



Investment Manual of Sino-Tan Industrial Park

Sino-Tan Kibaha Industrial Park Co., Ltd

2023.06

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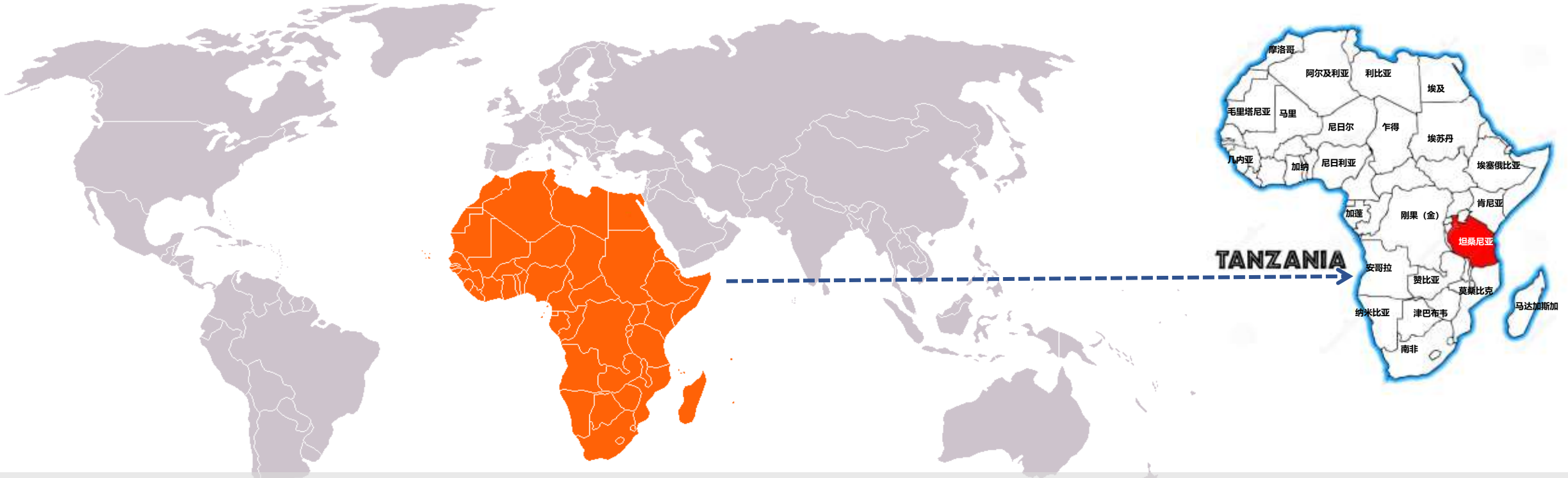
How to invest in Sino-Tan Industrial Park



**PART
1**

About Tanzania

General situation of Tanzania



- Tanzania is located in eastern Africa, south of the equator, consisting of Tanganyika and Zanzibar, with an area of 945,000 km² and a population of 61.74 million people (2022).
- GDP in 2021 is \$70.323 billion, and the per capita GDP is \$1,190.
- The old capital, Dar es Salaam, is the country's largest commercial city and the seat of most government offices, and is one of the largest ports in East Africa.



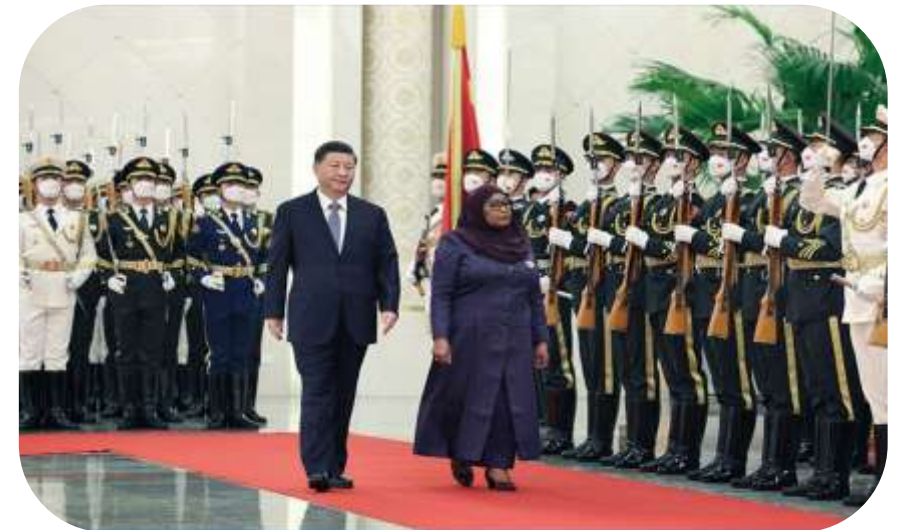
PART
2

Investment advantages in Tanzania

9 Investment advantages in Tanzania:

1. Advantage of international relations: Tanzania maintains good diplomatic relations with most countries in the world and is one of the African countries with the best relations with China.

