

Mega Builders Limited

(Affordable Rural Housing Development Scheme)

Plot No. 596 Block MSN F Makagira Street, Mikoroshoni Area,
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Ref. No: MBL/ARHDS /TIC/1/2021

Date September 14, 2021

Executive Director
Tanzania Investment Centre
P.O. Box 938
Dar es Salaam

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are planning to develop and establish a Affordable Rural Residential Housing project to provide 1,500 rural residential house units for sale at Chalinze (Msoga, Msolwa, Lugoba Villages and Mihuga Village situated next to the Saadani National Park in the various village settlements covering 330.50 hectares of land in total. The parcels of land are owned by our sister company, M/s Kilimo Infrastructure Development Company Limited on a property development contract in which the landlord, M/s Kilimo Infrastructure Development Company will provide the land located at the aforementioned villages whereby M/s Mega Builders Limited will construct affordable residential house units for outright sale in the understanding that M/s Mega Builders Ltd will develop, establish and sell the house units, and that proceeds from sale of the house units will be shared equally between the two sister companies upon the developers' recovery of all investment costs and payment of all statutory deductions.

The project will be developed in phases for 12 years continuously at the rate of completing construction of 125 house units every year at the cost of US\$ 1,034,682- per year, adding to 1,500 units during the non-stop construction period of 12 years. The initial project financing model will involve developers' equity contribution of TShs 800,000,000/= (equivalent to US\$ 689,854-) currently sitting at the developers' CRDB Bank in form of Fixed Deposits (FDR). This is equivalent to 33.32% of total investment cost during the very first year of the project implementation. The balance of US\$ 689,854- (66.67%) will be sought from the developers' bankers. It is assumed that house units completed will all be sold within that year, and that all proceeds from sales will be ploughed back to finance further developments. Under this financing model, the project will in essence become self-financing from year two onwards, serve for the bank term loan which will continue sustaining the project for the first five years after which profits earned from sales will sustain implementation of the remaining seven years..

We hereby submit our application for TIC Certificate of Incentives to facilitate smooth implementation of the project. Attached herewith please find duly

certified copies of basic documents listed hereto below for ease of reference and approval:

1. Duly completed and signed Registration Form for TIC Certificate of Incentives;
2. Company Certificate of Incorporation along with Certificate of Name Change;
3. Company Memorandum and Articles of Association;
4. BRELA Company Detailed Information to verify current shareholders and shareholding structure;
5. Project Business Plan Report;
6. Land evidence in respect of the project site in form of Development Contract Agreement;
7. Evidence of Finance in form of Fixed Deposit Receipts (FDRs) of CRDB Bank worth TShs 800,000,000);
8. Company Board Resolution to register the project with TIC;
9. Tax Clearance Report, 2021;
10. TIN Certificate No. 101-400-855 dated 1st August 2002;
11. Foreign Directors; Passports;
12. Government Bill Payment Receipt for Registration and Certificate Fees;
13. Covering Letter

Thanking you for your kind cooperation and support

Yours sincerely,

MEGA BUILDERS LIMITED


MEGA BUILDERS LTD
B. Malik Singh
MANAGING DIRECTOR

DAR ES SALAAM