

**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**

The original plan was to commence project construction in early 2024, aiming to complete approximately 30,000 square meters of factory buildings by the end of 2024, with handover to tenants for operation. Simultaneously, the comprehensive building was planned to be completed in phases, with the goal of full completion and operational readiness by early 2025. Material procurement was scheduled to combine imports from China with local sourcing in Tanzania to ensure smooth construction and equipment installation. Leasing and operational preparations were to proceed concurrently, targeting the installation and commissioning of equipment for trial production by early 2025.

**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)

Construction of Plot 185 began in January 2024, and as of January 2025, approximately 30,000 square meters of factory buildings have been completed. A 1,200-square-meter comprehensive building has reached the second floor of construction, with the first-floor interior decoration nearing completion. Construction of the third floor is expected to begin in February. The 30,000-square-meter factory has been successfully leased to a battery manufacturing company.

Materials for the project were partly imported from China and partly sourced locally in Tanzania. The equipment introduced by the battery manufacturing company has been successfully installed and is currently undergoing trial production.

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

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	ZUO GUIZHEN, Chinese, holds 70% of the shares YIN CHUANBIN owns 30% of shares
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<a href="mailto:runtotanzania@gmail.com">runtotanzania@gmail.com</a> 0763333800 P.O BOX 30303, PLOT 186, BLOCK A, ZEGERENI, VISIGA, KIBAHA MUNICIPAL
3	Contact Person	Name Position Communication details (Email, Mobile and Telephone)	SOPHIA  0763333800
4	Incorporation	Certificate of Incorporation Number	154388532
5	TIN Information	TIN Certificate No.	154388532
6	Project Objective	Project Core Activity	Manufacturing of Building Materials
7	Capacity	Project capacity per year	Upon completion of the development of Plots 185 and 186, the site will be able to accommodate three companies of this scale. It is expected to provide employment for 500 local workers and 20 foreign workers, with an estimated annual tax contribution of 300 to 500 million TZS.
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	18 5 330 170
9	Indirect employment	Type/areas of Indirect employment	Boost to Supporting Businesses Restaurants/Stores: <ul style="list-style-type: none"> <li>Two fixed providers supply meals and essentials to workers, while</li> </ul>

			three stores cater to their daily needs.
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#### 4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	1085594	1285944	2371538
Plant and machinery			
Vehicles/Aircrafts			
Furniture		5400	5400
Office equipment		4000	4000
Insurance Cover			
Pre-operational expenses	57692		57692
Working sub-total capital	19200		19200
<b>Grand Total</b>	1085594	1372236	2457830

#### 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		
Local loans		
Foreign equity	945000	CHINA
Foreign Loans	1512830	CHINA
<b>Total Investment</b>	2457830	

#### 6. Problems and Solutions

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

##### Work Permit Processing Delays:

There are instances where multiple officers from the same department conduct inspections, leading to confusion about whose advice to follow and how to ensure compliance.

##### Issues with Contractors:

Some contractors initially present impressive credentials, but later turn out to lack the necessary qualifications, delaying progress as we wait for them to upgrade their certifications. Many smaller contractors also fail to fulfil their commitments, causing further setbacks.

### Approach to Resolving These Issues:

In such cases, we remain patient and focus on maintaining clear communication. We explain our plans in detail, understand the reasons behind any delays or issues, and offer assistance wherever possible to help them meet their obligations or understand our requirements. This approach fosters mutual understanding and cooperative relationships.

### Prolonged Land Use Rights Application with TIC:

The process of obtaining land use rights from TIC has been significantly delayed. Initially, the delay was attributed to the former landowner. Subsequently, it involved adjustments to our company's operating license. Currently, it is related to the address on the investment certificate. These issues have caused extensive delays and required us to navigate numerous challenges.

Through all these difficulties, we continue to adapt and maintain a professional and collaborative approach to ensure progress is eventually achieved.

### **7. Future Plans**

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

The future plan includes completing the development of Plot 186. There is an intention to introduce electric tricycle and two-wheeler manufacturing and sales facilities, as well as aluminum alloy manufacturing and sales facilities. In 2025, RunTong Company plans to commence development on the Chalinza area plot, with a projected annual production capacity of 50 million red bricks. Production is expected to begin in September 2025.

### **8. Recommendations and any other comments**

Therefore, I sincerely and humbly request your esteemed department's assistance in expediting the process of amending the address on our investment certificate. As someone deeply passionate about Tanzania and committed to contributing to its development, I wish to ensure that my dedication to this country only grows stronger with time. Your timely support in resolving this matter will greatly help in realizing these aspirations.