

THE UNITED REPUBLIC OF TANZANIA  
**PRIME MINISTER'S OFFICE**  
**TANZANIA INVESTMENT CENTRE**

<b>FILE BEGINS</b>	<b>ENDS</b>	<b>PART</b>
<b>FILE TITLE</b>	<b>FILE NUMBER</b> <b>TICC</b>	
CONFIDENTIAL		
PP-10 042474		

**INDEX HEADINGS**

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**FILE NUMBER**  
**TICC**  
**PP-10/042474**

**PART**



CHINA PAPER

CORPORATION

# MINUTE SHEET

Dokezo  
No.

EXD

*[Signature]* 26.06.13

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 1.1 m
- (b) Legal entity has been incorporated under certificate

No. 51458-02 of 15/02/2013

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

Submitted for signature.

*[Signature]*  
N. Senzia

DIF

25<sup>th</sup> June, 2013

EXD

Approved. *[Signature]* EXD 11/07/13

In response to the TIC letter of registration dated 25<sup>th</sup> June 2013

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from KCB Bank Limited
- (c) Certificate of occupancy as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 04.2474 herein attached.

9/07/2013

*[Signature]*  
DIF

# MINUTE SHEET

Dokezo  
No.

7

# CHINA PAPER CORPORATION CO.LTD

PLOT No. 18 & 19, BLOCK J, KARANGA INDUSTRIAL AREA, KILIMANJARO TANZANIA

18<sup>th</sup> September 2016

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



**RE: APPLICATION FOR EXTENSION OF TIC CERTIFICATE No.042474 AND  
ADDITIONAL OF COMPANY SHAREHOLDER**

The reference is made to the above subject.

**CHINA PAPER CORPORATION CO.LTD**, a locally registered company with Certificate of incentives **No.042474** applying for extension of one year to complete the project as it was planned and to utilize the approved list.

Sir are asking your good office to facilitate this process so as to accomplish the project within one year

Yours Sincerely

  
Wambura Mwita

**PROGRESS REPORT**  
**FOR**  
**CHINA PAPER CORPORATION CO.LTD**  
**PLOT No. 18 & 19, BLOCK J, KARANGA INDUSTRIAL**  
**AREA, KILIMANJARO TANZANIA**  
**JANUARY -SEPTEMBER 2016**

**1 INTRODUCTION**

CHINA PAPER CORPORATION CO.LTD, a locally registered company holding Certificate of Incentives **No. 042474** operating facilities for manufacturing of plywood and allied products seeking to extend the certificate for one year

**2 PROPOSED INVESTMENT STRUCTURE**

The estimated investment cost is **US\$1.1m.**

**3 PROPOSED PROJECT FINANCING**

The shareholders of this company will finance the project using owners' equity of US \$ **0.7m** and US\$ **0.4m** loans as shown below.

<b>Source/Type of financing</b>	<b>US\$</b>
Equity	0.7
Loan	0.4

#### 4 **PLANNED ACTIVITIES**

Plant and Machinery	0.8
Vehicles	0.1
Pre expenses	0.1
Working capital	0.1
<b>TOTAL</b>	<b>1.1</b>

- To lease industrial premises
- To purchase machines and other equipments for the project
- To purchase office furniture and workshop equipment
- To recruits and train **25** local staff

## 5 ACHIEVEMENT MADE ON THE PROJECT IMPLEMENTATION TO DATE:

Land and building	0.1
Plant and Machinery	0.5
Vehicles	0.1
Pre expenses	0.1
Working capital	0.1
<b>TOTAL</b>	<b>0.9</b>

- The company has managed to lease and renovate the building
- **20** local staff been employed
- Machine and other equipments been purchased and installed
- Manufacturing of plywood and allied products have commenced.

## 6 PROJECT FINANCING EXPENDITURE TO DATE

For all period the company has managed to spend US\$ **0.5m** using owners' equity and US\$ **0.4m** from cash generated from businesses.

## 7 **PROBLEM AND SOLUTION**

- Lack of surveyed land for industrial premises and expensive price of purchasing or leasing industrial premises
- Unnecessary bureaucracy in importing parts and machines
- Tsh currency instability
- Inflation
- Limited availability of investment loan
- Unreliability of power
- Water problem
- High tax rate
- Limited availability of qualified workers

## 8 **FUTURE PLAN**

- To expand operations and starting producing for export market
- Aggressive marketing strategy

## 9 **RECOMMENDATIONS**

- I recommend TIC to extend TIC Certificate for one year
- TIC should advise the Government to strengthen Tanzania Investment Bank so that Investor can get long term loan
- TIC should advise TRA to speed up the process of getting approved list and clearing procedure at the port
- Land bank should be in place

(6)

**TICC/PP.10/042474/6**

**03/09/2013**

Commissioner for Customs & Excise,  
Tanzania Revenue Authority,  
P.O. Box 9053,  
**DAR ES SALAAM**

Dear Sir,

**RE: DUTY AND VAT REMISSIONS ON CAPITAL/ DEEMED  
CAPITAL GOODS – CERTIFICATE OF INCENTIVES NO:  
042474**

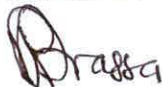
**M/S China Paper Corporation Co. Limited** is a TIC registered company with certificate of incentives **No. 042474** which is valid up to **May 2016**

The company has been registered with objectives of establishing a project for manufacturing of plywood.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty/ VAT remissions approval.

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



P.P. N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**

Tic

6



# China Paper Corporation

Plot number 18 & 19 block JJJ, Karanga Industrial Area, section 'V',  
Moshi Municipality, Tanzania. PO.Box 8665, Moshi, Tanzania.

Mobile: 00255-787-658832

E-mail: gxfyzhou@hotmail.com

Tel: 027 2750417

Fax: 027 2750418

19<sup>th</sup> August, 2013.

COMMISSIONER FOR CUSTOMS AND EXECISE,  
TANZANIA REVENUE AUTHORITY,  
P. O. BOX,  
DAR ES SALAAM.

u.f.s

EXECUTIVE DIRECTOR,  
TANZANIA INVESTMENT CENTRE,  
P. O. BOX 938,  
DAR ES SALAAM.



Received on  
30/8/13

M  
TRAFFIC

Dear Sir,

**RE: DUTY AND VAT EXEMPTION.**

Refer to the above heading:

The management of M/S China Paper Corporation Company Limited with TIC certificate number ~~0402474~~ would like to apply for Duty and VAT exemption of our raw materials of manufacture plywood.

Together with this application, we have attached soft and hard copy of the exemption's list.

It is our hope that your good office will accept our application.

**Thank you in Advance.**

Yours faithfully,

Symphorian Anthony  
HR Manager

RAW MATERIALS FOR PRODUCING PLYWOOD

No.	HS code	NAME	SPECIFICATION	QUANTITY	UNIT PRICE	TOTAL
1	3.507E+09	MUF POWDER ( Melamine modified Urea Formaldehyde Resin Adhesive Powder )三聚氰胺改性脲醛树脂胶粉	C97	540T	US\$700.00	US\$378,000.00
2	4.812E+09	Impregnated paper(浸渍纸)	65g/m <sup>2</sup>	50,000 pcs	US\$0.75	US\$37,500.00
3	4.409E+09	Veneer(面板)	1.25 x 2.5m, thickness 0.3- 0.5mm	100,000 pcs	US\$0.72	US\$72,000.00



00220048

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042474

## This is to certify that

CHINA PAPER CORPORATION CO. LTD

P.O. BOX 8665

of address

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~ enterprise known as

CHINA PAPER CORPORATION CO. LTD

PLOT NO. 18 & 19 BLOCK JJ KARANGA INDUSTRIAL AREA

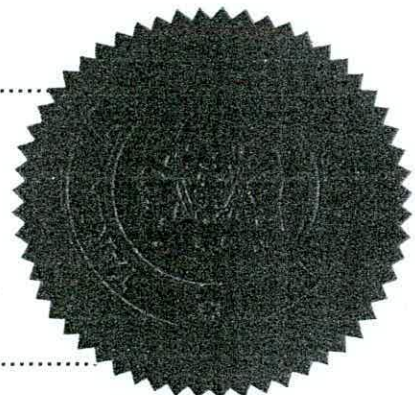
Which is located at

MOSHI URBAN - KILIMANJARO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

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



Dated 28TH JUNE 2013

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders  

	Nationality	Shareholding (%)
<b>Gu Yong Qin</b>	<b>Chinese</b>	<b>25</b>
<b>Huang Feng</b>	<b>Chinese</b>	<b>25</b>
<b>Jiang Bingxing</b>	<b>Chinese</b>	<b>25</b>
<b>Lou Guojian</b>	<b>Chinese</b>	<b>25</b>
2. Proposed Activities : **To establish project for manufacturing of plywood allied products**
3. Sector: **Manufacturing** Subsector **Plywood & Allied Products**
4. Investment cost: Foreign **USD 0.7m.** Local **USD 0.4m.** Total **USD 1.1m.**
5. Project Financing: Equity **USD 0.7m.** Loans **USD 0.4m.** Total **USD 1.1m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	<b>USD 0.7m.</b>	<b>USD 0.4m.</b>	<b>USD 1.1m.</b>
8. Technology Agreement ..... **None**
9. Date of TIC Registration: ..... **25th June 2013**
10. Implementation period ..... **June 2013 - May 2016**
11. Operative date..... **June 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997  
(i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**  
(ii) Applicable with-holding Tax ..... **As per Income Tax act, 2004 (as amended)**  
(iii) Eligibility of Capital Allowances ..... **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives  
(i) Date of Commencement of investment has to be notified to the Centre.  
(ii) Certificate not to be transferred, assigned or amended  
(iii) Failure to commence implementation within two years invalidates Certificate  
(iv) Failure to operate investment must be notified to the Centre  
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate  
**Finished goods are not allowed under this Certificate**

