

PRISCY BAKERLES LTD

MINUTE SHEET

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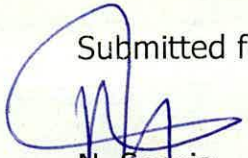
Ag. EXD *done* *23/10/2013*

The approved project has fulfilled the investment requirements, which are: -

(a) Minimum finance investment threshold has been exceeded, the project expects to invest *US\$ 0.57 M*

(b) Legal entity has been incorporated under certificate
No. *102557* of *19/09/2013*

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.



Submitted for signature.

N. Senzia
DIF

17th October, 2013

MINUTE SHEET

Dokezo
No.

TICC/PP.10/042544/3

11th October, 2013

Managing Director,
Priscy Bakeries Ltd,
P.O. Box 238,
Mwanza.

RE: CERTIFICATE OF INCENTIVES FOR MODERN BAKERY

We wish to acknowledge receipt of your project proposal to establish modern bakery project as presented in the TIC P.A. 1 Form No. 11414 and Feasibility Study with a projected investment amounting to USD 0.57m.

We are pleased to inform you that your investment proposal is officially registered by TIC and therefore the project will be granted a certificate of incentives under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. . In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Board resolution accompanied with Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act, 1997.
- Certified document showing evidence of Land ownership for the location of the project (Titled deed to be certified as true copy of original)

Also be informed you will have to submit a project implementation report in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of certificate of incentives. Please make deposit direct to the bank as per bank details below:

.../2

TICC/PP.10/042544/3

11th October, 2013

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

We wish you every success in the implementation of the project.

Yours sincerely,

Tanzania Investment Centre


Abdi S. Kagomba

Ag: Executive Director

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry, Trade and Marketing,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM



TIC Evaluation Report

Name of the Company
Priscy Bakeries Ltd.

| | | | | | |
|-------------|------------------------------------------------------|-------------------|---------------|----------------|--------------------------|
| Post Box | Isamilo, Plot No. 379 Block D, Nyamagana District | COI Number | 102557 | Contact | Mr. Samuel Maduhu Nkonya |
| Post Office | 238 | COI Date | 19/09/2013 | Designation | Director |
| Region | Mwanza | Application F. No | 11414 | Phone | 0 |
| Country | Tanzania | Status | New | Direct Phone | 0 |
| | | Sector | Manufacturing | Cell Phone | 0784 61 82 55 |
| | | Sub Sector | Confectionery | Fax | 0 |
| | | File No | 042544 | E-Mail Address | 0 |

| Project Location | | Investment Finance Plan in Millions USD | | | | | | | | | | | |
|------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|--------------|------------|---|-------|---|-------|--|--|--|
| Plot/Block | Plot No. 379 block D | <table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.303</td> <td>0</td> <td>0.267</td> </tr> </tbody> </table> | Foreign Equity | Local Equity | Foreign Loan | Local Loan | 0 | 0.303 | 0 | 0.267 | | | |
| Foreign Equity | Local Equity | | Foreign Loan | Local Loan | | | | | | | | | |
| 0 | 0.303 | | 0 | 0.267 | | | | | | | | | |
| Street | Isamilo | | | | | | | | | | | | |
| District | Nyamagana | | | | | | | | | | | | |
| Region | Mwanza | | | | | | | | | | | | |

| Shareholders Detail | | | Investment Breakdown (USD Million) | |
|----------------------|-------------|-----|------------------------------------|-------|
| Name | Nationality | (%) | Land/Building | 0.247 |
| Lucy Reuben Nkonya | Tanzanian | 20 | Plant | 0.27 |
| Samuel Maduhu Nkonya | Tanzanian | 80 | Vehicles | 0.032 |
| | | | Furniture & Fittings | 0.002 |
| | | | Pre-expenses | 0.007 |
| | | | Others | 0.002 |
| | | | Working Capital | 0.01 |
| | | | Total | 0.57 |

| | | | |
|-------------------|-----------------------------|--------------|-------------|
| Employment | 57 | Evaluated By | wf officer4 |
| Capacity | 2,452,400 loaves of 500 gm. | Drawn By | wf regist3 |
| Project Turn Over | | Project Type | Local |

Description

To establish project for modern bakery

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision

approved as recommended.
Agreed
11/10/2013

PRISCY BAKERIES LIMITED ¹

Date: September 17th 2013

The Executive Director,
Tanzania Investment Centre,
P.O. Box 938 ,
Dar es salaam.
TANZANIA.

Dear Maadam,

RE: PROJECT FOR MANUFACTURING BREAD PRODUCTS FACTORY;

We are in the process of establishing a bakery facility for manufacturing bread products and confectionery at Plot No. 379, Block D, Isamilo Area, Nyamagana District - Mwanza City. It is due to this reason that we kindly submit our application for TIC Certificate of Incentives to facilitate smooth implementation of our programme.

Attached herewith please find the following basic documents for your perusal and necessary action:

1. One (1) duly completed and signed Application Form for TIC Certificate.
2. A copy of our Certificate of Incorporation
3. A copy of the company's Memorandum and Articles of Association
4. A title for the Project Location.
5. A deed of Assignment in the respect of projcet site.
6. A letter of credibility from our Banker.
7. Company Board Resolution to register with TIC
8. A copy of our Business Plan.

Thanking you for your kind consideration.

Yours' sincerely,

PRISCY BAKERIES LIMITED

.....
Samuel Maduhu Nkonya
DIRECTOR



ISAMILO AREA, PLOT NO. 379,BLOCK 'D' P.O.BOX 238 - MWANZA.
MOB: +255 784 618255



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. ~~I/We~~ SAMUEL MADUHU NKONYA
(director/directors/agent of PRISCY BAKERIES LIMITED
(name of business enterprise) apply for registration of PRISCY BAKERIES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 379, BLOCK "D"
ISAMILO AREA, NYAMAGANA DISTRICT - MWANZA

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at PLOT 379, BLOCK "D", ISAMILO-MZA

4. The Principal Officers of the Company are

① SAMUEL MADUHU NKONYA
② LUCY REUBEN NKONYA

5. Auditors of the Company are

TO BE APPOINTED LATER.

6. The authorized share capital of the Company is Tshs./US\$ 2,000,000/=

(TANZANIA SHILLINGS TWO MILLION DIVIDED INTO
1000 SHARES OF TSHS. 2,000/= EACH.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 927,889,000/=

8. The month and day of the financial year end is 31 DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

162,000/= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SAMUEL MADUHU NKONYA of Post Office Number 238

MWANZA do solemnly and sincerely declare that I am a director/duly

authorized agent of PRISCY BAKERIES LIMITED.

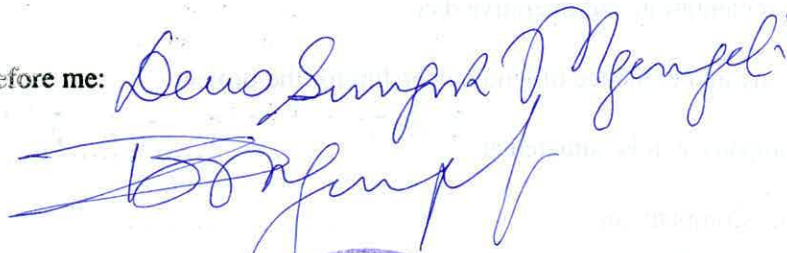
AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at ~~Dares Salaam~~ MWANZA

The 21st day of September 2013 }

*  Applicant

Before me:



Commissioner for Oaths



APPLICATION SUMMARY

Company Name: PRISCY BAKERIES LIMITED

Certificate of Incorporation Number: 102557 Status: NEW

Certificate of Incorporation Date: 19TH SEPTEMBER 2013

Post Box: 238

Town: MWANZA.

Sector: MANUFACTURING Sub-Sector: CONFECTIONERY

Investment Financing Plan in Million US\$/Tshs.

| | | | | |
|----------------|----------------|--------------|----------------|-------|
| Foreign Equity | Local Equity | Foreign Loan | Local Loan | TOTAL |
| <u>—</u> | <u>490,270</u> | <u>—</u> | <u>437,619</u> | |

Project Objectives: TO ESTABLISH AND OPERATE A MODERN BAKERY FOR MANUFACTURE OF BREAD AND RELATED CONFECTIONERY PRODUCTS.

Capacity: 2,452,400 LOAVES OF 500 GMS.

Employment: Foreign: 3 Local: 54 Total: 57.

Implementation Period: 4 YEARS.

Project Location

Site/Plot/Block No.: PLOT N^o: 379, BLOCK "D".

Street: ISAMILO District: NYAMAGANA Region: MWANZA
 (Attach sketch map showing project location)

| Shareholders | Nationality | % |
|------------------------------|------------------|------------|
| <u>SAMUEL MADUHU NKONYA,</u> | <u>TANZANIAN</u> | <u>80%</u> |
| <u>LUCY REUBEN NKONYA,</u> | <u>TANZANIAN</u> | <u>20%</u> |
| | | |
| | | |
| | | |

Investment Breakdown **US\$/Tshs.M**

| | |
|----------------------|----------------------|
| Land/Building | 400,000,000/= |
| Plant | 437,619,000/= |
| Vehicles | 52,000,000/= |
| Furniture & Fittings | 4,500,000/= |
| Pre-expenses | 12,500,000/= |
| Others | 4,270,000/= |
| Working Capital | 17,000,000/= |
| TOTAL | 927,889,000/= |

Contact Details:

Name: SAMUEL MADUHU NKONYA Title: DIRECTOR
Telephone: +255784 61 8255 Fax: —
Email: nkonyasam@yahoo.com

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: **SCBLTZTX**
ACCOUNT NO.: **8702006002000**



TANZANIA



Certificate of Incorporation

Section 15

No 102557

I HEREBY CERTIFY THAT

PRISCY BAKERIES LIMITED

is this day incorporated under the Companies Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam

this 19TH day of SEPTEMBER**TWO THOUSAND AND THIRTEEN**

A handwritten signature in black ink, appearing to be 'Hea'.

Asst. Registrar of Companies

THE COMPANIES ACT
(CAP 212 OF 2002)
COMPANY LIMITED BY SHARES
Memorandum
And
Articles of Association
Of
PRISCY BAKERIES LIMITED

Incorporated this..... day of.....2013

Drawn by:
Samuel M. Nkonya (Subscriber)
Box 238,
Mwanza.

