

EVERBRIGHT STEEL MATERIALS CO. LTD

PLOT NO. 4-12, BLOCK G, DUNDANI MKURANGA
COAST REGION (PAWNI) TANZANIA,
P.O. BOX 63149
255745770045

info@everwellcable.com

PROGRESSIVE REPORT FOR EVERBRIGHT STEEL MATERIALS CO. LTD.

1. PLANNED ACTIVITIES FOR THE PERIOD

This progress report is prepared to serve the purpose as a feasibility study for **EVERBRIGHT STEEL MATERIALS CO. LTD**, implementation of the steel material manufacturing project from the date when the project was approved to the date of writing this report . The company's main activities is the manufacturing of steel materials.

The company's initial planned activities before making the application to the Tanzanian Investment Centre for a certificate of incentives were to manufacture steel pipes, build relationships with investors in the manufacturing sector and achieve sufficient levels of profit to provide for reinvestment and suitable returns to shareholders and investors.

After attaining the certificate of incentives, the company has managed to procure machineries and equipment for the project, equip the project with all necessary furniture and facilities and obtain a warehouse building for installation of machines and equipment.

The planned activities for the next period include the establishment of a second steel material manufacturing plant using the profits obtained from the initial period of investment, this is because there has been an increase in demand for the steel material products being produced and the limited supply available due to the huge demand as of present. Therefore, the new project shall ensure the availability of steel products and secure more investment opportunities in the country.

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2. ACHIEVEMENTS TO DATE

The company was able to secure an opportunity to manufacture and supply steel material products, but apart from that the company has attained the following achievements from the date of the project implementation to date;

- Increase of direct employment opportunities.

The establishment of the steel plant created job opportunities as visible in our NSSF and WCF schedules

- Direct Domestic investment of more than 10 Million USD within 2017 -2020 into the Tanzanian economy and attainment of profits
- Increase tax contributed to the government, the company has been a compliant taxpayer over the years from the beginning of the project till present
- Generate foreign currency.
- **STATUS OF ACTIVITIES THAT HAVE ALREADY BEEN UNDERTAKEN.**

The project is managed and operated by **EVERWELL CABLE AND ENGINEERING COMPANY LIMITED.**

The Company is ran by Chinese entrepreneurs with diverse business in Tanzania. With various activities such as acquisition of supplies and raw materials for the industry, supply of steel materials to clients in the country

- The current registered shareholders of the Company are;

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- EVERWELL CABLE AND ENGINEERING COMPANY LIMITED – TANZANIA -
42,000 Shares (60%)
- HT INTERNATIONAL (ASIA PACIFIC) – CHINESE - 28,000 Shares (40%)

BUSINESS DESCRIPTION.

i. Shareholding status

Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES
EVERWELL CABLE AND ENGINEERING COMPANY LIMITED	TANZANIA	42,000
HT INTERNATIONAL (ASIA PACIFIC) LIMITED	CHINA	28,000

3. Updated Information

i. Company Communication Information

Everbright Steel Materials Co. Ltd

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E-mail address: Info@everwellcable.com,

Mobile Number: 255745770045,

Physical Address: PLOT NO. 4-12, BLOCK G, DUNDANI
REGION (PWANI) TANZANIA, P.O. BOX 63149

MKURANGA COAST

ii. CONTACT PERSON

KKB ATTORNEYS AT LAW
2ND FLOOR OYSTER PLAZA
HAILE SELASSIE RD
P.O.BOX 13989
DAR ES SALAAM

info@kkbattorneys.co.tz

iii. **Incorporation;** Certificate of Incorporation - **135355**

iv. **TIN Information Number:** 133-817-069

v. **Project Core Activity – MANUFACTURING OF STEEL MATERIALS**

vi. **Project capacity per year – .200,000,000**

vii. **Direct Employment:** The project has 2 foreign workers male and female, 25 local men, 8 local women.

Furthermore, the activities of the company which have already been taken is to **Manufacture of steel materials.**

4. PROJECT FINANCIAL EXPENDITURE TODATE.

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PARTICULAR	US\$ foreign
Land and Buildings	20,000.00
Machinery & Equipment	250,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	5,000.00
Pre exp	5,000.00
Others	0.00
Working Capital	120,000.00
TOTAL	500,000.00

5. PROJECT FINANCING

The company invest in project 4.265 million Tanzanian Shillings from shareholders' funds. Profits generated from business operation will be re- invested. There shall no loan from commercial banks as the investor and the project financing come from equity and it has set aside 100% of 4.265 million for the investment in phase one up to date.

6. PROBLEMS AND SOLUTION

The company encountered a number of problems during the execution of the project. The first issue that was faced was the delay in the implementation of the project, these delays were substantially caused by problems in the connection of the electricity lines by TANESCO for almost one year.

When the company endeavored to begin the production activities as stated in the plan, they processed an application to the Mbagala substation for power connection, the company was

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informed that the power compatibility with the substation was very low and therefore enabling such a connection would limit connection by new users.

Therefore the company had to process requests to the Mkuranga substation for installation of a power line, However after some time of it was discovered that the ground condition where the poles were set was not very strong and therefore the company had to issue a letter to the TANESCO Mkuranga office asking for re-installation of the power lines in consideration of their safety and the implementation of the project.

However, the company never got an official response from the letter issued to TANESCO despite being received by the TANESCO office therefore causing much dismay and frustration to the implementation of the project.

But also, the company faced other challenges such as delays in obtaining the NEMC environmental certificate. The process took a longer time than expected and in consideration of the conditions imposed on the temporary industrial license granted to Everbright Steel, that the company could only operate/invest once it is registered by the National Environment Management Council.

In addition to that factor, the company as any other new company had not been able to secure many customers until early March this year when the business picked up and a lot of the profit was obtained and that is why the company is considering the opening of a second steel material production company over the next period of validity of the certificate of incentives.

7. FUTURE PLANS

The company has planned to establish another steel plant in the next six months for the production of steel materials to be supplied to the Tanzanian market. This is because although the company

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has only been fully operational for a short period of time, there has already been a huge demand for the steel products from the market granting us great profits and attracting us to apply for another term of validity for the certificate of incentives and considering the fact that Tanzania is witnessing a change to using Steel pipes for sustainable development. But also, existence of unmitigated supply gap of these products in Tanzania.

Therefore, the company has planned to re-invest the profits gained during the first investment period into the expansion of the company's steel manufacturing business and some part of the funds from the shareholders' funds. The company has also planned to build a database of loyal customers