

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

HAB CYCLES LIMITED

PROGRESS REPORT FOR THE PERIOD

OF

APRIL 2014-TO APRIL 2023

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Panned activities for the period

HAB CYCLES LIMITED planned to raise \$500,000 as CAPEX for the whole project. The Company will raise this amount via Shareholders' equity.

2. Achievements made on the project implementation to date

(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.

From 25th April 2014 to date the company managed to do the following

- Leasing warehouse Plot No.4 Block 14, Ilala –DAR ES SALAAM amounting to US\$ 20,000
- Ordering machines and equipment's US\$ 80,000,
- Purchasing motor vehicles for US\$ 50,000
- Furniture and Fittings US\$ 5000
- Other cost US\$ 50,000
- Employing 8 locals US\$ 50,000
- Working capital US\$ 300,000
- TOTAL US\$510,000**

3. Provide updated information on the following aspects:

Information	Description	Current Project Status		
Shareholder's Information	Current	Name	Shares %	Nationality
	Shareholders names, nationality	HALIMA ABDI ALI	71.42	Tanzania
		MOHAMED FARAH	24	Canadian

	and percentage of ownership	UBAH IBRAHIM IGGE 4.58 Canadian
Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<u>ubao1@hotmail.com</u> + 255715656151 • Plot No.4 Block 14, Ilala –DAR ES SALAAM ,
Contact Person	Name Position Communication details (Email, Mobile and telephone)	HALIMA ABDI ALI Director <u>ubao1@hotmail.com</u> + 255715656151
Incorporation	Certificate of Incorporation Number	102878
TIN Information	TIN Certificate No.	123-159-497
Project Objective	Project Core Activity	Assembling of bicycles and motorcycles
Capacity	Project capacity per year	3000 units per year
Direct Employment	Foreign Men Foreign Women Local Men	Direct employment by the project is 12 2 0 8

	Local Women	2
Indirect employment	Type/areas of Indirect employment	50, drivers, vendors, food suppliers, technicians, etc.

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	20,000	NIL	20,000
Plant and machinery	80,000	NIL	80,000
Vehicles/Aircrafts	50,000	NIL	50,000
Furniture	50,000	NIL	134,000
Office equipment	NIL	5,000	5,000
Insurance Cover	NIL		NIL
Pre-operational expenses	50,000	NIL	50,000
Working sub-total capital	300,000	NIL	300,000
Grand Total	589,000	50,000	639,000

5. Project Financing

Explain how the project is being financed e.g equity, loans, sources of loans, conditions, etc. see table below:-

The project was estimated to cost 500,000 \$ at full capacity, the money covers investment in machinery and Equipment, furniture and fittings, pre-expenses, and Working Capital to date the project has cost US\$639,000. The equity contribution from the shareholders of 639,000\$ is equivalent to 100% .

6. Problems and Solutions

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them

- Land acquisition process is too long and very costing
- Poor infrastructure to industrial park (Road, water, power)
- Difficulties in obtaining fiscal incentives
- Low purchasing power

The management is planning to request some of the challenges to be resolved by the Government, and the ones within the management have been resolved

7. Future Plans

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

The company is planning to do the following

- To apply for amendment of shareholder
- To purchase land for investment

8. Recommendations and any other comments

- The Government should set aside dedicated land for industrial parks and investors to be allocated at a reduced cost
- The Government should provide basic infrastructure to facilitate accessibility
- The Government should put very friendly policies, laws, guidelines, etc. with specific fiscal and non-fiscal incentives in order to attract investors