

**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

KSP continues to produce seeds of flowering pot plants for export as planned in the original project.

2. Achievements made on the project implementation to date:

The KSP seed production project is fully implemented and subsequently was expanded to double the original production area.

All planned importation of equipment (other than on going consumables and replacement/expansion items) has taken place and the project has been fully constructed and operational for many years and is fulfilling the original aims of the project.

Further expansion is always under revue and may occur in the future to fulfill additional markets as and when they are acquired.

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	Genius Seeds B.V Class Ordinary 6860000 shares taken Schoneveld Exploitatie Class Ordinary 70000 shares taken Konrad Hermanus Maria Nahuis Class Ordinary 70000 shares taken
2.	Company Communication Information	Email address	rdaniel@habari.co.tz
		Mobile Number	+255784510197
		Land Line Telephone Number	
		Physical Address (Plot No., Block No, Street, District and Region	Region Arusha, District Arusha, Ward Oldonyowass, Postal code 23223, North Meru, Losinoni Village
3.	Contact Person	Name	Robert Daniel
		Position	Director
		Communication Details (Email, Mobile and telephone)	rdaniel@habari.co.tz +255784510197

4.	Incorporation	Certificate of Incorporation No.	66152
5.	TIN information	TIN Certificate No.	106-859-604
6.	Project Objective	Project Core Activity	
7.	Capacity	Project Capacity per Year	
8.	Direct Employment	Foreign-Men	Two (2)
		Foreign-Women	One (1)
		Local-Men	Forty four(44)
		Local-Women	Thirty six (36)
9.	Indirect employment	Estimated Total No.	NL
		Type/areas of Indirect Employment	NL

4. Project Financial Expenditure to date (USD):

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings			
Plant and machinery			
Vehicles/Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
GRAND TOTAL			

5. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc. See table below.

	Amount (USD)	Source Country
Local Equity		Tanzania
Local Loans		Tanzania
Foreign Equity	3.6Million	Netherland
Foreign Loans		
Total Investment		

6. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

Covid 19 had a detrimental effect on the project as it did with so many businesses worldwide however KSP, having been forced to rethink many things, emerged stronger from the pandemic. However this was followed by more unexpected global

economic factors and currently, we are facing the challenges of the economic impact of the Russia and Ukraine conflict. The impact on the market for our products is not biting so much yet but looks inevitable. The running costs of Korfovouni has risen due to price increases especially in fuel.

To counter this we have decided to reduce our expenses by avoiding unnecessary costs and adopting a conservative approach to spending and developments until the situation stabilizes.

7. Future Plans

Explain future plans for the next coming six months and planned financial Commitments

KSP continues to produce seeds of flowering pot plants for export and seeks orders from additional breeders in the aim of broadening its range and increasing sales. On going investment in the renewal of equipment and buildings continues with the possibility that if financial conditions allow additional investment in a solar heating project may be possible.

8. Recommendations and any other comments

Korfovouni continues to promote itself as a production facility for seeds of flowering pot plants and to promote the site specifically and Tanzania in general as a place for seed producers to come and produce.

The current political environment in which the government of Tanzania also encourages foreign investment is very positive however actual operational challenges and costs – such as in the importation of equipment – make progress slower than would be ideal.

It should be recognized that potential investors have alternative choices to locate their projects and so Tanzania is in competition with other destinations to attract them. Challenges with local officials and departments of government putting obstacles in the way and creating additional costs have extremely detrimental effects on TZ's ability to attract the right kind of investment projects – ones that add value, generate foreign exchange income and create employment.