



# KIOO LIMITED

INCORPORATED IN TANZANIA

GLASS CONTAINER MANUFACTURERS

P. O. Box 9273, DAR ES SALAAM, TANZANIA

TEL: +255-22-2860190/1/2/3/4; FAX: + 255-22-2865086;

Email: kioo@kiooglass.com

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**EXTRACT OF MINUTES OF CIRCULARISED MEETING OF THE BOARD OF DIRECTORS OF KIOO LIMITED HELD ON FRIDAY 15<sup>TH</sup> DECEMBER 2023, AT 11:00AM AT REGISTERED OFFICE OF THE COMPANY AT 180 SAZA ROAD DAR ES SALAAM**

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**MINUTE NO. 15/2023: PROJECT K3 UPDATE:**

In the previous board meeting, an expansion of 180 TPD furnace with 2 lines was presented to the Board. However, after receiving offers for major items, there is a steep increase in capital expenditure costs. It was therefore proposed to build a 270 TPD furnace with 3 lines as incremental Capex for the third line is not proportionally high and with higher volume, returns are better.


This translates to about 87,500 MT/annum of saleable glass.

- The following core equipments are under negotiation with the suppliers.
  - (i) Design Services
  - (ii) Batch House
  - (iii) Furnace and forehearths
  - (iv) IS Machines
- Remaining equipment's including buildings will be finalized early next year after design and architectural plans are concluded.
- Financial terms with Standard Bank have been finalized. The term loan is USD 15 million at an interest rate of 3.50% + 6 months SOFR payable in 7 years which includes 2 years' moratorium. The plan is to draw down this loan during the current year or early 2024 and start paying advances to suppliers.
- Financial terms with IFC have been finalized. The term loan is USD 45 million at an interest rate of 3.25% + 3 months SOFR payable in 9 years which includes 3 years' moratorium. The plan is to draw down this loan during 2024.
- The gap of USD 9 million to meet project costs is expected to be funded from internal generation.
- Summary of Capital Expenditure for K3 is illustrated as under:

SUMMARY OF CAPITAL EXP ON PLANT & MACHINERY	USD' 000	USD' 000
	K3 180tpd 2 x 12 sec DG (1 Multi Article)	K3 270tpd 2 x 12 sec DG 1 x 10 sec DG
Pre Operative Expenses	7,642	7,642
Land and Buildings	5,000	5,000
Plant, Machinery & Vehicles	39,782	51,312
Installation of Plant & Machinery	3,978	2,568
Detailed Engineering	1,000	1,000
Contingencies - estimated	2,620	1,481
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>60,000</b>	<b>69,000</b>
<b>PROJECT FUNDING</b>	<b>USD' 000</b>	<b>USD' 000</b>
Shareholders Contribution / Internal Generation	15,000	9,000
Term Loan - IFC	30,000	45,000
Term Loan - SBSA	15,000	15,000
<b>TOTAL FUNDING</b>	<b>60,000</b>	<b>69,000</b>

The Board approved the increased Capex for K3 and terms of finance offered by Standard Bank and IFC and also instructed the Management to submit the proposal to Tanzania Investment Centre for registration of the project.

CERTIFIED TRUE COPY



COMPANY SECRETARY



Dated at: DSM This: 15th Day of: December 2023