

**TANZANIA INVESTMENT CENTRE  
DAR ES SALAAM**

**SAN HAO GROUP LIMITED 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**

San Hao Company Limited is a company limited by shares, and registered under the Companies Act of 2002 with certificate of Incorporation Number 83261. The Company is registered with Tanzania Investment Centre vide the Certificate of Incentive Number 043219.

This Progress report gives an outlined detail of the improvements made on the crushing operations at its gypsum site located in Mkuranga District in Pwani, Mwanambaya Village Mkuranga Pwani.

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

The company has established a modern gypsum powder manufacturing plant in Kisemvule Mkuranga Pwani. The company has acquired all the necessary regulatory permits and is operating a state of the art gypsum powder and gypsum board machine. There is always an ever increasing demand for gypsum materials for construction and related activities in Tanzania. This is due to the fact that there is a growth in the construction activities while the existing production capacity does not meet the demand.

Due to high demand of its existing contracts with our clients the company has ventured into other products production such as manufacturing of gypsum powder, gypsum boards which are high value products and whose market has grown in the country, particularly in the building construction sub-sector.

3. Company

4. 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	1. XUE QING LI-CHINESE- (17%) 2. LI WEI LIN-CHINESE- (33%) 3. LI QIANG ZHENG-CHINESE (50%)
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<a href="mailto:sanhao@gmail.com">sanhao@gmail.com</a> 0710796695 +25502 710796695 PLOT NO. 11, BLOCK F, KILWA ROAD, MWANAMBAYA- MKURANGA, PWANI
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	LI QIANG ZHENG DIRECTOR <a href="mailto:sanhao@gmail.com">sanhao@gmail.com</a> 0710796695
4	Incorporation	Certificate of Incorporation Number	134040
5	TIN Information	TIN Certificate No.	133-259-848
6	Project Objective	Project Core Activity	MANUFACTURE OF

			GYPSUM POWDER & BOARDS
7	Capacity	Project capacity per year	720,000 METRIC TONS
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	6 0 68 11
9	Indirect employment	Type/areas of Indirect employment	CONTRACTS WITH SUPPLIERS

### 5. Project Financing Expenditure todate (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	120,000		120,000
Plant and machinery	112,377		112,377
Vehicles/Aircrafts 2	44,135		88,270
Furniture	28,805		28,805
Office equipment	28,805		28,805
Insurance Cover	N/A		
Pre-operational expenses	-		
Working sub-total capital	308,000		308,000
<b>Grand Total</b>	<b>456,804</b>		<b>456,804</b>

### 6. Project Financing

The financing cost whose total is estimated to be UD 308,000 is in the form of equity contribution by the company. The FDI of The USD 308,000 is to be repaid over the period of 6years inclusive of 1 grace period, for the construction, installation, and commissioning of the production plants.

See table below:-

	Amount (USD)	Source Country
Local equity	308,000	Tanzania
Local loans	-	-
Foreign equity	-	-
Foreign Loans	-	-
<b>Total Investment</b>	<b>308,000</b>	<b>308,000</b>

### 7. Problems and Solutions

Source of the raw materials are secured locally in the southern region of Tanzania.

The region produces abundant high quality raw material of gypsum and it has increasingly becoming more economically viable for local industries secure it from there than importing the material from abroad. However the accessibility of the region has become a major setback because of the poor infrastructure that a deterrent for ordering raw material from these parts.

## **7. Future Plans**

The company is intending to expand its project we are planning to create new employment opportunity of 700(directly and indirectly) during the coming year of 2024, local employees to work under the different departments that are being established. As a company, we are looking to improve the domestic manufacturing sector by getting the financial, technological and management resources to spearhead this local market to a global economy on its own.

## **8. Recommendations and any other comments**

Notwithstanding the positive development the manufacturing sector in the country, as manufacturers we are still facing difficulties. The sector is picking up slowly and is expected to do so for the foreseeable future. The problems of inadequate infrastructure and adjusting to globalization which could be said to constitute an internal and external dimension respectively are intimately related. Hence, the fact that the cost of electricity currently exceeds that of most countries in some Africa is the main barrier to investors to Tanzania.