TANZANIA
Stamp Duty Site
Paid
Receipt No. 37930/12/09/2013
12/09/2013

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
PRISCY BAKERIES LIMITED

TANZANIA
Stamp Duty Site
Paid
Receipt No. 37930/12/09/2013
12/09/2013

1. The name of the company "PRISCY BAKERIES LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To acquire and take over the business now carried under the name and style of **PRISCY BAKERIES** together with all its assets and liabilities and carry on the trades or business of manufacturers, importers of and dealers in food manufacturers and to treat, cure, process, prepare, manufacture, blend, preserve, **pack all types of breads** such as white bread, brown bread, sweet bread, and deal in agricultural products and any other produce of the soil either in its prepared, manufactures, raw of other state, and either by wholesale or retail.
 - (b) To carry on business of agribusiness of collecting and sell in bulk all agriculture products such as rice, maize, beans and other related products, to carry on business as farmers, growers, and planters in its widest sense fruit canning, florists, market gardeners and buyers of every of kind of vegetables, processors of agricultural products, green grocers, market gardeners.
 - (c) To carry on the business as manufacturing of all kinds of Food products, such as barley, biscuit, bakery products, vermicelli, toffee, chocolate, boiled sweets, cereal products etc. for the benefit of the company.
 - (d) To carry on business as farmers, growers, and planters in its widest sense fruit canning, florists, market gardeners and buyers of every of kind of vegetables, processors of agricultural products, green grocers, market gardeners, and to carry on business as livestock keepers, to prepare, preserve, process, cure, blend, refine, treat, and to cultivate and produce coffee, tea, cinchona, rubber, cocoa and coconuts, sugar, grain, rice, sisal and other fibres, tobacco, cotton, cardamon vanilla and other crop, plant product or produce of the soil and to prepare, manufacture or render marketable any such produce and for such purposes to erect and work all such mills, machinery, dams, irrigation trenches, flumes and other contrivances which may be deemed necessary, and to sell, dispose of and deal in any such produce, either in its prepared, manufactured or raw states, and either by wholesale or retail.

- (e) To carry on the business of manufacturers, importers and exporters of, traders and sellers in all ceramic products particularly pottery products and refractory products such as gypsum fire bricks, silica refractories, insulating refractories, magnesite refractories, fire cements and mortars, bricks, tiles, sewer pipes, drain pipes, lime, cement, artificial stones, glass and enamel substances thereof.
- (f) To carry on the business of interior furnishers and for the purpose to manufacture, process, produce, prepare, make, sell, purchase, importers, exporters, trade, market, items/products of interior decoration/ furnishing, including (tiles made from granite, marble, ceramic) carpets, partitions, panel rods, laminates, and plywood doors, windows made from aluminium, PVC wood, venetian blinds, grills, door closures and fitting glasses, mirrors, sun films, wall papers, leatherite cloth sanitary fittings, geysers, water filters, water proofing solar heaters, electric fittings and accessories fans, lamps, coolers, security items, T.V., video, washing machines, electric remote belt, pest repellent, pollution control, cement items, plant holders and architectural work.
- (g) To carry on business as manufacturers, producers, processors, assemblers, refiners, makers, convectors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, consignors, jobbers, brokers distributors, concessionaires, or otherwise deal in aluminium ore, aluminium utensils, wires, or any product in which aluminium is used.
- (h) To establish and carry on the business of building contractors, electrical contractors, painters, decorators, stone crushing and among other things to construct, execute, carry out, equip, improve, work and advertise any other business in connection with the construction industry.
- (i) To carry on business as mechanical, constructional, hydraulic, civil and general engineers and to construct, erect, install, develop, repair, maintain, administer, manage and control buildings, public and other works of all kinds, plant and machinery, electrical, water and pumping installations and apparatus, irrigation, reclamation, sewage and drainage schemes and works, power supply works, warehouses, roads, railways, bridges, docks, harbours, wharves, canals and reservoirs.
- (j) To carry on the business of timber or wooden and steel furniture, carpentry joinery and steel fabrication, manufacturers, importers, exporters, dealers, wholesalers, retailers and or representative for the above goods.
- (k) To carry on the business of consultants and to give technical services in the fields of geology, mineral exploration, mining geotechnical engineering, rock blasting, environmental management, gemology, cartography, drilling and such other similar fields as the company deems necessary.

- (l) To purchase, charter, hire or otherwise acquire and operate motor vehicles, aircrafts, marine and lake vehicles, and to use, rent or hire out the same for carriage of passengers, mail and all descriptions of goods.
- (m) To purchase or acquire assets, shares, stocks, debentures, bonds, mortgage, obligations and other facilities in any firm formed to carry on the business which the company is authorized to carry on by paying therefore in cash or by issue of any share stocks or obligations of the company, and to invest in financial derivatives;
- (n) To enter into contracts and arrangements with natural and legal persons, including government entities, parastatal organizations, local authorities, companies, corporations, associations having objectives that may seem conducive to the company in attaining its objectives.
- (o) To lend and advance money or give credit to such persons, firms or companies and on such terms as may seem expedient to the company and to give guarantee and become surety for any person, firm or company for the due payment of money or for the performance of any obligations or liabilities.
- (p) To engage in and carry out the business of stationers, printers, engravers, publishers, booksellers, and newspapers proprietors, insurance and finance agents, auctioneers and suppliers of office equipments.
- (q) To purchase, take on lease or in exchange, hire or otherwise acquire and hold lands, buildings, easements, rights, interests, privileges, concessions, patents, patent rights, licences secret processes, machinery plant, stock-in-trade, real and personal property of any kind necessary or convenient for the purposes of or in connection with the company's business or any branch thereof.
- (r) To engage in business of manufacturers of and dealers in all kind of metal and plastic goods, electrical goods, textiles, garments, printed fabrics, hosiery and personal wear, footwear, leather goods, rubber goods, cosmetics, soap, perfumes, automobile spare parts and accessories, spare parts for agricultural and industrial machinery and to engage in all kinds of industrial products.
- (s) To carry on business and act as merchants, traders, financiers, importers and exporters, factors, warehousemen, manufacturers representatives, commission agents, forwarding agents, carrier and carriers' agents, brokers, underwriters and manufacturers of and dealers in coffee, foodstuffs, textiles, leather, closing and wearing attire, fancy goods, produce, merchandise, plant, machinery, tools and commodities of all kinds and to import, export, buy, sell, barter, exchange, pledge, make advances upon and otherwise deal in furniture, stationery and other office supplies.

- (t) To carry on the business of timber and lumber merchants of all kinds and to manufacture and deal in furniture and articles of all kinds in the manufacture of which timber or wood is used.
- (u) To enter into hire purchase agreements with customers of the company and to negotiate, assign, mortgage or pledge such agreements for cash or otherwise or the payments due or rights accruing thereunder.
- (v) To carry on business of establishing or managing hotels, hotel resorts, gaming including casinos, pool games, lotteries and the like with all their supporting facilities.
- (w) To carry on the business of tour operation, travel agents, cultural safaris and aerial photographing, hunting and related activities.
- (x) To distribute any of the assets for the time being of the company amongst its members in kind, and to stipulate for and obtain for its members or any of them any property rights privileges or options.
- (y) To purchase or otherwise acquire, erect, maintain, reconstruct and adapt any offices, workshops, mills, plants, machinery and other things found necessary or convenient for the purposes of the company.
- (z) To draw, accept and make, and to endorse, discount and negotiate bills of exchange and promissory notes and other negotiable instruments.
- (aa) To borrow or raise money by issue of debenture, debenture stock (perpetual or terminable), bonds, mortgages or any other securities, founded or based upon all or any of the property and right of the company, including its uncalled capital, or without such security, and upon such terms as to the priority or otherwise, as the company shall think fit.
- (bb) To pay for all or any expenses incurred in connection with the formation, promotion or incorporation of the company or to contract with any person, firm or company to pay the same, and to pay commission to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures, stock or securities of the company.
- (cc) To engage in and or otherwise carry on the business of cargo handlers, goods superintendents, haulage contractors, freighters, clearing and forwarding agents, customs and warehouse agents, marine vessel dealers, ship husbandry, marketing and sales, cargo canvassing, booking and documentation, transshipment services, marine claims collectors and or freight remittance consultants, and all businesses and trades incidental, analogous or similar thereto required to be and or otherwise capable of being carried on in conjunction therewith.



- (dd) To invest the money of the company not immediately required in such manner, other than in the shares of this company as from time to time may be determined, including to enter into and carry into effect any arrangement for joint working in business, or for sharing of profits, or for amalgamation, with any other company or any partnership or person, carrying on business with the objects of this company.
- (ee) To provide for the welfare of the persons in the employment of the company or its predecessor business, and the spouses, widows and families of such persons, by grants of money, pensions or other payments, and by providing or subscribing towards places of instruction and recreation, and hospitals, dispensaries, medical and other attendance and other assistance, as the company shall think fit, and to form, subscribe to or otherwise aid benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support or aid by the company by reason of the nature or locality of its operations or otherwise.
- (ff) To carry on the business of real property developers, general contractors, traders investors, and generally to do all acts and things which in the opinion of the company or the directors may conveniently or profitably; or usefully, be acquired and dealt with carried on or done by the company in connection with the business aforesaid.
- (gg) To buy, sell, or otherwise dispose of, and to deal in any real or personal property and any stocks, funds, shares, and securities of every description, on commission or otherwise, or to act as agent for any of the above or the like purposes;
- (hh) Generally to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that, in the interpretation of this clause the powers conferred on the company by any paragraph shall not be restricted by reference to any paragraph or to the name of the company or by juxtaposition of two or more objects, and that, in the event of any ambiguity, this clause and every paragraph hereof shall be construed in such a way as to widen, and not to restrict the powers of the company.

4. The liability of the members is limited to the proportion of their respective subscribed shares.


5. The share capital of the Company is **Tshs. 2,000,000/= (Tanzania Shillings Two Million Only)** divided into 1000 shares of **Tshs. 2,000/= (Tanzania Shillings Two Thousand Only)** each.

WE, the several persons whose names, postal addresses and occupations are hereunto subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

| S/N | NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBER | NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER | SIGNATURE OF SUBSCRIBER |
|-----|--------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------|
| 1. | SAMUEL MADUHU NKONYA, P.O.BOX 238, MWANZA. | 800 |  |
| 2. | LUCY REUBEN NKONYA P.O.BOX 238 MWANZA. | 200 |  |

DATED at Mwanza this 27 day of August 2013.

