

PROGRESS REPORTS

CHANGRONG WOODEN INDUSTRY COMPANY LIMITED P.O BOX 204025 PWANI

1. PANNED ACTIVITIES FOR THE PERIOD

During the reporting period, Changrong Wooden Industry Company Limited plans to focus on continuous procurement of raw timber and wood residues from approved and legally compliant suppliers to ensure uninterrupted production. All purchased materials will be supported by proper documentation and will comply with forestry, environmental, and regulatory requirements. Upon receipt, raw materials will be carefully inspected, recorded, and stored to maintain quality and traceability.

The company will carry out wood processing operations including cutting, sawing, sizing, drying, and treatment of timber in accordance with production specifications and customer requirements. Emphasis will be placed on improving production efficiency, minimizing material wastage, and ensuring that all machinery operates safely and effectively. Regular monitoring of processing activities will be conducted to maintain consistent output and quality standards.

In addition to timber processing, the company will engage in the production of particle boards by utilizing wood chips and residues generated during processing. These materials will be processed, mixed, pressed, and finished into particle boards that meet required strength, thickness, and surface quality standards. Quality control checks will be performed throughout the production cycle to ensure that finished boards are suitable for sale and end use.

Quality assurance will remain a key priority during the period. Finished products will undergo inspection to confirm compliance with internal standards and customer specifications before being approved for sale. Any defects identified will be addressed promptly to prevent substandard products from reaching the market. Proper packaging and labeling will be applied to all finished goods to ensure safe handling and transportation.

Sales and distribution activities will involve marketing processed timber and particle boards to both existing and new customers. All sales transactions will be properly documented through the issuance of tax invoices and EFD receipts in compliance with Tanzania Revenue Authority requirements. The company will coordinate logistics and transportation to ensure timely delivery of products to customers while minimizing losses and damages during transit.

Inventory and warehouse management will be strengthened through regular monitoring of raw materials, work in progress, and finished goods. Stock records will be updated accurately and periodic physical stock counts will be conducted to

reconcile quantities and identify any variances. Storage conditions will be maintained to prevent deterioration, damage, or theft of materials and finished products.

The company will continue to enforce health, safety, and environmental management practices within the production facility. This will include adherence to OSHA requirements, provision and use of personal protective equipment, and ongoing safety training for employees. Waste management practices will focus on proper disposal and recycling of wood residues to minimize environmental impact and maintain compliance with environmental regulations.

Regulatory and statutory compliance will be observed throughout the period through timely preparation and submission of tax returns including VAT, PAYE, SDL, and other applicable statutory obligations. Accurate financial records will be maintained to support compliance with TRA and other regulatory bodies, and any assessments or queries raised by authorities will be addressed promptly.

Administrative activities will include preparation of operational and financial progress reports to evaluate performance against planned targets. Management will review achievements, identify challenges affecting operations, and implement corrective measures to improve efficiency and overall performance during the period.

2. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO DATE

ince the commencement of the project, Changrong Wooden Industry Company Limited has focused on fulfilling key preparatory requirements necessary for effective project implementation. One of the major achievements to date has been the progress made in securing land ownership and legal rights for the project site. During the reporting period, the company has been actively engaged in the process of land surveying and boundary demarcation to ensure that the project land is properly measured and documented in accordance with national land laws and regulations.

The land measurement and verification process has been undertaken as a prerequisite for obtaining lawful ownership and investment recognition through the Tanzania Investment Centre (TIC). This process is essential to ensure that the project operates on legally recognized land and complies with all investment and regulatory requirements. Significant progress has been made in coordinating with relevant land authorities, surveyors, and TIC officials to facilitate this process.

As a result of these efforts, the company has laid a strong foundation for the commencement of full operational activities. Securing lawful land ownership has enhanced project credibility and reduced future legal and operational risks. These preparatory achievements demonstrate the company's commitment to regulatory compliance and sustainable project implementation. Upon completion of the land ownership process and receipt of the required approvals from TIC, the company is positioned to commence full-scale wood processing and particle board production operations as planned.

3. INFORMATION OF THE FOLLOWING

S/N	INFORMATION	DESCRIPTION
1.	Share holderr	<p>✓ NAME: LIANG WANG NATIONALITY: CHINESE PERCENTAGE OF OWNERSHIP: 80%</p> <p>✓ NAME: XIANGBAI LI NATIONALITY: CHINESE PERCENTAGE OF OWNERRSHIP:18%</p> <p>✓ NAME : WANG CHUANXIN NATIONALITY :CHINESE PERCENTAGE OF OWNERRSHIP:2%</p>
2.	Company communication	EMAIL : 26081209@qq.com MOBILE NO : 0794667778 PLOT NO : 544 BLOCK NO : C STREET : MSONGOLA DISTRICT : KIBAHA REGION : PWANI
3.	Contact perrsoanl	NAME : XIANGBAI LI NATIONALITY : CHINESE PERCENTAGE OF OWNERRSHIP:1820% EMAIL : 26081209@qq.com MOBILE NO : 0794667778
4.	Incorporation	184367203
5.	TIN Information	184367203
6.	Project Objective	<p>The main objective of Changrong Wooden Industry Company Limited is to establish a modern and sustainable wood processing and particle board manufacturing facility that adds value to locally available forest resources. The project is intended to support the national industrialization agenda by promoting local processing of timber instead of exporting raw logs. Through this project, the company aims to produce high-quality sawn timber and particle boards for use in construction, furniture manufacturing, and other related industries.</p> <p>In addition, the project seeks to promote efficient utilization of wood resources by converting wood residues and by-products into particle boards, thereby reducing waste and minimizing environmental degradation. The</p>

