

INTERGRATED ~~COMMUNICATION~~
COMMUNICATION WID

EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest USA 2.84m
- (b) Legal entity has been incorporated under certificate No. 46486 of 17/07/03

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.

Arbogast

Arbogast Revocatus

Ag. DIF

30th June 2009

EXD

In response to the TIC letter of registration dated 30th June 2009

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from CRDB Bank LTD
- (c) Lease Agreement as evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 041710 herein attached.

14/09/09

[Signature]
DIF

MINUTE

PAGE NO. _____

INTERGRATED COMMUNICATIONS LTD

P.O. BOX 106120
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of
Steel Structure Manufacturing In Dar es Salaam,

TANZANIA

Prepared for
M/s INTERGRATED COMMUNICATIONS LTD,
P.O. BOX 106120,
DAR ES SALAAM.

INTERGRATED COMMUNICATIONS LTD

P.O. Box 106120,
Dar Es Salaam.

Index

S/No	Subject	Page NO. 1
1	Introduction	03
2	Company Details	03
3.	The Project	04
4.	Project Location & Inputs	05
5.	The Market & Demand	05
6.	Promoters & Management	07
7	Servicing Process & Technology	07
8	Manpower	07
9	Cost of the Project & Means of Finance	08
10.	Project Implementation Schedule	10
11.	Project Financials	10
12.	Social & Development Benefits	12
13.	Conclusion & Recommendations	13

List of Appendices:-

- ◆ Cost of the Project & Means of Finance
- ◆ Projected Five Years Profit & Loss Account
- ◆ Project Five Years Balance Sheet
- ◆ Projected Five Years Funds Flow Statement
- ◆ Projected Taxation Schedule
- ◆ Projected Depreciation Statement (Phase I)
- ◆ Projected Depreciation Statement (Phase II)
- ◆ Chart on Projected Profits for Five Years
- ◆ Chart on Cash-Profits for Five Years
- ◆ Implementation Schedule (Phase I)
- ◆ Implementation Schedule (Phase II)

0.1 Introduction

This feasibility study report has being prepared for **M/S INTERGRATED COMMUNICATIONS LTD of P.O. BOX 106120 DAR ES SALAAM, Tanzania** hereinafter referred to as ICL. ICL has undertaken a project to venture into the business as Manufacturer/Assemblers of specialized Steel structures, for different commercial purposes like marketing and other publicities and concert stages as well as designers, Manufacturer's representatives and commission agents and dealers in all kinds of mechanical, engineering and all allied products of Steel and Billboards systems and Engineering works. The promoters are well experienced in the envisaged line of business. The promoters have enough financial resources to see through the project and will bring in foreign exchange right from the inception stage of the project.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by ICL. Most of the data has been complied by the promoters' own research and study in Tanzania and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and community related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

02. Company Details:

Registration:

M/s ICL was registered with the Registrar of Companies on 17th July 2003, as a limited liability company. The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 46486.

Object Clause:

"To carry on the business of Steel structures and Billboards posts manufacturing/assembling plant, for constructions of concert stages fixing, repairing and technical drawings on building contractors, masonry and general advertising contractors and were necessary to give consultation on the same, to carry on business of general merchandise, merchants or broker to be commission agents for all kinds of business ,imports, exports, hire, sell, purchase and as well dealing in all kinds of mechanical, systems as well as in Engineering works.

"Also To carry on the business of manufacturing of sub materials related to steel posts and metal posts for streets and to buy and sell steel posts and iron metal posts products and deal in these products as principals or as agents of other companies from within the country or from outside this country or outside in the business of selling, manufacturing, buying or turning any type of steel or iron metal into any form, and also include manufacturing of allied products as well"

Other object clauses includes the business of importers and exporters, buyers and sellers of all types of office supplies, computers, Printers, UPS, Photocopiers, Fax machines, Office furniture's, creative activities of various kinds, machinery, computers and thereby acting as dealers of information technologies as applicable to any authorities etc, and also interest in construction line.

Promoters/Shareholders & Directors:

The Shareholders of ICL are as under:

Name of the Share Holder	Nationality	% Holding
Ms. ZEK Group Int.Ltd P.O. BOX 71035, Dar es Salaam	Tanzanian	80%
Fredrick Njeru Nthiga P.O. BOX 106120, Dar es Salaam.	Kenyan	20%

Location of the Proposed Site:

The site for the business shall be at plot number 17, Uporoto St /Ali Hassan Mwinyi rd, Kinondoni Municipal, Dar es Salaam Region. Since the project is concerned with manufacturing/assembling of steel/metal posts in Promotional marketing line of business and also to maintain and improve steel posts and advert structures towards the maintenance and improvement of structured cabling, and other promotional design related kinds of business.

Registered Office Address:

Plot 17 Ali Hassan Mwinyi Rd/Uporoto Street, Kinondoni, DAR ES SALAAM.

03. The Project:

The basic purpose of the entire project is to add value to the abundantly available inputs, which have hitherto not been adequately exploited. The project will create more wealth for the nation and shall endeavor to bring in more prosperity and economic independence.

Own study of the promoters has revealed that there are nearly 15 species of steel and iron, which are considered to be of inferior quality and therefore barring for one or two species non have been exploited commercially. ICL is interested in venturing into this area, as they are confident about their latest technology and manufacturing process. ICL is sure to process high quality steel products and iron metal out of the so considered inferior quality signage.

The project will ensure that it will replace to very large extent steel Contain sand billboards, which are being imported as on date to be used by various government and private agencies, like the railways, Transport Corporation of Tanzania and various domestic users. The steel and iron in various sizes will be mainly exported which will bring in valuable foreign exchange for the country.

04. Project Location & Inputs: -

Since the project is related to manufacturing of steel structures, iron, metal, bill boards, etc., which is an outcome of specialized processes carried out on raw steel or signage, the project location preferably has to be near to the harbor, airport and easily accessible to upcountry. A part from the very fact that the project requires lot of steel transport related issues also dictate the location of such projects as being nearer to the source of raw materials.

Promoters have identified more than 1 acre of land, which is on the Uporoto road, Kinondoni Municipal. The plots or areas identified are outside the municipal limits. Such location has resulted into relatively cheaper land with very easy access to the city infrastructure. The promoters have made necessary contracts with the District Land Development Office and have received confirmation about availability of the envisaged plot of land. As of now some 1 acre of land has already been taken on long term lease. In other words availability of adequate land, which is so crucial for the success of such project, has been more or less tied up. Such situation provides the project with an edge as compared to others in similar lines.

The local authorities have assured the promoters about adequate supply of power and water, which is required for the successful running of the business. Power requirement has been estimated at 1,100 h.p. With 24 hours running. A iron sheet will be constructed at the site and will require considerable amount of water, however since the water will be stored in one place no major bottleneck on that count is envisaged or anticipated.

0.5 The Market and Demand:-

Steel structures, Iron, Metal, and Bill Boards that form the core product line of this project are all sourced from steel. These products are being used in outdoor industry as well as in preparation of industrial and domestic use. The end use of Steel structures are numerous ranging from outdoors, ceiling walls, furniture, berths, desks school and college benches, temporary structures, houses etc. a review of the various end uses listed (Where the list is not exhaustive) here itself can provide enough indication about the demand for the product envisaged buy the project. Steel structures in various sizes have a ready export market and have lot of domestic demand.

The promoters reportedly carried out a survey of various regions in Tanzania where such project can be established with minimal obstacles. Their study led them to the Dar es Salaam region, it also has advantages in terms of more advanced infrastructures and availability of adequate local manpower, power and roads also market potentials, besides it is the main commercial city of Tanzania. Dar es Salaam shall also prove to be one of the most important markets and as such Dar es Salaam is the only region with big infrastructures in case of demand is also very high, than the rests of other regions that assures the project to be a going concerns one, and the fact Dodoma as a political head quarter also due to the rapid expansions which just underway, to boosts other regions infrastructures like in Mwanza, Arusha, Tanga, Mbeya etc, the above said project has a ready market. Also Dar es Salaam region enjoys the benefits of being near to the source for sourcing raw materials i.e. being close to harbor and airport, relatively better infrastructure and also being quite near to the main market.

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 5 years and that has resulted into spurt of demand for quality products. The demand has been more pronounced in the basic necessity sector. Furniture and construction sector have also shown impressive growth. The products of ICL form the basic for outdoor industry. It is used in all stages of advertising. It is useful in the initial stage and once the outdoor is completed it is required for interior decoration and for creation of useful attachments.

As on date, as revealed by the survey carried out by promoters, more than 90% of the demand for steel structures, iron, metal, bill boards is being serviced through imports. Besides due to imports (which are costlier), it is felt that the real demand is not being exhibited. The promoters are confident that all their produce will meet with ready market.

From marketing angle, apart from the points noted above, this project enjoyed a distinct advantage. There are certain international standards in which the dimensions are available for steel structures, iron, bill boards, however ICL envisaged assembling steel structures, iron, bill boards in various sizes, which can suit the requirements of local populace. This strategy shall provide the project with an additional marketing edge compared to imports, the first edge being lower prices. ICL believes that creation of non-standard size shall not only make it more viable/profitable but will in long run also ensure maximum utilization of available resources.

ICL plans to establish the entire project into two phases. In the first phase (which shall run for first six months), output expected from the project is nearly 100 cubic meters and in further twelve months (being the second phase) the capacity will be increased to 450 cubic meters.

ICL promoters firmly believe that they will not encounter any major hurdle in marketing their produce. Some time will definitely be required as the product boast of being import substitute and the products are not meant for direct consumption (which implies that they are being sold to an intermediary). However in long run ICL promoters and management are very much sure about the successful operation of the project.

The per capital consumption of steel and iron in Tanzania is one of the lowest in the world and the growing economy and changes in international situation it is very likely that the demand for steel products shall grown in geometric proportions. ICL seeks to initiate its activities on the premise of such calculations.

In nut shell as observed in this chapter market and demand for the product can not pose to be a bottle neck for successful Expansion and running of the project envisaged.

06. Promoters & Management:-

The importance of well-informed promoters and professional management can never be over estimated for successful implementation of the any project. It is said that well – informed promoter and professional management can make even a not so viable project otherwise and vice-a-versa.

07. Assembling Process and Technology: -

The factory to be put-up for manufacture steel structures, billboards, etc., shall be a very simple and target oriented structure. Pillars will support the roof and the sidewalls will leave open. This will not only ensure that the initial set – up cost of the project will be minimal but will also enable ICL to increase the factory will maintain a very large open space to accommodate the storage of steel received in form of logs waiting for further processing.

The project envisages manufacture of:

- ◆ M.R. Grade steel (Moisture Resistance).
- ◆ B.W.P. Grade steel (Boiling Water Proof).
- ◆ Film faced steel;
- ◆ Checkered steel;
- ◆ Flush Doors;
- ◆ Bill Boards; and
- ◆ Iron sheets.

This is done to accommodate the process of sorting out of the good and bad steel. The bad steel identified is thrown into the boiler and is treated as boiler fuel. The veneers are then dried in the driers and then taken to the hot press. The Number of layers of core veneers will depend upon the thickness of the steel structure required. The assembled veneers are fed into the press and pressed under pressure & temperature as required by the thickness & size of the sheet. The largest size manufacturer is 8 fts. By 4 fts.

ICL envisages manufacturing of all the varieties of steel structures, iron, metal, bill boards in varying sizes such as (all dimensions in feet) 8*4, 7*4, 6*4, 5*4, 8*3, 7*3, 6*3, 5*3. In addition to these sizes ICL shall also produce other sizes as per local market demand. 8*4 is the only size, which is movable in the international market, and therefore the same size will be made available for the export market. After the required and then taken to the D.D. saw to cut the same into required sizes of steel structures. Then the same is taken to the sanding machines and sanded. The finished steel further checked piece-by-piece by the final checking authority and an OK Seal and the brand name is affixed & the steel ready for the market.

For the manufacture of moisture resistant grade of steel bars, bill board a chemical process is undertaken wherein urea formal dehydrate is used along with melamine TSP (tamarind seed powder) etc. Similarly for manufacture of boiling water proof (BWP) steel bars/bill boards these are processed by using phenol formal dehydrate is used.

08. Manpower: -

Although the project of manufacturing steel structures, iron and metal will require lot of automatic machines, lot of manpower especially at lower end shall be required to carry out preparatory processes as well as for quick movement of steel within the factory premises.

ICL estimated that total manpower required will nearly 220 however in the first stage of project implementation nearly 300 workers will be required. The first phase of the project will result into an output of nearly 100 cubic meters (per day). The first stage will be achieved within two the three months and the second and final stage of current project will take another 21 months from the date of completion of the first project. Once the second and the final stage is completed the output per day will increase to 450 cubic meters a day. The manpower requirement after the completion of both the phases will be 1,000.

ICL will hire expatriates to oversee the operations. Workers will be guided and trained by the expatriate technical experts to run machines. Organization hierarchy shall be as under:-

- a. **Top level**
 - Chairman cum Managing Director
 - General Manager
- b. **Middle Level**
 - Production Manager
 - Chief Engineer
 - Finance Manager
 - Marketing Manager
- c. **Lower Level**
 - Production Supervisors
 - Personnel and Administrative Officer
 - Accounts Officer.
 - Sales Officer

ICL shall endeavor to promote local staff as much as possible to ensure better employment opportunities to the local populace. However it shall always ensure that efficiency of the unit is kept intact.

ICL shall run simultaneously a small in-house training house, where the experts will provide training to the new recruits before they are put on the jobs for on-job training. ICL believes that a motivated and skilled manpower can for sure bring in immense benefits to the industry and can ensure peaceful co-existence of all concerned.

09. Cost of the Project & Means of Finance:-

A. Cost of the Project:-

Sr. NO.	Details	US \$
1	Land & Building	50,000/=
2.	Plant / Machinery & Equipments	2,200,000/=
3.	Furniture, Computers & Fixtures	25,000/=
4.	Vehicles	450,000/=
5.	Pre-operating Costs	25,000/=
6.	Initial working capital	75,000/=
7.	Others	15,000/=
	Total Cost of the Project	2,840,000/=

B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	840,000/=
2	Promoters' Loan	2,000,000/=
	Total Means of finance	2,840,000/=

The total cost of the project consisting of both the phases has been estimated at **US \$ 2,840,000/=** as can be seen from the above chart, majority of the expenses involved will be on Machinery and Equipments. Nearly 73.33%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

Building will be a simple structure based on pillars with sidewalls open to facilitate future expansions. The height of the factory shed will be 15 feet. A small training house and a rest room for the workers will also be constructed.

In-house utility vehicles will be needed to transport the Steel products from the company premises to the end user's place i.e. to the point of fixing and servicing and also for moving the cargos within the project premises wherever required.

Office furniture will be bare minimum and so will be computers (may be three sets). Telephone lines; fax line and Internet line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to bring in enough quantity of lamps and street light posts, traffic lights and other electrical engineering related equipments, spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The promoters of ICL are in possession of required finances and are committed to put in the same as and when required. The initial capital has been created at 75,000/= US dollars.

10. Project Implementation Schedule:-

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 100 cubic meters a day and after completion of the second phase the manufacturing capacity shall be 450 cubic meters a day.

The project implementation schedule is shown in form of a table hereunder (PHASE II).

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	June 2009 & November 2009
02	Factory Shed Complete & Plant Layout finalized for implementation.	November 2009 & December 2009
03	Order placement for various machineries, recruitment of key personnel	January 2010 & February 2010.
04	Installation of Plant & Machines	March/April 2010
05	Procurement of logs for initial trial runs and plant commissioning.	April/May 2010
06	Commencement of Trial Runs	May/June 2010
07	Commencement of Commercial Operations.	May/June 2010.

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

11. Project Financials:-

11.01 Assumptions

- a) The rate of one US \$ is equal to T.shs 1,330/=
- b) Required labor force will be available
- c) Required permits will be granted within the limited time schedule to ensure implementation as per schedule.
- d) The first phase will be operational within a span of three months.
- e) The second phase will taken nearly 21 months to complete after the start of first year and will increase the capacity to 100 cubic tones per day.
- f) Total investment will be US \$ 2,840,000/=
- g) The project will have own finance
- h) Land will be available on lease in future as and when required.

11.02 Projected Five Years Profitability Statements

As can be seen from the enclosed projected profitability statement, the company will not earn profits in the first year where the operations are to run only for six months; however there will be cash- profits.

The company will attain a turnover of US \$ 0. 2 million in first six months; will go up to US \$ 0. 4 millions in the next years and from third year of operation will remain steady at US \$80,000/=.

The profits will start coming from the 2nd year of operations. From the year 4 and onwards the annual profits will be in the range of US \$ 0.5 million and above. The project enjoys a payback period of 5 years.

The company will be earning gross profit @ 6% and net profit of nearly 2.5%. For a very large project, like this a net profit of 2% is quite reasonable. Government will earn lot of revenues due to such high turnover.

Selling costs have been assumed at 2% of the sales and other overheads have been assumed not to cross US \$ 50,000 a month including manpower costs.

Depreciation has been provided as per the prevailing income tax rates. Further full depreciation has been provided on assets purchased during the year. Separate schedules are attached with this report for calculation of depreciation.

11.03 Projected Five Years Balance Sheet

The enclosed balance sheet shows a very sound position of the company. The current assets ration is in excess of 1.2 from the beginning and by the year 5 it reaches 2.

Inventory will be maintained only for a period of one week. The reason being the project is going to be located in the close proximity of source of materials.

Creditors will be outstanding for a period of 15 days and suppliers of services will be paid at the expiry of one month.

11.04 Projected Five Years Funds Flow Statements:-

As can be seen from the appended projected funds flow statement the company will be financed by the promoter's own funds.

Operating profits will be ploughed in to the business. Once the operations are steadied from the year 2012, the annual contribution of operational profits shall be turning the tune of US \$ 160,000/=

Depending on the surplus available, promoter's loan will be re-paid. As can be seen the company shall be in a position to commence repayment or promoters' loan by the year 2014.

As the operations will grow, the net working capital requirement will also grow. As can be seen the increase in net current assets will be from US \$ 90,000/= (year 2009) to US \$280,000/= (year 2012).

The company assumes to maintain a positive cash balance of US \$ 45,000/= to US \$80,000/=.

11.05 Projected Five Years Taxation Schedule:-

The company will enjoy tax incentives as per the governing laws of the country. It will have taxable profits only from the year 2013 and will then onwards contribute to the exchequer in excess of US \$ 50,000/= in the first year and then onwards in excess of US \$ 140,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. Social & Development Benefits:-

◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 220 locals inclusive of skilled, semi- skilled and un-skilled class. One expatriate will also be employed as per the requirement of the project.

This direct employment of more than 220 individuals will generate indirect employment for more than 450 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

◆ Transfer of technology

This project being a manufacturing and assembling project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

◆ Contribution to the exchequer.

This project will contribute substantially to the society in general and to the exchequer in particular. As has been observed the total turnover at 100% utilization will be in the range of US \$ 24 million. This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition the company will also be contributing in terms of corporate taxation from the year 2013 onwards.

◆ Positive cascading impact on the nation's economy.

This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 220 individuals and will provide means of livelihood to more than 450 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

. This project will thus result into regional development. This project will thus held the government to further its own objective of promoting regional development.

13. Conclusion & Recommendation:-

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

◆ The country will get a manufacturing/assembly unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with

contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.

- ◆ The project will bring in latest technology in the relevant field and will ensure training or development of skilled labor force in the country. The labor force will get on –job training and will thus make them more and more competent.
- ◆ The project will lead to regional development besides. As it will be located in Dar Es Salaam Region and other regions to follow. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region. It will arrest migration of individuals and will also alleviate the problem of congestion and concentration of working force in Dar es Salaam region.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam region and other neighboring regions and for the country as a whole.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.

We therefore recommend that this project be supported in totality, as it will be in favor of the nation on a whole.

**INTERGRATED COMMUNICATIONS LIMITED
INVESTMENT COST**

US\$

	FOREIGN	LOCAL	TOTAL
BUILDING AND BUILDINGS		50,000	50,000
PLANT AND MACHINERY/EQUIPMENTS		2,200,000	2,200,000
MOTOR VEHICLES		450,000	450,000
OTHERS		15,000	15000
FURNITURE AND FITTING		25,000	25000
WORKING CAPITAL		75,000	75000
PRE-OPERATIONAL EXPENSES		25,000	25,000
TOTAL INVESTMENT COST			2,840,000

INTERGRATED COMMUNICATIONS LTD

DEPRECIATION SCHEDULE

	US\$		1	2	3	4	5	6	7	8	9	10
Land and Building	50,000	4%	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Plant&Machinery/Equip	2,200,000	12.5%	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400
Others	25,000											
Motor vehicle	450,000	25%	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560
Furniture & Fittings	25,000	12.5%	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750
Working Capital	75,000											
Pre-operational expenses	15,000	20%	4,400	4,400	4,400	4,400	4,400					
	2,840,000		66,310	66,310	66,310	66,310	66,310	61,910	61,910	61,910	61,910	61,910

**INTERGRATED COMMUNICATIONS LIMITED
FINANCING PATTERN**

US\$

	FOREIGN	LOCAL	TOTAL
EQUITY		2,840,000	2,840,000
TOTAL		2,840,000	2,840,000

Appendix IV

INTERGRATED COMMUNICATIONS LTD

BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	US\$
1 MOTOR VEHICLES		
18 TONNES TRUCKS	3	
MINI BUS	6	
PICK UPS/LIGHT TRUCKS	6	
TOTAL VEHICLES TO BE PURCHASED	15	450,000

**INTERGRATED COMMUNICATIONS LTD
WORKING CAPITAL**

Appendix VI

US\$

YEAR	Assump.	1	2	3	4	5	6	7	8	9	10
Stock											
Steel	3 months essential packs	125	141	157	157	157	157	157	157	157	157
Iron	1 months requirement	29	33	37	37	37	37	37	37	37	37
Utilities	2 months	8	8	8	8	8	8	8	8	8	8
Cash	1 months	12	12	12	12	12	12	12	12	12	12
		174	194	214	214	214	214	214	214	214	214
Debtors											
5% income		387	434	484	484	484	484	484	484	484	484
Creditors											
1 month overheads		32	36	40	40	40	40	40	40	40	40
Total Creditors		32	36	40	40	40	40	40	40	40	40
Net Working Capital		355	398	444	444	444	444	444	444	444	444
Charge in Working Capital		355	43	46							

Appendix VII
INTERGRATED COMMUNICATIONS LTD
SALARIES AND WAGES

	NOS.	SALARY PER MONTH	SALARY PER ANNUM
Executive1	1	500	6,000
Executive2	1	350	12,600
Accountants	2	150	18,000
Office Attendants	2	65	3,120
Security Guard	4	65	39,000
Total Salaries	10		78,720

**INTERGRATED COMMUNICATIONS LTD
PROJECTED PROFIT AND LOSS ACCOUNTS**

USD 000

	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100							
Sales Revenue	4,866	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Operating Expenses										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	323	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,480	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	5,174	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
Financial and Capital Charges										
Depreciation	563	537	553	549	545	540	537	534	533	531
Profit before Tax	4,162	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Profit after Tax	2,913									
Capital Allowance	3,251	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Taxation 30%	975	1,998	2,245	2,246	2,247	2,249	2,250	2,251	2,251	2,257
Profit after Tax	5,174	4,441	5,238	5,241	5,244	5,247	5,249	5,251	5,252	5,248
Profit Brought Forward	-	2,276	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659
Total Revenue	5,174	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659	48,907

INTERGRATED COMMUNICATIONS LTD
PROJECTED PROFIT CASHFLOW

USD000

	0	1	2	3	4	5	6	7	8	9	10
CASH INFLOW											
Capital inflow Equity	2,840										
OPERATIONAL INFLOW											
Profit before Tax		6,150	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Depreciation		563	557	553	549	545	540	537	534	533	531
Total Cash Inflow	2,840	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
CASH INFLOW											
Investment	2,840	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
OUTFLOW											
Taxation	840	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	2,000	43	46								
Total Cash Outflow	2,840	1,330	2,041	2,291	2,240	2,247	2,249	2,250	2,251	2,251	2,251
Net Cash Outflow	0	5,353	5,175	5,745	5,790	5,789	5,787	5,786	5,785	5,785	5,785
Opening Balance	-	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025
Closing Balance	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025	56,810

CRDB\BB\ICLTD\VOL.1\08

10th November, 2008The Executive Director,
Tanzania Investments Centre,
P.O.BOX
DAR ES SALAAM.

Dear Sir,

**RE: CONFIRMATION ON INTEGRATED COMMUNICATIONS
LIMITED**

Please note that we have been approached by our esteemed customer in the name of INTEGRATED COMMUNICATIONS LIMITED requesting us to write to your good office for confirmation of the same having an account with our bank.

In view of the foregoing, we have the pleasure to confirm hereby that INTEGRATED COMMUNICATIONS LIMITED is maintaining a current account with our Holland House Branch and with respect to their account turnover in terms of deposits, has been impressive. Overall, account operations have been to our great satisfaction

We are looking forward for your good office to assist them on matters pertaining to their request for confirmation

Thank you for your always cordial cooperation.

**Yours faithfully,
CRDB BANK PLC**
**C.A.N MESEYECK
BRANCH DIRECTOR**

TICC/PP.10/041710/3

30 June 2009

Managing Director,
Integrated Communication Limited,
P.O. Box 106120,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF STEEL STRUCTURE MANUFACTURING
FACILITY**

We wish to acknowledge receipt of your project proposal to establish steel structure manufacturing facility as presented in the TIC P.A. 1 Form No. 07946 and Feasibility Study with a projected investment of USD 2.84m.

We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given 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: -

- Company Board Resolution accompanied by Bank Reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment Act, 1997.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:

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

.../2

TICC/PP.10/041710/3

30 June 2009

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

Yours sincerely,

Tanzania Investment Centre



B. D. Chonjo

For: Executive Director

Copy to: Permanent Secretary,
Ministry of Finance and Economic Affairs,
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



Name of the Company
Intergrated Communication Ltd.

Post Box	Uporoto/Ally Hassan Mwinyi Plot No. 17	COI Number	46486	Contact	Mr. Fredrick N. Nthiga
Post Office	106120	COI Date	17/07/2003	Designation	Director
Region	Dar Es Salaam	Application F. No	07946	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0784 720 005
		Sub Sector	Steel	Fax	0
		File No	041710	E-Mail Address	Fred@Intergrated.Co.Tz

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 17	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.84</td> <td>0</td> <td>2</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.84	0	2		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.84		0	2								
Street	Uporoto/Ally Hassan Mwinyi											
District	Ilala											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.05
ZEK Group Int. Ltd.	Tanzanian	80	Plant	2.2
Fredrick N. Nthiga	Kenyan	20	Vehicles	0.45
			Furniture & Fittings	0.025
			Pre-expenses	0.025
			Others	0.015
			Working Capital	0.075
			Total	2.84

Employment	223	Evaluated By	Revocatus Arbogast
Capacity	450 cubic metre	Drawn By	Dorah Registry
Project Turn Over			

Description
 To establish steel structures manufacturing facilities

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

Decision

Approved *[Signature]*
 25/6

INTERGRATED COMMUNICATIONS LIMITED.

P.O. Box 106120,
Plot 17, Ali H Mwinyi Rd. Uporoto St,
Dar es Salaam,
TANZANIA.

①



10th June 2009

Executive Director,
Tanzania Investment Centre,
P.O. Box 938,
Dar es Salaam.

APPLICATION FOR TIC CERTIFICATE OF INCENTIVES IN FAVOUR OF STEEL STRUCTURES.

Please refer to the above heading. We as local investors;

- We are planning to establish a Steel Structures/Billboards Assembling Plant in Dar es Salaam. The entire Project will be established and operated on leased properties. The leased premises will therefore involve refurbishment, partitioning and electricity installations to meet required standards.

Attached herewith please find a revised business plan and application form dully filled, certificate of incorporation, memorandum and articles of association, Bank reference, and Land evidence for your necessary consideration.

Thanking you in advance.

Yours Sincerely,
Intergrated Communications Ltd


Fredrick Njeru Nthiga.
Managing Director

for

INTERGRATED COMMUNICATIONS LIMITED.

P.O. Box 106120,
Plot 17, Ali H Mwinyi Rd, Uporoto St.
Dar es Salaam,
TANZANIA.

EXTRACT OF THE RESOLUTION PASSED IN THE EXTRA ORDINARY GENERAL MEETING OF M/S INTERGRATED COMMUNICATIONS LIMITED HELD ON 5TH MAY 2009 AT 09:00 HOURS.

PRESENT:

1. Fredrick Njeru Nthiga
2. ZEK Group Int ltd. (Z.E.Koola)

"RESOLVED that the company should apply to Tanzania Investment Centre (TIC) in order to obtain the approval for the project. **Fredrick N Nthiga** was authorized to prepare and submit all required documents to TIC to get the Certificate of Approval"

CERTIFIED TRUE COPY



SIGNATURE

LEASE AGREEMENT:

AGRODAK CO of P.o.Box 32342, DAR ES SALAAM (here in after called the **LESSOR**) hereby lease to **INTERGRATED COMMUNICATIONS Ltd of P.o Box 106120, Dar es Salaam** (here in after called the **LESSEE**) a premises situated at, plot no 17, Ali Hassan road/Uporoto st, Kinondoni District, Dar es Salaam, (here in after called the demised premises) for a term of Fifteen (15) years commencing on 1st November 2005 to 30th November 2016 at a monthly rent of United States Dollars 1,200. (One thousand two hundred only) thus making a total of United States Dollars 14,400. (Fourteen thousands four hundred only) the first year and United States dollars 1,200. (One thousand only) monthly thus making a total of United States dollars 14,400. Per annum for the next remaining fourteen years.i.e from 1st December 2009 to 31st December 2016.

The **LESSEE** hereby covenant with the **LESSOR** during the term hereby created as follows:-

1. To pay the rent hereby reserved on the days in the manner aforesaid.
2. To pay water and electricity charges as from the date of occupation until the expiration of the lease.
3. **Not to permit** to assign, sublet or part with the possession of the demised premises or any parts thereof under any reason or circumstance whatsoever.
4. To use the demised premises for commercial purposes only.
5. To permit the **LESSOR** or her duly authorized Agents, Surveyors and Workman with Tools and all necessary appliances at all reasonable times during the term hereby Created and upon giving two weeks previous written notice to enter upon the demised Premises or any part or parts thereof and as often as the **LESSOR** shall reasonably Desirer or direct for the purpose of examining the state and condition thereof and for Any such repairs, alteration, additions, improvements or renewals to or of the demised or any part or parts thereof.
6. To keep the demises premises including all floors, walls, ceilings, doors, windows, Locks and fittings and fixtures therein or thereon well and sufficiently cleaned, good and tenantable repair and condition, wear and tear expected.

The **LESSOR** hereby covenant with the **LESSEE** as follows:-

1. That the **LESSEE** paying the rent herein before resumes performing and observing the Several covenants and conditions on his behalf herein contained shall be entitled Peacefully to hold and enjoy the demised premises during the terms hereby created Without any interruption by the **LESSOR** or any person or persons rightfully claiming Through, under or in trust for him.
2. To keep the walls, ceiling, roof, drainage and sewage in good, tenantable repair and Condition,
3. The contract will be for complete one year and either party if interested to renew the Agreement the **LESSEE** should inform the **LESSOR** in writing one month before the

Expiration of the Lease Agreement.

4. The Lessee shall pay the rent as agreed failure to that the Lessor has the right to Terminate the agreement forthwith.

PROVIDED ALWAYS and it is **HEREBY AGREED AND DECLARED that:**

If the rent reserved or any parts thereof shall in arrears for the space of twenty-one days (21) next after any of the days whereon the said out to be paid as aforesaid.

(Where the same have demanded formally or not) or if there shall have been any breach of any of the covenants of conditions (or non performance of the same) therein before contained them and in any such case it shall be lawful for **the LESSOR** to enter at any time in the demised premises or any parts thereof in the name of the whole and the same have again have the responses and enjoy in his favour state.

SIGNED and DELIVERED by the said
AGRODAK CO.

Who is known to me personally
This day..... 14 NOVEMBER 2005

»
»
»

Kimani
.....
OWNER
(LESSOR)

NAME:.....

ADDRESS:.....

QUALIFICATION:.....



SIGNED and DELIVERED by the said
Fredrick N Nthiga.

Who is known to me personally
This day..... 14 NOVEMBER 2005

»
»
»
»

Fredrick N Nthiga
.....
(LESSEE)

NAME:.....

ADDRESS:.....

QUALIFICATION:.....





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 Frederick Njeru Nthiga
(director/directors/agent of INTEGRATED COMMUNICATIONS LTD
(name of business enterprise) apply for registration of TIC
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 COBATE ST/ALHASSAN M/WINGI
DAR ES SALAAM

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 7, Uparubutu, Dar
4. The Principal Officers of the Company are
1. Frederick N. Nthiga
2. ZEC Group International Ltd (ZELG)
5. Auditors of the Company are SK Associates
6. The authorized share capital of the Company is Tshs./US\$ 5,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,840,000/-

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

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\$

1000/- Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

I, Fredzola Njiru Nthiga of Post Office Number 106120 Dar

Dar es Salaam do solemnly and sincerely declare that I am a director/duly authorized agent of INTERGRATED COMMUNICATION 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 Dar es Salaam }

The 10 day of June 2003 }


Applicant

Before me:



.....
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: INTERGRATED COMMUNICATIONS LIMITED

Certificate of Incorporation Number: 46486 Status: New

Certificate of Incorporation Date: 17th July 2003

Post Box: 106120

Town: Dar es Salaam

Sector: Manufacturing Sub-Sector: Steel structure

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
80,000 2,000,000

Project Objectives: Establishment of Steel structure Manufacturing Unit in Dar es Salaam

Capacity: 450 cubic meters

Employment: Foreign: 2 Local: 220 Total: 222

Implementation Period: 3yrs

Project Location

Site/Plot/Block No.: 17

Street: 17/107/AH Mwingi District: KWARDINI Region: DARIES SALTAH
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
1. Fredrick N. Mthiga Kenyan 20
2. ZAC GROUP INT. LTD Tanzanian 80



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 Fredrick Njeru Nthiga
(director/directors/agent of INTERGRATED COMMUNICATIONS LTD
(name of business enterprise) apply for registration of TIC
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 CCORATE ST/A HASSEN M/WINGI
DAR ES SALAAM

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 7. Uparokost. Dar

4. The Principal Officers of the Company are
1. Fredrick N. Nthiga
2. ZEC GROUP International Ltd (ZEG-6)

5. Auditors of the Company are SK ASSOCIATES

6. The authorized share capital of the Company is Tshs. US\$ 5,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,840,000/-

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

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\$ 1000/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, Fredricka Njiru Mthiga of Post Office Number 106120 Dar

Salaam do solemnly and sincerely declare that I am a director/duly authorized agent of INTEGRATED COMMUNICATION 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 Dar es Salaam }

The 10 day of June 2003 }


Applicant

Before me:



.....
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: INTERGRATED COMMUNICATIONS LIMITED

Certificate of Incorporation Number: 46486 **Status:** Non

Certificate of Incorporation Date: 12th July 2005

Post Box: 106120

Town: Dares Salaam

Sector: Manufacturing **Sub-Sector:** Steel structure

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>80,000</u>	.....	<u>2,000,000</u>

Project Objectives: Establishment of Steel structure
Manufacturing Unit in Dares Salaam

Capacity: 450 cubic meters

Employment: Foreign: 3 Local: 220 Total: 223

Implementation Period: 3yrs

Project Location

Site/Plot/Block No.: 17

Street: Algeria/Al Mwingi **District:** KINORDENI **Region:** DARES SALAAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>1. Fredrick N. Mthiga</u>	<u>Kenyan</u>	<u>20</u>
<u>2. ZAC GROUP INT. LTD</u>	<u>Tanzanian</u>	<u>80</u>
.....
.....
.....

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

Land/Building	58,000/-
Plant	2,200,000/-
Vehicles	450,000/-
Furniture & Fittings	25,000/-
Pre-expenses	25,000/-
Others	15,000/-
Working Capital	75,000/-
TOTAL	2,840,000/-

Contact Details:

Name: Fredrick N. Mthiga Title: Director
Telephone: 084 - 720000 Fax: _____
Email: fred@integrated.co.tz

Payments to be made payable to:

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

4



TFN. 614 (Rev. 8.94)

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

37887395

1

KIASI
Amount

Shs.					Cts.	
1	0	0	0	0	0	0

NIMEPOKEA KWA
Received from

Intergrated Communication Ltd

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words)

us dollar seven hundred fifty only

DINA SENTI
And Cents

KWA MALIPO YA
In respect of

Certificate of Incentive

KWA FEDHA TASLIMU/HUNDI
By Cash/Cheque No.

Cash

KITUO - Station

Dsm

SAHIMI YA MPOKEAJI
Signature

[Signature]

CHEO - Title
Ace

TAREHI - Date
10-09-09



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

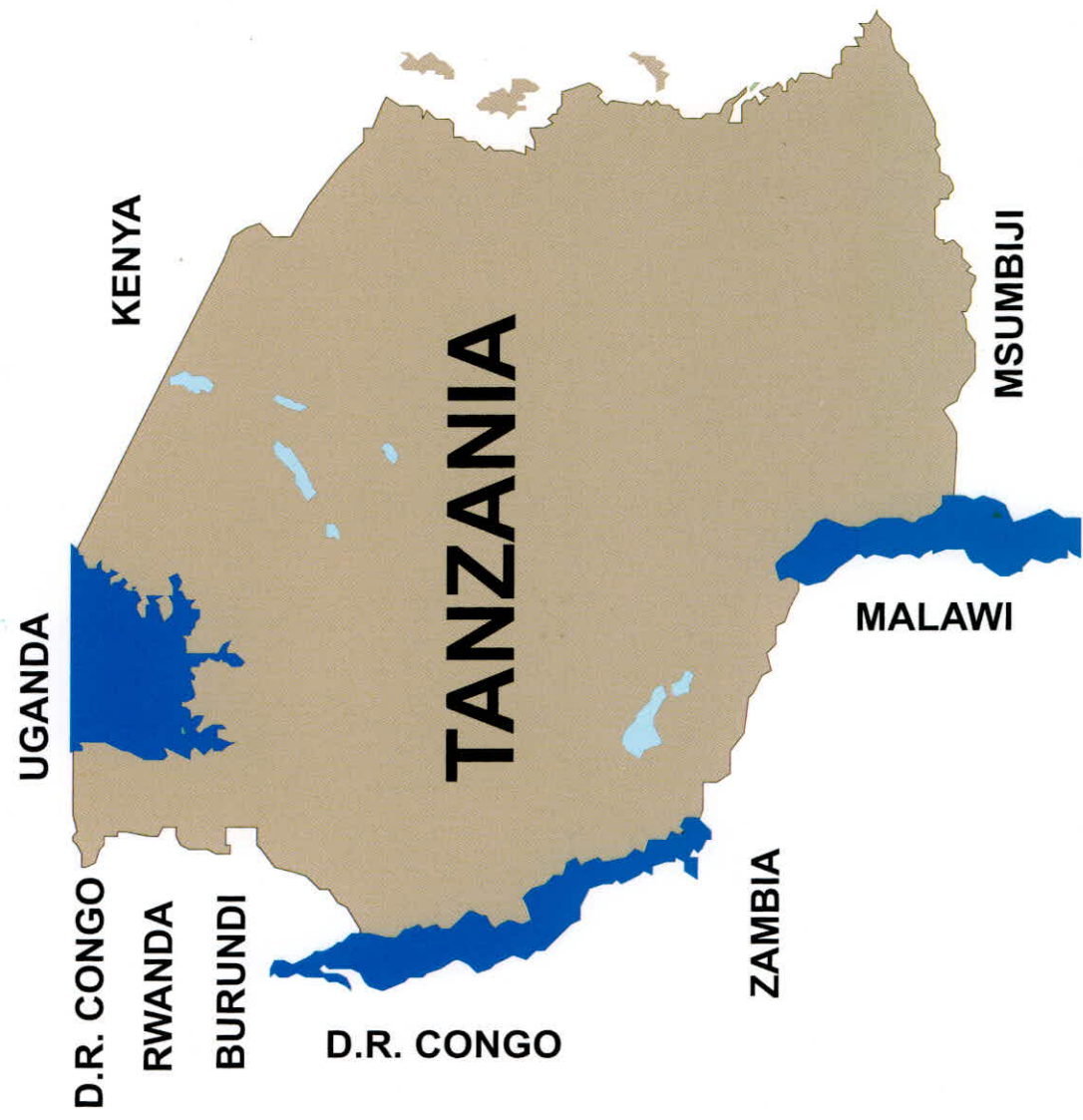
**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

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)

SKETCH MAP SHOWING PROJECT LOCATION





**INTEGRATED COMMUNICATIONS LTD
P.O. BOX 106120
DAR ES SALAAM**

NOTICE OF CONSENT TO ACT AS A DIRECTOR

I HEREBY GIVE NOTICE OF MY CONSET to act as a Director of **INTEGRATED COMMUNICATIONS LTD** and supply the following details:

1. (a) My full names: Zadock Enock Koola

(b) Address: Plot 33 Laibon Road, P.O.Box 71035, Dar es Salaam

2. I direct that the Company Secretary brings this notice to the attention of the Board of Directors at the next meeting of the Board of Directors

Dated: 15th July 2008



ZADOCK ENOCK KOOLA

TRANSFER OF SHARE OR STOCK

I, **Zadock Enock Koola** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), **in consideration** of the sum of Tanzania Shillings Four Million only (Tsh. 4,000,000/=), paid to me by **ZEK Group International Limited** a limited liability Company incorporated in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 4,000 Ordinary Shares (**Four Thousand Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord 2008.

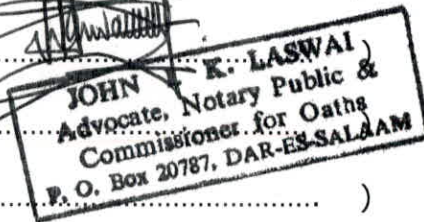
Signed and delivered by the said **Zadock Enock Koola** the above-named Transferor in the Presence of:

Name

Signature

Address.....

Occupation



[Handwritten Signature]
.....
Transferor

SEALED with the **COMMON SEAL** of the said **ZEK Group International Limited** and delivered in the presence of us this 15th day of July 2008 within the named Transferor

1. Signature:-

Name:-

Postal Address:-

Qualification:-

[Handwritten Signature]
.....
ZADOCK E. KOOLA

P.O. Box 71035

DIRECTOR



[Handwritten Signature]
CERTIFIED TRUE COPY OF THE
ORIGINAL

ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM

SD 40,000

[Handwritten Signature]

2. Signature:-

Name:- D. B. A. I. E. K. 2. KODGA

Postal Address:- PO Box 71035 D. E. M.

Qualification:- **DIRECTOR/SECRETARY
ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM**

to whom the above signatories are known personally, or who have been identified to me by this day of

Before Me:-

Signature:

Qualification:

[Handwritten Signature]
**I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787; DAR-ES-SALAAM**

STAMP DUTY

Shs 40,000/- Collected

Receipt No. 517234 Date 21/1/08

[Handwritten Signature]
Regional Manager-Ilala Tax Region



[Handwritten Signature]
CERTIFIED TRUE COPY OF THE ORIGINAL

**INTEGRATED COMMUNICATIONS LTD
P.O. BOX 106120
DAR ES SALAAM**

NOTICE OF CONSENT TO ACT AS A DIRECTOR


I HEREBY GIVE NOTICE OF MY CONSET to act as a Director of **INTEGRATED COMMUNICATIONS LTD** and supply the following details:

1. (a) My full names: Fredrick Njeru Nthiga

(b) Address: P.O.Box 106120, Dar es Salaam

2. I direct that the Company Secretary brings this notice to the attention of the Board of Directors at the next meeting of the Board of Directors

Dated: 15th July 2008



FREDRICK NJERU NTHIGA

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

Land/Building	..... 50,000/-
Plant	..... 2,200,000/-
Vehicles	..... 450,000/-
Furniture & Fittings	..... 25,000/-
Pre-expenses	..... 25,000/-
Others	..... 15,000/-
Working Capital	..... 75,000/-
TOTAL	..... 2,840,000/-

Contact Details:

Name: Frederick N. Mthiga Title: Director
Telephone: 884 - 7200005 Fax:
Email: fred@intergrated.co.tz

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: INTERGRATED COMMUNICATIONS LIMITED

Certificate of Incorporation Number: 46486 Status: New

Certificate of Incorporation Date: 12th July 2003

Post Box: 106120

Town: Dar es Salaam

Sector: Manufacturing Sub-Sector: Steel structure

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
80,000 2,000,000

Project Objectives: Establishment of steel structure
Manufacturing Unit in Dar es Salaam.

Capacity: 450 cubic meters

Employment: Foreign: 3 Local: 220 Total: 223

Implementation Period: 3 yrs

Project Location

Site/Plot/Block No.: 17

Street: Algorota/AH Mwingi District: Kinondeni Region: DARES SALAAM
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
1. Fredrick N. Mthiga Kenyan 20
2. ZAC Group INT./LO Tanzanian 80

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,840,000/-
8. The month and day of the financial year end is 31st Dec

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\$

1000/- Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

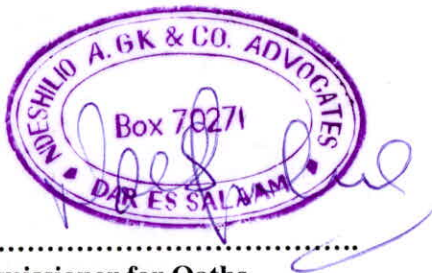
I, Fredricka Njiru Mthiga of Post Office Number 106120 Dar es Salaam do solemnly and sincerely declare that I am a director/duly authorized agent of INTERGRATED COMMUNICATION LIMITED.

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 Dar es Salaam }
 }
 The 10 day of June 2003 }

[Signature]
Applicant

Before me:



.....
Commissioner for Oaths

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 Frederick Njeru Nthiga
(director/directors/agent of INTERGRATED COMMUNICATIONS LTD
(name of business enterprise) apply for registration of TIC
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 CECROTO ST/ALHASSAN Mwanji,
DAR ES SALAAM,

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 7. Upereshi, Dar
4. The Principal Officers of the Company are
1. Frederick N. Nthiga
2. ZEC Global International Ltd (Z.E. Goola)
5. Auditors of the Company are SK Associates.
6. The authorized share capital of the Company is Tshs. US\$ 5,000,000/-

TRANSFER OF SHARE OR STOCK

I, **Zadock Enock Koola** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), in **consideration** of the sum of Tanzania Shillings Four Million only (Tsh. 4,000,000/=), paid to me by **ZEK Group International Limited** a limited liability Company incorporated in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 4,000 Ordinary Shares (**Four Thousand Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord 2008.

Signed and delivered by the said **Zadock Enock Koola** the above-named Transferor in the Presence of:

Name)
Signature)
Address)
Occupation)

JOHN K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

Transferor

SEALED with the **COMMON SEAL** of the said **ZEK Group International Limited** and delivered in the presence of us this 15th day of July 2008 within the named Transferor

1. Signature:-

Name:-

Postal Address:-

Qualification:-

DIRECTOR

ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM

SD 40,000



[Handwritten Signature]

2. Signature:-

Name:- D. B. B. I. K. KODSA

Postal Address:- Box 71035 D. E. M.

Qualification:- **DIRECTOR/SECRETARY
ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM**

to whom the above signatories are known personally, or who have been identified to me by this day of

Before Me:-

Signature:

Qualification:

[Handwritten Signature]
**I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM**

STAMP DUTY

Shs 40,000

Receipt No. 5172

Regional Manager



CERTIFIED TRUE COPY OF THE ORIGINAL

Integrated Communication Company Limited

Company Number 46486

Excerpt Resolution Extracted From the Minutes of the Meeting of the Board of Directors of the Company

During a Meeting of the Board of Directors of the Company held on 15th day of July 2008 at the registered offices of the Company situated at Plot Number 17 UporotoStreet/AH Mwinyi Road Dar es Salaam the following Resolution were passed:

1.0 Preliminaries

1.1 Present:

Zadock Enock Koola - Director

Raymos Obrien Zakayo - Director

1.2 In Attendance:

Onesphory Mande- Secretary

1.3 Chairperson

Zadock Enock Koola was appointed Chairperson of the meeting.

1.4 Notice and Quorum

IT WAS REPORTED that due notice of the meeting had been given and that a quorum was present. Accordingly, **IT WAS DECLARED** that the meeting was open.

2.0 Sale of shares of the company

It was reported that an agreement had been entered into between the shareholders of the Company and ZEK Group International Limited and Fredrick Njeru Nthiga for the sale and purchase of shares of the Company. Accordingly, the purpose of the meeting was to approve certain actions in respect of such transfer of shares in the Company.

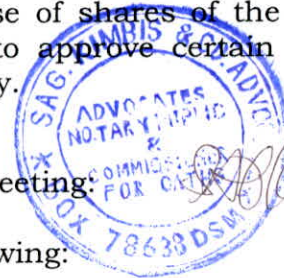
2.1 DOCUMENTS TABLED

The following documents were produced to the meeting:

- (i) Share transfer forms representing the following:

Transferor	Transferee	No of shares
Zadock Enock Koola	ZEK Group Int. Limited	4000
Zadock Enock Koola	Fredrick Njeru Nthiga	500
Raymos Obrien Zakayo	Fredrick Njeru Nthiga	500

CERTIFIED TRUE COPY OF THE
ORIGINAL



- (ii) Waivers by the members of the Company of any subsisting pre-emption rights in connection with the transfers of the shares.

2.2 RESOLUTION

IT WAS RESOLVED:

- (a) that the transfer of shares reflected to in paragraphs 2.0 (i) be approved and registered subject only to their being duly stamped and presented for registration; and
- (b) to authorise any one or more directors of the Company or the company secretary to do all acts and things necessary to carry into effect the purpose of the resolutions contained in these minutes and/or to give or execute any share certificate, notes, communications, forms or other documents on behalf of the company in connection with the transactions listed in the resolutions above and agree to such amendments, variations or modifications as such director or secretary of the Company may in his absolute discretion think fit.

2.3 Filings

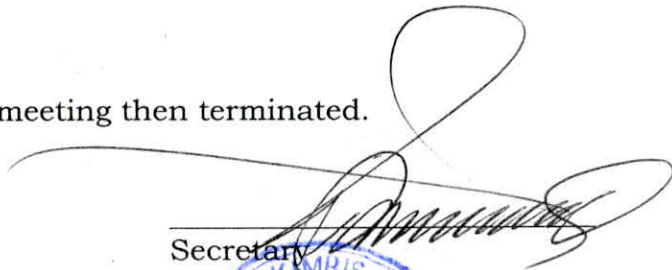
The company secretary was instructed to:

- (c) prepare and file with the Registrar of Companies the necessary forms and other documents which may be required to reflect the above resolutions;
- (d) write up the Company's statutory books to reflect the shares issued and transferred and make all other necessary and appropriate entries in the books and registers of the Company; and
- (e) procure the execution and issue to the persons entitled thereto of the appropriate share certificates.

There being no further business, the meeting then terminated.


Chairman

Date: 15/7/08


Secretary

Date: 15/7/08



CERTIFIED TRUE COPY OF THE ORIGINAL

TRANSFER OF SHARE OR STOCK

I, **Zadock Enock Koola** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), in **consideration** of the sum of Tanzania Shillings Four Million only (Tsh. 4,000,000/=), paid to me by **ZEK Group International Limited** a limited liability Company incorporated in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 4,000 Ordinary Shares (**Four Thousand Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord 2008.

Signed and delivered by the said **Zadock Enock Koola** the above-named Transferor in the Presence of:

Name)
Signature)
Address)
Occupation)

JOHN K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

.....)
Transferor

SEALED with the **COMMON SEAL** of the said **ZEK Group International Limited** and delivered in the presence of us this 15th day of July 2008 within the named Transferor

CERTIFIED TRUE COPY OF THE
COMMON SEAL
ADVOCATE NOTARY PUBLIC
COMMISSIONER FOR OATHS
P.O. BOX 78633 DSN
DAR ES SALAAM

1. Signature:-)
Name:- ZADOCK E. KOOLA
Postal Address:- P.O. Box 71035 DSM
Qualification:- **DIRECTOR**

ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM

SD 40,000

[Handwritten Signature]

2. Signature:-

Name:- D. B. I. K. KODIA

Postal Address:- Box 71035 D.S.M.

Qualification:- **DIRECTOR/SECRETARY
ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM**

to whom the above signatories are known personally, or who have been identified to me by, this day of

Before Me:-

Signature:

Qualification:

[Handwritten Signature]
**I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM**

STAMP DUTY

Shs 40,000/-

Receipt No. 517234

[Handwritten Signature]

Regional Manager



[Handwritten Signature]

CERTIFIED TRUE COPY OF THE ORIGINAL

TRANSFER OF SHARES OR STOCK

I, **Raymos Obrien Zakayo** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), in **consideration** of the sum of Tanzania Shillings Five hundred thousand only (Tsh. 500,000/=), paid to me by **Fredrick Njeru Nthiga** a natural person living for gain in Tanzania, and of PO Box 106120, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 500 Ordinary Shares (**Five hundred Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord

2008

Signed and delivered by the said **Raymos Obrien Zakayo** the above-named Transferor in the Presence of:

Name)
Signature)
Address)
Occupation)

JOHN I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

[Handwritten Signature]
.....)
Transferor

Signed, sealed and delivered by **Fredrick Njeru Nthiga** the above-named Transferee in the presence of:

Name)
Signature)
Address)
Occupation)

JOHN I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

[Handwritten Signature]
.....)
Transferee

SAG. KIMBIS & CO. ADVOCATES NOTARY PUBLIC COMMISSIONER FOR OATHS P.O. BOX 78638 DS

CERTIFIED TRUE COPY OF THE ORIGINAL

SD 5000

Stamp Duty
Shs 5000/- Collected
Receipt No. 917234 Date 24/7/08
[Handwritten Signature]

TRANSFER OF SHARE OR STOCK

I, **Zadok Enock Koola** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), in **consideration** of the sum of Tanzania Shillings Five hundred thousand (Tsh. 500,000), paid to me by Fredrick Njeru **Nthiga** a natural person living for gain in Tanzania, and of PO Box 106120, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 500 Ordinary Shares (**Five Hundred Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord 2008.

Signed and delivered by the said **Zadok E. Koola** the above-named Transferor in the Presence of:

Name

Signature

Address

Occupation

JOHN I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

Transferor

Signed, sealed and delivered by **Fredrick Njeru Nthiga** the above-named Transferee in the presence of:

Name

Signature

Address

Occupation

JOHN I. K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM



Transferee

CERTIFIED TRUE COPY OF THE ORIGINAL

Sh 5000

STAMP DUTY

Shs 5000/- Collected
Receipt No. 57234
24/7/08
Regional Registrar

TRANSFER OF SHARE OR STOCK

I, **Zadock Enock Koola** a natural person living for gain in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferor), in **consideration** of the sum, of Tanzania Shillings Four Million only (Tsh. 4,000,000/=), paid to me by **ZEK Group International Limited** a limited liability Company incorporated in Tanzania, and of PO Box 71035, Dar es Salaam, Tanzania (hereinafter called the Transferee), **Do** hereby bargain, sell, assign and transfer to the said Transferee 4,000 Ordinary Shares (**Four Thousand Shares**) of and in the undertaking called the **INTEGRATED COMMUNICATIONS LIMITED**, to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness our hands and seal this 15th day of July in the year of our Lord 2008.

Signed and delivered by the said **Zadock Enock Koola** the above-named Transferor in the Presence of:

Name)
Signature)
Address)
Occupation)

JOHN K. LASWAI
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 20787, DAR-ES-SALAAM

.....)
Transferor

SEALED with the **COMMON SEAL** of the said **ZEK Group International Limited** and delivered in the presence of us this 15th day of July 2008 within the named Transferor

1. Signature:-

Name:-

Postal Address:-

Qualification:-

DIRECTOR

ZEK GROUP INTERNATIONAL LTD
P. O. Box 71035
DAR ES SALAAM

SD 40,000



CERTIFIED TRUE COPY OF THE ORIGINAL

FEE PAID 15000
RECEIPT NO. 15000
15000

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

15000
17/7/08

Terminating appointment as a director or secretary
(Not for appointment (Use Form 210a) or change of particulars (Use Form 210c))
Pursuant to Section 210 of the Companies Act, 2002

Company Number 46486

Company Name (in full) INTEGRATED COMMUNICATIONS LTD

Date of termination of appointment 15TH JULY 2008

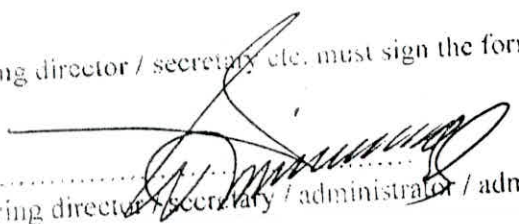
as director as secretary

Name: (First Name(s)) RAYMONS ENOCK

(Surname) ZAKAYO

Date of Birth 1950

A serving director / secretary etc. must sign the form below

Signed 

(A serving director / secretary / administrator / administrative receiver / receiver)

SAG. KIMBIS & CO.
ADVOCATES & NOTARIES
COMMISSIONERS FOR OATHS
P.O. BOX 78638 D.S.M.
Date 15/7/2008
CERTIFIED TRUE COPY OF THE ORIGINAL

FOR OFFICIAL USE ONLY.

Business Occupation

CHAIRMAN

Other Directorships
(directors only)

ZFK GROUP INT. LTD

I consent to act as [director] [secretary] of the above named company

Signed.....

Date... 15.7.2006

A director / secretary etc. must sign the form below

Signed.....

Date... 15.7.2008

(A director / secretary / administrator / administrative receiver / receiver)

Notes:

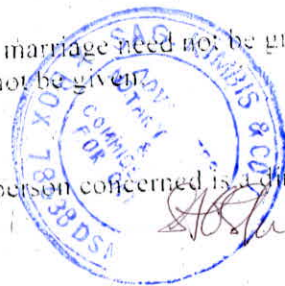
Show full First Names, not initials. If the director or secretary is a corporation, show the name on surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- for a married woman, the name by which she was known before marriage need not be given.
- names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Give the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years.



CERTIFIED TRUE COPY OF THE ORIGINAL

15,000/=
22-7-2008
Form. 210a

FEE PAID TND.
RECEIPT NO. 15000/22-7-2008

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Use for resignation (Use Form 210b) or change of particulars (Use Form 210c))
Pursuant to Section 210 of the Companies Act, 2002

Company Number 46486

Company Name (in full) INTEGRATED COMMUNICATIONS LTD

Date of appointment 15.7.2008

Appointment as director Appointment as secretary

Name: (First Name(s)) ZADOCK ENOCK

(Surname) KOOLA

Previous name(s):

Address: (usual residential) PLOT NO 33 LAIBOWE RD
P.O. BOX 71035
DAR ES SAALAM

Nationality: TANZANIAN

Date of Birth 13.5.1961

(continued on next page)

FOR OFFICIAL USE ONLY.

Business Occupation

MANAGING DIRECTOR

Other Directorships
(directors only)

MIL

I consent to act as [director] [secretary] of the above named company

Signed *[Signature]*

Date 15TH JULY 2008

A director / secretary etc. must sign the form below

Signed *[Signature]*
(A director / secretary / administrator / administrative receiver / receiver)

Date 15TH JULY 2008

Notes:

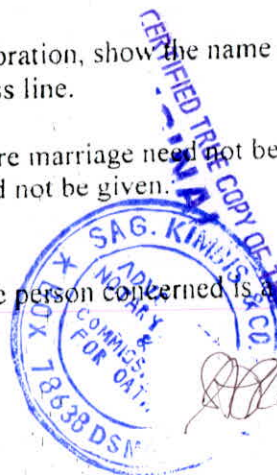
Show full First Names, not initials. If the director or secretary is a corporation, show the name on surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- for a married woman, the name by which she was known before marriage need not be given.
- names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Give the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years.



FEE PAID **15000/-**
RECEIPT NO. **32202617**
DATE **22/7/08**

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

Handwritten notes:
15000/-
22/7/08

Appointment of a Director or Secretary
(Not for resignation (Use Form 210b) or change of particulars (Use Form 210c))
Pursuant to Section 210 of the Companies Act, 2002

Company Number **46486**

Company Name (in full) **INTEGRATED COMMUNICATIONS LTD**

Date of appointment **15TH JULY 08**

Appointment as director Appointment as secretary

Name: (First Name(s)) **FREDRICK NJERU**

(Surname) **NTHIGA**

Previous name(s): **-**

Address: (usual residential) **P. O. BOX 7035
PLOT NO 638 BLOCK "A"
MBEZI BEACH D'SALAM**

Nationality: **KENYAN**

Date of Birth **1965**

(continued on next page)

FOR OFFICIAL USE ONLY.

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA
STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

32202617

1

Shs.		Cts.
	45000	

NIMEPOKEA KWA
Received from

INTEGRATED COMMUNICATIONS LTD



KIASI
Amount

JUMLA YA SHILINGI (Kwa maneno)
The Sum of Shillings (Words)

forty

NA SENTI
And Cents

KWA MALIPO YA
In Respect of

Forty Five thousand Two hundred and ten

KWA FEDHA TASLIM/HUNDI NAMBA
By Cash/Cheque No.

KITUO - Station

210A 210A 9
210B

SAHIHI YA MPOKEAJI - Receiving Officer's
Signature.

CHEQUE - Title

A/A

TARIHE - Date

22/12/08

Govt. Press, Dsm.

REGISTRAR OF COMPANIES
MINISTRY OF INDUSTRY AND TRADE



CERTIFIED TRUE COPY OF THE ORIGINAL

Handwritten signature

TRANSFER OF SHARES OR STOCK

I, RAYMOS OBRIEN ZAKAYO the DIRECTOR OF INTEGRATED COMMUNICATIONS LTD, a Corporation organized and existing under the laws of Tanzania and whose registered offices are situated at Plot No 70 Haile Selassie Rd, Kinondoni Municipality, P.O. Box 106120, Dar es Salaam, Tanzania (hereinafter called the Transferor), in consideration of the sum of Tanzania Shillings One Million two hundred thousand (T.Shs.1, 200,000.00), paid to me by MR.ZADOCK E.KOOLA, a natural person living for gain in Dar es Salaam, of P.O. Box 71035 Dar es Salaam, Tanzania (hereinafter called the Transferee), do hereby bargain, sell, assign and transfer to the said Transferee Two Thousand Five Hundred Shares (2,500 shares) of and in the undertaking called INTEGRATED COMMUNICATIONS LTD to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness, our hands and seals this 30th day of MARCH in the year of our Lord Two Thousand and Four.

Sealed with common seal of the INTEGRATED COMMUNICATIONS LTD And Delivered at Dar es Salaam pursuant to the resolutions of the Board of Directors passed on the 20th day of MARCH 2004 within The above-named transferor.

Name: RAYMOS OBRIEN ZAKAYO

Signature: *[Handwritten Signature]*

Address: P.O.BOX 106120 DSM

Qualification: DIRECTOR

Signature

Name

Qualification

DEUSEDITH MAYOMBA DUNCAN
ADVOCATE/NOTARY PUBLIC



Postal Address:

FK LAW CHAMBERS ADVOCATES
6TH FLOOR, JM MALL OFFICE TOWER
SAMORA AVENUE/MISSION STREET
P.O.BOX 20787
DAR ES SALAAM

Signed and Delivered at Dar es Salaam by
The said ZADOCK E.KOOLA this 30th day of
... MARCH ...

-----2004, within the above-named
Transferee within my witness

STAMP DUTY
Receipt No. 12000
25109975
Regional Revenue Officer - Dar es Salaam
ZADOCK E.KOOLA

Sl Body Shs 1,200,000/-

Shs 12,000/-

TRANSFER OF SHARES OR STOCK

I, RAYMOS OBRIEN ZAKAYO the DIRECTOR OF INTEGRATED COMMUNICATIONS LTD, a Corporation organized and existing under the laws of Tanzania and whose registered offices are situated at Plot No 70 Haile Selassie Rd, Kinondoni Municipality, P.O. Box 106120, Dar es Salaam, Tanzania (hereinafter called the Transferor), in consideration of the sum of Tanzania Shillings One Million two hundred thousand (T.Shs.1, 200,000.00), paid to me by MR.ZADOCK E.KOOLA, a natural person living for gain in Dar es Salaam, of P.O. Box 71035 Dar es Salaam, Tanzania (hereinafter called the Transferee), do hereby bargain, sell, assign and transfer to the said Transferee Two Thousand Five Hundred Shares (2,500 shares) of and in the undertaking called INTEGRATED COMMUNICATIONS LTD to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness, our hands and seals this 30th day of MARCH in the year of our Lord Two Thousand and Four.

Sealed with common seal of the INTEGRATED COMMUNICATIONS LTD And Delivered at Dar es Salaam pursuant to the resolutions of the Board of Directors passed on the 27th day of 2004 within The above-named transferor.

Name: RAYMOS OBRIEN ZAKAYO

Signature: [Signature]
Address: P.O. BOX 106120 DSM
Qualification: DIRECTOR

Signature Name: DEUSEDITH MAYOMBA DUNCAN
Qualification: ADVOCATE/NOTARY PUBLIC

Postal Address: FK LAW CHAMBERS ADVOCATES
6TH FLOOR, JM MALL OFFICE TOWER
SAMORA AVENUE/MISSION STREET
P.O.BOX 20787
DAR ES SALAAM



Signed and Delivered at Dar es Salaam by The said ZADOCK E.KOOLA this 30th day of MARCH 2004, within the above-named Transferee within my witness

Stamp Duty 12,000/-
Receipt No. 51099175
Dated 19/3/04
Regional Revenue Officer - Name: ZADOCK E.KOOLA

St/Daly Shs 1,200,000/-

Shs 12,000/-

TRANSFER OF SHARES OR STOCK

I, **MICHAEL D. JIMMA** the **DIRECTOR OF INTEGRATED COMMUNICATIONS LTD**, a Corporation organized and existing under the laws of Tanzania and whose registered offices are situated at Plot No 70 Haile Selassie Rd, Kinondoni Municipality, P.O. Box 106120, Dar es Salaam, Tanzania (hereinafter called the Transferor), in consideration of the sum of Tanzania Shillings Nine hundred sixty thousand only (Tshs .960,000.00.), paid to me by **MR. ZADOCK E. KOOLA**, a natural person living for gain in Dar es Salaam, of P.O. Box 71035 Dar es Salaam, Tanzania (hereinafter called the Transferee), do hereby bargain, sell, assign and transfer to the said Transferee Two Thousand Shares (2,000 shares) of and in the undertaking called **INTEGRATED COMMUNICATIONS LTD** to hold unto the said Transferee, Executors, Administrators and Assigns, subject to the several conditions on which I held the same immediately before the execution thereof, and the said Transferee do hereby agree to accept and take the said subject to the conditions aforesaid.

As witness, our hands and seals this 30th day of MARCH in the year of our Lord Two Thousand and Four.

Sealed with common seal of the **INTEGRATED COMMUNICATIONS LTD**
And Delivered at Dar es Salaam pursuant to the resolutions of the Board of Directors passed on the 20th day of April 2004 within The above-named transferor.

Name: **MICHAEL D. JIMMA**
Signature: 
Address: **P.O. BOX 106120 DSM**
Qualification: **DIRECTOR**

Signature Name: **DEUSEDITH MAYOMBA DUNCAN**
Qualification: **ADVOCATE/NOTARY PUBLIC**

Postal Address: **FK LAW CHAMBERS ADVOCATES
6TH FLOOR, JM MALL OFFICE TOWER
SAMORA AVENUE/MISSION STREET
P.O. BOX 20787
DAR ES SALAAM**



STAMP DUTY
9600
Receipt No. 6179175 Dated 19/5/04
Regional Revenue Officer - Samera


Signed and Delivered at Dar es Salaam by
The said **ZADOCK E. KOOLA** this 30th day of
MARCH
-----2004, within the above-named
Transferee within my witness

ZADOCK E. KOOLA

Stamp duty - Shs - 9600/-

TANZANIA



Certificate of Incorporation

No. 46486

I HEREBY CERTIFY THAT

INTERGRATED COMMUNICATION

Limited

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es Salaam

this 17th day of JULY

TWO THOUSAND AND THREE

Signature

SK ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



INTEGRATED COMMUNICATIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2007

P.O. Box 19962, Dar es Salaam, Tanzania
Phone: 0754 - 279246
E-mail: skassociates@yahoo.com

INTEGRATED COMMUNICATIONS LIMITED

1. INTRODUCTION

The directors present their report together with the audited financial statements as at 31 December 2007.

2. STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. PRINCIPAL ACTIVITIES

The company's principal activity is to carry out the business of advertising and marketing on behalf of various corporate bodies.

4. SOLVENCY

The company's state of affairs is set out on page 4 of the financial statements.

5. RESULTS FOR THE YEAR

The results of operations for the year are set out on page 5.

6. DIVIDENDS

The directors do not recommend the payment of a dividend.

7. DIRECTORS

The directors who served during the year are as follows:

NAME	POSITION	NATIONALITY
MR. ZADOCK E. KOOLA	CHAIRMAN	TANZANIAN
MR. RAYMOS ZAKAYO	DIRECTOR	TANZANIAN

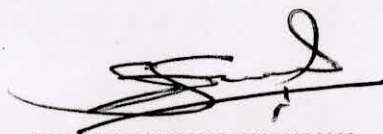
8. DIRECTORS FEES

There were no fees paid to directors during the year.

9. AUDITORS

The auditors, M/s SK Associates, have expressed their willingness to be reappointed.

BY ORDER OF THE BOARD



.....
DIRECTOR

SK ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
SHEKILANGO ROAD, PLOT NO. 759 BLOCK B SINZA
P.O. Box 19962 DAR ES SALAAM
E-mail:skcassociates@yahoo.com

Page 3

AUDITORS' REPORT
to the members of
INTEGRATED COMMUNICATIONS LIMITED

We have audited the financial statements set out on pages 4 to 10 in accordance with the International Auditing Standards. The financial statements are in agreement with the accounting records and we obtained all the information and explanations that we considered necessary for our audit.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

Directors are responsible for the preparation of the financial statements. Our responsibility as auditors is to express an opinion on these financial statements based on our audit.

BASIS OF OPINION

We planned and performed our audit so as to obtain a reasonable assurance that the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the financial statements and whether the accounting policies are appropriate in the company's circumstances consistently applied and adequately disclosed.

OPINION

In our opinion, the financial statements, give a true and fair view of the state of the affairs of the company at 31 December, 2007 and of its profit and cash flows for the year then ended, in accordance with International Accounting Standards and comply with the Companies Act 2002.



DAR ES SALAAM
OCTOBER, 2008

INTEGRATED COMMUNICATIONS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2007

	NOTE	2007 TSHS	2006 TSHS
NON CURRENT ASSETS :			
Property, Plant & Equipments	2	94,256,756	55,842,015
Intangible assets		-	1,250,000
Accounting software		94,256,756	57,092,015
CURRENT ASSETS			
Trade Debtors	3	229,531,066	96,649,656
Prepaid tax	4	1,708,059	5,250,000
Prepayments		6,699,167	4,873,250
Short term loan		3,920,000	4,995,000
Cash and Bank		76,744,340	634,920
		<u>318,602,632</u>	<u>112,402,826</u>
TOTAL ASSETS		<u>412,859,388</u>	<u>169,494,841</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital	6	5,000,000	5,000,000
Retained Earning BF		(207,706,827)	(90,994,065)
Profit /(Loss) for the year		17,299,444	(104,781,579)
Total		<u>(185,407,383)</u>	<u>(190,775,644)</u>
CURRENT LIABILITIES			
Taxation	4	-	-
Creditors & Accruals	5	588,763,632	339,367,346
Directors current account		5,903,139	5,903,139
Intercompany liabilities		3,600,000	15,000,000
Total		<u>598,266,771</u>	<u>360,270,485</u>
TOTAL EQUITY AND LIABILITIES		<u>412,859,388</u>	<u>169,494,841</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 1.

The financial statements were approved by the board of directors on 2008 and were signed on their behalf by:


.....
DIRECTOR

INTEGRATED COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTE	2007 TSHS	2006 TSHS
Sales	1	1,671,161,066	837,921,707
Cost of sales		(1,301,215,176)	(670,280,380)
Gross profit		<u>369,945,890</u>	167,641,332
Miscelenous Income		8,158,333	-
Operating expenses		<u>(331,998,939)</u>	<u>(225,896,544)</u>
Operating profit/(loss)		46,105,284	(88,255,212)
Depreciation		21,391,792	16,526,367
Net finance cost		-	-
Profit/(Loss) before Tax		<u>24,713,492</u>	<u>(104,781,579)</u>
Taxation	4	7,414,048	-
Net profit/ (Loss)		<u><u>17,299,444</u></u>	<u><u>(104,781,579)</u></u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 1.

INTEGRATED COMMUNICATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

	Share Capital TSHS	Retained Earnings TSHS	Total TSHS
Balance at 1 January 2006	5,000,000	(90,994,065)	85,994,065
Net loss	-	(104,775,644)	(104,781,597)
Balance at 31 December 2006	<u>5,000,000</u>	<u>(195,769,709)</u>	<u>(18,787,532)</u>
Balance at 1 January 2007,	5,000,000	(195,775,644)	(190,775,644)
Prior year adjustment	-	(11,931,183)	(11,931,183)
Net profit/(loss)	-	17,299,444	17,299,444
Balance at 31 December 2007	<u>5,000,000</u>	<u>(190,407,383)</u>	<u>(185,407,383)</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 3.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2007

	2007 TSHS	2006 TSHS
CASHFLOW FROM OPERATING ACTIVITIES		
Cash receipts from clients	1,485,693,797	811,315,588
Cash paid to suppliers and employees	<u>(1,357,935,877)</u>	<u>(713,504,493)</u>
	127,757,920	97,811,095
Tax paid	-	-
Net cash generated (used) from operating activities	<u>127,757,920</u>	<u>97,811,095</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Purchase of fixed assets	(63,648,201)	(5,346,250)
Purchase of accounting software	-	(1,250,000)
Sale of fixed assets	12,000,000	-
Net cashflow from investing activities	<u>(51,648,201)</u>	<u>(6,596,250)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Share capital	-	-
Directors' current Account	-	(93,819,795)
Net cashflow from financing activities	<u>-</u>	<u>(93,819,795)</u>
Net Increase in Cash and Cash equivalents	76,109,719	(2,604,950)
Cash and cash equivalents at the beginning of the year	634,621	3,239,871
Cash and cash equivalents at the end of the year	<u>76,744,340</u>	<u>634,921</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 3.

INTEGRATED COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention.

1.2 Revenue Recognition

Revenue is recognised on accrual basis when services are rendered or goods delivered to the customer.

1.3 Depreciation of Fixed Assets

Depreciation is calculated to write off the cost of the fixed assets on a reducing balance basis over the expected useful lives of the assets concerned.

The annual rates used for this purpose are as follows :-

Core Assets	-	15%
Godown	-	15%
Motor Vehicles	-	20%
Furniture and Fittings	-	12.5%
Machinery, Plant & Equipments	-	12.5%

1.4 Foreign Exchange Translation

Transactions in foreign exchange have been recorded at the rate ruling on the transaction date.

Assets and liabilities at balance sheet date, which are expressed in foreign currencies, have been translated to Tanzania Shillings at the rates ruling at the balance sheet date.

1.5 Deferred Tax

Provision is made for deferred tax on the full liability method.

1.6 Retirement Benefit Cost

The company contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contribution are determined by local statute and are currently limited to 10% of the employee's basic salary. The employee contributes the same amount to the scheme.

The company's contributions to the above schemes are charged to the income statement in the year to which they relate.

1.7 Stocks

Stocks are valued at the lower of cost and net realized value. Cost is determined on a first in first out basis.



INTEGRATED COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT'D)

	COMPUTERS ELECTRONIC EQUIPMENT TSHS	OFFICE EQUIPMENT TSHS	FURNITURE & FIXTURES TSHS	MOTOR VEHICLES TSHS	TOTAL TSHS
<u>COST</u>					
AT 1.1.2007	26,652,515	12,178,750	6,164,524	42,500,000	87,495,789
ADDITIONS	-	3,496,500	3,977,000	56,174,701	63,648,201
ADJUSTMENT/DISPOSAL	-	-	-	(12,875,001)	(12,875,001)
AT 31.12.2007	26,652,515	15,675,250	10,141,524	85,799,700	138,268,989
<u>DEPRECIATION</u>					
AT 1.1.2007	10,356,574	2,494,740	1,203,154	17,599,306	31,653,774
CHARGE FOR THE YEAR	3,748,800	1,651,980	1,280,339	14,710,673	21,391,792
ADJUSTMENT/DISPOSAL	-	-	-	(9,033,333)	(9,033,333)
AT 31.12.2007	14,105,374	4,146,720	2,483,493	23,276,646	44,012,233
<u>NET BOOK VALUE</u>					
AT 31.12.2007	12,547,141	11,528,530	7,658,031	62,523,054	94,256,756
AT 31.12.2006	16,295,941	9,684,010	4,961,370	24,900,694	55,842,015



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER, 2007 CONT'D

3. TRADE DEBTORS & PREPAYMENTS

	2007 TSHS	2006 TSHS
Trade Debtors	229,531,066	86,215,106
Prepayments	-	10,434,550
Total	229,531,066	96,649,656

4. TAXATION

Opening balance 1 January	(5,250,000)	-
Provision for the year	7,414,048	-
Provision for prior years	7,527,893	-
Tax paid	(11,400,000)	(5,250,000)
Closing balance 31 December	(1,708,059)	(5,250,000)

5. CREDITORS & ACCRUALS

Statutory Creditors	27,627,976	4,717,940
Shareholders loan	452,717,354	330,386,207
Other Creditors	108,418,302	4,263,199
Total	588,763,632	339,367,346

6. SHARE CAPITAL

Authorised		
1,000 Ordinary Shares of Tshs 5000/=Each	5,000,000	5,000,000
Issued Fully Paid		
1000 Ordinary Shares of Tshs 5000/= Each	5,000,000	5,000,000

Auditors' report on page 1.

Appendix

INTEGRATED COMMUNICATIONS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2007

	2007 TSHS	2006 TSHS
INCOME	1,671,161,066	837,921,707
Less: DIRECT EXPENSES	1,301,215,176	670,280,376
GROSS PROFIT	369,945,890	167,641,331
Add: Miscelenous Income	8,158,333	-
	378,104,223	167,641,331
OPERATING EXPENSES		
Depreciation	21,391,792	16,526,367
Salaries	166,446,085	98,087,705
Medical expenses	1,402,178	570,750
Consultancy fees	33,374,999	41,067,000
Security expenses	4,125,000	3,495,660
Management fees	6,843,900	13,200,000
Tax loss	-	-
Reserch and Development	1,356,504	-
Staff Housing & Office rent	17,400,000	9,850,000
Transport, Fuel & Lubricants	14,608,300	16,413,350
Electricity & Generator Fuel	4,370,441	4,392,900
Office Operations - Care hire	790,000	8,747,000
Software written-off	1,250,000	-
Telephone expenses	13,295,274	10,133,719
Printing & Stationery	7,469,390	5,662,500
Equipment repairs & Maintanance	3,068,400	6,220,040
Motor Vehicle repairs	13,058,278	11,267,439
Training & Seminars	2,121,600	1,712,200
Workmen's Compensation	1,254,250	-
Licence & permits	1,768,333	2,363,000
Management travel expenses	838,240	4,332,000
Discount allowed	4,060,890	-
Exchange loss	1,408,316	-
Clients service & entertainment	3,445,470	2,324,900
Motor Vehicle Insurance	-	20,000
Internet expenses	4,916,700	2,040,400
Motor Vehicle Insurance	1,609,200	149,750
Kitchen & Garden expenses	1,383,830	1,246,470
Accounting and Audit fees	2,500,000	-
Newspapers	1,094,160	720,000
Miscelenous expenses	4,583,665	977,500
Bad debts written off	-	8,623,628
Bank charges	3,892,490	2,278,633
Penalties	8,263,046	-
	353,390,731	272,422,911
PROFIT /(LOSS) BEFORE TAX	24,713,492	(104,781,580)



SK ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INTEGRATED COMMUNICATIONS LIMITED
ANNUAL REPORT AND FINANCIALS STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2008

P.O. Box 19962, Dar es Salaam, Tanzania
Phone: 0754 – 279246
E-mail: skcassociates@yahoo.com

INTEGRATED COMMUNICATIONS LIMITED

1. INTRODUCTION

The directors present their report together with the audited financial statements as at 31 December 2008.

2. STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. PRINCIPAL ACTIVITIES

The company's principal activity is to carry out the business of advertising and marketing on behalf of various corporate bodies.

4. SOLVENCY

The company's state of affairs is set out on page 4 of the financial statements.

5. RESULTS FOR THE YEAR

The results of operations for the year are set out on page 5.

6. DIVIDENDS

The directors do not recommend the payment of a dividend.

7. DIRECTORS

The directors who served during the year are as follows:

NAME	POSITION	NATIONALITY
MR. ZADOCK E. KOOLA	CHAIRMAN	TANZANIAN
MR. RAYMOS ZAKAYO	DIRECTOR	TANZANIAN

8. DIRECTORS FEES

There were no fees paid to directors during the year.

9. AUDITORS

The auditors, M/s SK Associates, have expressed their willingness to be reappointed.

BY ORDER OF THE BOARD

.....
DIRECTOR

SK ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

SHEKILANGO ROAD, PLOT NO. 759 BLOCK B SINZA

P.O. Box 19962 DAR ES SALAAM

E-mail:skcassociates@yahoo.com

Page 3

AUDITORS' REPORT

to the members of

INTEGRATED COMMUNICATIONS LIMITED

We have audited the financial statements set out on pages 4 to 10 in accordance with the International Auditing Standards. The financial statements are in agreement with the accounting records and we obtained all the information and explanations that we considered necessary for our audit.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

Directors are responsible for the preparation of the financial statements. Our responsibility as auditors is to express an opinion on these financial statements based on our audit.

BASIS OF OPINION

We planned and performed our audit so as to obtain a reasonable assurance that the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the financial statements and whether the accounting policies are appropriate in the company's circumstances consistently applied and adequately disclosed.

OPINION

In our opinion, the financial statements, give a true and fair view of the state of the affairs of the company at 31 December, 2008 and of its profit and cash flows for the year then ended, in accordance with International Accounting Standards and comply with the Companies Act 2002.



DAR ES SALAAM
APRIL, 2009

INTEGRATED COMMUNICATIONS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2008

	NOTE	2008 TSHS	2007 TSHS
NON CURRENT ASSETS :			
Property, Plant & Equipments	2	173,157,259	94,256,756
Intangible assets			
Accounting software		3,786,400	-
		<u>176,943,659</u>	<u>94,256,756</u>
CURRENT ASSETS			
Trade Debtors	3	365,069,236	229,531,066
Intercompany balance		25,000,000	
Prepaid tax	4	-	1,708,059
Prepayments		16,206,499	6,699,167
Short term loan		240,000	3,920,000
Cash and Bank		26,120,215	76,744,340
		<u>432,635,950</u>	<u>318,602,632</u>
TOTAL ASSETS		<u>609,579,609</u>	<u>412,859,388</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital	6	5,000,000	5,000,000
Retained Earning BF		(204,006,937)	(207,706,827)
Profit /(Loss) for the year		57,855,467	17,299,444
Total		<u>(141,151,470)</u>	<u>(185,407,383)</u>
CURRENT LIABILITIES			
Taxation	4	14,865,322	-
Creditors & Accruals	5	729,962,618	588,763,632
Directors current account		5,903,139	5,903,139
Intercompany liabilities		-	3,600,000
Total		<u>750,731,079</u>	<u>598,266,771</u>
TOTAL EQUITY AND LIABILITIES		<u>609,579,609</u>	<u>412,859,388</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 1.

The financial statements were approved by the board of directors on 2009 and were signed on their behalf by:

.....
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTE	2008 TSHS	2007 TSHS
Sales	1	4,347,906,219	1,671,161,066
Cost of sales		(3,543,814,432)	(1,301,215,176)
Gross profit		<u>804,091,787</u>	<u>369,945,890</u>
Miscellaneous Income		15,548,802	8,158,333
Operating expenses		<u>819,640,589</u> <u>(699,629,153)</u>	<u>378,104,223</u> <u>(331,998,939)</u>
Operating profit/(loss)		120,011,436	46,105,284
Depreciation		37,360,769	21,391,792
Net finance cost		-	-
Profit /(Loss) before Tax		<u>82,650,667</u>	<u>24,713,492</u>
Taxation	4	24,795,200	7,414,048
Net profit/ (Loss)		<u><u>57,855,467</u></u>	<u><u>17,299,444</u></u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 1.

INTEGRATED COMMUNICATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Share Capital TSHS	Retained Earnings TSHS	Total TSHS
Balance at 1 January 2007	5,000,000	(195,775,644)	(190,775,644)
Net loss	-	(11,931,183)	(11,931,183)
Balance at 31 December 2007	<u>5,000,000</u>	<u>17,299,444</u>	<u>17,299,444</u>
Balance at 1 January 2008	5,000,000	(190,407,383)	(185,407,383)
Prior year adjustment	-	(13,599,554)	(13,599,554)
Net profit/(loss)	-	57,855,467	57,855,467
Balance at 31 December 2008	<u>5,000,000</u>	<u>(146,151,470)</u>	<u>(141,151,470)</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 3.

INTERGRATED COMMUNICATIONS LIMITED

Page 7

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2008

	2008 TSHS	2007 TSHS
CASHFLOW FROM OPERATING ACTIVITIES		
Cash receipts from clients	4,197,089,519	1,485,693,797
Cash paid to suppliers and employees	<u>(4,100,728,194)</u>	<u>(1,357,935,877)</u>
	96,361,325	127,757,920
Tax paid	<u>(27,800,000)</u>	-
Net cash generated (used) from operating activities	68,561,325	127,757,920
CASHFLOW FROM FINANCING ACTIVITIES		
Purchase of fixed assets	(118,199,050)	(63,648,201)
Purchase of accounting software	(3,786,400)	-
Sale of fixed assets	<u>2,800,000</u>	<u>12,000,000</u>
Net cashflow from investing activities	(119,185,450)	(51,648,201)
CASHFLOW FROM FINANCING ACTIVITIES		
Share capital	-	-
Directors' current Account	<u>-</u>	<u>-</u>
Net cashflow from financing activities	-	-
Net Increase in Cash and Cash equivalents	(50,624,125)	76,109,719
Cash and cash equivalents at the beginning of the year	76,744,340	634,621
Cash and cash equivalents at the end of the year	<u>26,120,215</u>	<u>76,744,340</u>

The notes on pages 8 to 10 form part of these financial statements.

Auditors' report on page 3.

INTEGRATED COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2008

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention.

1.2 Revenue Recognition

Revenue is recognised on accrual basis when services are rendered or goods delivered to the customer.

1.3 Depreciation of Fixed Assets

Depreciation is calculated to write off the cost of the fixed assets on a reducing balance basis over the expected useful lives of the assets concerned.

The annual rates used for this purpose are as follows :-

Core Assets	-	15%
Godown	-	15%
Motor Vehicles	-	20%
Furniture and Fittings	-	12.5%
Machinery, Plant & Equipments		12.5%

1.4 Foreign Exchange Translation

Transactions in foreign exchange have been recorded at the rate ruling on the transaction date.

Assets and liabilities at balance sheet date, which are expressed in foreign currencies, have been translated to Tanzania Shillings at the rates ruling at the balance sheet date.

1.5 Deferred Tax

Provision is made for deferred tax on the full liability method.

1.6 Retirement Benefit Cost

The company contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contribution are determined by local statute and are currently limited to 10% of the employee's basic salary. The employee contributes the same amount to the scheme.

The company's contributions to the above schemes are charged to the income statement in the year to which they relate.

1.7 Stocks

Stocks are valued at the lower of cost and net realized value. Cost is determined on a first in first out basis.

INTEGRATED COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

	COMPUTERS ELECTRONIC EQUIPMENT TSHS	OFFICE EQUIPMENT TSHS	FURNITURE & FIXTURES TSHS	MOTOR VEHICLES TSHS	TOTAL TSHS
<u>COST</u>					
AT 1.1.2008	26,652,515	15,675,250	10,141,524	85,799,700	138,268,989
ADDITIONS	3,014,245	29,332,015	9,823,790	76,029,000	118,199,050
ADJUSTMENT/DISPOSAL	-	-	-	(3,459,000)	(3,459,000)
AT 31.12.2008	29,666,760	45,007,265	19,965,314	158,369,700	253,009,039
<u>DEPRECIATION</u>					
AT 1.1.2008	14,105,374	4,146,720	2,483,493	23,276,646	44,012,233
CHARGE FOR THE YEAR	6,732,635	6,393,845	2,614,684	21,619,605	37,360,769
ADJUSTMENT/DISPOSAL	-	-	-	(1,521,222)	(1,521,222)
AT 31.12.2008	20,838,009	10,540,565	5,098,177	43,375,029	79,851,780
<u>NET BOOK VALUE</u>					
AT 31.12.2008	8,828,751	34,466,700	14,867,137	114,994,671	173,157,259
AT 31.12.2007	12,547,141	11,528,530	7,658,031	62,523,054	94,256,756

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER, 2008 CONT'D

3. TRADE DEBTORS & PREPAYMENTS

	2008	2007
	TSHS	TSHS
Trade Debtors	365,069,236	229,531,066
Prepayments	-	-
Total	365,069,236	229,531,066

4. TAXATION

Opening balance 1 January	(1,708,059)	(5,250,000)
Provision for the year	24,795,200	7,414,048
Provision for prior years	19,578,181	7,527,893
Tax paid	(27,800,000)	(11,400,000)
Closing balance 31 December	14,865,322	(1,708,059)

5. CREDITORS & ACCRUALS

Statutory Creditors	85,176,055	27,627,976
Shareholders loan	607,584,042	452,717,354
Other Creditors	37,202,521	108,418,302
Total	729,962,618	588,763,632

6. SHARE CAPITAL

Authorised		
1,000 Ordinary Shares of Tshs 5000/=Each	5,000,000	5,000,000
Issued Fully Paid		
1000 Ordinary Shares of Tshs 5000/= Each	5,000,000	5,000,000

Auditors' report on page 1.

INTEGRATED COMMUNICATIONS LIMITED

Appendix

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2008

	2008	2007
	TSHS	TSHS
INCOME	4,347,906,219	1,671,161,066
Less: DIRECT EXPENSES	3,543,814,432	1,301,215,176
GROSS PROFIT	804,091,787	369,945,890
Add: Miscelenous Income	15,548,802	8,158,333
	819,640,589	378,104,223
OPERATING EXPENSES		
Depreciation	37,360,769	21,391,792
Salaries	339,979,825	166,446,085
Medical expenses	4,198,570	1,402,178
Consultancy fees	55,250,000	33,374,999
Security expenses	7,800,000	4,125,000
Management fees	49,175,026	6,843,900
Advertising and Promotion	1,354,500	-
Reserch and Development	-	1,356,504
Staff Housing & Office rent	33,113,333	17,400,000
Transport, Fuel & Lubricants	22,635,300	14,608,300
Electricity & Generator Fuel	7,469,185	4,370,441
Office Operations - Care hire	2,584,500	790,000
Software written-off	-	1,250,000
Telephone,courier and postage expenses	20,931,188	13,295,274
Printing & Stationery	13,145,840	7,469,390
Equipment repairs & Maintanance	8,257,500	3,068,400
Motor Vehicle repairs	31,846,035	13,058,278
Training & Seminars	2,352,400	2,121,600
Workmen's Compensation	2,508,500	1,254,250
Licence & permits	2,282,800	1,768,333
Management travel expenses	13,398,074	838,240
Discount allowed	11,011,211	4,060,890
Exchange loss	1,663,379	1,408,316
Clients service & entertainment	4,710,600	3,445,470
Motor Vehicle Insurance and road licence	5,476,338	1,609,200
Internet expenses	11,919,100	4,916,700
Facilities and processing fees	4,101,000	-
Kitchen & Garden expenses	6,897,820	1,383,830
Accounting and Audit fees	4,000,000	2,500,000
Newspapers	1,470,900	1,094,160
Repairs-buildings and furniture	6,142,523	4,583,665
Bad debts written off	17,604,480	-
Bank charges	5,973,224	3,892,490
Penalties	376,002	8,263,046
	736,989,922	353,390,731
PROFIT /(LOSS) BEFORE TAX	82,650,667	24,713,492

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

INTERGRATED COMMUNICATIONS LIMITED

Incorporated this..... Day of.....2003

Drawn by:

RAYMOS OBRIEN ZAKAYO

(SUBSCRIBER)

P. O. Box 71035

DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF INCORPORATION

No.

I HEREBY CERTIFY THAT

INTERGRATED COMMUNICATIONS LIMITED

Is in this day incorporated under the Companies Ordinance (Cap. 212)

And that the Company is Limited

*GIVEN under my hand at Dar es Salaam, the day of
Two Thousand and Three*

Registrar of Companies

TANZANIA

Stamp Duty Shts. 3000/-

PAID ON ORIGINAL

Stamp Duty of 1200/-

Company Duty Officer

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

INTERGRATED COMMUNICATIONS LIMITED

TANZANIA

Stamp Duty Shts. 3000/- Paid

Stamp Duty of 1200/-

Receipt No. 17

Asstt Registrar of Companies

1. The name of the company is **INTERGRATED COMMUNICATIONS LIMITED**.
2. The Registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are: (and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause nor in any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction *eiusdem generis* or otherwise).
 - a) To acquire and take over as a going concern the business now carried under the name and style of INTERGRATED COMMUNICATIONS together with its assets, liabilities and good will.
 - b) To carry on the business of promotions, advertising, marketing, media, communications, public relations agents, agents for sales and promotions and all other businesses which can be carried in conjunction therewith.
 - c) To carry on the business of merchandising in all its aspects.
 - d) To act as sales and marketing agents for radio stations, television stations, publishers, printers and providers of telecommunication services and networks of all kinds and descriptions.
 - e) To carry on the business of printers of newspapers, books, journals and cards of all kinds and descriptions.
 - f) To establish, construct, own and manage supportive equipment and control centres for the business of the company.
 - g) To carry on all or any of the business of all kinds in creative activities, writers, authors, potters, fine art painters, handcraft of all kinds, sculptures, musicians, to own studios and deal in internet services providers, to deal in graphic designs, printing, music publishing and producing music materials, CDs, tapes, audio and video tapes, DVDs and VCDs and any other related products.
 - h) To carry on the business as agents, promoters, managers and producers of music in all its various forms and generally to act as consultants in the music industry, publisher and distributor or promoter of music in all its various forms.

- i) To carry on the business as owners and managers of radio stations and television networks and programmes, to deal as programme producers and radio and television broadcasters.
- j) To hire out, lease out, or otherwise sell and/or lend studio time to individuals or corporations for the recording and preparation of studio signals and radio programs, or buy any movable or immovable broadcasting facilities or installations in the United Republic of Tanzania for the purpose of diversifying or enhancing the broadcasting capabilities of the company in so far as is permissible by law. To network in radio signalling with other broadcasters to facilitate simultaneous broadcasting of programmes for commercial gain, prestige or for public interest.
- k) To engage and or otherwise carry on the business of graphic designs, web page designers, general dealers of computer hardware and software, to be importers and distributors of all kinds of computer hardware and software, to provide general computer services, to be commercial computer programmers and generally to be computer acquisition consultants, to design and offer computer training services, to be suppliers and manufactures representatives of all kinds of computers and telecommunication systems, to be general importers, distributors, installers and servicers of all kinds of computers, photocopiers, fax and telex machines, general telephone apparels and generally to be telecommunication experts and consultants, to carry on the business of repairs of computers, all kinds of computer systems, electronic items and all kinds of electrical instruments.
- l) To carry on the business of banking, financial institution bureau de change, gold, gold coins, gold bullion, silver, copper and other precious, metals and precious stones, and to transact and to do all matters and things incidental thereto, or which may at any time hereafter be usual in connection with the business of banking or dealing in money or securities for money, to advance and lend money or securities for money, to advance and lend money on real personal and mixed securities, on cash, credit or other accounts on policies, bonds, debentures, bills of exchange, promissory notes, letter of credit, or on deposit of title deeds, goods, bills of sale, stock and shares.
- m) To carry on the business of general merchants, general storekeepers, importers, exporters, and wholesale and/or retail traders of or otherwise dealers of and in piece goods, hardware, glassware, crockery, cutlery, hosiery, enamelware, ironmongery, machinery, turners, spare parts of every description and other household fittings, and requirements and other articles and commodities of personal, household use and consumption provisions, groceries, medicines, drugs, wines spirits, liquors, surgical, optical, photographic and other instruments apparatus stationery and material and generally in all manufactured goods of all types, and merchandise of all kinds.
- n) To carry on all or any of the business of manufacturers' representatives, importers, exporters, buyers and sellers (both wholesale and retail) insurance agents, land agents, general merchants, traders, dealers and agent and/or representatives for goods, merchandise, materials, furniture, furnishings appliances, equipment, machinery, stores, products, provisions, commodities, substances and effects of all kinds.
- o) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patent rights, brevets d'invention, trade marks, designs, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon or improving any such patents, inventions or rights.

- p) To purchase, lease exchange, hire, sell, mortgage or otherwise deal in any movable or immovable property in Tanzania or elsewhere for any estate or interest whatsoever and any rights, privileges or easements over or in respect of any property, and buildings, plants, machinery, equipments or whatsoever, to undertake or direct the management of the property buildings, lands mines quarries and estates (of any tenure or kind) of the Company or to join with others in doing so and to transact on commission or otherwise the general business of a land agent.
- q) To acquire from any sovereign, state, or authorities any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account, and to work, develop, carry out, exercise and turn to account the same.
- r) To develop the resources and the turn to account any lands and any rights over or connected with land belonging to or in which the Company is interested, and in particular by cleaning, draining, fencing, planning, cultivating, building, improving, farming, irrigation, grazing and by promoting immigration and emigration and the establishment of towns, villages and settlements.
- s) To carry on business as bankers, capitalists, financiers, concessionaires, and to undertake, carry on, and execute all kinds of financial, commercial, trading, and other operations, and to carry on any other business which any seem to be capable of being conveniently carried on in connection with any of these objects, or calculated, directly or indirectly to enhance the value of, or facilitate the realization of, or render profitable, any of the property or rights of the Company.
- t) To advance, deposit or lend money, securities, and property, to, or with such persons and on such terms as may seem expedient, to discount, buy, sell, and deal in bills, notes, warrants, coupons, and other negotiable or transferable securities or documents.
- u) To amalgamate or enter into a joint venture with any other company or firm, be it foreign or local having similar objects.
- v) To guarantee or become liable for the payment of money or for the performance of any obligations, and generally, to transact all kinds of guarantee.
- w) To subscribe for, conditionally or unconditionally, to underwrite, issue on commissions or otherwise, take, hold, deal in, and convert, stocks, shares, and securities of all kinds, and to enter into partnership, or into any arrangement for sharing profits, union of interest, reciprocal concessions or co-operation with any person, partnership or company, and to promote, and aid in promoting, constitute, form or organize any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of this Company, or of advancing, directly or indirectly, the objects thereof, or for any other purpose which the company may think expedient.
- x) To vest any real or person property, rights or interest acquired by or belonging to the company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favor of the Company.
- y) To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and secure the payment of any money borrowed, raised or owing by mortgage, charged or lien upon all or any of the property or assets of the Company (both present and future).

Including its uncalled capital, and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be.

- z) To draw, make, accept, indorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrant, debentures, and other negotiable or transferable instruments.
- aa) To pay out of the funds of the Company all expenses, which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for or shares, debentures, or other securities of the Company.
- bb) To procure the Company to be registered or recognized in any part of the world outside the United Republic of Tanzania.
- cc) To sell, lease, mortgage or otherwise dispose of the property, assets or undertake of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, stock debentures, or other securities of any other company whether or not having objects altogether or in part to those of the Company.
- dd) To act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others, and either by through agents, sub-contractors, trustees or otherwise.
- ee) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

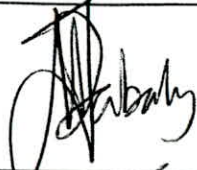

And it is hereby declared that:-

The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere, and

The object specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no ways be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, in a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

- 4. The Liability of the Members is Limited.
- 5. The capital of the Company is T.shs 5,000,000/= (five million) divided into 5,000 (five thousand) shares of T.shs 1,000/= (one thousand) each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.


We, the several persons whose names and addresses are 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.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
MICHAEL D. JIMMA P. O. BOX 71035 DAR ES SALAAM.	2000	
RAYMOS OBRIEN ZAKAYO P. O. BOX 71035 DAR ES SALAAM.	3000	

Dated at DSM this 15th day of JULY 2003

Witness to the above signatures

Name: Sylvester Ewedi Shayo
Postal Address: P. O. Box 11934, Dar es Salaam

Signature: 
Qualification: Advocate



TANZANIA

PAID ON ORIGINAL
2000/10/17/03
SHEKELI JOSEPH-CHAL

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

INTERGRATED COMMUNICATIONS LIMITED

TANZANIA
PAID
2000/10/17/03
SHEKELI JOSEPH-CHAL
ASSISTANT REGISTER OF COMPANIES

PRELIMINARY

1. The company is registered as a private company and accordingly:-
 - (a) The right to transfer shares is restricted in the manner hereinafter provided.
 - (b) The number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment and have continued after determination of such 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 person.
 - (c) Any invitation to the public to subscribe for any shares or debenture of the company is prohibited.
 - (d) The Company shall not have power to issue share warrants to bearer.
2. Table A in the first schedule to the Companies Ordinance shall not apply to this Company.
3. In these Articles, unless the context otherwise requires, expressions defined in the Companies Ordinance or any statutory modification thereof in force at the date of which these articles become binding on the Company, shall have the meaning so defined; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.
4. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the directors may deem it expedient not to commence or proceed with such branch or kind of business.
5. The registered office of the Company shall be at such place as the directors shall from time to time appoint.

CAPITAL

6. The capital of the Company is T.shs 5,000,000/= (five million) divided into 5,000 (five thousand) shares of T.shs 1,000/= (one thousand) each.

SHARES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
8. Subject to the provisions of section 47 of the Companies Ordinance (Cap 212), any 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 the issue of the shares may by Special Resolution determine.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issued of further shares ranking *pari passu* therewith.
10. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of the three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate meeting the provisions of this articles relating to general meetings shall mutants apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy on-third of the issue shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
11. Every person whose name is entered as member in the register of members shall, without payment, be entitled to one certificate under the common seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall be bound to issue more than one certificate, and delivery of certificate of a share to one of several jointly holders shall be sufficient delivery to all.
12. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred shillings, and on such terms, if any, as to evidence and indemnity as the directors think fit.

LIEN

13. The Company shall have a lien on every share for all moneys (whether present payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any on a share shall extend to all dividends payable thereon.
14. The Company may sell, in such manner as the directors thin fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and

demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or bankruptcy to the share.

15. For giving effect to any such sale the directors may authorize some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be found to see to the application of the purchaser money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. The proceeds of sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the Company on behalf of the person entitled to the shares at the date of the sale.

CALLS ON SHARES

17. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, and each member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times of specified the amount called in his shares. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect hereof.
19. If sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at bank rate prevailing from time to time from the day appointed for payment thereof to the time of actual payment, but the directors shall be at liberty waive payment of the interest wholly or in part.
20. The provisions of these articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same has become payable by virtue of a call duly made and notified.
21. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or nay part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rated (not exceeding, without the sanction of any Company in general meeting, the bank rate existing from time as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION

23. Subject to the provisions hereinafter continued shares in the Company shall be transferable by written instrument in the common form signed by both the transfer and transferee, and the Transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
24. The directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares to any person whom they do not approve not being already a member of the Company and may also decline to register any transfer of shares on which the Company has alien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless:-
- (a) A fee not exceeding shillings two hundred and fifty is paid to the Company in respect thereof; and
 - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require showing the right of the transferer to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

25. The personal representatives of a deceased sole holder of share shall be the only persons recognized by the Company as having any title to the share. In the case of share registers in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognized by the Company as having any title to the share.
26. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of 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 had in the case of transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
27. Except as hereinafter provided no share in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
28. Every member or other person referred to in article 26 hereof who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the board of his intention. The notice shall constitute the board his agent for the sale of the said shares in one or more lots at the discretion of the board to members of the Company at a price to be agreed upon by the vendor and the board, and in default of agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
29. Upon the price being fixed as aforesaid the board shall forthwith give notice to all the members of the Company other than holders of employees' shares of the number and price of the shares to be

sold and invite each of them to state in writing within twenty-one days from the date of the said notice whether he is willing to purchase any, and if so, what maximum number, of the said shares.

30. At the expiration of the said twenty-one days the board shall allocate the said shares to or among the member or members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively, provided that no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid. Upon such allocation being made the vendor shall bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he make default in so doing the chairman for the time being of the directors of the Company or failing him one of the directors duly nominated by resolution of the board for that purpose shall forthwith be deemed to be duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the board may receive and give a good discharge for the purchase-money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.
31. In the event of the whole of the said shares not being purchased under article 28 the vendor may, at any time within six calendar months after the expiration of the said twenty-one days, transfer the shares not sold to any person (subject to article 17) and at any price.
32. Articles 25, 26, 27, 28 and 29 hereof shall not apply to a transfer to a person who is already a member of the Company, nor to a transfer merely for the purpose of effecting the appointment of new trustees, nor to a transfer by personal representatives to a legatee under the will of, or to the husband, wife or next of kin of, a deceased member, nor to a transfer by trustee to a beneficiary, provided that it is proved to the satisfaction of the board that the transfer bona fide falls within one of these exceptions.

FORFEITURE OF SHARES AND EXPROPRIATION OF SMALL HOLDINGS

33. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and such forfeiture shall extend to any dividends in respect of any share so forfeited not actually paid at the date of the said notice.

36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
37. A person whose shares have been forfeited shall ceased to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receive payment in the full of the nominal amount of the shares.
38. The holders for the time being of four-fifths of the issued shares in the Company shall be entitled at any time to purchase ex dividend all or any of the shares held by any member of the Company at a price equal to the sum paid up thereon and upon the tender of that price by the holders of four-fifths of the issued shares to any other member for the shares held by him that member shall execute transfer of the shares to the members by whom the tender is made or their nominees in such shares and proportions as they shall direct. If the member to whom the tender is made neglects or refuses to accept the sum tendered or to execute transfers of the shares the Company may on proof of his neglect or refusal accept and give a good discharge for the moneys tendered on behalf of the member to whom the same shall have been tendered, and the provisions of article 23 shall apply to the execution of transfer of the shares and the registration of the members by whom the tender was made or their nominees as owners of the said shares.
39. A statutory declaration in writing that declarant is a director of the Company, and that a share in the Company has been duly forfeited or expropriated on a date sated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase-money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture or expropriation, sale or disposal of the share.
40. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

41. The Company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration to that time, or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as

they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares cannot, in the opinion of the director, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to payment of calls, lien, transfer, transmission, forfeiture, expropriation, and otherwise as the shares in the original share capital.
44. The Company may by ordinary resolution:-
 - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions in section 51 (1) (d) of the Companies Ordinance (Cap. 212);
 - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and may by special resolution:-
 - (d) Reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized, and consent, required, by law.

GENERAL MEETINGS

45. The Company shall in each year hold a general meeting as 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 and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and at such place as the directors shall appoint.
46. All general meeting other than the annual general meeting shall be called extraordinary general meetings.
47. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 114 of the Companies Ordinance (Cap. 212). If at any item there are not within the united republic of Tanzania sufficient directors capable of acting to form a quorum, any director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings any be convened by the directors.

PROCEEDINGS AT GENERAL MEETINGS

48. An annual general meeting and a meeting called for the passing of special resolution shall be called by twenty-one days' notice in writing at the least and all other meetings by fourteen days' notice in writing at least. Such notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day, and the hour of meeting and, in case of special business, the general nature of the business shall be given in the manner hereinafter mentioned, or in such other manner, if nay, as may be prescribed by Company in general meeting to such persons as are, under these articles, entitled to receive such notices from the Company; but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
49. The accidental omission to give notice to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at any meetings.
50. All business shall deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the ordinary report of the directors and auditors, the election of directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the directors.
51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; same as herein otherwise provided two members personally present shall be a quorum.
52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; an any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company.
54. If there is no such chairman, or if at any meting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.
55. The chairman may, with the consent of any meeting at 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 the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
56. 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 the declaration of the result of the show of hands) demanded

by at least one member entitled to vote present in person or by proxy; and unless a poll is so demanded, a declaration by the chairman that the resolution has, on a show of hands, been carried, or carried unanimously, or by particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against the resolution.

57. If a poll is duly demanded it shall be taken in sum manner as the chairman directs, and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
58. 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 hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
59. A poll demanded on the election of a chairman, or in a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
60. Any ordinary resolution of the Company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the Company holding three-fourths of the issued shares of the Company shall be as valid and effectual as an ordinary resolution duly passed at a general meeting of the Company duly convened and held.

VOTES OF MEMBERS

61. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is the holder.
62. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of member.
63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, a curator bonus, or other person in the nature of a committee or curator boons appointed by that court, and any such committee, curator boons, or other person may, on a poll, vote by proxy.
64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
65. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
66. On a poll votes may be given either personally or by proxy.
67. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. A member shall not be entitled to appoint more than one proxy to attend on the same occasion nor may a proxy vote except on a poll.

68. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a naturally certified copy of that power or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, or taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

69. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:-

.....Limited

"I.....of, act. being a member of the Limited, hereby appoint of, act. as my proxy to vote for me and on my behalf at the ordinary {or extraordinary, as the case may be} general meeting of the Company to be held on theday of..... and at any adjourned meeting thereof".

Signed this.....day of.....200.....

Signature of Member

70. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

DIRECTORS

71. The directors shall be not less than two in number and shall be appointed by the subscribers to the Memorandum of Association. Unless and until otherwise determined by the Company by ordinary resolution the number of directors (excluding alternate directors) shall not be less than two and no more than six.

72. The names of the first directors of the Company are as follows:

1. **RAYMOS OBRIEN ZAKAYO**
2. **MICHAEL D. JIMMA**

73. (1) The remuneration of the directors shall from time to time be determined by the Company in general meeting.

(2) In addition to their usual remuneration the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of director.

74. Any director any in writing appoint any person, who is approved by the majority of the directors, to be his alternate to act in his place at any meeting of the directors to which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the directors and to attend and vote there at as a director when the person appointing him is not personally present, and where he is a director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the Company and shall not

be deemed to be the agent of the director appointing him. The remuneration of such alternate shall be payable out of the remuneration payable to the director appointing him, and the proportion thereof shall be agreed between them. An alternate director need not hold any share qualification.

75. A director and alternate director shall not require a share qualification by nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
76. The Company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. A vacancy occurring in the board of directors may be filled up by the Company by an ordinary resolution.

POWERS AND DUTIES OF DIRECTORS

77. The business of the Company shall be managed by the directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not, by the Companies Ordinance (Cap. 212) or any statutory modification thereof, for the time being in force, or by these articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these articles and of the said Ordinance, and the exercise of such powers shall be subject to control of any general meeting of the Company specially convened for the purpose, but no resolution of the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been passed.
78. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partially in another) as they may think fit. The office of managing director shall be subject to determination ipso facto if he ceases from any cause to be a director, or if the Company in general meeting resolves that his tenure of the office of managing director or manager be determined.
79. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.
80. The directors shall duly comply with the provisions of the Companies Ordinance (Cap. 212) or any statutory modification thereof for the time being in force, and particular with the provisions in regard to registration of the particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the directors and secretaries, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special and extraordinary resolutions and a copy of the register of directors and notification of any changes therein.
- 8.1 The directors shall cause minutes to be made in the books provided for the purpose:-
 - (a) Of all appointments of officers made by the directors;

- (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) Of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors and every director present at any meeting of directors of committee of directors shall sign his name in a book to be kept for that purpose.

DISQUALIFICATION OF DIRECTORS

82. The Office of any director shall be vacated, if the director:
- (a) Resigns his office by notice in writing to the Company; or
 - (b) Becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the bankruptcy Ordinance; or
 - (c) Is found lunatic or becomes unsound mind; or
 - (d) Is punished with imprisonment for a term exceeding six months without the option of fine; or
 - (e) Is requested in writing by all his co-directors to resign.
83. Any director or any Company of firm of which a director is a member, may enter into contracts with the Company and any director may vote as a director or shareholder in respect of such contract and retain for his own use profits made by him under any such contract; provided always that unless he be at the time sole director he must disclose his interest to his co-directors before the contract is entered into by the directors, and if he be at the time sole directors be interested contract the contract must be entered into by the Company in general meeting, and before the contract is entered into, the director or directors must disclose his or their interest to the meeting.

PROCEEDINGS OF DIRECTORS

84. The directors may meet together for the dispatch of, adjourn and otherwise regulate their meetings, as they think fit, question arising at any meeting shall be decided by a majority of votes. In case of any equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.
85. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two.
86. The continuing directors may act notwithstanding any vacancy in the body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of Directors, the continuing director may act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the Company, but for no other purpose.
87. The Directors may elect a chairman of their general meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of their meeting.

88. The directors may delegate any of their powers to committees consisting of such members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegate conform to any regulation that may be imposed on them by the directors.
89. A committee may elect a chairman of their meeting; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose any of their number to be chairman of the meeting.
90. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall determined by a majority of votes of the members present, and in the case if an equality of votes the chairman shall have a second or casting vote.
91. All acts done by any meeting of the directors or of a committee of directors, or any person acting as a director, shall, notwithstanding that it afterwards discovered that there was some effect 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 to be a director.
92. A resolution determined on without any meeting of directors and evidenced by writing under the hands of all directors, or sole director, or of all members of a committee, or of sole member of a committee, shall be as valid and effectual as a resolution duly passed at meeting of the directors or of such committee.

SECRETARY

93. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may removed by them.
94. No person shall be appointed or hold office as a Secretary who is:-
 - (a) the sole director of the Company; or
 - (b) a corporation the sole director of which is the sole director of the Company; or
 - (c) the sole director of a corporation which is the sole director of the Company
95. A provision of the Companies Ordinance or these regulations requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of the secretary.

THE SEAL

96. The Director shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors or of a committee of the directors authorized by the directors in that behalf, and every instrument to which the Seal Secretary or by a second director or by some other person appointed by the directors for the purpose but so that the directors may be resolution determine, either generally or in any particular case, that the signature of any director may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to certificates which have first been approved for sealing by the Auditors, Transfer Auditors, Transfer Agents or Bankers of the Company in writing.

DIVIDENDS AND RESERVE

97. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
98. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.
99. No dividends shall be paid otherwise than out of profits.
100. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of shares in the Company dividends may be declared and paid according to the amount of the shares. No amount paid on a share in advance of call shall, while carrying interest, be treated for purpose of this article as paid on the share.
101. The directors may, before recommending and dividend, set aside out of the 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 profits 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 (other than shares of the Company) as the directors may from time to time think fit.
102. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividends payable on the share.
103. No dividend shall bear interest against the Company.

ACCOUNTS

104. The directors shall cause proper books of accounts to be kept with respect to:-

All sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure takes place.
All sales and purchases of goods by the Company; and the assets and liabilities of the Company.
Proper books of account mean such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
105. The books of accounts shall be kept at the registered office of the Company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
106. The directors shall from time to time determine whether and to what extend 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 inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorized by the directors or by the Company in general meeting.
107. The directors shall from time to time in accordance with section 123 of the Companies Ordinance (Cap. 212) or any statutory modification thereof for the time being in force, cause to be prepared

and to be laid before the Company in general meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as are referred to in those sections.

108. A copy of every balance sheet (including every document required by the law to be annexed thereto) which is to be laid before the Company in General meeting before the date of the meeting together either a copy of the auditors report, shall not less than twenty one days be sent to every member of, and every holder of debentures of, the Company and to every person registered under regulation 19. Provided that the regulation shall not require a copy of those documents to be sent to any member of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

CAPITALISATION OF PROFITS

109. The Company in general meeting may upon the recommendation of the directors resolve that the desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled there to distributed by law of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unused shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

Provided that a share premium account and capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unused shares to be issued to members of the Company as fully paid bonus shares.

110. Whenever such resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid up shares or debentures, if any, and generally shall do all acts and things to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they as they think fit for the case of share of debentures becoming distributable in fractions, and also to authorized any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any other shares or debentures to which they may be entitled up on such capitalization, or (as the case may require) for the payment up by the Company or their behalf, by the application thereto of their respective proportions of the profits of the resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effectively and binding on all such members.

AUDIT

111. Auditors shall be appointed and their duties regulated in accordance with sections 132, 133, and 134 of the Companies ordinance (Cap. 212) or any statutory modification thereof for the time being in force.

NOTICES

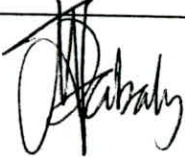

112. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if has registered address in Tanzania, to the address, if any, within Tanzania supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed affected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the latter would be delivered in the ordinary course of post.
113. If a member has no registered address in Tanzania and has not supplied to the Company an address within The Republic of Tanzania for the giving of notices to him, a notice addressed to him, and displaced in the registered office of the company, shall be deemed to do dully given on the day on which it is so displayed.
114. A notice may be given by the Company to the join holders of a share by giving the notice to the join holder named first in the register in respect of the share.
115. 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 sending it through the post in a prepaid letter addressed to them by name, or by the tittle of representatives of the deceased, or trustees of the bankrupt, or by any like description, at the address, if any, in the United Republic of Tanzania supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice an any manner in which the same might have been given if the death or bankruptcy had not occurred.
116. Notice of any general meeting shall be given in the same manner hereinbefore authorized to (a) every member of the Company except those members who (having no registered address within the United Republic of Tanzania) have not supplied to the Company an address within The United Republic of Tanzania for the giving of notices to them, (b) every person entitled to share inconsequence of death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and (c) the auditors for the time being of the company. No other person shall be entitled to receive notices of general meetings.

WINDING UP

117. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Ordinance (Cap. 212), divide amongst the members in specie 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 deems fair upon any property to be divided as aforesaid and may determine how such decision shall be carried out as between the members or different classes of members. The Liquidator may, with sanction, vest the whole or any part of the assets in trustees up on such trusts for the benefit of the contributors as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

118. Subject to the provisions of the Companies Ordinance (Cap. 212), every director, managing director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
MICHAEL D. JIMMA P. O. BOX 71035 DAR ES SALAAM.	2000	
RAYMOS OBRIEN ZAKAYO P. O. BOX 71035 DAR ES SALAAM.	3000	

Dated at Dar this 15th day of July 2003

Witness to the above signatures

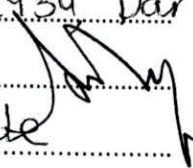
Name:

Sylvester Gumbi Shayo

Postal Address:

P.O. Box 11934 Dar es Salaam

Signature:



Qualification:

Advocate



INTERGRATED COMMUNICATIONS LTD

P.O. BOX 106120
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of
Steel Structure Manufacturing In Dar es Salaam,

TANZANIA

Prepared for
M/s INTERGRATED COMMUNICATIONS LTD,
P.O. BOX 106120,
DAR ES SALAAM.

INTERGRATED COMMUNICATIONS LTD

P.O. Box 106120,
Dar Es Salaam.

Index

S/No	Subject	Page NO. 1
1	Introduction	03
2	Company Details	03
3.	The Project	04
4.	Project Location & Inputs	05
5.	The Market & Demand	05
6.	Promoters & Management	07
7	Servicing Process & Technology	07
8	Manpower	07
9	Cost of the Project & Means of Finance	08
10.	Project Implementation Schedule	10
11.	Project Financials	10
12.	Social & Development Benefits	12
13.	Conclusion & Recommendations	13

List of Appendices:-

- ◆ Cost of the Project & Means of Finance
- ◆ Projected Five Years Profit & Loss Account
- ◆ Project Five Years Balance Sheet
- ◆ Projected Five Years Funds Flow Statement
- ◆ Projected Taxation Schedule
- ◆ Projected Depreciation Statement (Phase I)
- ◆ Projected Depreciation Statement (Phase II)
- ◆ Chart on Projected Profits for Five Years
- ◆ Chart on Cash-Profits for Five Years
- ◆ Implementation Schedule (Phase I)
- ◆ Implementation Schedule (Phase II)

0.1 Introduction

This feasibility study report has being prepared for **M/S INTERGRATED COMMUNICATIONS LTD of P.O. BOX 106120 DAR ES SALAAM, Tanzania** hereinafter referred to as ICL. ICL has undertaken a project to venture into the business as Manufacturer/Assemblers of specialized Steel structures, for different commercial purposes like marketing and other publicities and concert stages as well as designers, Manufacturer's representatives and commission agents and dealers in all kinds of mechanical, engineering and all allied products of Steel and Billboards systems and Engineering works. The promoters are well experienced in the envisaged line of business. The promoters have enough financial resources to see through the project and will bring in foreign exchange right from the inception stage of the project.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by ICL. Most of the data has been complied by the promoters' own research and study in Tanzania and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and community related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

02. Company Details:

Registration:

M/s ICL was registered with the Registrar of Companies on 17th July 2003, as a limited liability company. The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 46486.

Object Clause:

"To carry on the business of Steel structures and Billboards posts manufacturing/assembling plant, for constructions of concert stages fixing, repairing and technical drawings on building contractors, masonry and general advertising contractors and were necessary to give consultation on the same, to carry on business of general merchandise, merchants or broker to be commission agents for all kinds of business ,imports, exports, hire, sell, purchase and as well dealing in all kinds of mechanical, systems as well as in Engineering works.

"Also To carry on the business of manufacturing of sub materials related to steel posts and metal posts for streets and to buy and sell steel posts and iron metal posts products and deal in these products as principals or as agents of other companies from within the country or from outside this country or outside in the business of selling, manufacturing, buying or turning any type of steel or iron metal into any form, and also include manufacturing of allied products as well"

Other object clauses includes the business of importers and exporters, buyers and sellers of all types of office supplies, computers, Printers, UPS, Photocopiers, Fax machines, Office furniture's, creative activities of various kinds, machinery, computers and thereby acting as dealers of information technologies as applicable to any authorities etc, and also interest in construction line.

Promoters/Shareholders & Directors:

The Shareholders of ICL are as under:

Name of the Share Holder	Nationality	% Holding
Ms. ZEK Group Int.Ltd P.O. BOX 71035, Dar es Salaam	Tanzanian	80%
Fredrick Njeru Nthiga P.O. BOX 106120, Dar es Salaam.	Kenyan	20%

Location of the Proposed Site:

The site for the business shall be at plot number 17, Uporoto St /Ali Hassan Mwinyi rd, Kinondoni Municipal, Dar es Salaam Region. Since the project is concerned with manufacturing/assembling of steel/metal posts in Promotional marketing line of business and also to maintain and improve steel posts and advert structures towards the maintenance and improvement of structured cabling, and other promotional design related kinds of business.

Registered Office Address:

Plot 17 Ali Hassan Mwinyi Rd/Uporoto Street, Kinondoni, DAR ES SALAAM.

03. The Project:

The basic purpose of the entire project is to add value to the abundantly available inputs, which have hitherto not been adequately exploited. The project will create more wealth for the nation and shall endeavor to bring in more prosperity and economic independence.

Own study of the promoters has revealed that there are nearly 15 species of steel and iron, which are considered to be of inferior quality and therefore barring for one or two species non have been exploited commercially. ICL is interested in venturing into this area, as they are confident about their latest technology and manufacturing process. ICL is sure to process high quality steel products and iron metal out of the so considered inferior quality signage.

The project will ensure that it will replace to very large extent steel Contain sand billboards, which are being imported as on date to be used by various government and private agencies, like the railways, Transport Corporation of Tanzania and various domestic users. The steel and iron in various sizes will be mainly exported which will bring in valuable foreign exchange for the country.

04. Project Location & Inputs: -

Since the project is related to manufacturing of steel structures, iron, metal, bill boards, etc., which is an outcome of specialized processes carried out on raw steel or signage, the project location preferably has to be near to the harbor, airport and easily accessible to upcountry. A part from the very fact that the project requires lot of steel transport related issues also dictate the location of such projects as being nearer to the source of raw materials.

Promoters have identified more than 1 acre of land, which is on the Uporoto road, Kinondoni Municipal. The plots or areas identified are outside the municipal limits. Such location has resulted into relatively cheaper land with very easy access to the city infrastructure. The promoters have made necessary contracts with the District Land Development Office and have received confirmation about availability of the envisaged plot of land. As of now some 1 acre of land has already been taken on long term lease. In other words availability of adequate land, which is so crucial for the success of such project, has been more or less tied up. Such situation provides the project with an edge as compared to others in similar lines.

The local authorities have assured the promoters about adequate supply of power and water, which is required for the successful running of the business. Power requirement has been estimated at 1,100 h.p. With 24 hours running. A iron sheet will be constructed at the site and will require considerable amount of water, however since the water will be stored in one place no major bottleneck on that count is envisaged or anticipated.

0.5 The Market and Demand:-

Steel structures, Iron, Metal, and Bill Boards that form the core product line of this project are all sourced from steel. These products are being used in outdoor industry as well as in preparation of industrial and domestic use. The end use of Steel structures are numerous ranging from outdoors, ceiling walls, furniture, berths, desks school and college benches, temporary structures, houses etc. a review of the various end uses listed (Where the list is not exhaustive) here itself can provide enough indication about the demand for the product envisaged buy the project. Steel structures in various sizes have a ready export market and have lot of domestic demand.

The promoters reportedly carried out a survey of various regions in Tanzania where such project can be established with minimal obstacles. Their study led them to the Dar es Salaam region, it also has advantages in terms of more advanced infrastructures and availability of adequate local manpower, power and roads also market potentials, besides it is the main commercial city of Tanzania. Dar es Salaam shall also prove to be one of the most important markets and as such Dar es Salaam is the only region with big infrastructures in case of demand is also very high, than the rests of other regions that assures the project to be a going concerns one, and the fact Dodoma as a political head quarter also due to the rapid expansions which just underway, to boosts other regions infrastructures like in Mwanza, Arusha, Tanga, Mbeya etc, the above said project has a ready market. Also Dar es Salaam region enjoys the benefits of being near to the source for sourcing raw materials i.e. being close to harbor and airport, relatively better infrastructure and also being quite near to the main market.

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 5 years and that has resulted into spurt of demand for quality products. The demand has been more pronounced in the basic necessity sector. Furniture and construction sector have also shown impressive growth. The products of ICL form the basic for outdoor industry. It is used in all stages of advertising. It is useful in the initial stage and once the outdoor is completed it is required for interior decoration and for creation of useful attachments.

As on date, as revealed by the survey carried out by promoters, more than 90% of the demand for steel structures, iron, metal, bill boards is being serviced through imports. Besides due to imports (which are costlier), it is felt that the real demand is not being exhibited. The promoters are confident that all their produce will meet with ready market.

From marketing angle, apart from the points noted above, this project enjoyed a distinct advantage. There are certain international standards in which the dimensions are available for steel structures, iron, bill boards, however ICL envisaged assembling steel structures, iron, bill boards in various sizes, which can suit the requirements of local populace. This strategy shall provide the project with an additional marketing edge compared to imports, the first edge being lower prices. ICL believes that creation of non-standard size shall not only make it more viable/profitable but will in long run also ensure maximum utilization of available resources.

ICL plans to establish the entire project into two phases. In the first phase (which shall run for first six months), output expected from the project is nearly 100 cubic meters and in further twelve months (being the second phase) the capacity will be increased to 450 cubic meters.

ICL promoters firmly believe that they will not encounter any major hurdle in marketing their produce. Some time will definitely be required as the product boast of being import substitute and the products are not meant for direct consumption (which implies that they are being sold to an intermediary). However in long run ICL promoters and management are very much sure about the successful operation of the project.

The per capital consumption of steel and iron in Tanzania is one of the lowest in the world and the growing economy and changes in international situation it is very likely that the demand for steel products shall grown in geometric proportions. ICL seeks to initiate its activities on the premise of such calculations.

In nut shell as observed in this chapter market and demand for the product can not pose to be a bottle neck for successful Expansion and running of the project envisaged.

06. Promoters & Management:-

The importance of well-informed promoters and professional management can never be over estimated for successful implementation of the any project. It is said that well – informed promoter and professional management can make even a not so viable project otherwise and vice-a-versa.

07. Assembling Process and Technology: -

The factory to be put-up for manufacture steel structures, billboards, etc., shall be a very simple and target oriented structure. Pillars will support the roof and the sidewalls will leave open. This will not only ensure that the initial set – up cost of the project will be minimal but will also enable ICL to increase the factory will maintain a very large open space to accommodate the storage of steel received in form of logs waiting for further processing.

The project envisages manufacture of:

- ◆ M.R. Grade steel (Moisture Resistance).
- ◆ B.W.P. Grade steel (Boiling Water Proof).
- ◆ Film faced steel;
- ◆ Checkered steel;
- ◆ Flush Doors;
- ◆ Bill Boards; and
- ◆ Iron sheets.

This is done to accommodate the process of sorting out of the good and bad steel. The bad steel identified is thrown into the boiler and is treated as boiler fuel. The veneers are then dried in the driers and then taken to the hot press. The Number of layers of core veneers will depend upon the thickness of the steel structure required. The assembled veneers are fed into the press and pressed under pressure & temperature as required by the thickness & size of the sheet. The largest size manufacturer is 8 fts. By 4 fts.

ICL envisages manufacturing of all the varieties of steel structures, iron, metal, bill boards in varying sizes such as (all dimensions in feet) 8*4, 7*4, 6*4, 5*4, 8*3, 7*3, 6*3, 5*3. In addition to these sizes ICL shall also produce other sizes as per local market demand. 8*4 is the only size, which is movable in the international market, and therefore the same size will be made available for the export market. After the required and then taken to the D.D. saw to cut the same into required sizes of steel structures. Then the same is taken to the sanding machines and sanded. The finished steel further checked piece-by-piece by the final checking authority and an OK Seal and the brand name is affixed & the steel ready for the market.

For the manufacture of moisture resistant grade of steel bars, bill board a chemical process is undertaken wherein urea formal dehydrate is used along with melamine TSP (tamarind seed powder) etc. Similarly for manufacture of boiling water proof (BWP) steel bars/bill boards these are processed by using phenol formal dehydrate is used.

08. Manpower: -

Although the project of manufacturing steel structures, iron and metal will require lot of automatic machines, lot of manpower especially at lower end shall be required to carry out preparatory processes as well as for quick movement of steel within the factory premises.

ICL estimated that total manpower required will nearly 220 however in the first stage of project implementation nearly 300 workers will be required. The first phase of the project will result into an output of nearly 100 cubic meters (per day). The first stage will be achieved within two to three months and the second and final stage of current project will take another 21 months from the date of completion of the first project. Once the second and the final stage is completed the output per day will increase to 450 cubic meters a day. The manpower requirement after the completion of both the phases will be 1,000.

ICL will hire expatriates to oversee the operations. Workers will be guided and trained by the expatriate technical experts to run machines. Organization hierarchy shall be as under:-

a. Top level

Chairman cum Managing Director
General Manager

b. Middle Level

Production Manager
Chief Engineer
Finance Manager
Marketing Manager

c. Lower Level

Production Supervisors
Personnel and Administrative Officer
Accounts Officer.
Sales Officer

ICL shall endeavor to promote local staff as much as possible to ensure better employment opportunities to the local populace. However it shall always ensure that efficiency of the unit is kept intact.

ICL shall run simultaneously a small in-house training house, where the experts will provide training to the new recruits before they are put on the jobs for on-job training. ICL believes that a motivated and skilled manpower can for sure bring in immense benefits to the industry and can ensure peaceful co-existence of all concerned.

09. Cost of the Project & Means of Finance:-

A. Cost of the Project:-

Sr. NO.	Details	US \$
1	Land & Building	50,000/=
2.	Plant / Machinery & Equipments	2,200,000/=
3.	Furniture, Computers & Fixtures	25,000/=
4.	Vehicles	450,000/=
5.	Pre-operating Costs	25,000/=
6.	Initial working capital	75,000/=
7.	Others	15,000/=
	Total Cost of the Project	2,840,000/=

B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	840,000/=
2	Promoters' Loan	2,000,000/=
	Total Means of finance	2,840,000/=

The total cost of the project consisting of both the phases has been estimated at **US \$ 2,840,000/=** as can be seen from the above chart, majority of the expenses involved will be on Machinery and Equipments. Nearly 73.33%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

Building will be a simple structure based on pillars with sidewalls open to facilitate future expansions. The height of the factory shed will be 15 feet. A small training house and a rest room for the workers will also be constructed.

In-house utility vehicles will be needed to transport the Steel products from the company premises to the end user's place i.e. to the point of fixing and servicing and also for moving the cargos within the project premises wherever required.

Office furniture will be bare minimum and so will be computers (may be three sets). Telephone lines; fax line and Internet line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to bring in enough quantity of lamps and street light posts, traffic lights and other electrical engineering related equipments, spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The promoters of ICL are in possession of required finances and are committed to put in the same as and when required. The initial capital has been created at 75,000/= US dollars.

10. Project Implementation Schedule:-

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 100 cubic meters a day and after completion of the second phase the manufacturing capacity shall be 450 cubic meters a day.

The project implementation schedule is shown in form of a table hereunder (PHASE II).

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	June 2009 & November 2009
02	Factory Shed Complete & Plant Layout finalized for implementation.	November 2009 & December 2009
03	Order placement for various machineries, recruitment of key personnel	January 2010 & February 2010.
04	Installation of Plant & Machines	March/April 2010
05	Procurement of logs for initial trial runs and plant commissioning.	April/May 2010
06	Commencement of Trial Runs	May/June 2010
07	Commencement of Commercial Operations.	May/June 2010.

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

11. Project Financials:-

11.01 Assumptions

- a) The rate of one US \$ is equal to T.shs 1,330/=
- b) Required labor force will be available
- c) Required permits will be granted within the limited time schedule to ensure implementation as per schedule.
- d) The first phase will be operational within a span of three months.
- e) The second phase will taken nearly 21 months to complete after the start of first year and will increase the capacity to 100 cubic tones per day.
- f) Total investment will be US \$ 2,840,000/=
- g) The project will have own finance
- h) Land will be available on lease in future as and when required.

11.02 Projected Five Years Profitability Statements

As can be seen from the enclosed projected profitability statement, the company will not earn profits in the first year where the operations are to run only for six months; however there will be cash- profits.

The company will attain a turnover of US \$ 0. 2 million in first six months; will go up to US \$ 0. 4 millions in the next years and from third year of operation will remain steady at US \$80,000/=.

The profits will start coming from the 2nd year of operations. From the year 4 and onwards the annual profits will be in the range of US \$ 0.5 million and above. The project enjoys a payback period of 5 years.

The company will be earning gross profit @ 6% and net profit of nearly 2.5%. For a very large project, like this a net profit of 2% is quite reasonable. Government will earn lot of revenues due to such high turnover.

Selling costs have been assumed at 2% of the sales and other overheads have been assumed not to cross US \$ 50,000 a month including manpower costs.

Depreciation has been provided as per the prevailing income tax rates. Further full depreciation has been provided on assets purchased during the year. Separate schedules are attached with this report for calculation of depreciation.

11.03 Projected Five Years Balance Sheet

The enclosed balance sheet shows a very sound position of the company. The current assets ration is in excess of 1.2 from the beginning and by the year 5 it reaches 2.

Inventory will be maintained only for a period of one week. The reason being the project is going to be located in the close proximity of source of materials.

Creditors will be outstanding for a period of 15 days and suppliers of services will be paid at the expiry of one month.

11.04 Projected Five Years Funds Flow Statements:-

As can be seen from the appended projected funds flow statement the company will be financed by the promoter's own funds.

Operating profits will be ploughed in to the business. Once the operations are steadied from the year 2012, the annual contribution of operational profits shall be turning the tune of US \$ 160,000/=

Depending on the surplus available, promoter's loan will be re-paid. As can be seen the company shall be in a position to commence repayment or promoters' loan by the year 2014.

As the operations will grow, the net working capital requirement will also grow. As can be seen the increase in net current assets will be from US \$ 90,000/= (year 2009) to US \$280,000/= (year 2012).

The company assumes to maintain a positive cash balance of US \$ 45,000/= to US \$80,000/=.

11.05 Projected Five Years Taxation Schedule:-

The company will enjoy tax incentives as per the governing laws of the country. It will have taxable profits only from the year 2013 and will then onwards contribute to the exchequer in excess of US \$ 50,000/= in the first year and then onwards in excess of US \$ 140,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. Social & Development Benefits:-

◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 220 locals inclusive of skilled, semi- skilled and un-skilled class. One expatriate will also be employed as per the requirement of the project.

This direct employment of more than 220 individuals will generate indirect employment for more than 450 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

◆ Transfer of technology

This project being a manufacturing and assembling project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

◆ Contribution to the exchequer.

This project will contribute substantially to the society in general and to the exchequer in particular. As has been observed the total turnover at 100% utilization will be in the range of US \$ 24 million. This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition the company will also be contributing in terms of corporate taxation from the year 2013 onwards.

◆ Positive cascading impact on the nation's economy.

This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 220 individuals and will provide means of livelihood to more than 450 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

. This project will thus result into regional development. This project will thus held the government to further its own objective of promoting regional development.

13. Conclusion & Recommendation:-

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- ◆ The country will get a manufacturing/assembly unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with

contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.

- ◆ The project will bring in latest technology in the relevant field and will ensure training or development of skilled labor force in the country. The labor force will get on –job training and will thus make them more and more competent.
- ◆ The project will lead to regional development besides. As it will be located in Dar Es Salaam Region and other regions to follow. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region. It will arrest migration of individuals and will also alleviate the problem of congestion and concentration of working force in Dar es Salaam region.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam region and other neighboring regions and for the country as a whole.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.

We therefore recommend that this project be supported in totality, as it will be in favor of the nation on a whole.

Appendix 1

**INTERGRATED COMMUNICATIONS LIMITED
INVESTMENT COST**

US\$

	FOREIGN	LOCAL	TOTAL
BUILDING AND BUILDINGS		50,000	50,000
PLANT AND MACHINERY/EQUIPMENTS		2,200,000	2,200,000
MOTOR VEHICLES		450,000	450,000
OTHERS		15,000	15,000
FURNITURE AND FITTING		25,000	25,000
WORKING CAPITAL		75,000	75,000
PRE-OPERATIONAL EXPENSES		25,000	25,000
TOTAL INVESTMENT COST			2,840,000

INTERGRATED COMMUNICATIONS LTD

DEPRECIATION SCHEDULE

	US\$		1	2	3	4	5	6	7	8	9	10
Land and Building	50,000	4%	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Plant&Machinery/Equip	2,200,000	12.5%	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400
Others	25,000											
Motor vehicle	450,000	25%	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560	19,560
Furniture & Fittings	25,000	12.5%	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750
Working Capital	75,000											
Pre-operational expenses	15,000	20%	4,400	4,400	4,400	4,400	4,400					
	2,840,000		66,310	66,310	66,310	66,310	66,310	61,910	61,910	61,910	61,910	61,910

**INTERGRATED COMMUNICATIONS LIMITED
FINANCING PATTERN**

US\$

	FOREIGN	LOCAL	TOTAL
EQUITY		2,840,000	2,840,000
TOTAL		2,840,000	2,840,000

INTERGRATED COMMUNICATIONS LTD

BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	US\$
1 MOTOR VEHICLES		
18 TONNES TRUCKS	3	
MINI BUS	6	
PICK UPS/LIGHT TRUCKS	6	
TOTAL VEHICLES TO BE PURCHASED	15	450,000

**INTERGRATED COMMUNICATIONS LTD
WORKING CAPITAL**

Appendix VI

US\$

YEAR	Assump.	1	2	3	4	5	6	7	8	9	10
Stock											
Steel	3 months essential packs	125	141	157	157	157	157	157	157	157	157
Iron	1 months requirement	29	33	37	37	37	37	37	37	37	37
Utilities	2 months	8	8	8	8	8	8	8	8	8	8
Cash	1 months	12	12	12	12	12	12	12	12	12	12
		174	194	214	214	214	214	214	214	214	214
Debtors											
5% income		387	434	484	484	484	484	484	484	484	484
Creditors											
1 month overheads		32	36	40	40	40	40	40	40	40	40
Total Creditors		32	36	40	40	40	40	40	40	40	40
Net Working Capital		355	398	444	444	444	444	444	444	444	444
Charge in Working Capital		355	43	46							

Appendix VII

**INTERGRATED COMMUNICATIONS LTD
SALARIES AND WAGES**

	NOS.	SALARY PER MONTH	SALARY PER ANNUM
Executive1	1	500	6,000
Executive2	1	350	12,600
Accountants	2	150	18,000
Office Attendants	2	65	3,120
Security Guard	4	65	39,000
Total Salaries	10		78,720

**INTERGRATED COMMUNICATIONS LTD
PROJECTED PROFIT AND LOSS ACCOUNTS**

USD 000

	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100							
Sales Revenue	4,866	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Operating Expenses										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	323	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,480	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	5,174	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
Financial and Capital Charges										
Depreciation	563	537	553	549	545	540	537	534	533	531
Profit before Tax	4,162	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Profit after Tax	2,913									
Capital Allowance	3,251	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Taxation 30%	975	1,998	2,245	2,246	2,247	2,249	2,250	2,251	2,251	2,257
Profit after Tax	5,174	4,441	5,238	5,241	5,244	5,247	5,249	5,251	5,252	5,248
Profit Brought Forward	-	2,276	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659
Total Revenue	5,174	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659	48,907

**INTERGRATED COMMUNICATIONS LTD
PROJECTED PROFIT CASHFLOW**

USD000

	0	1	2	3	4	5	6	7	8	9	10
CASH INFLOW											
Capital inflow											
Equity	2,840										
OPERATIONAL INFLOW											
Profit before Tax		6,150	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Depreciation		563	557	553	549	545	540	537	534	533	531
Total Cash Inflow	2,840	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
CASH INFLOW											
Investment	2,840	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
OUTFLOW											
Taxation	840	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	2,000	43	46								
Total Cash Outflow	2,840	1,330	2,041	2,291	2,240	2,247	2,249	2,250	2,251	2,251	2,251
Net Cash Outflow	0	5,353	5,175	5,745	5,790	5,789	5,787	5,786	5,785	5,785	5,785
Opening Balance	-	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025
Closing Balance	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025	56,810