

TANZANIA INVESTMENT CENTRE DAR ES SALAAM PROGRESS REPORT

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

1. Planned activities for the period

Complete the renovation for the left factory building in Plot 9 and decide its functional purpose

Advance the development of the automotive repair shop between the factory buildings and the main gate.

Complete the installation of a comprehensive surveillance system.

Coordinate with relevant authorities to update the land certificate for Plot 13 (subdivided into Plot 13-2).

Continue the 2nd phase land development.

2. Achievements made on the project implementation to date

Phase I development on Plot 9 (over 30,000 square meters) has seen significant progress:

Completed construction of gate, electricity distribution room.

Completed the CFS yard and customs office building (currently used as temporary living and office quarters for Chinese staff).

Constructed two factory buildings (approx. 4,000 sqm total) near the main entrance.

The right-side building is operational as a lubricant production plant, equipped with epoxy flooring, and is currently producing industrial and automotive lubricants (including CI-4 and CF-4 diesel engine oils, HM-68 hydraulic oil, and related products).

The left-side building's function is yet to be finalized; rear section requires additional renovations.

Prepared 80,000 m² land for future construction in second-phase land.

Designated area between factory buildings and main gate for future automotive repair shop construction.

Outsourced security services to a professional security company.

Installation of a comprehensive surveillance system is under negotiation.

Initiated the process to update the land certificate for Plot 13 (subdividing into Plot 13-2 due to ownership adjustments).

3. Provide updated information of the following aspects:

S/No	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, Nationality and percentage of ownership	<p>SENHUA SONG Class Ordinary 75 shares taken</p> <p>HEROCEAN INTERNATIONAL SUPPLY CHAIN MANAGEMENT (HONGKONG) GROUP LIMITED Class Ordinary 2475 shares taken</p> <p>HEROCEAN FREIGHT(BEIJING) COMPANY LIMITED Class Ordinary 2375 shares taken</p>
2.	Company Communication	Email address, Mobile Number, Land line Telephone Number, Physical Address	<p>tanzania@herocean.com</p> <p>+255754312101/+255657533200</p> <p>Region Pwani, District Mkuranga, Ward Kimanzichana, Postal code 61512, Street kisemvule, Road Kilwa road, Plot No.9, Block No.1104, House number NIL Herocean Industry Park</p>
3.	Contact Person	Name, Position, Communication	<p>Tommy, Lv,</p> <p>CEO Assistant</p> <p>juntao.lv@herocean.com</p>

S/No	Information	Description	Current Project Status
.		n details (Email, Mobile and Telephone)	+255 748 222 666
4.	Incorporation	Certificate of Incorporation Number	75823
5.	TIN Information	TIN Certificate No.	109-787-256
6.	Project Objective	Project Core Activity	Development and operation of an industrial park. Rental Collection. Property Management
7.	Capacity	Project capacity per year	Lubricant Factory production capacity: 4000 tons/year. Other plants and CFS is still in the process of starting operation
8.	Direct Employment	Foreign Men, Foreign Women, Local Men, Local Woman	50
9.	Indirect Employment	Type areas of Indirect employment	200

4.Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	900,000	100,000	1,000,000
Plant and Machinery	2,200,000	300,000	2,500,000

	Foreign (USD)	Local (USD)	Total (USD)
Vehicles/Aircrafts	1,600,000	150,000	1,750,000
Furniture	40,000	10,000	50,000
Office equipment	100,000	25,000	125,000
Insurance Cover	75,000		75,000
Pre-Operational Expenses	300,000	100,000	400,000
Working sub-total Capital	50,000	50,000	100,000
Grand Total	5,265,000	735,000	6,000,000

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	400,000	Tanzania
Local Loans	385,000	Tanzania
Foreign Equity	4,500,000	China
Foreign Loans	715,000	China
Total Investment	6,000,000	

6. Problems and Solutions

Problem: The functional purpose of the left factory building is not yet finalized, and renovations are needed.

Solution: Finalize the building's purpose and complete required renovations as per the future plan.

Problem: We must complete Phase I renovations and Phase II leveling/culvert work before the rainy season to avoid months of delays.

Solution: We are finalizing optimized plans with designers and contractors to ensure efficient resource allocation and accelerated progress within standard work schedules.

7.Future Plans

- Finalize the purpose and renovation plan for the left factory building.
- Commence construction of the automotive repair shop.
- Finalize negotiations and complete installation of the comprehensive surveillance system.
- Successfully obtain the updated land certificate for Plot 13-2.