		company is committed to operating in compliance with environmental, occupational safety, and investment regulations while ensuring consistent product quality and customer satisfaction. Another important objective is to create employment opportunities for local communities and contribute to government revenue through taxes and statutory contributions.
7.	CAPACITY	<p>The project has been designed with flexible and scalable production capacity to allow gradual growth based on market demand, availability of raw materials, and operational experience. At full operational capacity, the facility is expected to process substantial volumes of timber on a daily basis and produce particle boards using residues generated during wood processing.</p> <p>During the initial phase, operations will be conducted at a controlled capacity to allow proper testing of machinery, training of employees, and stabilization of production systems. As operational efficiency improves and market demand increases, the company plans to expand production capacity through additional machinery, extended working shifts, and improved logistics. This phased approach is intended to ensure quality consistency, cost control, and long-term sustainability of the project.</p>
8.	Direct Employments	52
9.	Indirect E mployments	53

4.PROJECT FINANCING EXPENDITURE TO DATE(USD)

	FOREIGN	LOCAL	TOTAL
Land and buildings	300,000.00	0	300,000.00
Plant and Machinery	300,000.00	0	300,000.00
vehicles/Aircrafts	200,00.00	0	200,000.00
Furniture	200,000.00	0	200,000.00
Office equipments	150,000	0	150,000
Insurance cover	150,000	0	150,000
Pre-operational expenses	200,000.00	0	200,000.00
Working sub-total capita	500,00.00	0	500,000.00
Grand total	2,000,000		2,000,000

5.PROJECT FINANCING

	AMOUNT (USD)	SOURRCE COUNTRY
Local equity		
Local loans		
Forreign equity	2,000,000	CHINESE
Foreign Loans		
Total investement	2,000,000	

6.PROBLEM AND SOLUTION

Problems Encountered During Project Implementation

During the implementation stage, the project faced several challenges, the most significant being related to land ownership and legal compliance. Before commencing full operations, it was necessary to ensure that the project land was properly surveyed, demarcated, and legally recognized in accordance with Tanzanian land laws. This requirement was critical for obtaining lawful ownership and official recognition from the Tanzania Investment Centre.

The land surveying and verification process involved coordination with multiple authorities, including land officers, licensed surveyors, and TIC officials. This process required considerable time and resources, resulting in delays to the planned commencement of operations. Additionally, delays were experienced in aligning all regulatory requirements related to environmental management, occupational safety, and operational permits.

Solutions Implemented

To address these challenges, the company prioritized the land surveying and ownership process as a foundational requirement for the project. Professional surveyors were engaged to measure and verify the land boundaries, and continuous follow-up was conducted with relevant land authorities to ensure accuracy and compliance. The company also maintained close communication with TIC to facilitate investment recognition and approval.

At the same time, management focused on preparing internal systems, policies, and procedures to ensure readiness once full approvals were obtained. This included planning production workflows, developing safety guidelines, preparing compliance documentation, and strengthening administrative and financial systems. These measures have positioned the company to transition smoothly into operational activities once regulatory processes are fully completed.

7.Future Plans

Following the completion of land ownership formalities and receipt of TIC approval, Changrong Wooden Industry Company Limited plans to commence full operational activities without delay. This will include installation and optimization of production machinery, recruitment of additional skilled and semi-skilled personnel, and commencement of commercial production of sawn timber and particle boards.

In the medium term, the company plans to expand its market reach by supplying products to both domestic and regional markets. Efforts will be made to improve production efficiency, reduce operational costs, and introduce improved product designs and specifications. In the long term, the company intends to invest in advanced technology, increase production capacity, and explore export opportunities to enhance competitiveness and revenue generation.

8.Recommendations

It is recommended that the company continues to maintain strong engagement with regulatory authorities to ensure full compliance with land, investment, environmental, and tax requirements. Management should also continue strengthening internal controls, documentation, and reporting systems to support transparency and accountability.

Investment in employee training, occupational safety, and environmental management should remain a priority to ensure sustainable operations. It is further recommended that the company adopts a cautious and phased expansion strategy to align growth with financial capacity and market demand.

Other Comments

Despite initial delays caused by land ownership and regulatory procedures, the project has made meaningful progress in laying a solid foundation for long-term success. The preparatory work completed to date reflects the company's commitment to lawful, responsible, and sustainable industrial development. With the anticipated completion of remaining approvals, Changrong Wooden Industry Company Limited is well positioned to achieve its objectives and make a positive contribution to the wood processing and manufacturing sector.