

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. Planned activities for the period.

Please see the concept document attached for the proposed upgrades planned for Chole Mjini Tree House Lodge and Kitukiblu. Planned investment of USD 3,000,000

This includes plans to upgrade all the Tree-Houses to include a pool deck, en-suite, and electric charging points and lighting (USD 750,000). Refurbishment of the common areas and yoga deck.

Finishing the Restoration of the German Boma with top-end interior design to create a courtyard hotel to meet the luxury travel market (\$1,200,000)

Expanding the Kitukiblu Beach Houses with extra units for accommodation, swimming pool and upgraded kitchen, beach bar, pool area and laundry (\$ 1,050,000).

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.

The Chole Mjini Conservation and Development Company has successfully operated the Chole Mjini Tree House Lodge (cholemjini.com) since 2000

Kitukiblu Beach Houses (kitukiblu.com) has been continuously operated since 2010.

Chole Mjini treehouses have seven luxury tree houses and we have recently upgraded two of them to include private pool decks, and en-suite bathrooms.

At Kitukiblu we have continued to add accommodation and have successfully operated the Responsible Marine Encounters/ whale shark excursion that has helped Mafia grow their whale shark tourism and has made regular annual contributions to the District for Whale Shark Fees.

Both properties are annually awarded certificate of Excellence by Trip Advisor. For two consecutive years we have been acknowledge by TRA for payment of Taxes in Mafia District.

It is our ethos to employ locally and procure locally. The operational costs over the years show how important the company is to the local economy of Chole Island and Kilindoni in Mafia District.

The company, through the Chole Mjini Trust (choletrust.org) continues to support the education of the children of Chole (operational costs of the kindergarten and scholarships for secondary and tertiary students). The company also supports whale shark conservation (kitukiblu.com) and coral reef restoration (theropesofhope.com)

3. Provide updated information on the following aspects:

S/No.	Information	Description	Current Project Status
1	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Jean de Villiers/SA/ 35.4% Anne de Villiers /UK/35.1% F. S. AB / SWE/ 14.8% Flore Millet / FR/ 9.17% Kevin Convard/ FR/ 5.6%
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	2cholemjini@gmail.com +255752963894 N/A (+255748131421) Farm 2031, Mnyange, Chole Island, Mafia, Pwani
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	Anne K. de Villiers Director Anne.k.dev@gmail.com +255752963894
4	Incorporation	Certificate of Incorporation Number	25208
5	TIN Information	TIN Certificate No.	100-256-703
6	Project Objective	Project Core Activity	Tourism Hotel and Marine Excursions
7	Capacity	Project capacity per year	48 beds (14 rooms & 2 dorms)
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	2 2 22 10
9	Indirect employment	Type/areas of Indirect employment	Vibarua for building, seasonal work, procurement of foods and building materials

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		220,657.38	220,657.38
Plant and machinery		95,220.63	95,220.63
Vehicles/Aircrafts		72,349.93	72,349.93
Furniture		71,812.02	71,812.02
Office equipment			
Insurance Cover		0	0
Pre-operational expenses		50,777	50,777
Working sub-total capital (operational expenditure)		3,933,148.30	3,933,148.30
Grand Total			\$ 4,443,965.26

5. Project Financing

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	1984	RSA, USA, UK
Local loans		
Foreign equity	1,275,000	RSA, UK, France, Sweden
Foreign Loans		
Reinvestment of income for operational expenditure	3,166,981	
Total Investment	\$ 4,443,965.26	

6. Problems and Solutions

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

We are trying to convert Letter of Offer – Plot 30, Plot 1 and Title Deed, Farm 2031 to derivative title so that we can secure financing for upgrades and expansion. The process has already taken us 5 years to date and there is no resolution in sight. It is impossible to invest in this climate of uncertainty. The GoT informed in a public village meeting (but not in writing to the Company) that they will not renew the leasehold on Farm 2031 (which expires April 2027) and we are unable to pay land rent, nor get building permits.

Further they are unable to clarify the position on Plot 1 that was already 'approved' for Derivative Title but there has been no progress in converting the LOO to DR.

7. Future Plans

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

We have taken on new investors and raised capital for some of the planned upgrades and expansion. We are poised to develop, as per the concept plan Attachment 1. We are waiting for resolution before we commit.

8. Recommendations and any other comments

Subra.

However this does not support the economy or help us secure investment or investors at this crucial moment of recovery after the challenging times due to the COVID pandemic. Years go by, investor confidence is diminished and the government loses valuable income in payment of tax.