Signed .....  
Executive Director

TICC/PP.10/042474/3

25<sup>th</sup> June, 2013

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

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**



Juliet R. Kairuki

**EXECUTIVE DIRECTOR**

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

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

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



## TIC Evaluation Report

**Name of the Company**  
**China Paper Corporation Co. Ltd.**

Post Box	Karanga Industrial Area, Plot No. 18 & 19 Block Jjj	COI Number	51498-02	Contact	Mr. Huang Feng
Post Office	8665	COI Date	15/02/2005	Designation	Managing Director
Region	Kilimanjaro	Application F. No	11067	Phone	027 27 50 417
Country	Tanzania	Status	New	Direct Phone	027 275041
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Plywood & Allied Products	Fax	0
		File No	042474	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 18 & 19 block JJJ	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Karanga Industrial Area	0	0.7	0	0.4
District	Moshi Urban				
Region	Kilimanjaro				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Gu Yong Qin	Chinese	30	Plant	0.8
Huang Feng	Chinese	70	Vehicles	0.1
			Furniture & Fittings	0
			Pre-expenses	0.1
			Others	0
			Working Capital	0.1
			Total	1.1

Employment	55	Evaluated By	wf officer4
Capacity	xxxxx	Drawn By	wf registry1
Project Turn Over		Project Type	Mixed(Local & Foreign)

### Description

To establish project for manufacturing of plywood and allied products

### Recommendations

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

### Decision

*Approved.*  
 24.06.13 EXD.



# China Paper Corporation

①

Plot number 18 & 19 block JJJ, Karanga Industrial Area, section 'V',  
Moshi Municipality, Tanzania. PO.Box 8665, Moshi, Tanzania.

Mobile: 00255-787-658832

E-mail: gxfyzhou@hotmail.com

Tel: 027 2750417

Fax: 027 2750418

Ref: CPCCL/TIC/ OCT/ 2012/1

22/10/2012

Executive Director

Tanzania Investment Centre

P.O. Box 938

Dar es Salaam



Dear Sir,

**RE: CERTIFICATE OF INCENTIVES- FOR ESTABLISHING A PROJECT FOR  
MANUFACTURING OF HIGH QUALITY PLYWOOD AND ALLIED**

We are applying for the Certificate of incentives for the establishing a project for manufacturing of high quality Plywood and allied Products.

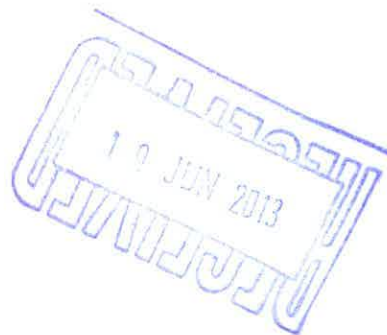
Attached herewith please find the Incorporation Certificate, Memorandum and Articles of Association, Title Deed, Bank letter, feasibility study, Board Resolution etc.

We hope that our request will be approved

**Yours Sincerely**

Huang Feng

**Managing Director**



Certified as a True Copy of the Original

*[Signature]*  
ILDEFONCE LUNLI NDEMELA  
Advocate, Notary Public & Commissioner for Oaths

9/7/2013

TANZANIA

Land Form 21

(3)

Exh. B3.

# CERTIFICATE OF OCCUPANCY

*(Issued under Section 9 of the Land Ordinance)*

Date of Issue:

Title Number: 4909 LAND REGISTRY MOSHI

Land Office Number: 42378.

Land: Plot Nos. 18 and 19, Block 'JJJ' Karanga Industrial Area  
Section V, Moshi Township.

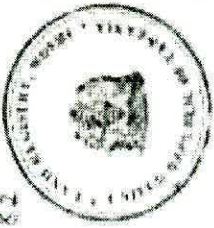
Term: Ninety-nine years.

TITLE No. 4909

REGISTERED 11.10.82

at 1.00 P. M.

*Qualifiers*  
Att. Officer of Title



Unit

Shs. 25

Shs. 10

12.10.1982

*Qualifiers*  
Att. Officer

CERTIFICATE OF COMPANY

*Sh* day of *September*

One thousand nine hundred and eighty-two.

TITLE NO. 4909 LAND REGISTRY, MOSHI

THIS IS TO CERTIFY THAT **MEHEM CRATE MANUFACTURERS LIMITED** a Limited Liability Company having its Registered Office at Moshi P.O. BOX 999, MOSHI (hereinafter called "the Occupier") is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called "the Land") for a term of ninety-nine years from the first day of January One thousand nine hundred and seventy nine according to the true intent and meaning of the Land Ordinance and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution thereof or amendments thereof and to the following special conditions:-

1. The Occupier having paid rent up to the thirtieth day of June, 1979 shall thereafter pay rent of Shillings two thousand four hundred (Shs. 2,400/-) a year in advance on the first day of July in every year of the term without any deduction **PAYABLE** that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years 1989, 1999, 2009, 2019, 2029, 2039, 2049, 2059 and 2069 or within three years thereafter in each case.

2. The Occupier shall:-

- (i) Direct on the land buildings (hereinafter called "the buildings") designed for use in accordance with the conditions of the Right and which conform to the building laws (if any) decided by the Moshi Town Council (hereinafter called "the Authority");
- (ii) By the thirtieth day of June, 1979 submit to the Authority such plans for the buildings (including block plans showing the position of the buildings) and such drawings, elevations and specifications of them as will satisfy the Authority and as are in accordance with the building conditions in sub-paragraph (i) above which said plans and specifications shall be submitted in triplicate;
- (iii) Within six months from the date of notification by the Authority of approval of the plans and specifications referred to in sub-paragraph (ii) above begin buildings on the land in accordance with such plans and specifications;
- (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the thirty first day of December, 1983.

TANGANYIKA STAMP DUTY ACT, 1972  
Under Section 11, I certify that the plans and specifications referred to in sub-paragraph (ii) above have been paid by  
of Shs. 35/- and penalty Shs. 10/-  
DATE: 27.10.82

Stamp Duty Shs. 90/-  
an Original Revenue Receipt No. 184734 of 27.10.82

- (v) At all times during the term after the thirty first day of December, 1981 have on the land existing buildings approved by the Authority and maintain them in good order and repair to the satisfaction of the Director of Land Development Services (hereinafter called "the Director");
- (vi) Not erect or commence to erect to the land any building except in accordance with building plans and specifications which shall have been first approved by the Authority as hereinbefore provided;
- (vii) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupiers' expenses as assessed by the Director of Surveys and Mapping.

Approval of plans of any building by the Authority shall not imply that the construction of such a building will satisfy the Occupiers' obligation under the conditions of the Right and shall not imply waiver or modification of any condition in the Right.

3. (i) The Occupier shall not subdivide the land or assign, sublet or otherwise dispose of or deal with the whole or any part of it or of any building on it without the previous written consent of the Director.

(ii) Occupation or use of the whole or any part of the land or buildings on it by any person other than the Occupier or employees agents or contractors shall be deemed a dealing with the land or buildings.

4. The Director shall have an absolute discretion to give or withhold consent under condition 3. Any dealing or agreement (other than a mortgage or charge) entered into before compliance with condition 2(iv) will not receive consent except in special circumstances of which the Director shall be the sole judge.

5. The Occupier shall further:-

- (i) make and maintain on the land throughout the term adequate arrangements for water supply, drainage and disposal of trade refuse and effluent to the satisfaction of the Authority;
- (ii) make and keep all the buildings on the land ratproof and carryout such measures as the Medical Officer of Health for the Authority may require for this purpose;
- (iii) provide and maintain on the land such ablution facilities and take and maintain such hygienic measures as may be required by the said Medical Officer of Health.