Witness to the above signatures

Name : STANLEY MUKAMBA
 Address : 331 Mwanza
 Qualification : STATE ATTORNEY
 Signature : 

**SENIOR STATE ATTORNEY
MWANZA**

TANZANIA
Stamp Duty Shs. 500/-
PAID ON ORIGINAL
Receipt No. 32930
17/09/2013
Stamp Duty Officer

THE COMPANIES ACT
[CAP. 212]
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PRISCY BAKERIES LIMITED
PRELIMINARY

TANZANIA
Stamp Duty Shs. 280/-
PAID
Receipt No. 32730
17/09/2013
Asst. Registrar of Companies

1. The company is a private company and accordingly:-
 - a) The company shall not have power to issue any of its shares or debentures to the public for subscription.
 - b) The number of members of the company [not including persons who are in the employment of the company while in that employment to be members of the company] is limited to fifty **PROVIDED THAT** where two or more persons hold one or more shares in the company jointly they shall for the purpose of this article be treated as a single member.
 - c) The right to transfer shares is restricted in the manner hereinafter appearing.
 - d) The company shall not have power to issue share warrants to the bearer.

INTERPRETATION

2. In these Articles, unless the context otherwise requires, the following words shall have the accorded meanings as:

The Act: The Companies Act (Cap.212) and every statutory modification or re-enactment thereof for the time being in force in Tanzania.

Statutes: The Act and any other Act for the time being in force in Tanzania affecting the Company.

The Articles: These Articles of Association as originally framed or as altered from time to time by special resolution.

Directors: The Directors for the time being of the Company or the Directors present at a meeting of the Directors.

Month: Calendar month.

- The Office: The Registered Office for the time being of the Company.
- The Secretary: The Secretary of the Company, and any assistant or deputy secretary or other person appointed to exercise the functions of the Secretary.
- Register: The Register of Members kept by the Company.
- The Seal: The Common Seal of the Company.
- In Writing: Written, printed or lithographed or in any other mode of representation or reproducing words in visible form.

PROVIDED that;

Word signifying the singular include the plural and vice versa.

Words signifying the masculine gender include the feminine gender.

"Person" includes a corporation.

"Dividend" includes bonus.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorized Share Capital of the company is Tanzania Shillings Two Million only. **(Tshs. 2,000,000/=) divided into One thousand (1000) ordinary shares of Tanzania Shillings Two Thousand only (Tshs. 2,000/=) each**, with power to divide or subdivide the shares in the capital whether original or increased into several classes and to attach thereto respectively any preferential, deferred, qualified on special rights, privileges or conditions as regards dividends, capital, voting or otherwise as the company may from time to time by special resolution determine.
4. Subject to provision of Section 46 of the Act, the preference shares may, with the sanction of an ordinary resolution be issued on the terms that they are or at the option of the company are liable, to be redeemed on such terms and in such manner as the company before issue of the shares may be special resolution determine.
5. If at any time the share capital is divided into different classes of shares, the rights attached to any class may be varied with the consent in writing of the holder of three-fourth of the issued shares of that class, or with the sanction of the Extraordinary Resolution passed at an Separate General Meeting of the holders of the shares of the class. The provision of these Regulations relating to General Meeting shall apply mutatis mutandis, but so that the necessary quorum shall be two members at least holding one-third of the issued shares of the class.

6. Every person whose name is entered as a member the Register of members shall without payments, be entitled to a Certificate under the common seal of the company specifying the shares held by him and the amount paid up thereon, provided that in respect of the shares held jointly by several members of the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of the several joint holder shall be sufficient delivery to all.
7. Except as where required by law no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize any equitable, contingent, future or partial interest in any share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. The company shall not give, whether directly, and whether y means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase of subscription made or to be made by any person for any shares in the company nor shall the company make a loan for any purpose whatsoever on the security of its shares.
9. The Directors shall keep a Register showing, as respects each Director, the number, description and amount of any shares or debentures in the company which are held by or in trust for him or of which he has any rights to become the holder.
10. The company may on any issue of shares pay such brokerage or commission as may be lawful.

ALTERATION OF SHARE CAPITAL

11. The Directors may, with the sanction of an extraordinary resolution of the company increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
12. All new shares shall, before, be offered to such persons as at the offer are entitled to receive notices form the company of General Meetings in proportion, as nearly as circumstances admit, to the amount of the existing shares to which they are entitled.
13. The new shares shall be subject to the same provisions with reference to payment of calls, lien transfer, transmission, forfeiture, and otherwise as the shares in the original share capital.
14. Subject to the provisions of these articles, the company may from time to time by special resolutions.

- (a) Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.
- (b) By sub-division of its existing shares or any of them, divide the whole, or any part, of its shares of smaller amount than is fixed by the Memorandum of Association, subject to the provisions of 51 (1)(d) of the Act .
- (c) Cancel any shares, which, at the date of the passing of the resolutions, have not been taken or agreed to be taken by any person.
- (d) Reduce its share capital in any manner and with, and subject to any incident authorized, and consent required by law.

LIEN

15. The company shall have a lien of every share for all the money called or payable at a fixed time in respect of that share and it shall also have a lien on all shares standing registered in the name of a single member for all moneys presently payable by him or his estate to the company, but the company may declare any share to be exempt from the Article. The company may sell in any manner any shares on which it has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable.

TRANSFER AND TRANSMISSION OF SHARES

16. All transfer of shares be effected by transfer in writing in any usual or common form or in any form acceptable to the Directors and may be under hand only. The instrument of transfer may be signed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of members in respect thereof.
17. The registration of members may be suspended at such times and for such period as the Directors may from time to time prescribed or determined and either generally or in respect of any class of shares. The register of members shall not be closed for more than thirty days in any year.
18. The directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares whether fully paid or not.
19. If the Directors refuse to register a transfer of shares they shall within one month after the date on which the transfer was lodged with the company send to the transferor notice of the refusal.
20. The Directors may decline to recognize an instrument of transfer unless such instrument is in respect of only one-class shares and is deposited at the office of the relevant Transfer Office accompanied by the appropriate share certificate

and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

21. The company may retain all instruments of transfer, which are registered.
22. In the case of the death of a member, the survivor(s) where the deceased was a joint holder, shall be the only persons recognized by the company as having any title to his interest in the shares but nothing contained herein shall release the estate of a deceased holder from any liability in respect of any share which had been help by him.
23. The instrument of transfer of any share in the company shall be exempted both by the transferor and transferee, and the transferee shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
24. The Directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien.
25. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon satisfactory, have the right, either to registered himself to make such transfer of the share as the deceased or bankrupt person could have made, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have in the case of a transfer by the deceased or bankrupt before the death or bankruptcy.
26. Any person becoming entitled to a share because of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he entitled as if he were the registered holder.

SHARE CERTIFICATE

27. Every share certificate shall be issued under the seal and shall specify the number and class of shares to which it relates and the amount paid upon it. No certificates shall be issued representing shares of more than one class.
28. Any person whose name is entered in the register of members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate thereof, without one month after allotment or within fourteen days after lodgment of transfer.

GENERAL MEETING

29. The statutory meeting of the company shall be held within six months after the date at which the company shall be entitled to commence business and at such place as the Directors may determine.

30. The company shall in each year hold a General Meeting at its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the company and that of the next. The Annual Meeting shall be held at such time and place, as the Directors shall be called Extraordinary General Meeting.
31. The Directors may; whenever they think fit, convene an Extraordinary General Meeting, and they shall on the requisition of members of the company representing not less than one fifth of the issued share capital of the company upon which all calls or other sum then due have been paid, forthwith proceed to convene an Extraordinary General Meeting. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two members of the company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office of the company and may consist of several documents unlike from each signed by one or more of the requirements.
32. If the Directors do not proceed to convene or cause a meeting to be held within thirty days from the date of the requisition being so deposited, the requisitionists, or a majority of them in value, may themselves convene the meeting, to be Chairman of the meeting. If at any meeting no Directors is willing to act as Chairman or if no Director is present within thirty minutes after the time appointed for holding the meeting, the member present shall choose one of their numbers to be Chairman of the meeting.
33. The Chairman of the meeting may, with the consent of any meeting which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned for thirty days or more, seven clear days' notice at the least of the adjourned meeting shall be given specifying the place and the time of the adjourned meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
34. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of the show of hands) demanded by the Chairman of the meeting or by any member present in person and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority if lost an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the

- face without proof of the number or proportion of the votes recorded in favour, or against that resolution.
35. If a poll is duly demanded, it shall be taken in such a manner as the Chairman may direct, and the result of the poll shall be deemed the resolution of the meeting at which the poll was demanded.
36. In the case of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting at which the show of hand take place or at which the poll is demanded shall be entitled to a second or casting vote.
37. A poll on election of a Chairman of a meeting or on a quorum of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken immediately or at such subsequent time (not being more than fourteen days from the date of the demand) as the chairman of the meeting may direct and any business other than that upon which a poll has been demanded may proceed pending the taking of the poll.

VOTES OF MEMBERS

38. On show of hands, every member present in person shall have one vote and a poll every member present in person shall have one vote for each share of which he is the holder. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. In the case of joint holders, the vote of the senior who tenders to vote at any General Meeting unless a cal (or other sums payable) in respect of the shares in the company have been paid.

DIRECTORS

40. Subject as herein provided and until otherwise determined by the company in General Meeting the number of Directors shall not be less than two and not more than seven. The first Directors shall be the subscribers to this Memorandum of Association.
41. The following persons will be the first Directors of the Company;
(1) SAMUEL MADUHU NKONYA
(2) LUCY REUBEN NKONYA
42. The company may from time to time in General Meeting increase or reduce the number of Directors.
43. The company may by ordinary resolution remove any Director and may by ordinary resolution appoint another person in his stead.

44. It shall be necessary for a Director to have at least one share in order to qualify as a Director and shall comply with the provisions of the Act.
45. The remuneration of the Directors shall from time to time be determined by the company at or in General Meeting.

ALTERNATE DIRECTORS

46. A Director may by instrument in writing signed by him appoint any person of or above the age of twenty-one to his alternate, and may likewise revoke such appointment. Before acting as a Director such alternate must receive the unanimous approval of all Directors. All powers, rights, privileges, authority and duties developing upon a Director pursuant to these Articles shall be held by and develop upon his alternate shall require qualifications. He shall, however, not be entitled to vote at any meeting of the Directors if and during such time as his constituent shall be present at such meeting.

BORROWING POWERS

47. The Directors may exercise all the powers of the company to borrow money for the purpose of the company and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debenture, debenture stock and other securities, whether outright or as a security for any debt, liability or obligation of the company or any third party.

