

ST INTERNATIONAL LIMITED

PROJECT PROGRESS REPORT

1.0 INTRODUCTION

ST INTERNATIONAL LIMITED is Chinese Company originally named Sino hydro Tianjin Engineering Co. Limited. It was issued a certificate of incentives No. 042950 year 2015 with the intention of establishing an assembly of heavy construction equipment project at Njedengwa in Dodoma Municipality.

The project has planned to do manufacturing of heavy construction equipment, starting with 96 units per annum and reaching 1,200 units per annum from year 5, at full capacity.

Originally the project expected to invest a total of USD 2,000,000. The investment breakdown is shown below: -

Assets	Value (USD)
Land and Buildings	50,000
Plant and machinery	800,000
Vehicles	25,000
Furniture & Fittings	5,000
Pre-operational expenses	20,000
Others	50,000
Working sub-total capital	1,000,000
Grand Total	2,000,000

Initially the project planned to be financed by foreign equity and a foreign loan as shown below: -

	Amount (USD)	Source Country
Local equity	2,000,000	China
Local loans		
Foreign equity	0	
Foreign Loans	0	
Total Investment	2,291,000	

2.0 PLANNED ACTIVITIES

Originally, the following were the planned activities: -

S/N	ACTIVITY	TIMING
1.	Processing TIC Certificate	November 2015
2.	Processing Exemptions	November – December 2015
3.	Mobilizing of Funds	January – June 2016

4.	Construction of the Building	July – June 2017
5.	Ordering Machineries and Equipment	July 2017 – March 2018
6.	Testing business and in-house Training	May – October 2018
7.	Commercial Operations	January 2019

3.0 PROJECT ACHIEVEMENTS

So far, the project has accomplished the following: -

- i) Land acquisition – Plot No. 13 Block L in Njedengwa Investment Area, Dodoma
- ii) TIC Registration – Certificate No. 042950
- iii) Lodged request for exemptions
- iv) Site clearance
- v) Obtained Building Permit

4.0 UPDATED PROJECT INFORMATION

From the inception of the project, below is the status of the project: -

S/No.	Information	Description	Current Project Status
1	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership:	SINOHYDRO CORPORATION LIMITED 50 shares STECOL CORPORATION LIMITED 4950 shares
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	0746442219 Plot No. 13 Block L, Njedengwa - Dodoma
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	Mr. Praygod Mrema Agent 0713298123
4	Incorporation	Certificate of Incorporation Number	114535
5	TIN Information	TIN Certificate No.	126-048-947
6	Project Objective	Project Core Activity	To construct and operate commercial buildings and a apartments for lease
7	Capacity	Project capacity per year	96 units per year
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	30 0 25 5

9	Indirect employment	Type/areas of Indirect employment	NIL
---	---------------------	-----------------------------------	-----

5.0 PROJECT FINANCING EXPENDITURE TO DATE (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	50,000		50,000
Plant and machinery	500,000		500,000
Vehicles/Aircrafts	25,000		15,000
Furniture & fittings	5,000		2,500
Pre-operational expenses	20,000		20,000
Others	50,000		50,000
Working sub-total capital	1,000,000		700,000
Grand Total	2,000,000		1337,500

6.0 PROJECT FINANCING TO DATE

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		
Foreign equity	2,000,000	China
Foreign Loans		
Total Investment	2,000,000	

7.0 PROBLEMS AND SOLUTIONS

Here are the challenges we have faced so far: -

- i) Bureaucracy in business management where we were expropriated on our Msalato plot on 2016 whereby till to date we have not been compensated.
- ii) With regards to the above shortfall we don't think that we are ready to invest in the three (3) plots located in Njedengwa and we have opted to give the plots to our sister company to continue with the intended development as per the Board Resolution of the Board meeting that resolved to part way with the intended plots.
- iii) Delays on decisions with regards to various issue where delays the plans to invest and realize our investments.

8.0 FUTURE PLANS

To transfer the intended plots to STECOL COTPORATION to continue investing at the

Njedengwa plots

9.0 RECOMMENDATIONS

We recommend the following: -

- i) Simplification of business procedures and fast tracking of services among public offices that support businesses and investments
- ii) Development of infrastructure: roads, communication and energy and water utilities infrastructure.
- iii) The Government to have a hotline for dealing with challenges facing investors.
- iv) Companies registered by TIC must have TIC backing in following-up with issues in District councils and other government offices