6. The Occupier shall pay to the Minister on demand mine by the Director on his behalf:-

- (1) any further fees or stamp duties which may be discovered to be payable by the occupiers in connection with the Right;
- (11) an amount equal to any contribution in lieu of rates which may be payable by Government for the land during the term of the Right;
- (111) such sum as the Director shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoins, whether such demand is made before, during or after such making or improvement thereof. This condition does not oblige the Government to make improve roads.


7. Only one main building together with the usual and necessary outbuildings shall be erected on the land and the same shall be used for General Industrial purposes, Use Group 'C' Class (a) Use Group 'L' Class (a) Use Group 'G' Class (a) and the Group 'A' Classes (a) and (c) as defined in the Town and Country Planning (Use Classes) Regulations, 1968.

8. The President may revoke the Right for good cause and in public interest.

SCHEDULE 1

All that land known as Plot Nos. 18 and 19, Block 'JII' Karanga Industrial Area Section 7, Roshal Township containing three decimal point seven three six (3,736) hectares shown for identification only marked on the plan attached to this Certificate and defined on registered survey plan numbered 12794 deposited at the Office of the Director of Surveys at Harare-Gwelo.

GIVEN under my hand seal and by Order of the Minister the day and year first above written.



DIRECTOR OF LAND DEVELOPMENT SERVICES.

The within-named MEMBERS CHATE MANUFACTURES LIMITED hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SEALD with the GREEN SEAL of said CHATE MANUFACTURES LIMITED and Delivered in the presence of us this 2nd day of September 1952.

Signature: *[Signature]* A. A. KAPLAN

Postal Address: P. O. Box 999

MOSHI

Qualification: *[Signature]* Director

Signature: *[Signature]* R. W. MINNARD

Postal Address: P. O. Box 999

MOSHI

Qualification: *[Signature]* Director

LAND REGISTRY, MESH  
CHARGE OF OWNERSHIP SEC 71  
ENDORSEMENT  
CANCELLED  
Box 919, Moshi  
4-94  
8/52

LAND REGISTRY, MESH  
CHARGE OF OWNERSHIP SEC 71  
ENDORSEMENT  
CANCELLED  
Box 919, Moshi  
4-94  
8/52  
CANCELLED  
ENDORSEMENT  
Box 919, Moshi  
4-94  
8/52

LAND REGISTRY, MOSHI  
CHANGE OF OWNERSHIP

Filed Document No. 8236

Date of registration 12-4-94 8:00 a.m.  
To KAYS INDUSTRIES LIMITED  
P.O. BOX 999, MOSHI.

*Wachilwa*

Asst. Registrar of Titles

LAND REGISTRY, MOSHI

CAVAT. 3657.710

Doc. No. 2587

Date of registration 24.01.95 8:00 A.M.  
By Cecil JOHN MARUMA, A  
ASSOCIATE of P.O. BOX 853  
MOSHI.

*Wachilwa*

*Wachilwa*

Asst. Registrar of Titles

LAND REGISTRY, MOSHI  
MORTGAGE

Filed Document No. 7035

Date of registration 6-8-2005  
To CO-OPERATIVE MORTGAGE  
DEVELOPMENT BANK OF TANZANIA  
at 1:00 P.M.  
(unspecified district)

*Wachilwa*

*Wachilwa*

Asst. Registrar of Titles

LAND REGISTRY, MOSHI  
CHANGE OF OWNERSHIP S.71

Filed Document No. 1853

Date of registration 8-8-2005  
To CRD BANK LIMITED  
on 8-8-2005  
at 1:00 P.M.

*Wachilwa*

*Wachilwa*

Asst. Registrar of Titles

LAND REGISTRY, MOSHI

TRANSFER Under Power of Sale.

Filed Document No. 18532

Date of registration 8-8-2005 1:00 P.M.  
To CHINA PAPER CORPORATION  
COMPANY LIMITED of P.O. BOX 7777  
AVENUE 9, ZAMBIA  
ZAMBIA. T.S.R. 140,000,000.000

*Wachilwa*

Asst. Registrar of Titles





**KCB  
BANK**

Making the  
Difference

**KCB BANK TANZANIA LIMITED.**

**Moshi Branch**  
TFA Building,  
P.O. Box 577  
Boma Road  
Moshi Kilimanjaro

Tel: +255 27 2753424/28  
Fax: +255 27 2753449  
Email: [kcbmoshi@tz.kcbbankgroup.com](mailto:kcbmoshi@tz.kcbbankgroup.com)  
Website: <http://www.kcbbankgroup.com>  
SWIFT: KCBLTZTZ

09<sup>th</sup> MAY 2013.

EXECUTIVE DIRECTOR,

TANZANIA INVESTMENT CENTRE,

P.O. BOX 938,

DAR ES SALAAM.

Dear Sir,

**RE: CHINA PAPER CORPORATIONS**

Kindly refer to the caption above.

This is to confirm that the above mentioned is our customer maintaining current account number 3300611040 & 3300611032 in US dollar and Tanzanian shillings respectively. Since the time when these accounts were opened to the moment, the operation has been to our satisfaction.

This letter has been issued with the request from the customer without any obligation or loss to the bank or any of its officials.

Kindly accord them necessary assistance.

Yours faithfully;

*[Handwritten signature]*  
for KCB Bank Tanzania Limited  
Branch Manager, Moshi Branch

Branch Manager



# China Paper Corporation

Plot number 18 & 19 block JJJ, Karanga Industrial Area, section `V`,  
Moshi Municipality, Tanzania. PO.Box 8665, Moshi, Tanzania.

Mobile: 00255-787-658832

E-mail: gxfyzhou@hotmail.com

Tel: 027 2750417

Fax: 027 2750418

## BOARD OF DIRECTORS MEETING HELD AT MANAGING DIRECTOR'S OFFICE ON

20TH MAY, 2013 AT 12.00HRS

### BOARD RESOLUTION

#### 1. PRESENT

- Huang Feng

M/Director – Chairman

- Gu Yongqin

Director - Secretary

#### 2. RESOLUTION

The Board of Directors meeting resolved that a project should register with Tanzania Investment Centre (TIC) in:-

(a) Establishing a project for manufacturing of high quality of Plywood and allied Products.

(b) To allocate funds for the proposed Plywood project.

3. The meeting was closed at 13.00 hrs

  
.....

Huang Feng

**Chairman**

  
.....

Gu Yongqin

**Secretary**



# 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](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://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 HUANG FENG  
(director/directors/agent of CHINA PAPER CORPORATION CO. LTD)  
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES  
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 KARANGA INDUSTRIAL AREA - MOSHI

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 KARANGA IND. AREA / MOSHI

4. The Principal Officers of the Company are .....  
1. HUANG FENG  
2. GU YONGQIN

5. Auditors of the Company are .....

6. The authorized share capital of the Company is Tshs./US\$ 100,000,000/- DIVIDED  
INTO 2,000 SHARES OF TSH 500/- EACH.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs./US\$~~ 1,100,000 .....
8. The month and day of the financial year end is 31ST DECEMBER .....

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for ~~Tshs./US\$~~ USD \$ 100 ..... Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

I, HUANG FENG ..... of Post Office Number Box 8665 .....

- DSM ..... do solemnly and sincerely declare that I am a director/duly authorized agent of CHINA PAPER CORPORATION COMPANY 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 06 day of JUNE 2013 }  
 }

19/6  
 Applicant

Before me:



.....  
**Commissioner for Oaths**

### APPLICATION SUMMARY

Company Name: CHINA PAPER CORPORATION COMPANY LTD

Certificate of Incorporation Number: 51498 Status: PRIVATE LIMITED COMPANY

Certificate of Incorporation Date: 15/2/2005

Post Box: 8665

Town: MOSHI

Sector: MANUFACTURING Sub-Sector: PLYWOOD & ALLIED PRODUCTS

**Investment Financing Plan in Million US\$/Tshs.**

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	700,000	-	400,000

Project Objectives: ESTABLISHING AND OPERATING A PROJECT FOR MANUFACTURING OF HIGH QUALITY PLYWOOD AND ALLIED PRODUCTS

Capacity: .....

Employment: Foreign: 5 Local: 50 Total: 55

Implementation Period: 3 YEARS

**Project Location**

Site/Plot/Block No.: PLOT NO. 18 & 19 BLOCK 'JJJ'  
 KARANGA INDUSTRIAL AREA  
 Street: KARANGA INDUSTRIAL AREA District: MOSHI Region: KILIMANJARO  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
1. HUANG FENG	CHINESE	70% 25%
2. GU YONGQIN	CHINESE	30% 25%
		<u>100%</u>
3. JIANG BINGXING	CHINESE	25%
LOU GUOJIAN	CHINESE	25%



(3)

Exh. P3.

+

TANZANIA

# CERTIFICATE OF OCCUPANCY

(Issued under Section 9 of the Land Ordinance)

Certified as a True Copy of the Original  
*Mercy Godlay Jilala*  
MERCY GODLAY JILALA  
Advocate, Notary Public & Commissioner for Oath

*[Signature]*  
22/10/2012

Date of Issue:

Title Number: 4909 LAND REGISTRY - MOSHI

Land Office Number: 42378.

