

MAWENI LIMESTONE LIMITED

A SUBSIDIARY OF HUAXIN CEMENT

P O BOX 212 MUHEZA ROAD TANGA TANZANIA

REF: MAWENI/TIC/01/2020

6th May, 2020

The Chief Executive Officer
Tanzania Investment Center
P.O. Box 938
DAR ES SALAAM,
TANZANIA



Dear Sir,

**RE: THE APPLICATION TO OBTAIN CERTIFICATE OF INCENTIVES FROM
MAWENI LIMESTONE LIMITED**

The above referenced caption is of concern.

Maweni Limestone Limited ("Maweni" or the "**Company**") is a private company limited by shares duly incorporated with certificate of registration no. 59140. Maweni's registered office address is located at Kange Industrial Area, Tanga, Tanzania. Huaxin Cement Co. Limited ("**Huaxin**") has invested USD 116,000,000 to acquire Maweni, and the parties have reached Completion of the Transaction pursuant to the Share Purchase Agreement and effected from 19th May, 2020.

Shareholdings:

Maweni was owned by ARM Cement PLC (Under Administration), a company incorporated in Kenya and which is listed on the Nairobi Stock Exchange) ("**ARM**"). Pursuant to a Share Purchase Agreement between PWC, the administrators of ARM and Huaxin (Hong Kong) International Holdings Limited and Huaxin Hong Kong (Tanzania) Investment Limited (together these Huaxin entities are the "**Acquirers**"). The current shareholders are as follows:

- i. Huaxin (Hong Kong) International Holdings Limited Class Ordinary 4 shares taken
- ii. Huaxin Hong Kong (Tanzania) Investment Limited Class Ordinary 36 shares taken
- iii. Pradipkumar Harjivandas Paunrana Class Ordinary 1 shares taken
- iv. ARM CEMENT PLC (formaly ARM Cement Ltd) Class Ordinary 9 shares taken

Maweni has registered the project in TIC to establish and operate a cement clinker and grinding factory in Tanga and Dar es Salaam at 22nd May, 2008. However, due to the financial restraint, Maweni couldn't run well and didn't complete the project. After this acquisition, we intend to invest USD150,000,000 to finish the incomplete project and construct cement manufacture plant in Tanga. We plan to import some machines and spare parts during the construction, and expect to obtain duty exemption for these cargos. We have more than 100 years in cement industry, and can bring advanced technology and knowhow to Tanzania. Therefore, we are also expected to acquire around 100 work permits for our team of foreign experts who are going to undertake the installation of plants, trial production, commissioning and on the job training of the local graduate and semi-skilled personnel under the local context. Moreover, our project cycle will be almost three years, and our contractors will bring around 400 experienced expats (totally) to conduct the construction in Tanga plant in different project phase. Therefore, we expect that they can conduct their responsibility with the BV or special pass during the construction period, most of them will not be here more than one year.

In light of above, we hereby request your esteemed office to issue the Certificate of Incentives to us, and also grant us the three facilitating requests. Furthermore, we undertake to pay any costs that may be required. As such, we kindly request your esteemed office to assist us with the above and thank you in advance for your usual co-operation.

Yours Sincerely

MAWENI LIMESTONE LIMITED

Jing Changxi

COUNTRY MANAGER

