

**Appendix 1: Project status Report**

**1. updated information**

S/N	Information	Description	Current project status
1	Shareholder's information	Current shareholders names, nationality and percentage of ownership	Raddy fiber solution ltd 70% shares (Tanzania local company) Ramadhani Hassani Mlanzi 30% shares (Tanzanian)
2	Company communication information	Email Address: Mobile number: Landline telephone no: Physical address: [Plot no. block no, street, District and Region)	CT No. 152603 MG Located on Plot No. 13 Block "E" situated at Mwanambaya/Mivule in Mkuranga District measuring 7.88 hectares Reg Survey Plan No. 78874
3	Contact person	Name Position Communication details (Email, mobile and telephone )	Ramadhani Hassani Mlanzi Chief executive officer <a href="mailto:r.mlanzi@raddyfiber.co.tz">r.mlanzi@raddyfiber.co.tz</a> +255655767545/0754767545/0710480531
4	Incorporation	Certificate of incorporation no;	Incorporated No. 120048 dated 4 <sup>th</sup> September 2015
5	TIN information	TIN no:	TIN No. 129-123-036
6	Project objective	Project core activities	Manufacturing and supply of fiber optic cables and its accessories.
7	Capacity	Project capacity per year	To produce 24,000 km of fiber cables
8	Direct Employment	Foreign men Foreign women Local men and women	600 (employment will include men and women local and foreign)
9	Indirect employment	Estimated total no. Types/areas of indirect Employment	5,000 to 10,000 (in different areas of the country during the installation of the product which produced from our factor)

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**1. Planned Activities for Financial Year 2021**

- On 3<sup>rd</sup> December 2021 we succeeded to have grand opening of the factory under the Hon. President Samia Suluhu Hassani. With the following updates
  - a. Main building 100% of completion. We have completed the training and now we are in the production stage.
  - b. Canteen block is 99%
  - c. Ablution and HSE block is 100%
  - d. Power house block is 100%
  - e. Guard house 99%
  - f. Warehouse 30% this building is at early stages
  
- Also the construction cost involve **costs of works** and **construction supervision costs**, are as follows:-

**2. Achievements made on the project implementation to date**

S/N	Project Activities	Date Completed	Remarks
1	Incorporation of the company in Tanzania	Completed in September 2015	Incorporated No. 120048 dated 4 <sup>th</sup> September 2015 TIN No. 129-123-036
2	TIC Incentive and Performance Contract	Completed in June 2016	TIC Certificate of Incentives No. 043071 dated 23 <sup>rd</sup> June 2016 i.e. this certificate will expire on 30 <sup>th</sup> August 2021
3	Acquisition of Project Land and Title deed	Completed in January 2016	CT No. 152603 MG Located on Plot No. 13 Block "E" situated at Mwanambaya/Mivule in Mkuranga District measuring 7.88 hectares Reg Survey Plan No. 78874
4	Soil Investigation Report – University of Dar es Salaam Soil Mechanics Lab	Completed in June 2016	Field works were carried out in April 2016 and report was submitted in June 2016 which provided a summary of the findings and recommendations for the foundation design parameters.
5	NEMC Certification	Completed on 6 <sup>th</sup> April 2017	Environmental Impact Assessment Certificate, Application Reference No. 6042 with Registration No. EC/EIA/3067
6	Engaged Project Consultants for construction	All the Procedure completed in January 2018	Project Contractor: Lumocons company Ltd Structural Engineer: Dove Engineering Project QS: buildtek consultant Ltd Project Architect: Neo City Architects Service Engineer: service consultant ltd
7	Project Site for commencement of construction	Renewed on 19/06/2020	Building Permit No. MDC/QTR2/21/2018