Land: Plot Nos. 18 and 19, Block 'JJJ' Karanga Industrial Area  
Section V, Moshi Township.

Term: Ninety-nine years.



INSET SHOWING DETAILS OF PLOT

LOCALITY KARANGA INDUSTRIAL AREA SECTION V

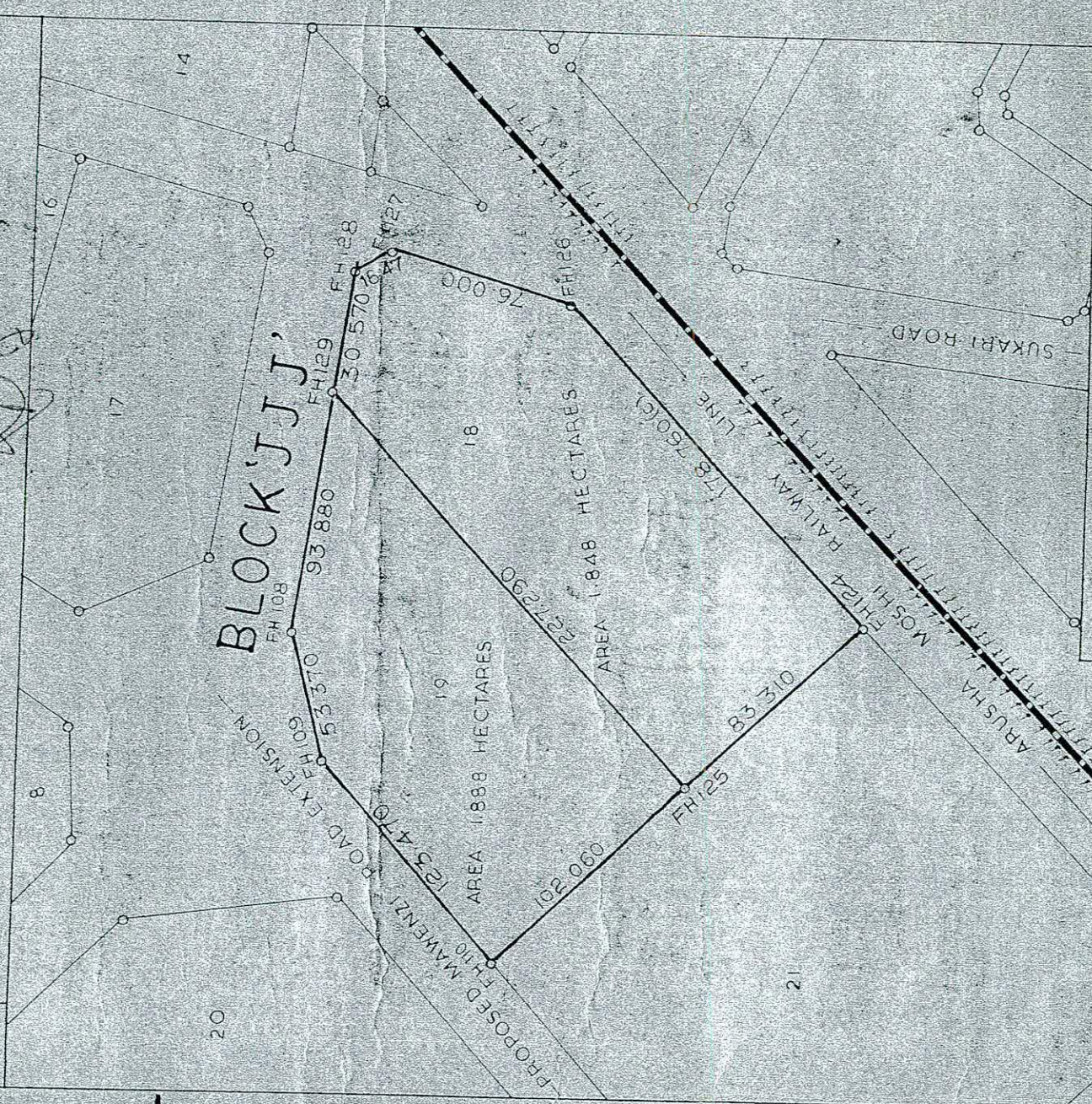
BLOCK 'J J J'

PLOT NO. 18 & 19

L.O.NO. 42378

AREA 3.736 HECTARES

*Handwritten:* 22/10/2012



This plan, prepared in accordance with Registered Plan No. 18794

is approved for the purpose of the Land Registration ordinance

Director of Surveys and Mapping

10/10/2012

The issue of this plan implies no guarantee or acquisition of title by the Government

Ministry of Lands, Housing and urban Development

*Handwritten:* 22/10/2012

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LANDS, HUMAN SETTLEMENT DEVELOPMENT

Telephone No; 2753210

LAND REGISTRY,  
P.O. BOX 190,  
**MOSHI.**

Ref. No. LR/ms/T/4909/33

9<sup>th</sup> SEPTEMBER 2005

**REGISTERED POST**

Sir/Gentlemen/Madam.

RE: TRANSMISSION BY OPERATION OF LAW AND  
TRANSFER UNDER POWER OF SALE C.T. NO:  
4909 PLOT NO. 18 & 19 BLK III KARANJA INDUSTRIAL


I have the honour to refer your letter No. AREA SECTION V MOSHI MON  
dated \_\_\_\_\_ and enclosure thereto.

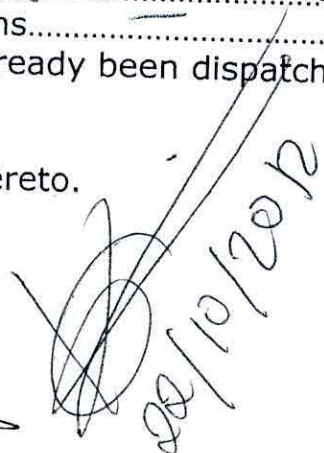
I return herewith Certificate of Titles Nos: 4909  
above mentioned DEED having been registered  
against the Title under F.D. Nos. 18531 & 18532 on 3-8-2005

May official receipt No: \_\_\_\_\_ for Shs. \_\_\_\_\_  
\_\_\_\_\_ is enclosed herewith/has already been dispatched  
to you.

Please acknowledge receipt of the enclosures thereto.

I have the honour to be  
Sir/Gentlemen  
Your Obedient Servant

  
E. J. Muya

  
22/10/2005

ASSISTANT REGISTRAR OF TITLES MOSHI.

**ENCLOSURES:**

- 1) C.T. NO 4909
- 2) COPY OF TRANSMISSION
- 3) COPY OF TRANSFER UNDER POWER OF SALE

TO: M/S CHINA PAPER CORPORATION  
CO. LTD OF  
P.O. BOX 7777  
DAR ES SALAAM

C.C. MUNICIPAL LAND OFFICER  
P.O. BOX 318  
MOSHI.

THE LAND REGISTRATION ORDINANCE CAP. 334

APPLICATION FOR REGISTRATION OF A TRANSMISSION BY OPERATION OF LAW

(Section 71)

CT. NO. 4909

I, **CHARLES S. KIMEI** of Post Office Box Number 268, Dar es Salaam **Managing Director** of the **CRDB BANK LIMITED** a body corporate registered under COMPANIES ORDINANCE (CAP. 212), HEREBY APPLY to have the name of the **CRDB (1996) LIMITED** appearing on the Right of occupancy under the above reference changed to "CRDB Bank Limited", and I solemnly and sincerely **DECLARE** that by virtue of special resolution dated 25 June 1999 which changed the name of CRDB (1996) Limited to CRDB Bank Limited; and provisions of Section 3(1) of Act No. 5 of 1996 which repealed Co-operative and Rural Development Bank Act and caused Incorporation of CRDB (1996) LIMITED; and Act No. 14 of 1984 which amended the Tanzania Rural Development Bank Act No. 7 of 1971.

**AND I**, the said **CHARLES S. KIMEI** make this declaration conscientiously believing the same to be true and in accordance with the provisions of the Oaths Declaration Act, 1966.