POWERS AND DUTIES OF DIRECTORS

48. The business of the company shall be managed by the directors who may pay all expenses incurred in promoting and registering the company, and may exercise all powers of the company as are not by the Act or by these Articles required to be exercised or done by the company in General Meeting, subject to any regulations under these Articles.
49. The Directors may do all such acts and things as are necessary to carry into effect all the objects purposes, powers and discretion provided in the Memorandum of Association.
50. The Directors may delegate any of their powers to committees consisting of such members of their body as they think fit.
51. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest a meeting of the Directors.
52. A Director may hold any other office or place of profit under the company in conjunction with his office of Director for such period and on such terms as the Director for such period and on such terms as the Directors may determine and no Director shall be disqualified.

53. Any Director may act by himself or his firm in a professional capacity for the company and he and its firm shall be entitled to enumeration for professional services as if he were not a Director, but nothing herein provided shall authorize a Director on his firm to act as Auditor of the company.
54. The Director shall cause minutes to be made in the books provide for the purpose:
- (a) Of all appointment of Officers made by the Directors
 - (b) Of the names of Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) Of all resolutions ad proceedings and all meetings of the company and of the Directors and of the committees of Directors.

APPOINTMENT AND APPROVAL OF THE DIRECTORS

55. The company by ordinary resolution may appoint any person to be a Director and may remove any Director before the expiration of his period of office.
56. The company shall has power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors provided the number does not exceed the number fixed in accordance with this Articles.

DISQUALIFICATIONS OF DIRECTORS

57. The office of Director shall be vacated if the Director: -
- (a) becomes prohibited by law from acting as a Director;
 - (b) is convicted of any offence under the Act;
 - (c) is convicted of any offence involving fraud or dishonesty or is convicted and sentenced to imprisonment;
 - (d) becomes bankrupt or makes any arrangements or composition with creditors or generally;
 - (e) becomes of unsound mind; and
 - (f) resigns from his office by notice in writing to the company.

PROCEEDINGS OF DIRECTORS

58. The Directors shall meet together as a single Board of Directors for the dispatch of business and may adjourn and otherwise regulate their meetings as they think fit, questions arising at any meeting shall be determined by a majority of votes. Each Director of the meeting shall have a second or casting vote. A director

- shall, at any time summon a meeting. Notices of meetings shall be given to the Directors and their alternates, if any, at their respective addresses as from time to time notified to the company for this purpose.
59. The quorum necessary for the transaction of business of the Directors may be fixed by the directors, and unless so fixed by these Articles as the necessary quorum of Directors to that number or of summoning a General Meeting of the company but for no other purpose.
60. The Directors may elect a chairman of the meetings and determine the period for which he holds office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of their meeting.
61. Any acts done by any meeting of Directors or of a committee, of Directors or by any such Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

DIVIDENDS AND RESERVES

62. The company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Directors.
63. The Directors may from time to time pay the members such interim dividends as appear to the Directors to be justified by the profits of the company.
64. No dividends shall be paid otherwise than out of profit.
65. Subject to the rights of members, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall while carrying interest, be treated for the purpose of these Articles as paid on the share.
66. The Directors may, before recommending any dividend, set aside out of profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profit of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the Directors may from time to time think fit.
67. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

68. No dividends shall bear interest against the company.

ACCOUNTS

69. The Directors shall cause true accounts to be kept: -
- (a) Of the sums of money received and expended by the company and the manner in respect of which such receipt and expenditure take place and;
 - (b) Of the assets and liabilities of the company.
70. The books of account shall be kept at the registered office of the company or at such other place or places as the Directors may think fit, and shall always be open to the inspection of the Directors.
71. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspections of members not being Directors, and no members (not being Director) shall have any right of inspecting any account or book or document of the company except conferred by law or authorized by the Directors or by the company in General Meeting.
72. Once at least in every year the Directors shall lay before the company in General Meeting a profit and loss account or (in the case of the first account) since the incorporation of the company made up to a date not more than six months before such meeting.
73. A balance sheet shall be made out in every year and laid before the company in General Meeting made up of a date not more than six months before such meeting.
74. A balance sheet shall be accompanied by a report of the Directors as to the state of the company's affairs and the amount which they recommend to be paid by way of dividend and the amount, if any, which they propose to carry to a reserve fund.
75. A copy of the balance sheet and report shall, fifteen days before the meeting, be sent to the members entitled to receive notices of General Meeting in the manner in which notices are to be given hereunder.

AUDIT

76. Once at least in every year the accounts of the company shall be examined, and the circumstances of the statement and balance sheet as ascertained by one or more auditor or auditors.
77. The first auditors shall be appointed by the Directors, subsequent auditors shall be appointed by the company in General Meeting.
78. If one auditor only is appointed, all the provisions herein contained relating to auditors shall apply to him.
79. The election of auditors shall be made by the company at their Annual General Meeting in each year.
80. The remuneration of the auditors shall be fixed by the Directors that of subsequent auditors shall be fixed by the company in General Meeting.
81. Any auditor shall be re-eligible on his vacating or quitting office.
82. If any casual vacancy occurs in the office of any auditor appointed by the company, the Directors shall forthwith call an Extraordinary General Meeting of filling the same.
83. Every auditor shall be supplied with a copy of the balance sheet, and it shall be his duty to examine the same, with the accounts and vouchers relating thereto.
84. Every auditor shall have a list delivered to him of all books kept by the company and shall at all reasonable times have access to the books and accounts of the company, and he may in relating to such accounts examine the Directors or any other offices or servants of the company.
85. The auditors shall make a report to the members upon the balance sheet and accounts and in every such report they shall state whether in their opinion, the balance sheet is a full and fair balance sheet and properly drawn up so as to exhibit or reflect a true and correct views of the state of the company's affairs, and in case they have called for explanations or information from the Directors, whether such explanations or information have been given by the Directors and whether they have been satisfactory and such report shall be read, together with the report of the Directors, at an ordinary meeting.

NOTICE

86. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address (or if he has no registered address in Tanzania) to the address, if any, within Tanzania supplied by him to the company for giving of notices to him.

87. Where a notice is sent by the post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the noticed and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
88. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by name or by the title of the representative of the deceased or trustee of the bankrupt or by any like description at the address, if any, in Tanzania supplied for the purpose by the person claiming to be so entitled by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
89. Notice of every General Meeting shall be given in the manner authorized hereinbefore to:
- (a) Every member of the company and
 - (b) Every person entitled to a share in consequence of death or bankruptcy of a member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

INDEMNITY

90. Subject to the provisions of the Act and of the other relevant legislation in force from time to time, every Director, Manager, Secretary, Auditor and other Officers or Servants of the company shall be indemnified by the company against losses, costs, expenses and other liability of any nature which any such officer or Servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such officer or servant or in any way in the discharge of his duties.

PROVIDED THAT such indemnity shall not apply to any loss, costs, expenses or other liability which by virtue of any law would otherwise attach to any officer or servant in respect of any negligence, default, breach of duty of trust of which he may be guilty in relation to the company.

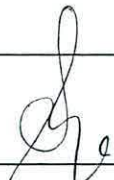
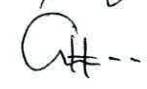
ARBITRATION

91. Whenever any difference shall arise between the company and the Directors on the one hand and any of the member or their representatives on the other hand or between Directors with regard to the true construction of these presents or with regard to anything done, executed, omitted or suffered in pursuance of these presents or the companies Act or with regard to any breach or alleged breach of these presents or any claim on account of any such breach or alleged breach or otherwise relating to the premises or these presents or to any affairs of the company, every such difference shall be referred, for decision, to

two Arbitrators to be appointed by each of the parties in difference any such reference shall be subject to all the provision of the Arbitration Act, Cap. 15.


WINDING UP

92. If the company shall be wound up, the Liquidator may, with the sanction of the Special Resolution of the company and any other sanction required by the Act, divide among the members, in species or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not and may, for such purpose, set such value as he may deem fit upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or securities whereon there is any liability.

| S/N | NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBER | NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER | SIGNATURE OF SUBSCRIBER |
|-----|--------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------|
| 1. | SAMUEL MADUHU NKONYA, P.O.BOX 238, MWANZA. | 800 |  |
| 2. | LUCY REUBEN NKONYA P.O.BOX 238 MWANZA. | 200 |  |

DATED at Mwanza this 27 day of August 2013.

Witness to the above signatures

Name : STAN MUKEMWA
 Address : 33 MWA N2A
 Qualification : STATE ATTORNEY
 Signature : 

**SENIOR STATE ATTORNEY
MWANZA**

TANZANIA

THE LAND ACT 1999

(NO. 4 OF 1999)

CERTIFICATE OF OCCUPANCY

(Under Section 29)

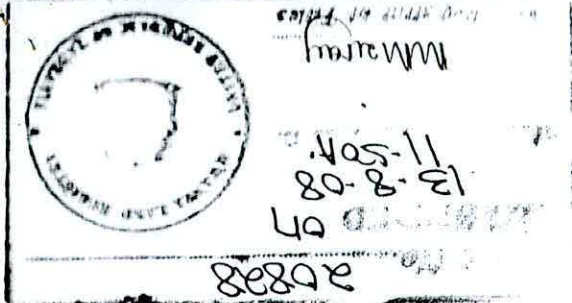
Date of Issue: 13-8-08

Title Number: 20828

Land Office Number: 301272.

Land: PLOT NO: 379 BLOCK 'D' ISAMILO - MWANZA CITY.

Term: THIRTY THREE YEARS.



Land Form No. 22

Stamp Duty Shs. 100/-
 and Revenue Receipt No. 30908855
 of 10-1-08
 Pwnc Mwinyi
 Assistant Registrar

TANZANIA
 STAMP DUTY PAID ON
 ORIGINAL Shs. 1400/-
 Receipt No. 30908855 10-1-08
 Pwnc Mwinyi
 Asst. Registrar

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999
NO. 4 OF 1999

CERTIFICATE OF OCCUPANCY
(Under Section 29)

Title No. 20828
 L.O. No. 301272.
 L.D. No. MCC/L/45457.

L.R. Mwendu

the 18th day of July 2008.

THIS IS TO CERTIFY that **GODWIN PAUL MALYAWERE of P.O. BOX 10273, DAR ES SALAAM.**

(hereinafter called "the Occupier"/~~the Occupiers~~) is/~~are~~ entitled to a right of Occupancy (hereinafter called the Right) in and over the land described in the Schedule hereto (hereinafter called "the Land") ~~a joint occupants/occupants in common in equal shares~~ for a term of **thirty three** years from the first day of **January** Two Thousand **and eight** according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:-

- The Occupier(s) having paid rent up to the thirtieth day of June 2008 shall thereafter pay rent of shillings **twenty five thousand seven hundred** (TShs: **25,700/-**) a year in advance on the first day of July in every year of the term without deduction PROVIDED that the rent may be revised by the Commissioner for Lands.
- The Occupier(s) shall:-
 - Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and mapping.

