month as the local labor income;

8. Recommendations and any other comments

NONE