- ◆ Julius Kambarage Nyerere, the founding President of Tanzania, visited China 13 times during his lifetime, laying the foundation for the friendly and cooperative relationship between China and Tanzania.
- ◆ Tanzania is the first African country visited by the Chinese president Xi Jinping after taking office in March 2013.
- ◆ On November 3, 2022, the current President of Tanzania, Samia Suluhu Hassan visited China, becoming the first African head of state to be received by the Chinese side after the 20th National Congress of the Communist Party of China. This visit elevated the China-Tanzania relationship to a comprehensive strategic cooperative partnership.



9 Investment advantages in Tanzania:

2. Political advantage: Tanzania is one of the most politically stable countries in Africa with the lowest corruption and crime rate

- ◆ Tanzania has a relatively sound democratic system.
- ◆ Tanzania implements the federal presidential system, CCM has been in power since the country's independence, and the political situation is stable.
- ◆ The 2019 Global Peace Index (GPI) rankings have been released, and Tanzania is once again the peace representative among East African countries, taking the top spot and ranking 54th globally.

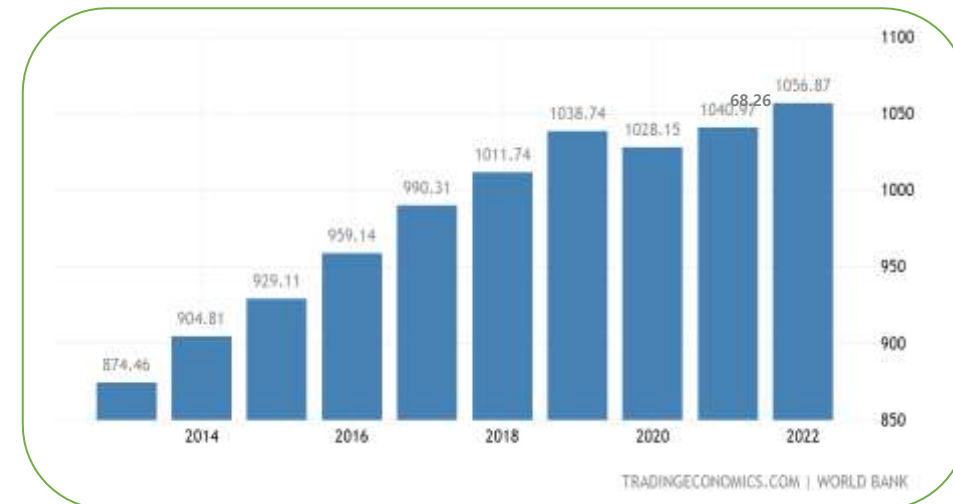


RANK	COUNTRY	SCORE	CHANGE	RANK	COUNTRY	SCORE	CHANGE	RANK
1	Iceland	1.072	↔	29	Poland	1.654	↑ 3	57
2	New Zealand	1.221	↔	30	Botswana	1.676	↑ 1	58
3	Portugal	1.274	↑ 2	31	Qatar	1.696	↑ 10	59
4	Austria	1.291	↓ 1	32	Spain	1.699	↓ 3	60
5	Denmark	1.316	↓ 1	33	Costa Rica	1.706	↑ 5	60
6	Canada	1.327	↔	34	Uruguay	1.711	↑ 3	62
7	Singapore	1.347	↑ 2	35	Latvia	1.718	↑ 5	63
8	Slovenia	1.355	↑ 2	36	Taiwan	1.725	↓ 2	64
9	Japan	1.369	↓ 1	37	Estonia	1.727	↓ 4	65
10	Czech Republic	1.375	↓ 3	38	Lithuania	1.728	↓ 2	65
11	Switzerland	1.383	↑ 2	39	Italy	1.754	↔	67
12	Ireland	1.390	↓ 1	40	Malawi	1.779	↑ 4	68
13	Australia	1.419	↓ 1	41	Indonesia	1.785	↑ 14	69
14	Finland	1.488	↔	42	Mongolia	1.792	↔	70
15	Bhutan	1.506	↑ 2	43	Kuwait	1.794	↑ 7	71
16	Malaysia	1.529	↑ 9	44	Ghana	1.796	↓ 5	72
17	Netherlands	1.530	↑ 2	45	Laos	1.801	↑ 2	72
18	Belgium	1.533	↑ 3	45	United Kingdom	1.801	↑ 5	72
20	Norway	1.536	↓ 4	47	Panama	1.804	↑ 2	75
21	Hungary	1.540	↑ 1	48	Timor-Leste	1.805	↑ 12	76
22	Germany	1.547	↓ 4	48	Zambia	1.805	↔	77
23	Slovakia	1.550	↔	50	Serbia	1.812	↑ 5	77
24	...	...	...	51	Albania	1.821	↑ 2	79
25	...	...	...	52	...	...	...	80
26	...	...	...	53	...	...	...	81
27	...	...	...	54	Tanzania	1.860	...	82
28	...	...	...	55	...	...	...	83
29	...	...	...	56	...	...	...	84

