



Tanbreed Poultry Ltd

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15th March, 2023

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

Dear Sir,

**RE: PROJECT EXPANSION FOR CERTIFICATE OF INCENTIVES NO. 010592
(TANBREED POULTRY LIMITED) – (FARM NO. 342/2/3, SIHA DISTRICT,
KILIMANJARO, AND FARM NO. 31, TUNGI, MOROGORO)**

Kindly refer to the above captioned subject matter.

Tanbreed has registered a project with TIC with a certificate of incentive no. 010592 to establish an integrated poultry farming project. It has already partially established the said project on two locations:

1. Farm No. 342/2/3, Siha District, Kilimanjaro
2. Farm No. 31, Tungi, Morogoro

The project has taken much longer to implement due to the huge size of the project and investment together with the Year 2020-2022 Covid-19 pandemic However, we have been able to achieve the following success:

1. The location at Siha District, Kilimanjaro, Farm No. 342/2/3, we have small farms within the project and have achieved the following:
 - a) Farm 1 – Eight (8) flock houses have been fully completed and all are operating with the total capacity to place 74,000 parent stock chicks.
 - b) Farm 2 - Six (6) flock houses have been fully completed and all are operating with the total capacity to place 55,500 parent stock chicks. Two additional houses shall be constructed in 2023/24 financial year.
 - c) Farm 3 - Three flock houses have been fully completed and all are operating with the total capacity to place 27,750 parent stock chicks. Five additional houses shall be constructed in future to meet the market demand with current plan to have them fully constructed by year 2027.
 - d) Cold Rooms – cold rooms for all 3 Farms have been completed.
 - e) Water and electricity connection. Completed

2. The location at Tungi, Morogoro, Farm No. 31, we have achieved establishing poultry breeder houses

Generally, these breeding farms have increased our company's annual production of hatching eggs.

However, it should be noted that we have not exhausted our potential and it is the Company's plan to improve the company performance through the below explained strategic expansion:

- i. Expand hatchery capacity in Dar Es Salaam to cope with projected increase in day old chick sales
- ii. Year 4- commence build new hatchery in northern Tanzania
- iii. Continue expansion of breeder farms
- iv. Continue upgrades to processing plant to expand to 3,000 BPH
- v. Install further processing line in order to introduce new products and increase sales
- vi. Continue development of breeder farms to meet growing needs of the Tanzanian market and realise the export potential of the Kenyan hatching egg market
- vii. Relocation of breeder feed mill to Sanya Juu
- viii. Build new 4,000 BHP processing plant Dar es Salaam region
- ix. Install feed conditioning mill Sanya Juu

The projected Capex for the expansion is as the below capital expenditure summary:

A. Current Year 2023

Proposed Capital budget (expansion)	<u>US \$ '000</u>
1) Expansion of Hatchery in Dar es Salaam	1,500
2) Breeder farm expansion Sanya Juu	1,100
3) Process Plant expansions	475
Total	<u>3,057</u>

B. Year 1 2024

Proposed Capital budget (expansion)	<u>US \$ '000</u>
1) Expansion of Hatchery in Dar es Salaam	100
2) Breeder farm expansion Sanya Juu	533
3) Process Plant expansion Dar es Salaam	200
4) Further process plant expansion Dar es Salaam	443
5) Conditioning unit for Animal feeds Sanya Juu	3,535
Total	<u>4,811</u>

C. Year 2 2025

Proposed Capital budget (expansion)	<u>US \$ '000</u>
1) Expansion of Hatchery in Dar es Salaam	436
2) Breeder farm expansion Sanya Juu	2,049
3) Further process plant expansion	121
Total	<u>2,606</u>

D. Year 3 2026

Proposed Capital budget (expansion)	<u>US\$ '000</u>
1) Breeder farm expansion Sanya Juu	769
2) Commence build new processing plant Dar es Salaam region	2,500
Total	<u>3,269</u>

E. Year 4 2027

Proposed Capital budget (expansion)	<u>US\$ '000</u>
1) Expansion of Hatchery in Dar es Salaam	477
2) Build hatchery Northern Tanzania	1,500
3) Breeder farm expansion Sanya Juu	830
4) Build processing plant Dar es Salaam region	3,500
Total	<u>6,307</u>

F. Year 5 2027/28

Proposed Capital budget (expansion)	<u>US\$ '000</u>
1) Build Hatchery Northern Tanzania	2,500
2) Complete processing plant	1,000
Total	<u>3,500</u>

The reasons for expansion include the following:

The Poultry industry in Tanzania and the region is expected to continue growing. Poultry farming will be a key pillar in rural economic development, through Day Old Chicks. Also, Food security for the nation that is in line with government initiatives to promote the consumption of white meat as opposed to red meat. We will provide more technical support to local poultry farmers

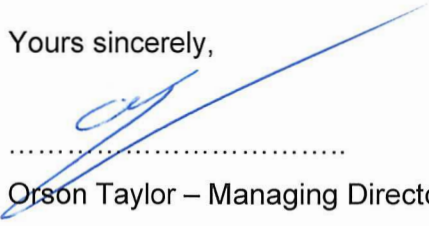
This will also contribute towards promoting the local consumption of poultry products such as table eggs and chicken meet which is the cheapest source of protein.

Therefore, we humbly request to register our expansion.

We hereby attach the following in support of our application:

- i. Certificate of incentive no. 010592
- ii. Progress report
- iii. Memorandum and Articles of Association
- iv. CV of our managing Director (Mr. Orson Taylor)
- v. Audited Financials of 3 years
- vi. Bank Statements
- vii. Evidence of land ownership (derivative rights)

Yours sincerely,



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Orson Taylor – Managing Director