

**Ref. No:** ALAF/GC/2020/01

**Date:** 03<sup>rd</sup> January 2020

Executive Director,  
Tanzania Investment Centre,  
P.O. Box 938,  
Shaaban Robert Street,  
**Dar es Salaam.**

**RE: APPLICATION FOR CERTIFICATE OF INCENTIVE FOR METAL COATING LINE SPEED INCREASE PROJECT.**

Please refer to the above captioned subject matter.

ALAF Limited is a renowned and an accredited manufacturer and seller of various roofing materials and allied building materials in Tanzania as well as East Africa at large having its manufacturing plant site at Plot No. 18, Nyerere road, Chang'ombe Industrial Area, Dar es salaam.

ALAF's Metal Coating Line (MCL) plant was commissioned in 2009 with a nameplate installed capacity of 70,000 Metric Tons per annum and design speed of 120 MPM. However, due to various issues like power reliability and other design issues the plant could not achieve its full capacity.

In effort to utilize the MCL plant's full capacity, in May 2019, ALAF commissioned a 4MW natural gas based captive power plant in order to ensure uninterrupted power supply to the MCL plant, which would enable the MCL plant to produce at its 100% installed capacity.

In order to cater for the increasing demand of building materials due to the current rapid development in the construction industry in Tanzania and East Africa, ALAF has decided to increase the capacity of its plant through increasing the line speed from the current level of 120 MPM to 160 MPM. This will lead to the increase of MCL capacity by approximately 30,000MT, that is, from current 70,000 MT / annum nominal capacity to 100,000MT/ annum nominal capacity.

Also, this project would address other technical improvements needed in MCL to produce paint feed. This is especially with the view of a future Color Coated Line (CCL) in Tanzania to cater to this fast developing market, for color-coated products.

The line speed upgrade project is expected to commence on May, 2020. Hence, mobilization of the equipments and other resources to be used for the project has already started since mid 2019.

The intended capital investment for the project USD 2,727,381.00 (Say United States Dollars two million seven hundred twenty-seven thousand three hundred eighty-one only. The project will be financed from the Company's internal resources. As the project is on the existing plant, we therefore expect to use some of the existing resources that are being used currently including land/building, vehicles and mobile machines, furniture and fittings, human resources, etc.

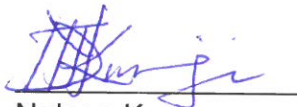
The company has engaged the following consultants and suppliers who will supply the design and/or materials for project:

- 1) Esmech, India.
- 2) Tenova, India.
- 3) I & B Automation, India.
- 4) Kriton Welders, India.

It is on the basis of this project that we wish to apply for a certificate incentive from your good office so as to ensure its successful implementation.

Thank you for your support and cooperation.

Yours faithfully,



Nelson Kassanga

**Legal and Compliance Manager**