

14th November 2022

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

RE: REQUEST FOR EXTENSION PERIOD

Please refer to the heading above

Kilombero Sugar Company Limited (KSCL) has an approved project with certificate of incentives No: **0224279** which is valid up to **November 2022**. The Company has been registered with objectives of establishing and operating sugar production and packaging project

Following the global economic pandemic (Covid -19), the development and construction phases of the project were halted for just under two years. KSCL is investing about USD 259 Million to build a contemporary and automated world-class packaging, storage, and dispatch facilities expected to be completed in 2024.

Therefore, we are seeking the following:

- An expansion of the project's timeline by two years.
- To replace the following sections in the TIC Certificate
 - Section 3, Sector
 - Sector - Sugar Manufacturer
 - Subsector - Agricultural
 - Section 4, Investment cost
 - Foreign USD – Nil
 - Local - USD 238,5 million
 - Total - USD 238,5 million
 - Section 5, Financing
 - Equity – Nil
 - Loans – USD 160,0 million
 - Balance – USD 78,5 million (Cash from existing operations)
 - Total – USD 238,5 million
 - Section 7, Capital Items
 - Foreign – USD 125,0 million
 - Local – USD 113,5 million
 - Total – 238,5 million



- Section 10, Implementation period
 - May 2021 to November 2024
- Section 11, Operative date
 - November 2024

SSIS Application status

The National Investment Steering Committee met on the 6th October in Dodoma to consider and discuss the approval of the projects SSIS application. The project SSIS application was approved by the TIC on the 13th October 2022. This is a significant milestone for the project as the deliveries of equipment into Tanzania from the various international geographies starts ramping up.

The next steps of submission to Cabinet for endorsement prior to the issuance of the Government Notices by the Minister of Finance and Planning on fiscal related incentives is awaited.

The financing and payment within the project are all current and as contractual payment milestones are ramping up the cash flow from KSC is expected to ramp up sharply to meet the contractual payment terms.

There are an approximate 230 people on site and the safety record is very good to date. All persons on site are either Tanzanian nationals or are fully compliant in terms of the required permits for working in Tanzania.

We thank you for your continuous support.

Yours faithfully

Kilombero Sugar Company Limited

David Stuart Watson

16/11/2022

Stuart Watson

Project Director: Kilombero Expansion Project

KILOMBERO SUGAR COMPANY LIMITED