(ii) Do everything necessary to preserve the environment and protect the soil and prevent soil erosion on the land and do all things which may be required by the authorities responsible for environment and to achieve such objective.

(iii) **Building to be in permanent materials.**

(iv) **Building plans to be submitted to the Mwanza City Council within six months from the commencement of the Right.**

(v) **Building construction to begin within six months after approval of the plans.**

(vi) **Buildings to be completed within thirty six months from the commencement of the Right.**

3 **USER: The land and the building to be erected thereon shall be used for Residential purposes only; Use Group 'A' Use Classes (a) and (c) as defined in the Town and Country Planning (Use Classes) Regulations, 1960 as amended in 1993. - - - - -**

4 The Occupier(s) shall not assign the right within three years of the date hereof without the prior approval of Commissioner.

5. The Occupier(=) shall deliver to the Commissioner notification of disposition in prescribed form before or at the time the disposition is carried out together with the payment of all premia, taxes and dues prescribed in connection with that disposition.
6. The president may revoke the right for good cause or in public interest


SCHEDULE

All land known as **Plet No: 379 Block 'D'**

situate at **Isemilo** in **Mwanza City** containing **five hundred fourteen (514)**

square metres/square feet/hactres shown for identification only edged red on the plan attached to this Certificate and defined on the registered Survey Plan Numbered **46487** deposited at the office of the Director for Survey and mapping at Dar es Salaam.

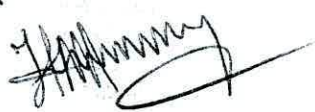
Given under my hand and official seal the day and year first above written.



COMMISSIONER FOR LANDS

I, the within named **GODWIN PAUL MALYAWERE** hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the s aid) x
GODWIN PAUL MALYAWERE who is known)
to me personally/identified to me)
by **EVA NKUYA** the latter)
being known to me personally in my)
presence this **14th**)
day of **FEBRUARY 2008.**)



Witness'

Signature:.....

Postal Address:.....

Qualification:.....

PRINCIPAL REGISTRAR
KISUMU, DAR-ES-SALAAM

P.O. Box 538
D'SALAAM.



TRIMESTRIAL

20267

Stat Document No.

Date of Issuance 1-12-2010 9.000

SAWUSL NIKONDYRA of

P.O. Box 238, MURANZA

(CONS SUB 5000100012

Phone



MMURAU

TRANSFER OF A RIGHT OF OCCUPANCY
(Under Section 62 of Land Act., 1999)

CT NO. 20828 *11/10/2010*
PLOT NO: 379
BLOCK : "D"
ISAMILO
MWANZA CITY

IN CONSIDERATION of the Sum of T.Shillings Five Million (T.Shs. 5,000,000/=) only, I, **GODWIN PAUL MALYAWERE** of P. O. BOX 10273, **DAR ES SALAAM** **DO HEREBY TRANSFER** to **SAMUEL NKONYA** of P.O BOX 238, **MWANZA**, the Right of Occupancy registered under the above reference.

SIGNED by the said **GODWIN PAUL MALYAWERE** who is known to me personally/identified to me by.....
the later being known to me personally in my presence this..... day of *October* 2010.

.....
TRANSFEROR

BEFORE ME:
NAME: *Constantine M...*
SIGNATURE:.....
POSTAL ADDRESS: *6485 Mwanza*
QUALIFICATION: *Advocate*



SIGNED by the said **SAMUEL NKONYA** who is known to me personally/identified to me by
the later being known to me personally in my presence this *31st* day of *October* 2010.

.....
TRANSFEE

BEFORE ME:
NAME: *Constantine M...*
SIGNATURE:.....
POSTAL ADDRESS: *6485*
QUALIFICATION: *Advocate*



DRAWN BY:-
GODWIN PAUL MALYAWERE,
P.O. BOX 10273,
DAR ES SALAAM.

[Signature]

THE UNITED REPUBLIC OF TANZANIA

**THE LAND ACT 1999
(NO. 4 OF 1999)**

DEED OF ASSIGNMENT

(Under Section 62)

C.T. No. 29520
L.O. No. 200450
PLOT No. 379 Block 'D' Isamilo
MWANZA CITY

I, **SAMUEL MADUHU NKONYA**, a natural person and director of **PRISCY BAKERIES LIMITED** of P.O. Box 238 MWANZA (hereinafter referred to as the "assignor") hereby **ASSIGNS**

TO

PRISCY BAKERIES LIMITED, a body corporate duly established and existing under the laws of Tanzania of Postal Office Number 238, Mwanza (hereinafter referred to as the "Assignee") the properties registered under the above reference.

THIS DEED WITNESSES as follows:


1. In consideration of the payment of the sum of Tanzania Shillings on thousands (Tshs 1,000/=) only (for purposes of stamp duty payment), receipt for which the Assignor hereby acknowledges, the Assignor hereby Assigns to the Assignee all rights, title and interests in the property registered under the above reference, as part of the Assignor's equity contribution to **PRISCY BAKERIES LIMITED** of which he is a shareholder.
2. The Assignor warrants that he has full title to the property and authority to assign the same free from any encumbrances.
3. This agreement shall be binding upon the parties, their successors and assigns.

IN WITNESS of which the parties have signed this deed in the manner as appearing herein below:

SIGNED at and DELIVERED by the said SAMUEL MADUHU NKONYA who is Known to me personally/identified to me By the Latter being known to me personally This 20th day of Sept 2013



Assignor

BEFORE ME:


NAME: Deus Sungwa Ngenjif
SIGNATURE: 
ADDRESS: Box 1214 Mwanza
QUALIFICATION: Advocate



SIGNED and DELIVERED on behalf of the said PRISCY BAKERIES LIMITED By SAMUEL MADUHU NKONYA who is Known to me personally/ identified to me by the latter being known to me personally This 20th day of Sept 2013


Assignee

BEFORE ME:

NAME: Deus Sungwa Ngenjif
SIGNATURE: 
ADDRESS: Box 1214 Mwanza
QUALIFICATION: Advocate





AccessBank, Tanzania Ltd, Plot 16, Block 45A, Kijitonyama,
P.O. Box 95068 Dar es Salaam, Tel: 022 2774355, Fax: 022 2774340
Website: www.accessbank.co.tz

AccessBank (T) Ltd,
Mwanza Branch,
P.o Box 2425,
Mwanza.
28th August, 2013.

Tanzania Investment Centre (TIC),
P.o Box 638,
Mwanza.

REF: **KINDA TRADING COMPANY**

Pease refer to the heading above.

The bank would like to introduce to you the named client in the subject above as esteemed customer of the bank since 13th February, 2013 holding account number 08241000085-55. This client is trading through **PRISCY BAKERY** as business name and the principal place of the business is Mwanza located at Nkurumah road opposite to Azania Bank.

Faithfully yours,

Adam Makuwa
Mwanza

Branch Manager- Mwanza

BRANCH MANAGER

For and on behalf of

AccessBank (T) Ltd

PRISCY BAKERIES LIMITED


EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF PRISCY BAKERIES LIMITED

At a duly convened and constituted meeting of the board of directors of Priscy Bakeries Limited held at the registered offices of the company on the 10th day of August 2013, the following resolutions were passed:


1. That a project for construction of a factory manufacturing Furniture for local market and export undertaken at Plot No. 379, Block D, Isamilo Area, Mwanza City.
2. That funds amounting to TZS. 927,889,000 millions be raised by shareholders to facilitate implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified True Extract

(By order of the Board)



Chairman



Secretary

PRISCY BAKERIES COMPANY LIMITED

**TA/ PRISCY BAKERIES
(Bread and other Bakery Products Production)**

BUSINESS PLAN ON GETTING TANZANIA INVESTMENT CERTIFICATE

**SPONSOR
PRISCY BAKERIES COMPANY LIMITED
P. O. Box, 238, MWANZA.
Tel: 0784 - 618255 / 0767 - 618255**

**Consultant:
Equities Consult Limited
Investment & Stock Brokerage Agent
Liberty Street, Ibadhi Mosque Bldg.
P.O. Box 11885. MWANZA
Tel: 028 - 2540179**

August, 2013

**PRISCY BAKERIES LIMITED
TA/ PRISCY BAKERIES**

TABLE OF CONTENTS.

| CONTENTS: | | PAGE NO. |
|----------------------|------------------------------------------|-------------------|
| 1.0 | BUSINESS BACKGROUND: | 2 - 3 |
| 2.0 | TECHNICAL ASPECTS: | 4 - 5 |
| 3.0 | MARKETS AND MARKETING: | 6 - 6 |
| 4.0 | ORGANIZATION AND MANAGEMENT: | 7 - 7 |
| 5.0 | FINANCIAL ANALYSIS: | 8 - 9 |
| 6.0 | ENVIRONMENTAL SOCIAL & ECONOMIC ASPECTS: | 9 - 9 |
| 7.0 | PROJECT RISK ANALYSIS: | 10 - 10 |
| 8.0 | SECURITY FOR THE LOAN: | 10 - 10 |
| 9.0 | CONCLUSIOS AND RECOMMENDATION: | 10 - 10 |
| SCHEDULE: | | NUMBER |
| 10.0 | INVESTMENT AND FINANCING PLAN: | Schedule I |
| 11.0 | ADDITIONAL INVESTMENT: | Schedule IA |
| 12.0 | DEPRECIATION SCHEDULE: | Schedule II |
| 13.0 | STAFF SALARIES: | Schedule III |
| 14.0 | LOAN REPAYMENT SCHEDULE: | Schedule IV |
| 15.0 | BREAD PRODUCTION AND SALES: | Schedule V |
| 16.0 | OPERATING EXPENSES: | Schedule VI |
| 17.0 | PROJECTED INCOME STATEMENT: | Schedule VII |
| 18.0 | WORKING CAPITAL REQUIREMENT: | Schedule VIII |
| 19.0 | ANNUAL CASHFLOW | Schedule IXA |
| 20.0 | MONTHLY CASH FLOW: | Schedule IXB |
| 21.0 | BALANCE SHEET PROJECTIONS: | Schedule X |
| 22.0 | FINANCIAL RATE OF RETURN | Schedule XI |

PRISCY BAKERIES LIMITED
TA/ PRISCY BAKERIES

BUSINESS PLAN

1.0 BUSINESS BACKGROUND:

1.1 The Proprietorship:

M/S PRISCY BAKERIES LIMITED dealing in production and sales of bread and other bakery products. The business is legally registered with valid business license and TIN Number. It is owned and managed by Mr. Samwel Nkonya as the Proprietor and Director of the establishment. It owns and operates a bakery factory based along Nkrumah Street; Mwanza City The business is new establishment that commenced commercial operations in January, 2012. As a strategy to penetrate and consolidate itself in the market place, the company proposes to invest in additional Vans for distribution of its products.