9 Investment advantages in Tanzania:

3. Economic advantages: Tanzania is one of the fastest growing countries in Africa, and the economic development prospects are optimistic

- ◆ Over the past 10 years, Tanzania's GDP has grown at an average annual rate of about 6.5%. Amid the global COVID-19 pandemic, Tanzania's economy has still achieved positive growth;
- ◆ In 2021, the bilateral trade volume between China and Tanzania reached 6.745 billion US dollars, a year-on-year increase of 47%. The import substitution manufacturing market of Tanzania has huge potential;
- ◆ With a growth rate of 5.6% in 2022, Tanzania ranks 3rd in Africa.



9 Investment advantages in Tanzania:

4. Population advantage: Tanzania is the second largest population country in East Africa and has obvious advantages in urbanization

- ◆ With a total population of 61.74 million in 2022, Tanzania has the highest
- ◆ population growth rate among African countries. The age characteristics of the population are typical pyramid shape, which means that the population will continue to increase in the future;
- ◆ Tanzania has a demographic dividend in a long period of time. Tanzania has a large number of young, high-quality and cheap labor force to meet the needs of social production.
- ◆ Tanzania has the lowest illiteracy rate in Africa, with an adult literacy rate of 90.4%. The prospect of labor force training is relatively broad.



9 Investment advantages in Tanzania:



5. Market advantage: Tanzania serves as the gateway to East Africa region, has a vast trade market in EAC, SADC, the European Union, the United States and China

- ◆ Tanzania is one of the member states of the EAC, whose members have achieved tariff-free trade through the "East African Community Common Market Protocol," benefiting a population of 220 million people.
- ◆ SADC member states grant most-favored-nation status to each other in terms of trade, which benefiting 300 million people.
- ◆ In addition, Tanzania has duty-free access to the EU and US markets through AGOA and preferential treatment in the European market through the ACP-EU Lome Convention; Enjoy 98% tariff free products exported to China.

9 Investment advantages in Tanzania:



6. Advantage in tourism resources: Tanzania is rich in tourism resources, which is the focus of African tourism

- Tanzania boasts unparalleled tourism resources, featuring not only attractions like Lake Tanganyika, Lake Victoria, Lake Manyara, and Lake Malawi National Park but also three of Africa's top ten natural wonders: Serengeti National Park, Mount Kilimanjaro, and Ngorongoro National Park. Additionally, Zanzibar Island is also a highlight of Tanzania's tourism.
- Tanzania has 15 national parks, 50 wildlife reserves, 1 ecological reserve, 2 Marine parks, and 2 Marine reserves.

9 Investment advantages in Tanzania:

7. Advantage in agriculture, forestry, energy and mineral resources: Tanzania is rich in agricultural and forestry, minerals, natural gas and other resources, and has unlimited industrial prospects

- Tanzania has 44 million hectares of arable land; Forests and woodlands in total 33.5 million hectares;
- Tanzania is rich in mineral resources, and the main minerals identified include gold (the 3rd in Africa), diamond, iron, nickel, phosphate, coal and all kinds of gems, ranking 5th in Africa.
- Tanzania's natural gas reserves are huge, with 57 trillion cubic feet of proven natural gas reserves and an estimated total of 200 trillion cubic feet.



