

BACKBONE TANZANIA COMPANY LIMITED

**PROJECT PROGRESS REPORT FOR THE PERIOD OF
SEPTEMBER-2020- MARCH-2021**

Contact Person: Mr YANHE WANG
0678352020
Email yanheng@gmail.com

LIST OF CONTENTS

- 1.0 Introduction
 - 2.0 Company Ownership
 - 3.0 Business Location
 - 4.0 Project Implementation
 - 5.0 Operational Achievement
 - 6.0 Investor Obligation
 - 7.0 Investment Challenges
 - 8.0 Future Plan
 - 9.0 Recommendation
-
-

1.0 Introduction

BACKBONE TANZANIA COMPANY LIMITED is a foreigner company incorporated under the companies Act 2002. The Certificate of incentives was issued on 28th February 2018 by Tanzania investment Centre with main objective to establish a project for production of Poultry Feeds in Coast Region.

Project sought to improve Poultry feed sub sector by investing in Animal Feeds value addition in Tanzania by introduction new facilities with technology from China that are chickens to Dar Es Salaam and near regions far above the production level of the same consistent with the requirement of Tanzania and global standard.

2.0 Company ownership

BACKBONE TANZANIA COMPANY LIMITED is jointly owned by two shareholders who agreed to come together to share vast experiences in managing timber value addition digital for the mutual benefits of both parties:

| Name of shareholders | Nationality | %of shares |
|---------------------------------|-------------|------------|
| Ming Zhuang | China | 00.10 |
| Linyi Backbone Feedmill Co. Ltd | China | 99.90 |

3.0 Business Location

The company head office is located at Plot No. 79-83, 89 block A Misugusugu Industrial Area Kibaha- Tanzania.

4.0 Project implementation

For the purpose of providing necessary soft landing for the capital to be invested in realizing the project the Company applied for certificate of incentives which was granted in 2018 under the Tanzania Investment Act.1997.

The company managed to acquire at Kibaha approximately 100 acres of land where the industrial building and other facilities have been constructed and other to be completed within 5 years by 2026

5.0 Operational Achievements

BACKBONE TANZANIA COMPANY LIMITED vision is to increase availability of company products locally and globally with high quality, in ensuring this the company has implemented the followings:

- **To construct two spacious warehouse**
- Order from abroad machines processing food for poultry harvesters
- New standby generator which will be used during blackouts
- To order a spacious motor vehicle to assist distribution of feeds produces to their customers
- To construct a spacious office block which will accommodate administrative block managers office , directors board room\to recruit more professionals in his field to enable the project operate professionally

i. Constructions of industrial building:

The company has commenced construction of industrial building with 10,000 square meters costing us\$280,000

ii. Machines

The company is planning to order from abroad machines processing food for poultry harvesters and standby generator 610,000

iii. Employment

Currently 85 Tanzanians have been employed temporally and in the near future the company is planning to employ more than 100 Tanzanians on the completion of the project, our mission is to make sure the project is Completed within 2 years from now.

6.0 Investor Obligation (Planned activities)

The company has managed to invest US\$ 1,010, 000 to date and it is planning to invest the remaining US\$ 300,000 within 1 years from now.

The company is proudly with the huge investment made since its establishment; the majority of the investment has been made from owners' equity.

6.0 Challenges

- i. Failure to get capital investments: As per plan all capital investment is expected to be done by shareholders contribution through cash generated from business invested in China however the business operated in China was not doing well as it was expected to various reasons but currently the business is stable and it is generating cash flows enough to be injected in Tanzania business
- ii. Power cut: Power cut and unstable power supply has always been a big problem because machines cannot function without reliable power supply.
- iii. Availability of raw materials: For sustainability of project the company has been applying allotment of ANIMAL FEEDS from Tanzania Services without any success, the management is very optimistic in near future the government will think and give priority to investors who add value ANIMAL FEEDS products.

7.0 Future plan

| Period/phase | Operational plan | Details |
|--------------|---------------------------------------|---|
| 2020- 2021 | Provision to training to local staffs | Also our next three years plan is ensuring we improve training to local staffs and employ more employees to reach the target of 85 Tanzanians |
| 2020-2021 | Promotions of local contents | The will ensure we localize the contents and promote the local produced animal feeds of chickens <u>in Dar es Salaam and other near regions are far above the production related products</u> |
| 2021-2022 | Increase of exports | The company is planning to increase exports by introducing company products in Kenya, South Africa, Rwanda, Uganda, Burundi etc |

8.0 RECOMMENDATIONS

- i. The Government through TIC should request extension for one year to finish the project **MR. YANHE WANG MOBILE 0678352000 EMAIL yanhegh@gmail.com** TIC Certificate to facilitate implementation of project
- ii. The Government should increase the availability of Power

F20

DERIVATIVE RIGHTS CREATED TO INVESTORS BY TANZANIA INVESTMENT CENTRE

| | | | | | | | | | |
|-----|---|------------|--|-----------|--------------------|-----------|---|--------------------|--------|
| 384 | PlotNo. 34 (W.I.A) Western Industrial Area in Dodoma | 1958 SQM | Use Group 'O' Use classes (b0) | 55993-DLR | 99 (01.04.2020) | 343,365 | Pyxus Agriculture Tanzania Limited P.O. Box 67119 Morogoro | 98 (01.04.2020) | 022303 |
| 385 | Plot No. 80 81, 82, 84 & 83 Block 'A' Misugusugu Kibaha | 28,965 SQM | Industrial Purpose. Use Group 'M' Use classes (a), (b) and (c) | PWN 3316 | 99 (01.01.2020) | 1,262,625 | Backbone Tanzania Company Limited | 98 (01.01.2020) | 015072 |