1.2 Business Description:

The company operates A Bakery Factory producing bread and other bakery products for sale in Mwanza City and other special customers in the Lake region. This is a new line of business that involves processing of wheat flour into bread and other bakery products.

1.3 The Business Proposal:

This document evaluates the proposal by the Proprietor for borrowing **shs. 437,619** Million to finance the proposed investment in purchase of new Distribution Vans required. The investment amount to Tshs. 52,000,000 for purchase of two TATA Vehicles specially built for distribution of bread and other such products. The company proposes to contribute Tshs. 490,270,000 being 52% of the total investment involved. The term loan is proposed to be repaid in 4 years inclusive of six (6) months grace period.

1.4 Need for Funding:

The company has considered it necessary to invest in distribution vans for purpose of achieving the following business objectives;-

- To penetrate the market for bread in Mwanza City and increase its market share in this line of business.
- To ensure that its customers are timely served with its products for smooth operations of their business.
- To put the business in sound liquidity position to be able to sustain its operations and repayments of maturing obligations without serious strain on its liquidity position.

1.5 Past Business Performance:

As noted above, the business is a new establishment that commenced operations in 2012. Summary of its performance for the past two years is as given under;

| Year | Tshs.'000' | |
|-------------------------------|----------------|----------------|
| | 2012 | 2013 |
| Income | 208,167 | 150,215 |
| Cost of Sales | 144,690 | 107,642 |
| Gross Profit | 63,477 | 42,573 |
| Operating Expenses | 33,471 | 25,520 |
| Profit Before Taxation | 29,421 | 14,352 |
| Profit After Taxation | 22,948 | 11,194 |

2.0 TECHNICAL ASPECTS:

2.1 Locations and Site:

The bakery factory and distribution outlet are based on a rented premises along Nkrumah Street Mwanza City. This is one of the vibrant business areas of Mwanza Salaam City. It is therefore quite ideal.

2.2 The Bakery:

2.2.1 Bakery Business:

The bakery business is presently fully operational and produces bread and other bakery products for the Mwanza market and surrounding areas. The production involves processing of wheat flour into bread. Other inputs involved are; edible oil, sugar, salt water electricity and labour. The factory is equipped with modern bakery equipments for production of quality bread and other products.

2.2.2 Business Investment Costs:

The total business investment in the Bakery project so far is Tshs. 39.9 Million which has all been financed through equity contribution by the company. It is however proposed to make further investment in purchase of two distribution vans at cost of Tshs. 64,570,600. The total investment in business assets would therefore add up to Tshs. 110,989,000 as per breakdown given under;-

| | Tshs. 000' | | |
|------------------------------|-------------------|-------------------|----------------|
| Assets | Existing | Additional | TOTAL |
| Land & Building | 0 | 0 | 0 |
| Bakery Machinery & Equipment | 37,119 | - | 37,119 |
| Tools & Equipment | 919 | - | 919 |
| Furniture & Fittings | 2,756 | - | 2,756 |
| Motor Vehicles | 5,625 | 64,570 | 70,195 |
| TOTAL | 46,419 | 64,570 | 110,989 |

2.2.3 Production Capacity & Processing:

The production capacity after the expansion in modernization is 1,000 pieces of bread per day. Assuming 24 operation days per month the installed capacity is therefore 2,088,000 pieces of bread per annum. The plant has however been assumed to operate at 90% efficiency for the first year increasing to 95% by the 4th year as the business consolidates itself in the market place by increasing its market share. A summary of planned production and sales is as given under;

| Description | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------------------------------|----------------|----------------|----------------|----------------|
| Daily Capacity (Pcs) | 1,000 | 1,000 | 1,000 | 1,000 |
| Annual Capacity (Pcs) | 288,000 | 88,000 | 288, 000 | 288,000 |
| Projected Production (Pcs) | 230,400 | 244,800 | 259,200 | 273,600 |
| Total Sale (Tshs.000) | 276,400 | 293,760 | 311,040 | 328,320 |

2.2.4 Direct Costs:

The direct costs involved in production process have been worked out based on production of 80 pieces of bread from 50 kgs of wheat flour. The total costs works out to Tshs. 57,816 for production of 80 pieces of bread. The breakdown of the inputs requirement is given under;-

| Raw Materials | Quantity Unit | Cost Unit | Total Costs |
|-------------------------|----------------------|------------------|--------------------|
| Wheat flour (Kgs) | 50 | 800 | 40,000 |
| Edible Oil (Liters) | 3 | 1,800 | 5,400 |
| Sugar (Kgs) | 3 | 1,800 | 5,400 |
| Salt (Kgs) | 0.5 | 300 | 150 |
| Water (Liters) | 4 | 2.50 | 10 |
| Electricity (Units) | 80 | 15 | 1,200 |
| Packaging (Pcs) | 80 | 70 | 5,600 |
| Direct Labour (Nos) (8) | 8 | 7 | 56 |
| TOTAL | | | 57,816 |

2.2.5 Procurement of Inputs:

All the inputs involved in the production of bread and other bakery products are locally available. The factory operations are therefore expected to run smoothly and at over 80% capacity utilization as the business increases and consolidates its market share.

3.0 MARKETS AND MARKETING:

3.1 General Market Perspective:

Bread and other bakery products are basic foods consumed by almost every household depending on income levels of the consumers. The market therefore covers a wide section of population in Mwanza City and its surrounding areas.

3.2 Target Market:

The target market of the company products includes;

- Super Markets
- Retail Stores
- Special customers, such as Restaurants Schools, Colleges, Police and Military forces, Mines etc.
- Individual Retail customers.

3.3 Distribution Outlets:

All products produced are presently distributed from the factory premises along Nkrumah Street. The company has one distribution van used for this purpose. However due to growing market demand, the company proposes to purchase two additional distribution vans so as to serve its customer even more efficient and timely.

3.4 Competition and Pricing:

Competition in bread production does exist. Major competitions based in Mwanza City at present include;

- Warsame Bakery
- Victoria Bakeries
- Sun City Bakeries
- Lema Food Products
- Royal Oven

As a new entrant in the business, the company has steadily been penetrating the market consolidating its presence through personal visits to prospective customers as well as quality and competitive pricing of its products. For purpose of this proposal on average price of Tshs. 1,100 per bread has been assumed which very competitive.

4.0 ORGANISATION AND MANAGEMENT:

4.1 Organization:

The business is a Sole Proprietorship. It has therefore a simple organization structure headed by the Proprietor as the chief authoritative organ. The bakery is however headed by a supervisor who reports directly to the Proprietor.

4.2 The Management:

The Proprietor Mr. Samwel Nkonya is directly responsible for overall supervision of all the business units. He is assisted by the Bakery Supervisor who is responsible for the day to day affairs of the business. The business is generally well managed under the guidance of Mr. Nkonya whose personal profile is given under.

4.3 Personal Profile:

| | | |
|-------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name | : | Mr. Samwel Nkonya |
| Residence | : | Isamilo / Mwanza City |
| Position | : | Proprietor/ Director |
| Nationality | : | Tanzanian |
| Sex | : | Male |
| Marital Status | : | Married with Children |
| Academic Qualification: | | Graduate – MBA |
| Present Occupation | : | Tax Officer / TRA – Mwanza |
| Business Experiences | : | Mr. Nkonya started this business some two years back using the meager resources accumulated from his employment. He has since gained experience in management of the business with support from Technical staff employed from the open labour market. |

5.0 FINANCIAL ANALYSIS:

5.1 Assumptions & Considerations:

The following assumptions and consideration have been used in preparing the financial evaluation of the Proposal.

5.1.1 The business has been operated for over 2 years. It has therefore been assumed that, it will continue running as a going concern.

5.1.2 All costs and revenues have been taken at constant prices with 2013 as base year. Any increase in costs has been assumed to be compensated for by similar increases in revenue.

5.2 Investment Costs:

The total investment costs for the business after investing in additional distribution vans amount to Tshs. 110.9 Million. The additional investments have been assumed to be financed through term loan of Tshs. 437,619 Million by CRDB Bank and equity financing of Tshs. 490,270 Million by the Proprietor.

5.3 Working Capital:

Assumptions for working capital requirements are as shown in schedule VIII. The working capital is estimated at Tshs. 17,000,000 Million which has been assumed to be financed through self generated funds by the business.

5.4 Planned Production & Sales

Total planned sales from the bakery business are estimated at Tshs. 276.4 Million for the first year increasing to Tshs. 311 Million by the third year of the projected period. The projections are based on planned production and sales as per details given in schedule V.

5.5 Operating Costs:

The business is in operation. The operating costs are therefore based on Audited Financial Statements for the year ended December, 31st 2012.

5.6 Income Projections:

Based on assumptions used in this evaluation report, the business is projected to make net profit after tax of Tshs. 35.1 Million for the first year increasing to Tshs. 50.6 Million by the 4th year as per details given in schedule VII.

5.7 Cash Flow Projections:

The annual net cash balance is estimated at Tshs. 47.4 for the first year increasing to Tshs. 70.6 Million by the 4th year of the projected period. The monthly net cash movement closes with positive balance of Tshs. 47.7 Million by the end of the 1st year. It is therefore expected that the business will be able to repay the assumed term loan in 48 monthly installments without problems. Details on cash flow projections are given in schedules IXA – IXB of this report.

5.8 Balance Sheet projections:

Balance sheet projections given in schedule X indicate that the total business net assets will increase from Tshs. 109.1 Million to Tshs. 260.9 Million by the 4th year of operation.

5.9 Internal Rate of Return:

The Internal Rate of Return (IRR), after tax works out over 50% as shown in schedule XI. This is considered to be more than adequate when compared with the assumed cost of capital of 18%. The business proposal is therefore financially viable.

6.0 ENVIRONMENTAL, SOCIAL AND ECONOMIC ASPECTS:

6.1 Environmental Aspects

The bakery business operations are all well connected to the city's central sewerage system. In which case, no negative environmental aspects are expected.

