

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 – July to December 2023
 - a. Secure the purchase of the factory equipment in Verona Italy
 - b. Select mechanical and electrical contractors to dismantle the factory equipment in Verona Italy
 - c. Appoint project technical management, logistics management safety consultants, lawyer and shipping agent for the Italian part of the project
 - d. Design new plant layout for Morogoro Tanzania
 - e. Determine any additional equipment needed for the installation in Morogoro and send out to manufacturers for quotation.
 - f. Select new equipment manufacturers
 - g. Get quotations for installation in Morogoro and select contractors
 - h. Get quotations for civil work in Morogoro, select contractor and start
 - i. Dismantling of the factory equipment in Verona Italy
 - j. Start shipping the dismantled equipment to Morogoro
2. Achievements made on the project implementation to date - November 2023
(i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

- a. Secure the purchase of the factory equipment in Verona Italy + Done
- b. Select mechanical and electrical contractors to dismantle the factory equipment in Verona Italy – Done
- c. Appoint project technical management, logistics management safety consultants, lawyer and shipping agent for the Italian part of the project - Done
- d. Design new plant layout for Morogoro Tanzania - Done

- e. Determine any additional equipment needed for the installation in Morogoro and send out to manufacturers for quotation - Done
- f. Select new equipment manufacturers – In Progress
- g. Get quotations for installation in Morogoro and select contractors – Not Started
- h. Get quotations for civil work in Morogoro, select contractor and start – In Progress
- i. Dismantling of the factory equipment in Verona Italy – In progress
- j. Start shipping the dismantled equipment to Morogoro – Not Started

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	Amy Holdings ltd 99% Yusra M Huwel 01%
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region	mlt@mkwawatanz.com +255784640000 +255232614986-4518 1050/1053 Block BB KIWANJA CHA NDEGE MOROGORO
3	Contact Person	Name Position Communication details (Email, Mobile and telephone	Matthew Kapnias Managing Director mkapinias@mkwawatanz.com +255756761332
4	Incorporation	Certificate of Incorporation Number (Change of name)	31778
5	TIN Information	TIN Certificate No.	100-116-243
6	Project Objective	Project Core Activity	Tobacco processing
7	Capacity	Project capacity per year	51 tons
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	11 1 814 1,221
9	Indirect employment	Type/areas of Indirect employment	29,284

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		11,400,000	
Plant and machinery		16,028,602	
Vehicles/Aircrafts		32,488,336.65	
Furniture			
Office equipment			

Insurance Cover			
Pre-operational expenses		34,800.00	
Working sub-total capital			
Grand Total		60,329,963.65	

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		
Local loans		Tanzania
Foreign equity		
Foreign Loans		
Total Investment		

6. Problems and Solutions

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them : none

7. Future Plans – January to June 2024

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

- a. Place orders for new equipment required
- b. Select contractors for installation in Morogoro and start installation
- c. Complete civil works in Morogoro
- d. Complete the dismantling of the factory equipment in Verona Italy
- e. Complete the shipping of the dismantled equipment to Morogoro

8. Recommendations and any other comments

New Line

Item	Description	Cost US\$ (excluding duty & tax)
1	FC Verona - processing line complete with ancillary equipment	\$ 2,180,000.00
2	Blending/feeding/tipping/bundle opening	\$ 380,000.00
3	Tips line	\$ 200,000.00
4	Threshing line upgrade	\$ 600,000.00
4.1	Threshing line modification	\$ 150,000.00
5	Lamina dryer upgrade	\$ 200,000.00
5.1	Lamina dryer modification	\$ 30,000.00
6	Packing upgrade	\$ 450,000.00
7	By products	\$ 25,000.00
8	Ancillary	\$ 30,000.00
9	Mechanical dismantling	\$ 800,000.00
9.1	Electrical dismantling	\$ 30,900.00
10	Mechanical refurbishment	\$ 25,000.00
10.1	Electrical refurbishment Panels	\$ 751,900.00
11	Shipping standard HC containers Verona - DAR - Morogoro	\$ 373,000.00
12	Morogoro site dismantling and preparation and civil works	\$ 200,000.00
13	Mechanical installation	\$ 680,000.00
13.1	Mechanical installation materials	\$ 150,000.00
14	Electrical installation	\$ 382,100.00
14.1	Electrical installation materials	\$ 623,000.00
15	Travel/accommodation	\$ 75,000.00
16	HSE	\$ 30,520.00
17	Lawyer	\$ 10,682.00
18	Flooring	\$ 500,000.00
19	Miscellaneous (Scrap, rubbish management, forklift service etc)	\$ 10,000.00
20	Transformer	\$ 66,500.00
21	Power factor correction	\$ 75,000.00
	Total new line	\$ 9,028,602.00

Additional

Item	Description	Cost US\$ (excluding duty & tax)
	Pre-production staging warehouse - 1000m2	\$ 250,000.00
	Overhead conveyor to new dry warehouse	\$ 2,507,440.00
	Electric forklifts - 15	\$ 555,000.00
	Kraft paper cutting machine	\$ 40,300.00
	Green storage racks	\$ 2,883,000.00
	Resurface shipping truck park partly and green truck park completely	\$ 787,000.00
	High cube containers	\$ 205,485.00
	CNG Facilities & Boiler conversion from HFO	\$ 150,000.00
	sub total	\$ 7,378,225.00
item	Vehicle & buildings	
	12 x Executive 300 series Toyota Vx	\$ 1,885,190.00
	34 x double cabin Isuzu, 1x single cabin pick up	\$ 1,282,000.00
	25 x diesel forklift	\$ 925,000.00
	40 x landcruiser hardtops	\$ 2,066,146.65
	4 x warehouse	\$ 11,400,000.00
	1 x stores Pick up	\$ 11,400,000.00
	100 x trucks	\$ 3,530,000.00
	Total additional	\$ 32,488,336.65
	TOTAL Application	\$ 48,895,163.65