**THIS DECLARATION** is made and subscribed by the said CHARLES S. KIMEI )

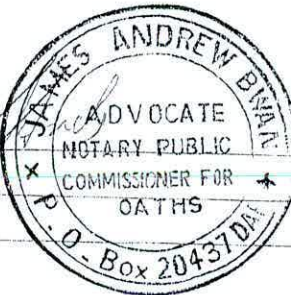
in my presence this 28 day of JUNE, 2005 )

[Signature]  
MANAGING DIRECTOR

Signature: \_\_\_\_\_ }

Postal Address: \_\_\_\_\_ }

Qualification: \_\_\_\_\_ }



[Signature]  
22/10/2012

**THE UNITED REPUBLIC OF TANZANIA**

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

**APPLICATION FOR APPROVAL OF DISPOSITION  
(Under Section 39)**

CT NO.- 4909  
L.O. No- 42378  
PLOT Nos- 18 and 19, BLOCK 'JJJ'  
Karanga Industrial Area  
Section V, Moshi Township

I, **GODWIN P. SANDI AND CECIL J. MARUMA**, acting in our capacities as **Co-Receiver Managers** of **KAPS INDUSTRIES LIMITED**, whose address is in the care of Maruma & Company Advocates, P.O. Box 853, Moshi (hereinafter referred to as "**the Applicant**")

HEREBY APPLY for GRANT OF APPROVAL of a disposition of a right of occupancy registered under the above reference on the \_\_\_\_ day of \_\_\_\_\_

1. Nature of disposition: **Transfer following a sale of property**
2. Particulars of purchaser: **China Paper Corporation Co. Limited, PO. Box 7777, Moshi, Tanzania**
3. I, the Applicant supply the following information and or documentation
  - (i) **3 copies of Deed of Transfer of a Right of Occupancy.**
  - (ii) **3 copies of Contract of a Right of Occupancy.**
  - (iii) **3 copies of Notification of a Disposition of a Right of Occupancy.**

Date: \_\_\_\_\_

Signed:   
Godwin P. Sandi and Cecil J. Maruma

**For Official Use Only**

- (a) Approved/Refused \_\_\_\_\_
- (b) Remarks \_\_\_\_\_

\_\_\_\_\_  
**Commissioner for Lands/Authorised Officer**

Date: \_\_\_\_\_

Served upon me

\_\_\_\_\_  
Signature of Applicant

Date: \_\_\_\_\_



Fees: Tshs \_\_\_\_\_

THE LAND REGISTRATION ORDINANCE (CAP 334)  
CT. NO. 4909

FD. NO. 9036


TRANSFER UNDER POWER OF SALE


In consideration of the sum of T.Shs.140,000,000/= (Tanzania Shillings One Hundred Forty Million Only).

WE, CRDB BANK LIMITED of P.O. Box 268, DAR ES SALAAM, in exercise of the Power of Sale conferred by the mortgage registered as File Document Number 9036 HEREBY TRANSFER TO THE REGISTERED M/S CHINA PAPER CORPORATION CO. LIMITED, of P.O.Box 7777, DAR ES SALAAM, the right of occupancy registered under the above reference and wholly discharge the said mortgage.

SEALED with the COMMON SEAL of the said }  
CRDB BANK LIMITED and DELIVERED in our presence }  
this 28<sup>th</sup> day of June 2005 }

TRANSFEROR


Signature:  }  
Postal Address: P.O. BOX 268 DAR ES SALAAM }  
Qualification: MANAGING DIRECTOR }

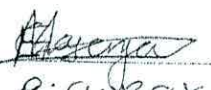
Signature:  }  
Postal Address: P.O. BOX 268 DAR ES SALAAM }  
Qualification: SECRETARY }

SEALED with the COMMON SEAL of the }  
M/S CHINA PAPER CORPORATION CO. LIMITED, }  
and DELIVERED in our presence }

This 29<sup>th</sup> day of June 2005 }

TRANSFeree

Signature:  }  
Postal Address: P.O. BOX 7777, Moshi }  
Qualification: Managing Director }

Signature:  }  
Postal Address: P.O. BOX 7777 MASHI }  
Qualification: Ass. Gen. Manager }

22/10/2012



# KAPS INDUSTRIES LTD.

0844

P.O. Box 999 Moshi, TANZANIA OFFICE Tel.: (255-55) 53129, 50279  
Factory Tel.: (255-55) 52948, 52820, 52767 Fax: (255-55) 54219 Tlx.: 43079 CRATE

MOSHI 18-4-2012

Received from M/s China Paper Corporation Co Ltd  
the sum of Shillings Two hundred twenty million  
Only

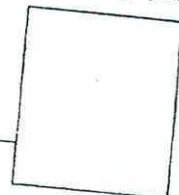
being payment of Purchase factory complex  
PL01 No 18/19/Block 5/ST/section 5 moshi

By Cash/Cheque No. 101793

WITH THANKS

Shs. 220,000,000/-

KAPS INDUSTRIES LTD.  
IN RECEIVERSHIP  
SDCA 18/50/ for KAPS INDUSTRIES LTD.



TANZANIA



Certificate of Incorporation

No 51498

I HEREBY CERTIFY THAT

CHINA PAPER CORPORATION COMPANYLimited

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 15TH day of FEBRUARY

TWO THOUSAND AND FIVE

*[Handwritten signature]*  
Asst. Registrar of Companies

**THE COMPANIES ORDINANCE (CAP. 212)**

\*\*\*\*\*

**COMPANY LIMITED BY SHARES**

\*\*\*\*\*

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**CHINA PAPER CORPORATION COMPANY LIMITED**

Incorporated this ..... day of.....2005

Drawn by:

Huang Feng  
(Subscriber)  
P. O. Box 7777  
MOSHI

THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

I hereby certify that

CHINA PAPER CORPORATION COMPANY 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.....day of.....Two thousand and five.

Seal

Registrar of Companies

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

CHINA PAPER CORPORATION COMPANY LIMITED

The name of the company "CHINA PAPER CORPORATION COMPANY LIMITED

2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
  - (a) To manufacture, design, supply, stock, buy, sell, export, import and deal in all kinds of paper products, in particular, but without limiting the generality of the foregoing, newsprint, toilet papers, boards, materials for news paper, facial tissues, table napkins, kitchen towels, disposable diapers, wax paper and other related sanitary papers products and articles of all and every description.
  - (b) To manufacture envelopes, paper bags, drafts and writing pads, files of all types including folder files for all kinds and sizes.
  - (c) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
  - (d) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.

TANZANIA  
Stamp Duty Sh. 250/-  
PAID ON ORIGINAL  
Receipt No. 28170459 of 14/01/15  
Stamp Duty Offices

TANZANIA  
Stamp Duty Sh. 250/-  
Receipt No. 28170459 of 14/01/15  
Registrar of Companies

- (e) To engage in advertising, marketing, promotion, consultancy, telecommunication equipment and contractual jobs regarding cellular operations, services and surveys, professional publishers, producers of newspapers, bulletions, journals, periodicals, magazines, programmer, advertisements, to be promoters and financiers of publicity and/or publications, newsagents, to offer and or render communication services, transportation facilities, telephones, telex, telefax, audio visual films, to be news collectors, editors, disseminators, television, radio broadcasting, buyers, sellers, importers, distributors, suppliers of all kinds of photographic equipments, story books and or booklets, pictorial albums, to be consultants, promoters, financiers and participants in either industrial commercial projects both nationally and internationally.
- (f) To carry on the business as general traders, importers, exporters, suppliers, merchants, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (g) To carry on the business of transportation, cargo and travel agents, commission agents, customs agents, insurance agents, tourist agents, manufacturers representatives, clearing and forwarding agents, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time determined by the Company.
- (h) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- (i) To carry on the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockists and dealers in all types of clothes, textile materials, tie and dye, boutique, bags, selling second hand clothing, dresses of types and description whatsoever.
- (j) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging

housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.

- (k) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate travelling to organise hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- (l) To carry on the business as insurance agents, commission agents, brokers, importers, exporters, manufacturers, land and estate agents, technical advisors, clearing and forwarding agents, managing agents, general business consultants, garage and lake vessels, boat builders, petrol and service stations owners, motels camps safari lodges, cafes snacks refreshment rooms, licensed victuallers, owners of recreation places and sports and amusements, all businesses and trades incidental or similar thereto or required to be or capable of being carried on in conjunction therewith.
- (m) To carry on the business of real estate agents, property managers, and realty administrators of buildings, services of letting or valuation, builders, contractors for construction works, renovation, decoration and demolition and to purchase otherwise acquire land for houses, offices, workshops and building premises.
- (n) To carry on the business of refiners, storers, producers, suppliers and distributors of petroleum and its products and to explore for, produce, refine, treat, distil, manufacture, smelt, store, hold, transport, experiment with, market, distribute, exchange, purchase, sell and otherwise dispose of, import, export and trade, handle and generally deal in and dispose of any and all kinds of petroleum products, oil, gas, lubricants and other volatile substances, asphalt, ozokerite, sulphur, clays, bituminous substances, carbon, carbon black, hydrocarbon and mineral substances, phosphates, nitrates, coal, ores, minerals and mineral substances of all grades, kinds, forms, nitrates, coal, ores, descriptions and combination and all chemical substances whether found naturally or manufactured or synthesized from petroleum products or otherwise and in general subsoil products and subsurface deposits of every nature and description and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured there from and substances obtained by mixing any of the foregoing with other substances.
- (o) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by

mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.

- (p) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- (q) To carry on the business of customers robe, dress and mantle makers, tailors, silk makers and suppliers of clothing, lingerie and trimmings of every kind, corset makers, furriers, general drapers, haberdashers, milliners, hosiery, glovers, lace makers and dealers, feather dressers and merchants, hatters, boot and shoe makers, dealers in fabrics, ribbons, perfume and flower (artificial and natural) and materials of all kinds.
- (r) To engage in and or otherwise carry on the business of body fitness training club especially gymnasium, health clinics, day care centres and healthcare.
- (s) To carry on the business of hairdressing, haircutting, trimming, styling, setting, hair dying, shampoo treatment, massaging of scalp, beauty treatment, relaxing, facial, manicure, pedicure, waxing, acne treatment and all sorts of beauty soap, creams, lotion, all types of cosmetics, hair lotion, essential oils, dentifrices, bleaching preparations and other substances for laundry use, clearing, polishing, scouring and abrasive preparations.
- (t) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (u) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (v) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.

- (w) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (x) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (y) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (z) 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 in conjunction with others and either or through agents, sub-contractors, trustees and otherwise.
- (aa) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (bb) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (cc) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient..
- (dd) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (ee) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ff) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (gg) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.

- (hh) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (ii) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (jj) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (kk) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (ll) To do all other things as may be deemed incidental or conducive to the attainment of the 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 unincorporated, and whether domiciled in the United Republic of Tanzania or elsewhere.

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

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 100,000,000/= divided into 1,000 shares of Shillings 100,000/= 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
HUANG FENG P. O. BOX 7777 MOSHI	25	黄丰
GU YONGQIN P. O. BOX 7777 MOSHI	25	顾涌勤
JIANG BINGXIANG P. O. BOX 7777 MOSHI	25	蒋炳祥
LOU GUOJIAN P. O. BOX 7777 MOSHI	25	楼国建

Dated at Dson this 14<sup>th</sup> day of FEBRUARY 2005.

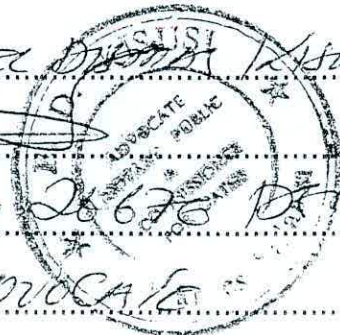
**Witness** to the above signatures

Name : Emmanuel Dson

Signature : [Signature]

Postal Address : P.O. Box 26676 Dson

Qualification : ADVOCATE



THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CHINA PAPER CORPORATION COMPANY LIMITED

PRELIMINARY

TANZANIA

Stamp Duty Shs. 2000/-

PAID ON ORIGINAL

Receipt No. 227087 of M. S. S. S.

Stamp Duty Officer

TANZANIA

Stamp Duty Shs. 2000/-

Paid

Receipt No. 227087 of M. S. S. S.

Stamp Duty Officer

Registrar of Companies

1. In these regulations:-

"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanzania.

When any provision of the Ordinance is referred to, the reference is that provision are as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Ordinance or any statutory modification thereof in the force at the date at which these regulations become binding on the company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies corporate, partnership, firms, cooperatives, societies, etc.

The regulations of Table "A" in the first schedule to the Companies Ordinance (hereinafter called Table "A" shall apply to the company, save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under Table "A" the former shall prevail, and in addition to substitution shall be the regulations of the company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:-

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
- (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as a single member.
- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer.

## TRANSFER OF SHARES

3. The Directors may in their direction and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
  - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.
  - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every personal representatives of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.
  - (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. **GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.**

Articles 39 to 53 Table 'A' shall apply subject the following variations:-

- (a) A General Meeting, Ordinary or Extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the company holding three - fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

## **6. DIRECTORS**

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than seven in number.
  - (b) The following persons shall be the first Directors of the company:-
    - 1. HUANG FENG
    - 2. GU YONGQIN
    - 3. JIANG BINGXIANG
    - 4. LOU GUOJIAN
7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be two.
9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

## **BORROWING POWERS**

The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.

11. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

#### **VOTE OF MEMBERS**

12. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the shares of which he is holder.
13. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the Company have been paid.

#### **DISQUALIFICATION OF DIRECTORS**

14. The office of a Director shall be vacated if the Director;
  - (a) becomes bankrupt; or
  - (b) is found to be a lunatic or becomes of unsound mind; or
  - (c) resigns his office by notice in writing to the Company;
  - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other Directors.

#### **S E A L**

15. The Directors shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two Directors or a Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### **ALTERNATE DIRECTORS**

16. Any director shall have power to nominate any person to act or attend as alternate Director during his absence or during his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to the other Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.

17. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

#### **SECRETARY**

18. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

#### **WINDING UP**

19. With the sanction of a special resolution of the shareholders any part of the assets of the Company including any shares in other Companies may be divided between the members of the Company in special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

#### **ALTERNATION OR ADDITION**

20. Subject to the provisions of the Ordinance and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special Resolution.





#### **INDEMNITY**

21. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application (under Section 345 of the Ordinance) in which relief is granted to him by the Court.

#### **ARBITRATION**

22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relation existing between the parties by reasons of these Articles or the Ordinance, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure

to agree within (Cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
HUANG FENG P. O. BOX 7777 MOSHI	25	
GU YONGQIN P. O. BOX 7777 MOSHI	25	
JIANG BINGXIANG P. O. BOX 7777 MOSHI	25	
LOU GUOJIAN P. O. BOX 7777 MOSHI	25	

Dated at Dsm this 14th day of FEBRUARY, 2005.

**Witness** to the above signatures

Name : Emmanuel Kirus

Signature : 

Postal Address : P.O. Box 2678 Dsm

Qualification : Adv. C.A.C.



**BUSINESS PLAN FOR THE  
IMPLEMENTATION PROGRAMME**

**OF**

**M/S CHINA PAPER CORPORATION COMPANY  
LIMITED**

**IN**

**ESTABLISHING AND OPERATING A PROJECT FOR  
MANUFACTURING OF HIGH QUALITY PLYWOOD AND  
RELATED PRODUCTS.**

**PREPARED BY  
M/S CHINA PAPER CORPORATION COMPANY LIMITED  
P. O. BOX 8665  
MOSHI/ KILIMANJARO  
TEL: +255 027 2750417/ FAX: +255 27 275041  
E-mail: gxfyzhou@hotmail.com**

**M/S CHINA PAPER CORPORATION COMPANY LIMITED**  
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**M/S CHINA PAPER CORPORATION COMPANY  
LIMITED**  
**ESTABLISHING AND OPERATING A PROJECT FOR  
MANUFACTURING OF HIGH QUALITY PLYWOOD  
AND RELATED PRODUCTS**

**1. INVESTMENT PLAN**

The investment plan has been prepared by **M/S CHINA PAPER CORPORATION COMPANY LIMITED** for the company's implementation programme in extensive manufacturing of high quality plywood and other related products.

The investment plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the establishment of the intended Plywood project and also assess its economic viability and commercial viability in order to allocate funds for the Proposed programme especially in acquiring New and Modern Plant/ machinery, equipment, generators, forklifts, compressors, chillers, central cooling systems, utility vehicles etc.

The certificate of incentives will enable the project to enjoy Tax exemption on **CAPITAL/ DEEMED CAPITAL GOODS and ONE STOP FACILITATION** like processing of resident and working permits, Business license, protection of investment, arbitration and transfer of foreign currency etc

## 2. COMPANY'S BACKGROUND

**M/S CHINA PAPER CORPORATION COMPANY LIMITED** is a private owned foreign company registered/ incorporated in Tanzania by Registrar of Companies under company's ordinance Cap 212, on **15<sup>th</sup> day of February, 2005** with Certificate of Incorporation No: **51498**

The company was incorporated with a prime objective of manufacturing of high quality plywood and related products. Plywood is a manufactured wood panel made from thin sheets of wood veneer. It is one of the most widely used wood products. It is flexible, inexpensive, workable, and re-usable, and usually can be manufactured locally. Plywood is used instead of plain wood because of plywood's resistance to cracking, shrinkage, splitting and twisting/ warping, and because of its generally high strength.

The company determines to increase **production** capacity of plywood and allied products and at the same time improves the **quality** of plywood and allied products.

The main purpose of the proposed plywood and allied products project is to increase the production capacity to correspond with the growing demand especially to the construction and industrial market. The quality of company's plywood and allied products will guarantee customer satisfaction in this implementation programme.

There is an extensive market to absorb all the plywood and allied products produced. It is on the basis of the above reasons the management resolved to establish/

setting up facilities like Plant & machinery in production of plywood and allied products. The plywood and allied products are typically used for construction and industrial purposes.

In the implementation programme, the proposed plywood and allied products manufacturing project will import and install modern and sophisticated plant and machinery and use of new Chinese technology.

Hence the implementation programme of three years in establishing and operating a project for manufacturing high quality plywood and allied products is estimated **USD 1,100,000**. The estimated capital investment cost of **USD 1,100,000** will be on new and modern plant, machinery, equipment, generators, compressors, chillers, cooling systems, utility vehicles, forklifts and other expenses.

### 3. MARKET POTENTIAL

There is a very big market potential for the plywood and allied products. Therefore there is high demand of the plywood and allied products. In this proposed implementation programme the plywood and allied products market is growing day by day as they are typically used for in the construction and industrial purposes.

The plywood layers are called veneers are glued together, with adjacent plies having their wood grain at right angles to each other, to form a composite material. The plywood and allied products are used for construction and industrial purposes;

**Softwood Plywood applications:** Floor, walls and roofs in house constructions, wind bracing panels, vehicle internal body work, packages and boxes, fencing, concrete shuttering panels, ready-to-paint surface for constructions,

**Birch Plywood applications:** Panels in concrete form work systems, floors, walls and roofs transport vehicles, containers floors, floors subjected to heavy wear in various buildings and factories, scaffolding materials, structural materials in special applications e.g; wind turbine blades, insulation boxes for liquefied Natural Gas(LNG) carriers. Smooth surface and accurate thickness combined with durability of materials – high-end loud speakers, die-cutting boards, supporting structure for parquet, playground equipment, furniture, signs and fences for demanding outdoor advertising, musical instruments, sports equipment etc.

The recent market survey undertaken by the company has realized that there is high demand for plywood and allied products

High quality and goodwill are the factors which make the project to dominate the market. There are few manufacturers and importers who can compete with the company's plywood and allied products.

The company also expects to increase **export** of the plywood and allied products to the neighboring countries especially in this establishment programme.

#### 4. THE COMPANY'S OBJECTIVES

**M/S CHINA PAPER CORPORATION COMPANY LIMITED** is a project for establishing and operating a project for manufacturing of high quality plywood and allied products.

The mission of project in the implementation programme is basically aimed at production and marketing of the high quality plywood and allied products for local and export market in order to achieve the following objectives.

- ❖ To foster the growth of high quality plywood and allied products industry in Tanzania.
- ❖ To reduce dependence on external sources for importation of plywood and allied products.
- ❖ To promote local markets (construction/ real estate development & industries) for plywood and allied products.
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- ❖ Skill development (human resources development) through on job training and use of modern machinery and new technology application.

- ❖ Income generation, alleviation of poverty and improve their social welfare to the employees.
- ❖ The Company contributes to the government revenue through taxes and other levies.
- ❖ Etc

## 5. PLAN/PROSPECTS

- ❖ High production performance
- ❖ To increasing export market in neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- ❖ To purchase/import new plant/machinery with introduction of new technology (Chinese Technology).
- ❖ To increase the volume of production capacity.

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## 6. SHAREHOLDERS (PROMOTERS)

The following are the shareholders/ promoters of **M/S CHINA PAPER CORPORATION COMPANY LIMITED** and their shareholder's position are:-

<b>No</b>	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>Nationality</b>	<b>% shareholding structure</b>
1.	Huang Feng	1400	Chinese	70%
2.	Gu Yongqin	600	Chinese	30%
	<b>TOTAL</b>	<b>2,000</b>		100%

Therefore, the authorized capital of the company is Tshs. 100,000,000/= divided into 2,000 ordinary shares of Tshs. 500/= each. The Company shall have power 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.

## **7. LOCATION**

The company's business premises are located at Plot No. 18 and 19, Block "JJJ" Karanga Industrial Area in Moshi, Kilimanjaro Region. Postal Address P. O. Box 8665 Moshi/Kilimanjaro. Tel: +255 27 2750417, +255 27 275041 and E-mail: gxfyzhou@hotmail.com

## **8. COMPANY'S IMPLEMENTATION SCHEDULE**

### **8.1 JUNE - 2013**

- ❖ Preparing feasibility study for the manufacturing of High quality Plywood and Allied Products.
- ❖ Registration of the proposed project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- ❖ Getting Certificate of Incentives

### **8.2 JULY - 2013**

- ❖ Application for Tax exemption on CAPITAL/DEEMED CAPITAL GOODS after being awarded certificate of incentives in the Implementation Programme.
- ❖ Ordering/Importing Plywood making Plant/machinery, equipment, tools, generators, utility vehicles etc.
- ❖ Clearing the CAPITAL/ DEEMED CAPITAL GOODS from customs control (at the Port and Airport).

### **8.3 DECEMBER - 2012**

- ❖ Installing the plywood and allied products Plant /machinery.
- ❖ Recruiting new staffs and training them on new technology skills (new machinery).

- ❖ Fully commencement of production in establishment programme

## 9. CAPITAL INVESTMENT COST

Land/Building	USD \$	-
Plant/Machinery	USD \$	800,000
Vehicles	USD \$	100,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	100,000
<b>TOTAL CAPITAL</b>	<b>USD \$</b>	<b><u>1,100,000</u></b>

### - INVESTMENT BREAK DOWN

#### - Land/ Building – NIL/Using the Existing Factory

- **Plant/ Machinery – USD \$ 800,000.** To be Used for importing Machinery and other facilities for manufacturing of high quality Plywood and allied Products, tools, equipment, cutting/ gluing/ pressing machines, clamps, compressors, air conditioning plant, chilling unit, generators, firefighting equipment, forklifts, computers, transformer etc

- **Vehicles – USD \$ 100,000.** To be used for buying utility vehicles for project facilitation work. 5 units Pick up (single cabin), 2 units Hard Top, 5 units light trucks, 3 units trucks.

- **Pre expenses – USD \$ 100,000.** To be used as expenses in setting up the project,

- **Working Capital – USD \$ 100,000.** To be used for initial salaries, transportation, advertisement, raw materials etc

The proposed implementation programme in extensive production of high quality plywood and allied products is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

The implementation programme will soon commence after the Company is registered by Tanzania Investment Centre and being issued the Certificate of incentives.

Thereafter the Company will order and import the Plywood making machinery, will enjoy tax exemption on CAPITAL/ DEEMED CAPITAL GOODS which are Cutting/ gluing/ pressing/ machinery, clamps, generators, forklifts, computers, compressors, utility vehicles, central cooling systems, chillers, transformer etc.

These are CAPITAL/ DEEMED CAPITAL GOODS for the project. The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of resident and working permits, Business license, protection of investment, arbitration and transfer of foreign currency etc

## 10. FINANCIAL PLAN (SOURCE OF FUNDS)

**M/S CHINA PAPER CORPORATION COMPANY LIMITED** has firmed up finances for the projects establishment programme by its own foreign fund and foreign loan:-

Own fund (equity)	USD \$ 700,000
Foreign loan	<u>USD \$ 400,000</u>
<b>TOTAL</b>	<b><u>USD \$ 1,100,000</u></b>

## 11. PLYWOOD & ALLIED PRODUCTS MAKING PROCESSES

- i. Cutting/ Gluing/ Pressing by sophisticated and heavy duty industrial machines,
- ii. Application of Gluing materials – Gluing together a number of thin veneers or plies of softwood or hardwood.

## 12. LIST OF MACHINERY & EQUIPMENT

- PLYWOOD MAKING MACHINERY & ACCESSORIES,
- Heavy Duty Cutting Machines,
- Gluing Machines,
- Pressing Machines,
- Compressors,
- Generators,
- Forklifts,
- Transformer
- etc

### 13. PLANT LAYOUT

**WOOD PANEL**

|

**PRODUCTION**

|

**GLUING – PRESSING**

|

**FINISHED PRODUCT**

|

**TESTING/ QUALITY CONTROL**

### 14. SUBMISSION

**M/S CHINA PAPER CORPORATION COMPANY LIMITED** wishes to submit its investment plan and application to the Tanzania Investment Centre (TIC) its proposal for registration and award of certificate of incentives in the implementation programme.

Thereafter the Company will order and import the plywood and allied products making machinery. The intended project will enjoy tax exemption on CAPITAL/ DEEMED GOODS which are plant/ machinery, generators, forklifts, computers, compressors, utility vehicles, central cooling systems, chillers, transformer etc.

These are CAPITAL/ DEEMED CAPITAL GOODS for the project. The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of resident and working permits, Business license, protection of investment, arbitration and transfer of foreign currency etc

## **15. ECONOMIC GROWTH**

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania like the proposed plywood and allied products project. The economic growth has influenced shareholders of the Company to establish a project for production of Plywood which before was not produced in the Country, people/ industries used to import. The demand of plywood and allied products is high due to size of the market- construction/ real estate development and industries.

## **16. COMPETITION/MARKET**

Despite there being a few number of manufacturers and importers of manufacturing of high quality plywood and allied products in Tanzania still the supply is not enough compared to the level of demand.

However, the proposed plywood and allied products project expects to dominate the local and export market because the project ensures to manufacture high quality plywood and allied products.

