

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. Panned activities for the period

KINGLION INVESTMENT COMPANY LTD planned to raise \$60,000,000 as CAPEX for the whole project. The Company will raise this amount via Shareholders' equity, borrowing, and reinvestment of profits from sole proprietor business.

Shareholders 'equity projected to be

KINGLION INVESTMENT COMPANY LTD INVESTMENT PLAN

Investment Plan						
	PHASE I			PHASE II	PHASE III	Total
Planning years >>	USD	USD	USD	USD	USD	Investment
Land	500,000	1,000,000	1,000,000	1,000,000	5,000,000	8,500,000
Building	1,500,000	1,000,000	1,400,000	1,000,000	1,000,000	5,900,000

Plant & Machinery	1,800,000	1,000,000	1,200,000	1,500,000	10,000,000	15,500,000
Vehicle	500,000	1,800,000	1,000,000	500,000	5,000,000	8,800,000
Furniture & Fittings	400,000	100,000	300,000	500,000	10,000,000	11,300,000
Working Capital	300,000	100,000	100,000	500,000	9,000,000	10,000,000
Total investment	5,000,000	5,000,000	5,000,000	5,000,000	40,000,000	60,000,000

The three Phases make the total construction cost of the industry including the value of equipment which includes facilities for electricity, gas, water, fire equipment, and telecommunication to be as follows:

COMPANY LIMITED PROJECT VALUE US\$

Land	8,500,000
Building	5,900,000
Plant & Machinery	15,500,000
Vehicle	8,800,000
Furniture & Fittings	11,300,000
Working Capital	10,000,000
Total investment	60,000,000

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 June 2021 to date the company managed to do the following

- Purchasing of the land in Kibaha and commencing construction US\$ 4,000,000
- Ordering machines and equipment's US\$4,000,000
- Purchasing motor vehicles US\$ 200,000
- Furniture and Fittings US\$ 50,000
- Other cost US\$ 500,000
- Employing 15 locals

3. Provide updated information on the following aspects:

Information	Description	Current Project Status									
Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	<table border="1"> <thead> <tr> <th>Name</th> <th>Shares %</th> <th>Nationality</th> </tr> </thead> <tbody> <tr> <td>Ming Shi Guo</td> <td>84</td> <td>China</td> </tr> <tr> <td>Wang Yang Fang</td> <td>16</td> <td>China</td> </tr> </tbody> </table>	Name	Shares %	Nationality	Ming Shi Guo	84	China	Wang Yang Fang	16	China
Name	Shares %	Nationality									
Ming Shi Guo	84	China									
Wang Yang Fang	16	China									
Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<u>Kinglion.com@yahoo.com</u> +255752886688 <ul style="list-style-type: none"> • Buzuruga, Nyakato Industrial Area, Ilemela Mwanza, • Old Airport Road, Lyela Mbeya, • Tazara Industrial Area, Nyerere Road, Temeke, • Reline, Kizota Dodoma, • Unga Limited Industrial Area, Arusha, and • Kibaha Municipality 									
Contact Person	Name	Ming Shi Guo									

	Position Communication details (Email, Mobile and telephone	Director Kinglion.com@yahoo.com +255764382857
Incorporation	Certificate of Incorporation Number	126046
TIN Information	TIN Certificate No.	130-201-121
Project Objective	Project Core Activity	Manufacturing of Steel Roofing Sheets & Related Products
Capacity	Project capacity per year	150 tons per year
Direct Employment		Direct employment by the project is 250
	Foreign Men	35
	Foreign Women	15
	Local Men	150
	Local Women	50
Indirect employment	Type/areas of Indirect employment	600, drivers, vendors, food suppliers, technicians etc

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	4,000,000	NIL	4,000,000
Plant and machinery	NIL	NIL	NIL
Vehicles/Aircrafts	200,000	NIL	200,000
Furniture	50,000	NIL	134,000

Office equipment	40,000		50,000
Insurance Cover	NIL		NIL
Pre-operational expenses	50,000	NIL	50,000
Working sub-total capital	400,000	NIL	
Grand Total	4,740,000		4,740,000

5. Project Financing

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

The project is estimated to cost 60,000,000 \$ at full capacity, the money covers investment in machinery and Equipment, furniture and fittings, pre-expenses, and Working Capital. The equity contribution from the shareholders of 28,000,000 \$ in all three phases is equivalent to 30% whereas 42,000,000\$ will be a loan from the financial institution which is equivalent to 70%. However

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
- Rise in construction cost

The management is planning to request some of the challenges to be resolved 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 investor strategic status
- To complete the project as it is planned

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