6.2 Social Economic Benefits:

The bakery business provides food in bread production for health leaving of the human population. It has also created new job opportunities for 8 permanent employees. The bakery also has both forward and backward linkages to the national economy at large. It has backward linkage to suppliers of raw materials i.e. wheat flour, edible oil, sugar, salt etc. The entire business also contributes towards boosting government revenue through the various taxes paid by the business.

7.0 PROJECT RISK ANALYSIS:

The business operational risks considered are associated with the following;-

- **Political Risk:**

Assessed as low risk, Tanzania has had three smooth changes in Presidency and the democratic process is progressing well although at a slow pace.

- **Performance:**

The ability of management to attain the projected sales level is considered reachable with a well thought out and executed marketing strategy.

- **Loan Servicing/Repayment Risk:**

Assessed as medium risk as the cash flow projections confirm that the business will be able to service its loans throughout the 4 years projected period.

8.0 ECONOMIC REVIEW

8.1.1 CONTRIBUTION OF THE PROJECT TO ECONOMIC DEVELOPMENT

The project will serve as an additional source of quality products in the Market. The project will also contribute to the growth of the economy through generation of new employment, increase in government revenue through payment of taxes, and through a multiplier effect that would arise through sells of the products to wholesalers.

8.1.2 Need for Sustainability

In order to sustain the project, it is expected that 20% of yearly income will be placed in a special account for maintenance, future development purpose. This will include carrying out expansion program by forklifts, cranes, vehicles and undertaking special projects aimed at enhancing smooth services provision.

It is expected that by year 2014 the project will be sustainable and that financial support will be at minimal except for special cases or unforeseen event.

9.0 CONCLUSION AND RECOMMENDATIONS.

9.1 Conclusion:

- The company has adequate security to cover for the proposed borrowing.
- The business is capable of repaying the loans in 48 monthly installments excluding 6 months grace period.
- It is evident from the financial and economic analysis contained in this study that the proposed project is technically feasible, commercially viable, socially acceptable and environmentally friendly.

9.2 Recommendation:

1.1 In consideration of the above conclusion, it is recommended that the company **M/S PRISCY BAKERIES LIMITED.**

Development Values/Benefits:

Implementation of the proposed **M/S PRISCY BAKERIES LIMITED** will lead to realization of a number of benefits namely;

- Creation of employment during construction and after commencement of commercial operations. 90 permanent jobs will be created. As such the project is considered to compliment and support Government efforts in reducing poverty in the area.
- It will generate revenue to the Government in the form of various taxes. It is projected over the next ten years the project will have paid a total of Tshs 12 billion in corporation tax alone.
- The project is considered to have high backward linkages from other sectors such as agriculture, fishing, transport, energy and forward linkages to tourism, business and other associated activities.
- It will reduce the problem of inadequate quality bakeries and confectionery, in Mwanza Region.

===== & =====

PRISCY BAKERIES LIMITED

"Bakery Project"

Machinery & Equipment

Figure in USD & Tshs "000"

Appendix 1

| Equipment | Number | Rate in \$ | Cost |
|---------------------------------------------------|---------------|-------------------|-------------|
| Macadams Rack Oven | 1 | 80,000 | 80,000 |
| Macadams M 180/2 Proover Rack 2 Doors Walkthrough | 1 | 11,000 | 11,000 |
| Macadams Bun Divider & Rounder | 1 | 19,700 | 19,700 |
| SM 120A Spiral dough mixer capacity 120kg dough | 1 | 24,500 | 24,500 |
| Mini dough Moulder with adjustable pressure board | 1 | 12,000 | 12,000 |
| Stainless Steel Mac Trolley for Bread | 2 | 1,500 | 3,000 |
| Stainless Steel Mac Trolley for Confectionery | 2 | 1,750 | 3,500 |
| Mild Steel Baking Trays | 72 | 58 | 4,176 |
| Set of B04 Bread Tins Set of 4 | 180 | 90 | 16,200 |
| Stainless Steel Table Plain Top | 5 | 900 | 4,500 |
| Heavy Duty Dumping Table | 1 | 1,200 | 1,200 |
| Model KD Bread Slicer | 1 | 14,000 | 14,000 |
| Macadams Cake Mixer 20 lts capacity | 1 | 3,500 | 3,500 |
| Stainless Steel Bread Cooling Trolley | 4 | 1,350 | 5,400 |

| | |
|---------------------------------------|----------------|
| SUB TOTAL (CIF-DAR) | 202,676 |
| ADD 18% VAT | 36,482 |
| TOTAL | 239,158 |
| At 1675 Exchange Rate | 400,589 |
| <i>ADD: Clearing & Forwarding</i> | 94000 |
| <i>Inland Transport</i> | 7600 |
| <i>Installation</i> | 20,029 |
| Grand Total | 437,619 |

PRISCY BAKERIES LIMITED
"Bakery Project"
Office Equipment
Figure in Tshs "000"

Appendix 2

| Item | Number | Rate | Total |
|-------------------------|--------|-------|--------------|
| Computer Set-Compaq | 2 | 1,200 | 2,400 |
| Air Conditioner (NISMA) | 1 | 1,300 | 1,300 |
| HP LASER JET | 1 | 350 | 350 |
| APC UPS | 1 | 220 | 220 |
| TOTAL | | | 4,270 |

PRISCY BAKERIES LIMITED

“Bakery Project”

Vehicles

Figure in Tshs “000”

Appendix 3

| Type | Number | Rate in Tshs | Total Value in Tshs |
|---------------|---------------|---------------------|----------------------------|
| Fuso Trucks | 1 | 22,000 | 22,000 |
| Delivery Vans | 2 | 15,000 | 30,000 |
| | | | |
| TOTAL | | | 52,000 |

PRISCY BAKERIES LIMITED
“Bakery Project”
Investment & Financing Pattern
Figure in Tshs “000”

Appendix 4

| Item | Equity | Loan | Total |
|----------------------------------|----------------|----------------|----------------|
| Machinery & Equipment | 0 | 437,619 | 437,619 |
| Land 7 Building | 400,000 | | 400,000 |
| Vehicles | 52,000 | | 52,000 |
| Office Equipment | 4,270 | 0 | 4,270 |
| Furniture & Fittings | 4,500 | 0 | 4,500 |
| Initial Working Capital Expenses | 17,000 | - | 17,000 |
| | 12,500 | - | 12,500 |
| TOTAL | 490,270 | 437,619 | 927,889 |

PRISCY BAKERIES LIMITED

"Bakery Project"
Depreciation Schedule
Figure in Tshs "000"

Appendix 5

| Item/Month | Value | Rate | Method | 1 | 2 | 3 | 4 | 5 |
|----------------------------------|----------------|-----------|--------|----------------|----------------|----------------|----------------|----------------|
| Machinery & Equipment | | | | | | | | |
| Opening Balance | 437,619 | 10% SL | | 437,619 | 393,857 | 350,095 | 306,333 | 262,571 |
| Allowance | | | | 43,762 | 43,762 | 43,762 | 43,762 | 43,762 |
| Closing Balance | | | | 393,857 | 350,095 | 306,333 | 262,571 | 218,809 |
| Land & Building | | | | | | | | |
| Opening Balance | 400,000 | 4% SL | | 400,000 | 384,00 | 368,000 | 352,000 | 336,000 |
| Allowance | | | | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Closing Balance | | | | 384,000 | 368,000 | 352,000 | 336,000 | 320,000 |
| Vehicles | | | | | | | | |
| Opening Balance | 52,000 | 25% SL | | 52,000 | 39,000 | 26,000 | 13,000 | 52,000 |
| Allowance | | | | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| Closing Balance | | | | 39,000 | 26,000 | 13,000 | - | 39,000 |
| Office Equipment | | | | | | | | |
| Opening Balance | 4,270 | 20% SL | | 4,270 | 3,416 | 2,562 | 1,708 | 854 |
| Allowance | | | | 854 | 854 | 854 | 854 | 854 |
| Closing Balance | | | | 3,416 | 2,562 | 1,708 | 854 | - |
| Furniture & Fittings | | | | | | | | |
| Opening Balance | 4,500 | 12.50% SL | | 4,500 | 3,938 | 3,375 | 2,813 | 2,250 |
| Allowance | | | | 563 | 563 | 563 | 563 | 563 |
| Closing Balance | | | | 3,938 | 3,375 | 2,813 | 2,250 | 1,688 |
| Pre-operational Expenses | | | | | | | | |
| Opening Balance | 12,500 | 25% SL | | 12,500 | 9,375 | 6,250 | 3,125 | - |
| Allowance | | | | 3,125 | 3,125 | 3,125 | 3,125 | - |
| Closing Balance | | | | 9,375 | 6,250 | 3,125 | - | - |
| Total Depreciation | | | | 77,303 | 77,303 | 77,303 | 77,303 | 74,178 |
| Closing Balance | 910,889 | | | 833,585 | 756,282 | 678,978 | 601,675 | 527,497 |

PRISCY BAKERIES LIMITED

"Bakery Project"

Loan Repayment Schedule

Figure in Tshs "000"

Appendix 6

| Description | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening Balance | 437,619 | 437,619 | 328,214 | 218,809 | 109,405 |
| Principal Repayment | | 109,405 | 109,405 | 109,405 | 109,405 |
| Closing Balance | 437,619 | 328,214 | 218,809 | 109,405 | 0 |
| Interest on Loan 23% | 100,652 | 100,652 | 75,489 | 50,326 | 25,163 |
| Loan Servicing Per Annum | 100,652 | 210,057 | 184,894 | 159,731 | 134,568 |

PRISCY BAKERIES LIMITED

"Bakery Project"

Manpower Requirement

Figure in Tshs

Appendix 7

| Personnel | Number | Rate | Monthly Pay | Annual Pay |
|---------------------------|---------------|-------------|--------------------|-------------------|
| Bakery Manager | 1 | 800 | 800 | 9,600 |
| Store Keeper | 1 | 500 | 500 | 6,000 |
| Marketing/Sales Manager | 1 | 500 | 500 | 6,000 |
| Sales Personnel | 2 | 220 | 440 | 5,280 |
| Accounts Assistant | 2 | 250 | 500 | 6,000 |
| Drivers | 3 | 200 | 600 | 7,200 |
| Personal Secretary | 1 | 150 | 150 | 1,800 |
| Production Personnel | 8 | 120 | 960 | 11,520 |
| Total | 19 | | 3,650 | 43,800 |
| NSSF 10% | | | 365 | 4,380 |
| SKILLS DEV LEVY 6% | | | 219 | 2,628 |
| GRAND TOTAL | | | 4,234 | 50,808 |

