

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned activities for the period

The Company is currently constructing a state of the art work at its owned plot in Kisarawe.

The project is expected to be completed within 2022.

2. Achievements made on the project implementation to date

The Company has grown steadily over the past 10 years of its existence and achieved key milestones as details below.

| ITEM | YEAR 2012 | YEAR 2021 |
|--------------------------------------|---|--|
| Equity | TZS1.6 billion | TZS5.4 billion |
| Total Debt Financing Obtained | Nil | Over USD6million |
| Turnover | TZS2.7 billion | Projected Turnover of over TZS24 billion in 2021. Turnover was 22.4 billion in 2020. |
| Fleet Size | Fleet of 24 trucks and 24 trailers | The fleet has grown to 123 trucks and 131 trailers |
| Staff Compliment | Over 35 employees | 193 employees |
| Cargo Volumes/Truck Loaded per month | Over 50 loads per month | Over 300 loads per month to East and Southern African countries. |
| HR Skills set | Limited skills set and company has few employees as startup | Highly qualified staff employed with diverse skills. |
| Land Holdings | Nil | Two landed properties purchased. A state of the art |

| | | |
|--------------------------------|--|---|
| | | workshop is being constructed. |
| Market | Mainly targeting the Rwandese market. | Fully servicing the regional market covering East and Southern Africa. The major countries served include Rwanda, Zambia, Malawi, Democratic Republic of Congo and Burundi. |
| Clientele Base | MSMEs in Tanzania and Rwanda. | Medium to large corporates based in Tanzania and overseas territories. |
| Regional Offices | Nil | Representative offices in Rwanda and Zambia |
| Spare Parts Warehousing | Nil | Spare parts warehousing facility in place with local and imported truck parts. |
| Social Responsibility Programs | Nil | Donations to the community are being made frequently. Public liability insurance is also in place. |
| Highly advanced ICT systems | Unsophisticated ICT systems were in place. | Advanced ICT systems in place. SAP is being used to manage the Company operations, covering workshop, warehousing and finance. Navirec is being used for GPS tracking of trucks |

3. Provide updated information on the following aspects:

| S/No. | Information | Description | Current Project Status |
|-------|---------------------------|---|--|
| 1 | Shareholder's Information | Current Shareholders names, nationality and percentage of ownership | <ol style="list-style-type: none"> 1. Rahim Dossa Khimji (Tanzanian) – 75.29% 2. Maheubali Nurdin Khimji (Tanzanian) – 9.41% 3. Siya Rahim Dossa (Tanzania) – 9.41% |

| | | | |
|---|-----------------------------------|---|--|
| | | | 4. Dumisani Dlamini (Zimbabwean) – 5.89% |
| 2 | Company communication Information | Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region) | rahim@simera.co.tz +255 784 770 577 Nil Corporate Office 4 th Floor, Office 410, Harbour View Towers, Plot 2317/108, Samora Ave, Ilala, Dar es Salaam Workshop Plot P14466 & P14466 Kisarawe II Kihgamboni Dar es Salaam |
| 3 | Contact Person | Name Position Communication details (Email, Mobile and telephone) | Dumisani Dlamini Director md@simera.co.tz +255 766 340 276 |
| 4 | Incorporation | Certificate of Incorporation Number | 85522 |
| 5 | TIN Information | TIN Certificate No. | 115-303-600 |
| 6 | Project Objective | Project Core Activity | Transportation |
| 7 | Capacity | Project capacity per year | 3,600 loads |
| 8 | Direct Employment | Foreign Men Foreign Women Local Men Local Women | 1 Nil 186 6 |
| 9 | Indirect employment | Type/areas of Indirect employment | The project has created indirect employment estimated at over 100 people. The project has facilitated the operation of a clearing and forwarding business in Tanzania which employs over 60 people. It has opened representative offices in Rwanda and Zambia which employ over 40 |

| | | | |
|--|--|--|--|
| | | | people. Further it has created downstream opportunities in the supply chain for vehicles spares. |
|--|--|--|--|

4. Project Financing Expenditure to date (USD)

| | Foreign (USD) | Local (USD) | Total (USD) |
|------------------------------|---------------|--------------|--------------|
| Land and Buildings | | 220,000 | 220,000 |
| Plant and machinery | | 20,000 | 20,000 |
| Vehicles/Aircrafts | | 8,700,000 | 8,700,000 |
| Furniture & Office equipment | | 101,000 | 101,000 |
| Insurance Cover | | 700,000 | 700,000 |
| Pre-operational expenses | | 10,000 | 10,000 |
| Working sub-total capital | | 350,000 | 350,000 |
| Grand Total | | \$10,101,000 | \$10,101,000 |

5. Project Financing

The Project has been financed from both shareholder funds and loans as detailed below.

| | Amount (USD) | Source Country |
|-------------------------|--------------|----------------|
| Local equity | 3,781,000 | Tanzania |
| Local loans | 6,000,000 | Tanzania |
| Foreign equity | 320,000 | |
| Foreign Loans | Nil | |
| Total Investment | | |

6. Problems and Solutions

The Company has faced challenges over the years and has however managed to overcome some of the challenges as detailed below;

- Limited capital – the Company has limited landed properties thereby reducing its capability to access more loans. Management has however resorted to asset financing for trucks and has been gradually increasing the fleet.

- Changes in regulations – the introduction of the EAC Vehicle Load Control Act affected the Company operations at implementation of the Act as it reduced its capacity to load cargoes. Management is now purchasing trailers with high carrying capacity, though these are at a higher cost.
- Delays at Port – delays resulted in congestion and longer dwell time for trucks reducing the turnaround time for trucks. Management is happy with efforts being made by the Port Authorities to improve Port operations. It is hoped that efficiencies would greatly improve with the coming in of new equipment.

7. Future Plans

The Company is currently construction the workshop in Kisararwe. The project cost is estimated at over TZS500 million. The project is expected to be completed within 2022.

In the longer term, the Company intends to increase its fleet to 200 trucks.

8. Recommendations and any other comments

Nil