9 Investment advantages in Tanzania:



8. Advantage of business environment: Tanzania's business environment has improved in an unprecedented way

- After assuming office in 2021, the current President, Samia Suluhu Hassan has been strongly focused on improving the business environment and restoring regional and international relations as part of her development plan. According to the 2021 Global Innovation Index (GII) report, Tanzania is one of the five most innovative countries in sub-Saharan Africa.
- In addition, the Tanzanian government is determined to create a favorable investment environment by introducing the "Tanzania Investment Act of 2022" and reviewing the "Taxation Act." There are also plans to develop ports and transportation infrastructure systematically.
- Established in 2023, Ministry of Planning and Investment under President Office, focuses on driving investment promotion efforts.

9 Investment advantages in Tanzania:

9. Advantage in infrastructure construction: Tanzania has achieved all-round infrastructure construction

- Airport construction: Tanzania currently has six international airports, such as Dar es Salaam and Dodoma, with global air routes.
- Railway: The Standard Gauge Railway (SGR), is an electrified rail network with a standard gauge, operating at a speed of 160 kilometers per hour, is scheduled to commence operations soon;
- Ports and Inland Ports: Tanzania currently has four major ports: Dar es Salaam Port, Tanga Port, Mtwara Port, and Kwala Dry Port. These ports have comprehensive port facilities and infrastructure.