PRISCY BAKERIES LIMITED

"Bakery Project"

Operating Costs Schedule

Figure in Tshs "000"

Appendix 8

| Particulars/Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|-------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Salaries/Wages | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 43,800 |
| National Social Security Fund | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 4,380 |
| Skills Development Levy 6% | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 219 | 2,628 |
| Security Services | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 |
| Consultancy Fees | 1,200 | | - | - | - | - | - | - | - | - | - | - | 1,200 |
| Printing & Stationery | 220 | - | - | - | - | - | - | - | - | - | - | - | 220 |
| Office Expenses | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 960 |
| Medical Expenses | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 |
| Promotion Expenses | 1,500 | | | 1,500 | | - | 1,500 | | - | 1,500 | | - | 6,000 |
| Telephone/Fax | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Repair/Maintenance | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,800 |
| Insurance 1% | 18,558 | | | | | | | | | | | | 18,558 |
| Total | 27,142 | 5,664 | 5,664 | 7,164 | 5,664 | 5,664 | 7,164 | 5,664 | 5,664 | 7,164 | 5,664 | 5,664 | 93,946 |

PRISCY BAKERIES LIMITED
 "Bakery Project"
 Cost of Sales of Producing 160 Loaves
 (baseline Costs)
 Figure in Tshs
 Appendix 9.1

| Item | Quality | Rate in Tshs | Total |
|----------------------|----------------|---------------------|---------------|
| Bake Flour in Kgs | 50 | 1,200 | 60,000 |
| Sugar in Kgs | 3 | 2,000 | 6,000 |
| Vegetable Oil in Lts | 1 | 2,500 | 2,500 |
| Salt in Kgs | 0.25 | 150 | 38 |
| Yeast in Kgs | 0.25 | 600 | 150 |
| Improver | 50 | 20 | 1,000 |
| Calcium | 50 | 20 | 1,000 |
| Packing Material | 170 | 6 | 1,000 |
| Diesel in Lts | 2.5 | 2,400 | 6,000 |
| Water in Lts | 40 | 12.5 | 500 |
| Miscellaneous | | | 6,812 |
| TOTAL | | | 85,000 |

PRISCY BAKERIES LIMITED
 “Bakery Project”
 Cost of Sales of Producing 160 Loaves
 (baseline Costs)
 Figure in Tshs
 Appendix 9.2

| Item | Daily | Monthly | Year 1 |
|---------------------------|-------|---------------|----------------|
| Bread in Loaves of 500gms | 4,200 | 109,200 | 1,310,400 |
| Cost in Tshs | 2,231 | 58,013 | 696,150 |

| | | | |
|---------------------------------|--------------|---------------|----------------|
| Sales at Tshs 750 @ Loaf | 3,150 | 81,900 | 982,800 |
|---------------------------------|--------------|---------------|----------------|

| Item | Daily | Monthly | Year 2 |
|---------------------------|-------|---------------|----------------|
| Bread in Loaves of 500gms | 4,500 | 117,000 | 1,404,000 |
| Cost in Tshs | 2,391 | 62,156 | 745,875 |

| | | | |
|---------------------------------|--------------|---------------|------------------|
| Sales at Tshs 750 @ Loaf | 3,375 | 87,750 | 1,053,000 |
|---------------------------------|--------------|---------------|------------------|

| Item | Daily | Monthly | Year 3 |
|---------------------------|-------|---------------|----------------|
| Bread in Loaves of 500gms | 4,800 | 124,800 | 1,497,600 |
| Cost in Tshs | 2,550 | 66,300 | 795,600 |

| | | | |
|---------------------------------|--------------|---------------|------------------|
| Sales at Tshs 750 @ Loaf | 3,600 | 93,600 | 1,123,200 |
|---------------------------------|--------------|---------------|------------------|

| Item | Daily | Monthly | Year 4-5 |
|---------------------------|-------|---------------|----------------|
| Bread in Loaves of 500gms | 5,500 | 143,000 | 1,716,000 |
| Cost in Tshs | 2,922 | 75,969 | 911,625 |

| | | | |
|---------------------------------|--------------|----------------|------------------|
| Sales at Tshs 750 @ Loaf | 4,125 | 107,250 | 1,287,000 |
|---------------------------------|--------------|----------------|------------------|

PRISCY BAKERIES LIMITED
 "Bakery Project"
 Project Income Statement Year 1-5
 Figure in Tshs

Appendix 10

| Particulars | 1 | 2 | 3 | 4 | 5 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Bread Sales | 982,800 | 1,053,00 | 1,497,000 | 1,716,000 | 1,716,000 |
| Less: Cost of Sales | 696,150 | 745,875 | 764,522 | 783,635 | 783,635 |
| Gross Profit | 286,650 | 307,125 | 733,078 | 932,365 | 932,365 |
| | | | | | |
| Less: Operating Overheads | 93,946 | 103,340 | 113,674 | 125,042 | 137,546 |
| Operating Income | 192,704 | 203,785 | 619,404 | 807,323 | 794,819 |
| | | | | | |
| Less: Capital | | | | | |
| Economic Depreciation | 6,442 | 6,442 | 6,442 | 6,442 | 6,442 |
| Interest Expense at 23% | 100,652 | 100,652 | 75,489 | 50,326 | 25,163 |
| Profit Before Tax | 85,610 | 96,690 | 537,473 | 750,555 | 763,214 |
| Corporation Tax 30% | 25,683 | 29,007 | 161,242 | 225,167 | 228,964 |
| | | | | | |
| Net Profit | 59,927 | 67,683 | 376,231 | 525,389 | 534,250 |

PRISCY BAKERIES LIMITED
 "Bakery Project"
 Project Cash flow Statement Year 1-5
 Figure in Tshs

Appendix 11

| Particulars/Year | 0 | 1 | 2 | 3 | 4 | 5 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| CASH INFLOWS | | | | | | |
| Nexus Estates Limited | 490,270 | - | - | - | - | - |
| Loan | 437,619 | - | - | - | - | - |
| Profit Before Tax | - | 85,610 | 96,690 | 537,473 | 750,555 | 763,214 |
| Economic Depreciation | - | 77,303 | 77,303 | 77,303 | 77,303 | 74,178 |
| Total Cash Inflow | 927,889 | 162,913 | 173,994 | 614,776 | 827,859 | 837,392 |
| Cash Outflows: | | | | | | |
| Investment | 927,889 | | | | | |
| | - | - | - | - | - | - |
| Corporate Tax | - | 25,683 | 29,007 | 161,242 | | |
| Loan Servicing (Principal) | | 0 | 109,405 | 109,405 | 109,405 | 109,405 |
| Total Cash Outflow s | 927,889 | 25,683 | 138,412 | 270,646 | 334,571 | 338,369 |
| NET CASH OUTFLOWS | - | 137,230 | 35,582 | 344,130 | 493,287 | 499,024 |

PRISCY BAKERIES LIMITED

"Bakery Project"

Discounted Cash flow

Figure in Tshs "000"

Appendix 12

| Particulars/Year | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------|-----------------|----------------|----------------|----------------|----------------|------------------|
| INFLOWS: | | | | | | |
| Profit after Tax | - | 59,927 | 67,683 | 376,231 | 525,389 | 534,250 |
| Depreciation | - | 77,303 | 77,303 | 77,303 | 77,303 | 74,178 |
| Residual Fixed Assets | - | | | | | 527,497 |
| Total Inflows | - | 137,230 | 144,987 | 453,534 | 602,692 | 1,135,925 |
| OUTFLOWS: | | | | | | |
| Investment | 927,889 | 0 | 0 | 0 | 0 | 52,000 |
| Total Outflow s | 927,889 | 0 | 0 | 0 | 0 | 0 |
| Net Cash flow | -927,889 | 137,230 | 144,987 | 453,534 | 602,692 | 1,083,925 |
| NPV 23% | | | | | | 139,482 |
| IRR | | | | | | 28.92% |



TIC Evaluation Report

Name of the Company
Priscy Bakeries Ltd.

| | | | | | |
|-------------|------------------------------------------------------|-------------------|---------------|----------------|--------------------------|
| Post Box | Isamilo, Plot No. 379 Block D, Nyamagana District | COI Number | 102557 | Contact | Mr. Samuel Maduhu Nkonya |
| Post Office | 238 | COI Date | 19/09/2013 | Designation | Director |
| Region | Mwanza | Application F. No | 11414 | Phone | 0 |
| Country | Tanzania | Status | | Direct Phone | 0 |
| | | Sector | Manufacturing | Cell Phone | 0784 61 82 55 |
| | | Sub Sector | Confectionery | Fax | 0 |
| | | File No | 042544 | E-Mail Address | 0 |

| Project Location | | Investment Finance Plan in Millions USD | | | | | | | | | | | |
|------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|--------------|------------|---|-------|---|-------|--|--|--|
| Plot/Block | Plot No. 379 block D | <table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.303</td> <td>0</td> <td>0.267</td> </tr> </tbody> </table> | Foreign Equity | Local Equity | Foreign Loan | Local Loan | 0 | 0.303 | 0 | 0.267 | | | |
| Foreign Equity | Local Equity | | Foreign Loan | Local Loan | | | | | | | | | |
| 0 | 0.303 | | 0 | 0.267 | | | | | | | | | |
| Street | Isamilo | | | | | | | | | | | | |
| District | Nyamagana | | | | | | | | | | | | |
| Region | Mwanza | | | | | | | | | | | | |

| Shareholders Detail | | | Investment Breakdown (USD Million) | |
|----------------------|-------------|-----|------------------------------------|-------|
| Name | Nationality | (%) | Land/Building | 0.247 |
| Lucy Reuben Nkonya | Tanzanian | 20 | Plant | 0.27 |
| Samuel Maduhu Nkonya | Tanzanian | 80 | Vehicles | 0.032 |
| | | | Furniture & Fittings | 0.002 |
| | | | Pre-expenses | 0.007 |
| | | | Others | 0.002 |
| | | | Working Capital | 0.01 |
| | | | Total | 0.57 |

| | | | |
|-------------------|-----------------------------|--------------|--------------|
| Employment | 57 | Evaluated By | ,wf officer4 |
| Capacity | 2,452,400 loaves of 500 gm. | Drawn By | wf regist3 |
| Project Turn Over | | Project Type | Local |

Description

To establish project for modern bakery

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision