



中土東非有限公司
CCECC EAST AFRICA LIMITED

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Our Ref: CCECC/RG/20200604

DATE: JUNE 4th, 2020

TO: TANZANIA INVESTMENT CENTRE
P. O BOX 938
SHAABAN ROBERT STREET
DAR ES SALAAM



Dear Sir,

SUB: PROGRESS REPORT FOR CCECC'S BUILDING PROJECT

We CCECC EAST AFRICA LTD obtained a Certificate of Incentives from Tanzania Investment Centre (TIC) on 13th June 2017, we signed the Leasehold Agreement with Tanzania Investment Centre in 1st November 2017 and the transfer of land of Plot No. 163/165 was completed in November 2017.

1. Planned Activities For The Period

The ongoing project is located at Mikocheni B on Plot No. 163/165 in Dar es Salaam along Mwai Kibaki road adjacent to the Indian Ocean with total coverage area of 20560.96 Square meters.

After submitting the design drawings and other materials, we obtained a building permit from Kinondoni Municipal council on 21st December 2018 and environmental assessment certificate from NEMC on 21st March 2019. The project's Site Possession date was on 15th April 2019. After one week's mobilization, the construction began on 22nd April 2019.

The construction of this project is divided into 2 phases, but wholly will include building Villas, Apartments, Commercial Building, Public Swimming Pool and Recreational building. The cumulative investment that was used until 20th April 2020 is \$16,323,800.

2. Construction Progress

Phase 1 of this project will included building; 14 Villas, 1 Commercial Building, 1 Recreational Building and 1 Swimming Pool. The progress is as follows:

- **Villas:** 100% basement, substructure, superstructure, and 92.5% walling construction.

The general progress is 50%.

- **Commercial Building:** 100% Basement, Substructure, Superstructure and 70% Walling Construction.

The general Progress is 45%

- **Recreational Building and Swimming pool:** 100% Substructure, 81% Superstructure and 70% Walling Construction.

The general progress is 42%.

- **Apartments:** This will be phase 2 of the project. It will include four apartment buildings, two of which have 17 floors and another two have 24 floors. This shall not be part of percentage calculation of the phase one project.

3. Project Financial Expenditure To Date

Details	Total (USD)
Land cost (including relevant taxes and fees)	11,882,188.15
Preliminary engineering cost	302,601.41
Infrastructure and building-construction installation cost	2,764,101.61
Management cost	1,364,908.83
Marketing cost	10,000
GRAND TOTAL	16,323,800

4. Project Financing

The project is invested by CCECC EAST AFRICA LTD, using funds donated by the parent company in China.

Project financial expenditures are used for land purchase, preliminary engineering consultation, engineering construction, material purchase, labor costs, and office expenses, etc.

5. Problems and Solutions

1. **Problem:** During rainy season, project construction is paused.

Solution: The project formulates a proper construction plan to smoothly complete the work during the rainy season.

2. **Problem:** COVID-19 precautionary measures for the employees has increase costs for the project and it extends further into the force majeure provision.

Solution: Precautionary measures that have been put in place because of Covid-19, include, supervising all personnel to wear masks and disinfect, and dismiss some local employees to reduce the risk of commuting infection. Covid -19 will not slow down the project regardless of the increase in costs it has caused.

6. Future Plans

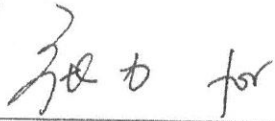
The project was originally planned to complete all construction of Villas, Commercial Building, Recreation Building, Swimming Pool and Landscape by the end of 2020.

However, due to the spread of COVID-19, the decoration materials from China cannot be delivered to Tanzania on time. Also, as part of a precautionary measure to protect our employees from being infected by Covid-19, essential work toward this project has been completed in May 2020 and we suspended all works temporarily.

The construction will resume when we receive the decoration

materials from China and ensure safety at the construction site.

Regards,

Handwritten signature in black ink, appearing to be 'Z. L. for'.

CCECC EAST AFRICA LIMITED