PART
3

About Sino-Tan Industrial Park



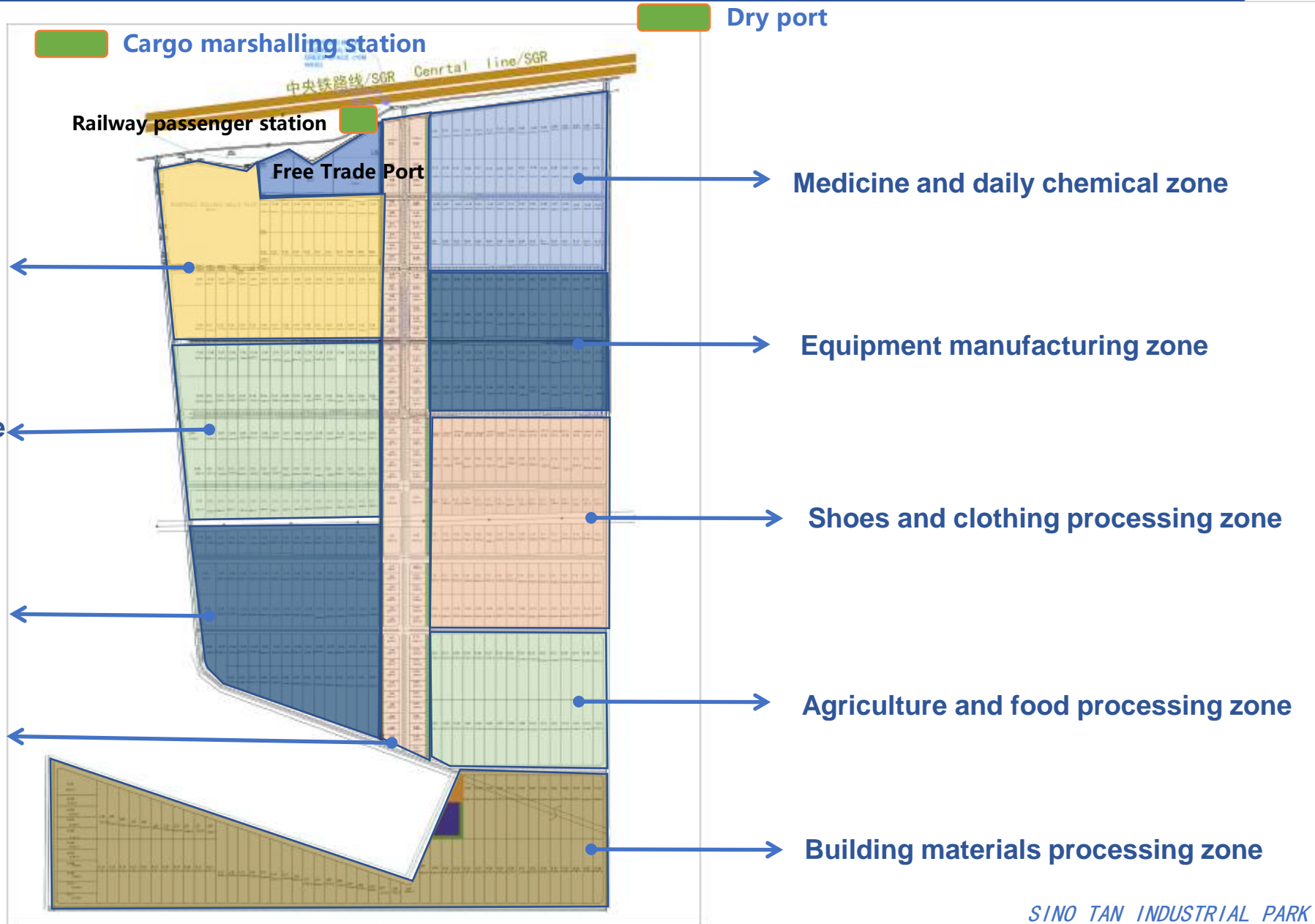
Aerial view of the project

Project Profile



- ◆ **The Sino-Tan Industrial Park** is developed and operated by the Sino-Tan Kibaha Industrial Park Co., LTD., covering an area of about 1,000 hectares (10 square kilometers). All the industrial plots in the park have unit title, ranging in size from about 4 hectares to 12 hectares.
- ◆ The whole project is planned to be developed in 5 phases, including the life supporting zone, agriculture and food processing zone, medicine and daily chemical zone, shoes and clothing processing zone, equipment manufacturing zone, building materials processing zone and export processing zone, etc.
- ◆ The park will be equipped with independent substations and water supply plants, and a series of service facilities including government one-stop service center, park management center, bus station, dormitory, fire station, gas station, business center, police station, church, mosque, etc.
- ◆ As a pioneer in implementing national investment strategies, enterprises settled in the Sino-Tan Industrial Park can enjoy a series of tax deductions and concessions such as corporate income tax, import tariffs on capital goods, VAT, and other preferential policies in customs, labor, visa and other aspects.

Project Plan





Investment advantages in Sino-Tan Industrial Park

Government support



- ◆ On April 21, 2021, President Samia Suluhu Hassan met with Mr. Huang Zaisheng, chairman of the Group Six International.LTD(GSI), and his delegation to discuss the strategic concept of establishing a national-level industrial park. Following the meeting, the President instructed the newly established Investment Department to immediately begin coordination and action.
- ◆ On April 29, 2021, the Permanent Secretary of the Investment Department of the Prime Minister's Government met Mr. Huang Zaisheng, and began to work on the site selection of the industrial park.
- ◆ On May 3, 2021, the Investment Ministry decided to set up the industrial park near the inland port under construction, covering an area of 10 km².

Government support

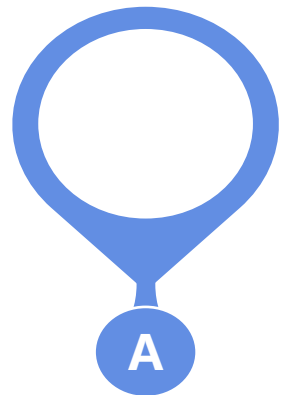


- ◆ On July 29, 2021, Sino-Tan Kibaha Industrial Park Co., LTD. was officially registered in the TIC;
- ◆ On March 26, 2022, witnessed by the Tanzanian Minister of Investment, Industry and Trade, the 10 km² plot was officially handed over to Sino-Tan Kibaha Industrial Park Co., LTD., marking the official launch of the project.
- ◆ On June 23, 2023, witnessed by the Tanzanian Minister of Investment, Industry and Trade and the Permanent Secretary of the President's Office, Sino-Tan Kibaha Industrial Park Co., LTD. and TIC signed a contract document regarding the industrial park's tax incentives. This marked the official implementation of the tax incentives for the enterprises located within the industrial park.

Investment policy: Tax incentives policy

Construction period (4 years) : 100% exemption from import duty and VAT

Period of operation (10 years) : 100% exemption



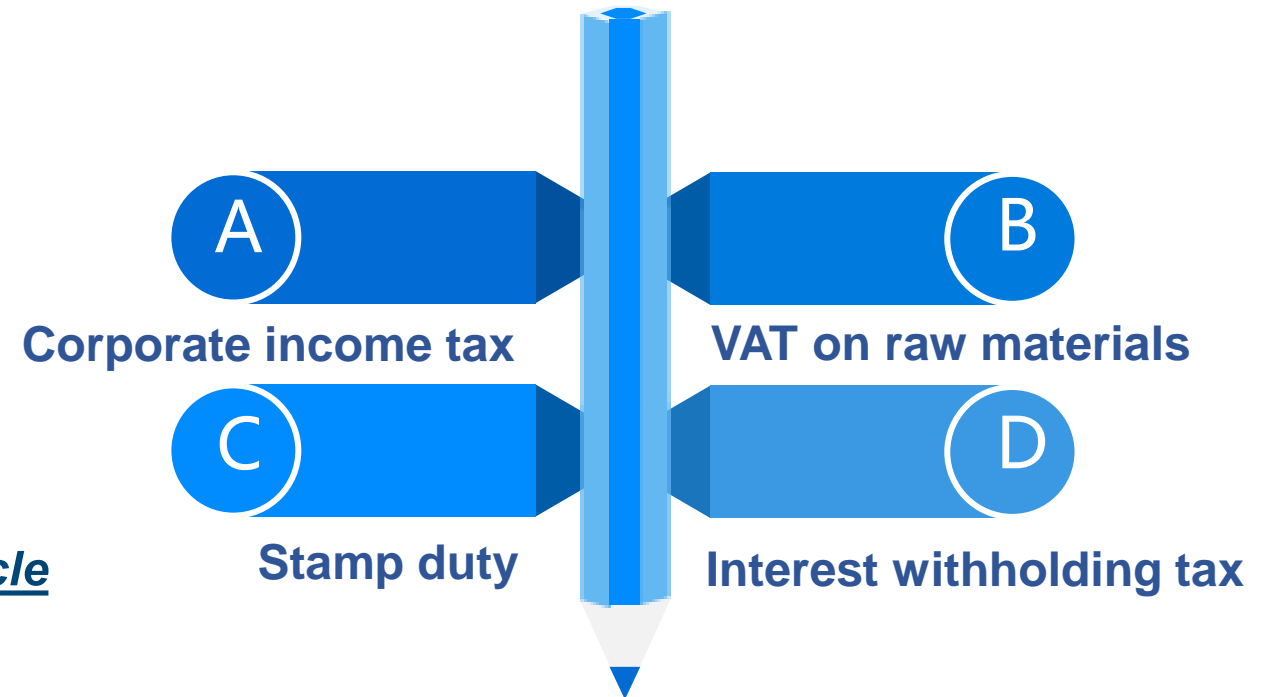
Capital goods



Deemed capital goods



Utility vehicle



Investment policy: Comparison of tax policies inside and outside the park

Enterprises in the Park

VS

Enterprises outside the Park

Construction period: 4 years

100% exemption: Import duties and VAT on capital goods (plant, machinery, equipment, etc.) and deemed capital goods (construction materials, utility vehicles, office supplies, etc.);