### 3. Project Financial Expenditure to date

S/N	Particulars	Amount in TZS	Amount in TZS
1	Land Acquisition		850,000,000
2	Valuation cost of the Project area		1,700,000
3	<b>Dove Engineering Tanzania Ltd</b>		
	Architectural drawings	14,000,000	
	Structural Engineer	17,000,000	
	Mechanical Engineer	5,250,000	
	Electrical Engineer & ICT	6,250,000	
	Soil investigation	29,000,000	
	EIA study	12,000,000	
	Quantity Surveyor	6,500,000	
	Surveyor (TOPO)	7,000,000	
	Total design cost paid to Dove		97,000,000
4	IC Facilitation Fee (US \$ 1000)		2,200,000
5	BRELA annual Returns		29,500
6	Business License		300,000
7	NEMC- Registration Form and project briefing		10,070,000
8	Title deed Registration fee		40,000,000
9	Project registration fee		6,000,000
9	<b>Advance payment to the consultants</b>		
	Neo-city Architects	126,000,000	
	Dove Engineering Tanzania ltd -	154,000,000	
	Buildtek consultant ltd (QS)	23,600,000	
	Service Consultant	35,000,000	
	Total cost for the consultants		338,600,000
10	Contractor payments		
	Lumocons Company Limited		1,463,476,000
11	Material and machine cost		13,855,624,500
12	Security expenses		89,000,000.00
13	Working capital		5,750,000,000
	<b>Total</b>		<b>22,504,000,000/=</b>

### 4. Project Financing

The table below illustrated the estimated project investment cost:

Amount in US\$ Currency

S/N	Particulars	Existing	New Investment	Total
1	Land and Building	\$453,000	\$2,785,238	\$3,238,238
2	Machinery and Equipment	\$0	\$2,577,620	\$2,577,620
3	Motor Vehicles	\$0	\$65,116	\$65,116
4	Pre-operational expenses	\$0	\$454,920	\$454,920
<b>Subtotal (A) Fixed cost</b>		<b>\$453,000</b>	<b>\$5,882,894</b>	<b>\$6,335,894</b>
5	Contingence (5% of Fixed cost)	\$0	\$294,144.68	\$294,145
<b>Subtotal (B)</b>		<b>\$453,000</b>	<b>\$6,177,038</b>	<b>\$6,630,038</b>
6	Initial working capital requirement	\$0	\$617,942	\$617,942
<b>Total Investment Plan</b>		<b>\$453,000</b>	<b>\$6,794,980</b>	<b>\$7,247,980</b>

With above arrangement, the project shall be financed with the following Financing plan

Amount in US\$ Currency

S/N	Particulars	Equity	Debt Funding	Total
1	Land (Existing)	\$453,000	\$0	\$453,000
2	Building Construction (New)	\$2,522,334	\$402,165	\$2,924,499
3	Machinery and Equipment (New)	\$0	\$2,706,501	\$2,706,501
4	Motor Vehicles (New)	\$0	\$68,372	\$68,372
5	Pre-operational expenses	\$477,666	\$0	\$477,666
6	Initial working capital requirement	\$0	\$617,942	\$617,942
<b>Total Financing Plan</b>		<b>\$3,453,000</b>	<b>\$3,794,980</b>	<b>\$7,247,980</b>

The project shall have an estimated gearing ratio of 48%:52

## CONCLUSION

We are gratefully for the certificate you grant us since 2016 and renewed up to August 2021 which make the total of five years. But we managed to use it and enjoyed the exemption on the period of two years (2019-2021). The following is the short summary for the delay of the project as planned for the last five years since you grant us the certificate:

- We received the TIC certificate on June 2016 but during that time we were already applied for the EIA certificate.
- NEMC grant us the EIA certificate on April 2017. Still we suffered to get the loan.
- We were expecting the TIB development Bank to finance the project but at the moment the institution was facing a lot of difficulties which include under capitalization and raising funds from the foreign market. So this lead to the change from TIB Development Bank to NIC Tanzania Bank also they failed to grant us the loan. Lastly we moved to CRDB Bank and the loan was approved on October 2018.
- We started the implementation of our project on January 2019.

We are grateful for the effort of TIC by giving us the extension of certificate which expired on August 2021 so we are in need of the new Certificate because we still need it for the following reasons:

1. We haven't finished to import some of the items as attached (list approved by TRA)
2. Also there are some machine we have already purchased from China we are waiting for them to be manufactured
3. Lastly we need to use the certificate in the importation of raw materials

Attached receive the photos which show the progress of our project.