## **17. ADVERTISEMENT**

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

## **18. BUSINESS STRATEGY**

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ❖ Technology/product quality,
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced personnel,
- ❖ On job training,
- ❖ Business Discipline.

## **19. ENVIRONMENTAL ISSUE**

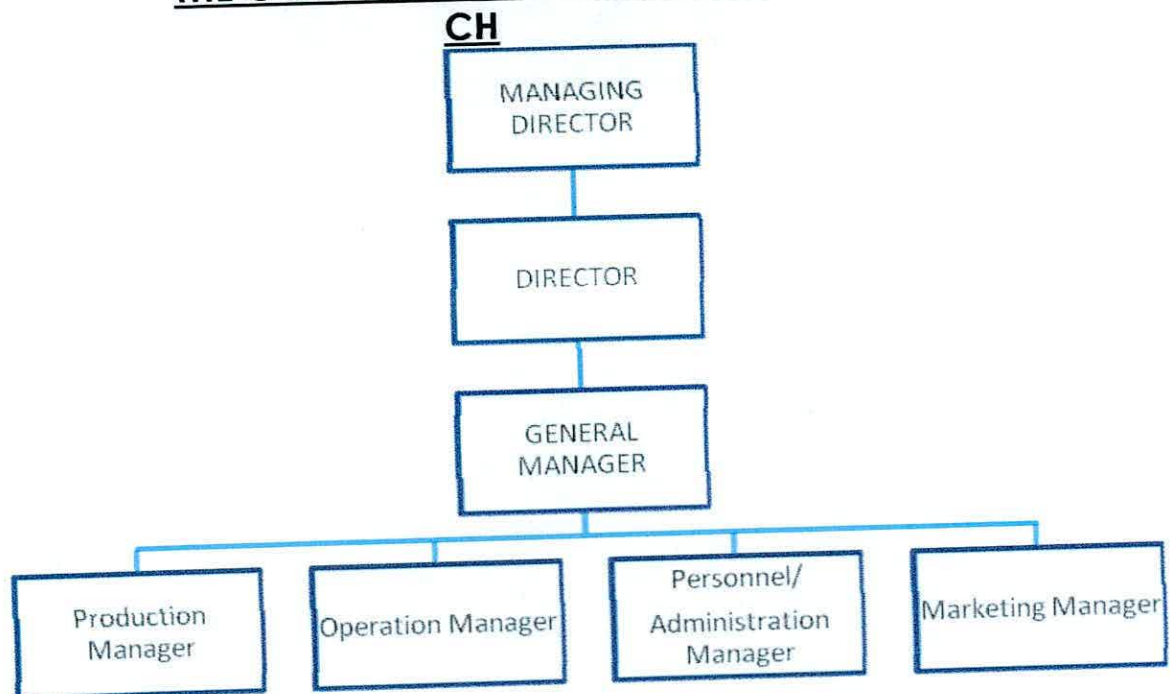
The plywood and allied products project is environmental friendly, (the cutting, gluing & pressing) process of manufacturing them is safe and does not have any harm to human health.

## **20. PROJECT MANAGEMENT**

The overall management of the company is vested in the Board of Directors. Mr. Huang Feng is the Managing Director of the Company; he is well versed in Manufacturing of plywood and allied products. The other Director is Mr. Gu Yongqin.

The directors are supported by a team of professionals well versed in Manufacturing of high quality plywood and allied products – Managers like General Manager, operations Manager, Production Manager, personnel Manager, Plant Operators, Shift Supervisors. The Operations Manager manages the Company under the policy guidance of Board of Directors.

### THE COMPANY'S ORGANIZATION



## **21. MANPOWER AND TRANSFER OF TECHNOLOGY**

This project being a manufacturing of high quality plywood and allied products in its implementation programme will usher in the country a Chinese technology (Transfer of knowledge/technology). The advantages to the country are quite significant, and will

get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on importation of plywood and allied products etc. Hence Tanzanian will be able to purchase high quality plywood and allied products at a reasonable price.

The implementation programme will cause more people to be employed about 50 local people and 5 foreign expatriates (Chinese), improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on job training and in a long run will improve the technical competence of the production.

## **22. CONCLUSION AND RECOMMENDATION**

The financial evaluation of the proposed plywood and allied products project done so far indicates that this programme will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the proposed implementation programme so as to commence implementation of the proposed project, import the CAPITAL/DEEMED CAPITAL GOODS and increase its production capacity.

The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of resident / working permits, Business license, protection of investment, arbitration and transfer of foreign currency etc

## **23. FINANCIAL AND ECONOMIC ANALYSIS**

### **23.1 Projected Profit and Loss Account**

The company envisages generating a profit of USD \$ 155,000 this operating year. The profit amount is expected to steadily rise to USD \$ 185,000 in year two, USD \$ 195,000 in year three and USD \$ 200,000 in year four.

### **23.2 Projected cash flows**

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

## **24. SENSITIVITY ANALYSIS**

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S CHINA PAPER CORPORATION COMPANY LIMITED**

24.1 Effect of cost increase on profitability (on the basis of year II PLYWOOD AND ALLIED PRODUCTS INCOME in "....." USD \$)

Income	Costs	Increase	Profit before depreciation
450,000	265,000	%	185,000
450,000	278,250	5%	171,750
450,000	291,500	10%	158,500

24.2 Effect of PLYWOOD AND ALLIED PRODUCTS income decrease/drop on profitability (on the basis of year II costs in "....." USD \$)

Income	Income Decrease	Cost	Profit before depreciation
450,000	%	265,000	185,000
427,500	5%	265,000	162,500
405,000	10%	265,000	140,000

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

## 25. LIST OF CAPITAL GOODS

- PLYWOOD MAKING MACHINERY & ACCESSORIES,
- Heavy Duty Cutting Machines,
- Gluing Machines,
- Pressing Machines,
- Compressors,
- Generators,
- Forklifts,
- Transformer
- etc

Appendix I

M/S CHINA PAPER CORPORATION COMPANY LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years			
	I	II	III	IV
Sales Income	400.0	450.0	480.0	500.0
<b>Total Income</b>	<b>400.0</b>	<b>450.0</b>	<b>480.0</b>	<b>500.0</b>
Administrative expenses	40.0	50.0	60.0	70.0
Salaries and wages	25.0	25.0	30.0	30.0
Transportation/fuel	10.0	15.0	20.0	20.0
Other expenses	20.0	25.0	25.0	30.0
Utilities	150.0	150.0	150.0	150.0
<b>Total Expenditure</b>	<b>245.0</b>	<b>265.0</b>	<b>285.0</b>	<b>300.0</b>
Net Profit (pre tax and depreciation)	155.0	185.0	195.0	200.0

Appendix II

M/S CHINA PAPER CORPORATION COMPANY LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
<b>Cash inflow</b>						
Income from operation	155.0	185.0	195.0	200.0	210.0	945.0
	<b>155.0</b>	<b>185.0</b>	<b>195.0</b>	<b>200.0</b>	<b>210.0</b>	<b>945.0</b>
<b>Cash outflow</b>						
Interest payments	40.0	32.0	24.0	16.0	8.0	120.0
Loan re-payment	80.0	80.0	80.0	80.0	80.0	400.0
	<b>120.0</b>	<b>112.0</b>	<b>104.0</b>	<b>96.0</b>	<b>88.0</b>	<b>520.0</b>
<b>Surplus cash generated</b>	<b>35.0</b>	<b>73.0</b>	<b>91.0</b>	<b>104.0</b>	<b>122.0</b>	<b>425.0</b>

**Appendix III**

**M/S CHINA PAPER CORPORATION COMPANY LIMITED**

**PROJECTED LONG TERM LOAN REPAYMENT**

**(Fig. in USD \$ '000')**

Year	Repayment			Amount
	Principal	Interest	Total	
<b>O</b>				400.0
<b>I</b>	80.0	40.0	120.0	320.0
<b>II</b>	80.0	32.0	112.0	240.0
<b>III</b>	80.0	24.0	104.0	160.0
<b>IV</b>	80.0	16.0	96.0	80.0
<b>V</b>	80.0	8.0	88.0	0

Appendix 1V

M/S CHINA PAPER CORPORATION COMPANY LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	<b>Source of funds</b>					
1.	Shareholders funds	200.0	200.0	200.0	200.0	200.0
2.	Long term Loan	120.0	112.0	104.0	96.0	88.0
3.	Associated Cos/ Directors	150.0	150.0	150.0	150.0	150.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		<b>670.0</b>	<b>712.0</b>	<b>754.0</b>	<b>796.0</b>	<b>838.0</b>
	<b>Application of funds</b>					
1.	Fixed Assets	200.0	200.0	200.0	200.0	200.0
2.	Current Assets	470.0	512.0	554.0	596.0	638.0
		<b>670.0</b>	<b>712.0</b>	<b>754.0</b>	<b>796.0</b>	<b>838.0</b>