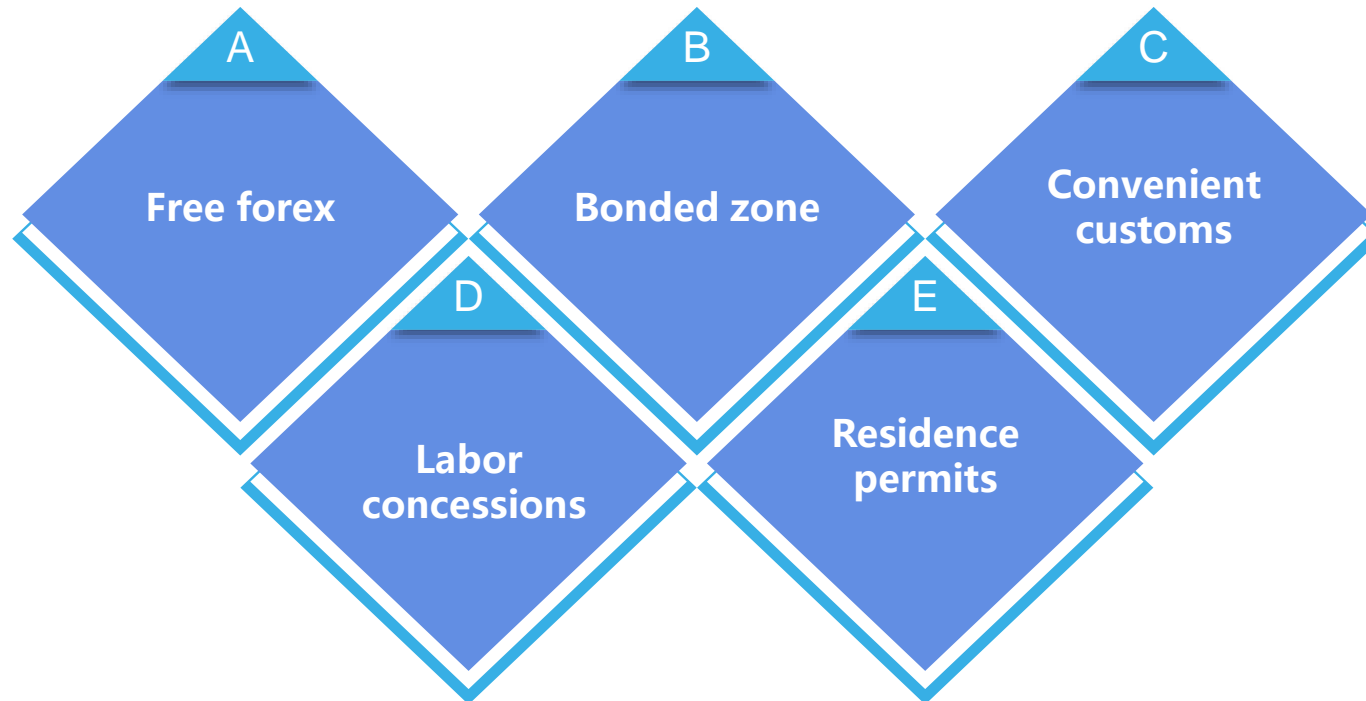
Operation period: 10 years

100% exemption: corporate income tax, VAT on raw materials, stamp duty, interest withholding tax.

- ① Import duties: up to 75% reduction of import duties on capital goods and deemed capital goods;
- ② VAT: 18%
- ③ Corporate income tax: 30%
- ④ Stamp duty: 1% of the contract amount
- ⑤ Loan interest withholding tax: 10% of the loan interest

Investment policy : Other preferential policies

Enterprises in the Sino-Tan Industrial Park can also enjoy preferential measures such as Free forex, Bonded zone, convenient customs, labor concessions and residence permits.



Location advantage

- The Sino-Tan Industrial Park is Located in the outskirts of Dar es Salaam, approximately 80 kilometers from the city center, It is easily accessible within 30 minutes from city center via a 160 km/h electrified railway.
- The Sino-Tan Industrial Park is adjacent to the Kwala inland port. Over 85% of Tanzania's goods are transported from the Dar es Salaam seaport to the inland port, and then further distributed to six inland countries and major cities.
- The under-construction Bagamoyo Port will be connected to the inland ports through a railway, facilitating the transportation to various inland countries and cities. The Sino-Tan Industrial Park is strategically located in this essential area of the "three ports and one park" strategy.



4. Investment advantages in Sino-Tan Industrial Park

Supporting facilities

- The “Seven Connections and One Leveling” : The Sino-Tan Industrial Park will provide supporting facilities with water supply, electricity supply, gas supply, network connectivity, railway connectivity, road connectivity, and port facilities' along with site leveling.
- Inland Port and Railway Line: The project is adjacent to an inland port and the Standard Gauge Railway (SGR) national rail line;
- Stable Power Supply: The government is establishing a dedicated power grid with a capacity of 300 megawatts to supply the industrial park;
- Abundant Water Resources: The government built special line tap water pipeline to transport to the park
- High-Quality Natural Gas: The government plans to build a dedicated natural gas pipeline to supply the park.



Park service

- Investment advice;
- One-stop service center;
- Customs clearance, commodity inspection, logistics, warehousing, transportation services;
- Facilitation on unit title;
- Industrial sheds sales and leasing services;
- Residential and commercial facilities, hotel services, religious facilities etc;
- Professional security company;
- Stable power;
- Water for production and domestic use;
- Centralized sewage treatment.





PART
5

How to invest in Sino-Tan Industrial Park

Business model



Purchase land



Rent land

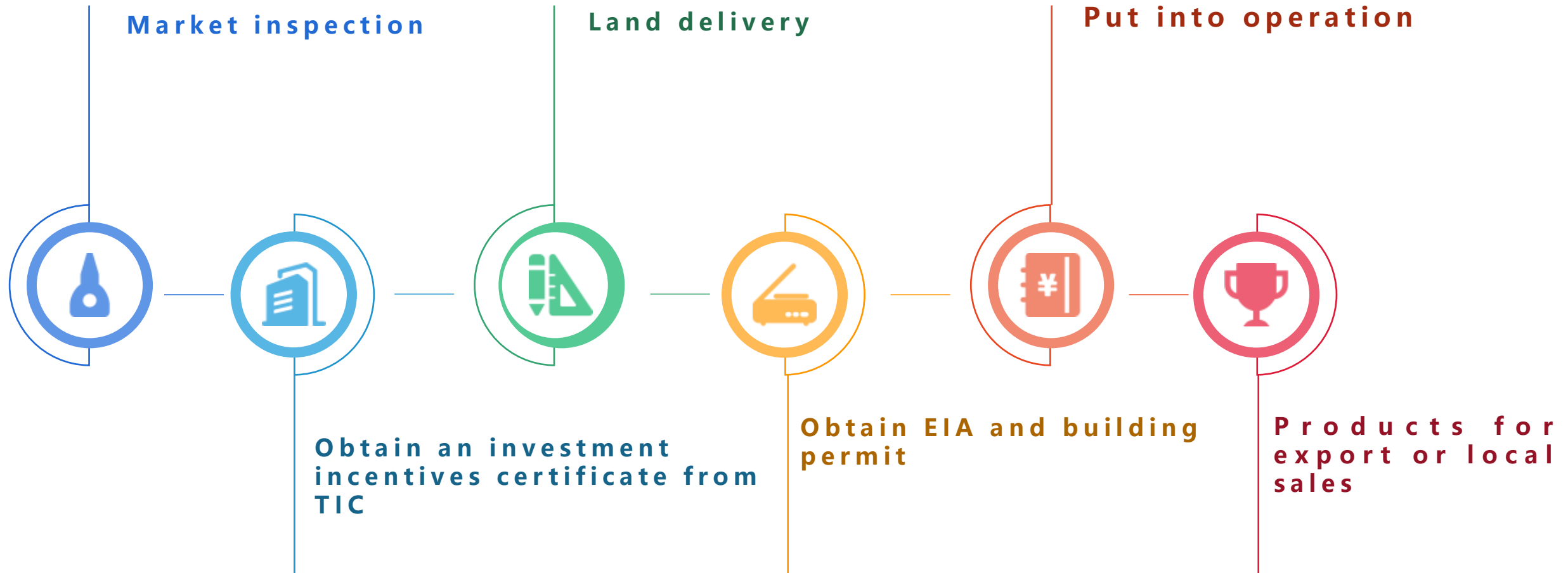


Rent Industrial shed

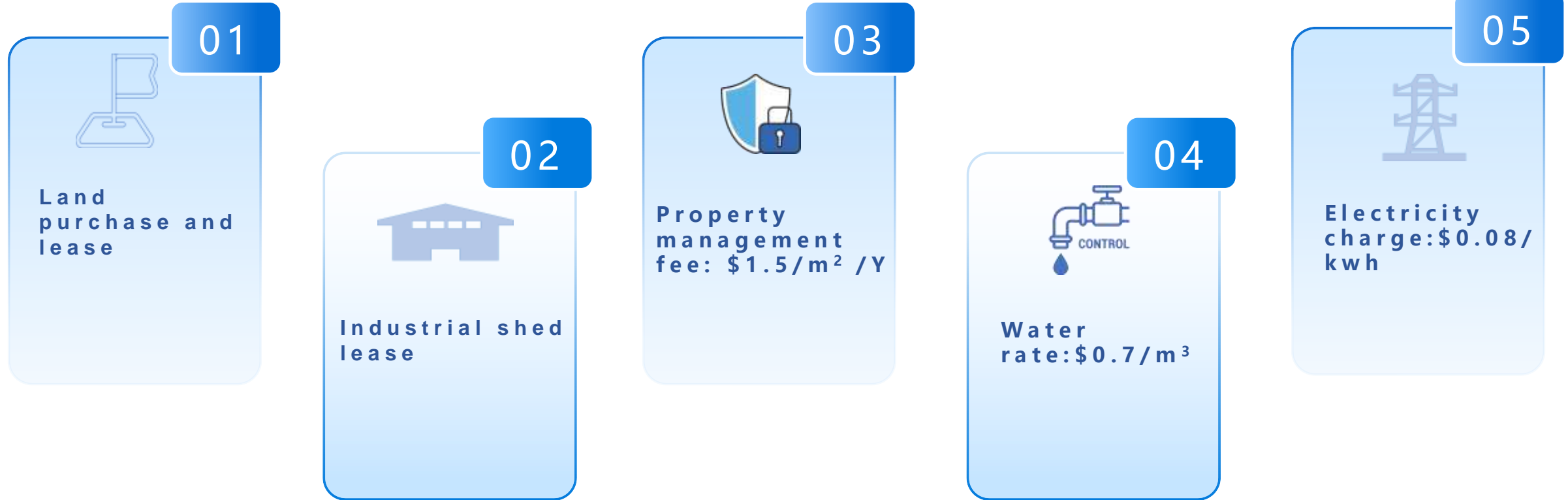


Joint venture
development

Entry procedure



Entry cost



Leverage the wealth of the world with the optimal cost

Welcome to invest in the park



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