

Ref. No. KSC/CA/247/2023

07 December 2023

Executive Director
Tanzania Investment Centre
P.O. Box 938,
DAR ES SALAAM

Dear Sir,

RE: RENEWAL OF CERTIFICATE OF INCENTIVE

The heading above is concerned.

Kilombero Sugar Company Limited (KSCL) is a limited company incorporated in Tanzania in which 75% of the shareholding is owned by Kilombero Holdings and the balance of 25% is owned by the Government of the United Republic of Tanzania.

The company was granted a Certificate of Incentive **No. 024457** issued on the 27th November 2019 to build a 420tch Sugar Mill - K4 and an automated world-class packaging, storage and dispatch facility. The Expansion Project is worth TZS 732 billion and will produce a total of 271,000 tons of sugar upon steady performance.

The implementation period for the certificate commenced from 12th December 2019 and is due to end on 11 January 2024. However, the project progress has been significantly delayed due to various factors, including the global economic pandemic - Covid-19, the Russian and Ukrainian war which have affected the procurement and supply of equipment from abroad as well as wet weather conditions. The project is now expected to be fully operational by 30th January 2025.

In view of the above reasons, we hereby submit a request to renew the certificate of incentive to the 30th January 2025:

We also request replacement of the following paragraphs/items in the TIC Certificate.

- **Paragraph 3 - Sector**
 - Sector - Sugar Manufacturing
 - Subsector - Agricultural
- **Paragraph 4 - Investment cost**
 - Foreign USD – Nil
 - Local - USD 292,0 million
 - Total - USD 292,0 million
- **Paragraph 5 - Financing**
 - Equity – Nil
 - Loans – USD 184,0 million



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Reg No: 2539

- Balance – USD 108,0 million (Cash from existing operations)
- Total – USD 292,0 million
- **Paragraph 7 - Capital Items**
 - Foreign – USD 158,5 million
 - Local – USD 133,5 million
 - Total – 292,0 million
- **Paragraph 10 - Implementation period**
 - May 2021 to November 2024
- **Paragraph 11 - Operative date**
 - November 2024

We believe that the extension will avail us time to complete the project whilst enjoying the incentives granted under the certificate.

Attached with this letter is the project progress report as well as the previous Certificate of Incentive issued for your reference.

Banking on your support,

Yours sincerely,



Guy Williams
MANAGING DIRECTOR



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